

#385341
12-19-95

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

(Space above line for Recorder's use)

TOWNHOUSE DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR THE TOWNHOMES AT TRAIL CREEK HOLLOW

ARTICLE I

DECLARANT AND RECITALS

1.1 PIONEER INVESTMENT PARTNERS, a General Partnership (hereinafter referred to as "Declarant") is the owner of that certain real property located in the City of Ketchum, Blaine County, Idaho, at the Trail Creek Hollow Subdivision (hereinafter the "Real Property"), the legal description of which Real Property is attached hereto as Exhibit A and incorporated herein by this reference.

1.2 By means of this Declaration and recordation of the Plat of the Townhomes at Trail Creek Hollow, Declarant intends to establish a Townhouse Development on the Real Property, save and except for Lot 4, as provided in the applicable sections of Ketchum Ordinance No. 316, and provide for ownership of the individual Townhouse Sub-Lots and common ownership and maintenance of the Common Area included in the Townhouse Development by the Trail Creek Hollow Townhomes Association. The property subject to this Declaration is that certain Real Property designated as Lots 1A and 2B of the Trail Creek Hollow Subdivision of the official plat thereof, together with all plat notes, conditions and restrictions, as recorded at the office of the Blaine County Recorder.

1.3 The Townhomes at Trail Creek Hollow shall consist of eight (8) residential Townhouse Units constructed on individual Townhouse Sub-Lots. The eight (8) Units are located within four duplex buildings.

1.4 It is specifically intended and agreed that none of these covenants and restrictions shall apply to Lot 4, as shown on the plat of the Trail Creek Hollow Subdivision. Lot 4 is presently part of the City of Ketchum, Idaho's "Tourist Zone" and shall be developed in conformity with the city's present and/or future zoning ordinances, including variances therefrom and amendments thereto.

ARTICLE 2

DEFINITIONS

Whenever used in this Declaration, the following terms shall have the following meanings unless the context requires otherwise:

2.1 "Development" or "Project" means the Townhomes at Trail Creek Hollow Development, including all Townhouse Sub-Lots and all Common Area within the Townhouse Development.

2.2 "Townhouse Sub-Lot" or "Sub-Lot" means one of the Sub-Lots within the Development as shown and depicted on the Plat of the Development.

2.3 "Building" means one of the buildings constructed on the Real Property.

2.4 "Townhouse Unit" or "Unit" means an individual residential unit, including garage, constructed upon one of the Sub-Lots.

2.5 "Common Area" means the entire Project except for the Sub-Lots. The Common Area is defined and depicted upon the Plat of the Townhomes at Trail Creek Hollow.

2.6 "Owner" means any person or entity, including Declarant, at any time owning a Townhouse Sub-Lot. The term "Owner" shall not refer to any mortgagee, as herein defined, unless such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

2.7 "Mortgage" means any mortgage, deed of trust, or other security instrument by which a Townhouse Sub-Lot, or any part thereof, is encumbered.

2.8 "Mortgagee" means any person, or any successor to the interest of such person, name as the mortgagee, deed of trust beneficiary, or creditor under any mortgage, as defined herein.

2.9 "Association" means the Trail Creek Hollow Townhomes Association, an unincorporated management body, its successors and assigns, organized as provided herein.

2.10 "Plat" means the Plat of the Townhomes at Trail Creek Hollow Townhouses recorded in the office the County Recorder of Blaine County, Idaho, and consisting of a full plat of the Development, including Townhouse Sub-Lots, individual Units, and Common Area.

ARTICLE 3

STATEMENT OF INTENTION AND PURPOSE

Declarant hereby declares that the Project, and every part thereof, is held and shall be held, conveyed, devised, leased, rented, encumbered, used, occupied, improved and otherwise affected in any manner subject to the provisions of this Declaration, each and all of which provisions are hereby declared to be in furtherance of the general plans and scheme of townhouse ownership referred to in Article 1 and are further declared to be for the benefit of the Project and every part thereof and for the benefit of each Owner. All provisions hereby shall be deemed to run with the Real Property as covenants running with the land or as equitable servitude as the case may be, and shall constitute benefits and burdens to the Declarant and his assigns and to all persons hereafter acquiring or owning any interest in the Project, however such interest may be obtained.

ARTICLE 4

NATURE AND INCIDENTS OF TOWNHOUSE OWNERSHIP

4.1 The Development is hereby divided into Townhouse Sub-Lots and Common Area. Each Owner of a Townhouse Sub-Lot shall have exclusive fee ownership of his or her Sub-Lot and an undivided interest in common in the Common Area in accordance with the percentage ownership interests set forth in Exhibit B, which Exhibit B is attached hereto and incorporated herein by this reference. Said percentages of ownership interests in the Common Area allocated to each Townhouse Sub-Lot shall be utilized for purposes of tax assessment under Section 55-1514 of the Idaho Code and for purposes of liability as provided by Section 55-1515 of said Idaho Code.

4.2 Title to a Townhouse Sub-Lot may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Idaho.

4.3 No part of a Townhouse ownership interest or the legal rights comprising ownership of a Townhouse Sub-Lot may be separated from any other part thereof during the period of Townhouse ownership prescribed herein, so that each Townhouse Sub-Lot and the undivided interest in the Common Area appurtenant to such Townhouse Sub-Lot shall always be conveyed; devised, encumbered, and otherwise affected only as a complete Townhouse ownership interest.

4.4 The Common Area shall be owned in common by all Owners of Sub-Lots, and no owner may bring an action for partition thereof.

4.5 Subject to the limitations contained in this Declaration, each Owner shall have the non-exclusive right to use and enjoy the Common Area.

4.6 The Association shall have a non-exclusive easement to make such use of the Common Area as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain in the Common Area maintenance and storage facilities for use by the Association.

4.7 Declarant and persons it shall select shall have the right to ingress and egress over, upon and across the Common Area, the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to complete development of the Project.

ARTICLE 5

GENERAL RESTRICTIONS

All real property within the Trail Creek Hollow Subdivision, with the exception of Lot 4, shall be held used and enjoyed subject to the following limitations and restrictions.

5.1 A scenic easement, twenty-five (25) feet in width is hereby created along the East bank of Trail Creek within the limits of Trail Creek Hollow Subdivision. The property and vegetation within said easement shall remain undisturbed and no structures, improvements or landscaping shall be permitted therein.

5.2 Those parts of Andora Lane and Creek Trail Road which are located within Trail Creek Hollow Subdivision, as shown on the official plat thereof, shall be deeded to the Association by the Declarant. Upon transfer of the property to the Association, said Association shall assume all responsibility for maintenance, landscape, and any Improvements thereto, provided however, Lot 4 shall have the right to direct access onto Andora Lane. An Easement and Joint Maintenance agreement has been entered into with respect to Andora Lane and Creek Trail Road and is filed of record in the office of the Blaine County Recorder as Instrument number 331628, and all terms thereof are incorporated herein as though set forth fully.

ARTICLE 6

THE ASSOCIATION

6.1 A copy of the Bylaws of the Association are attached hereto as Exhibit C. Every Owner shall be entitled and required to be a member of the Association. If title to a Townhouse Sub-Lot is held by more than one person, the membership related to that Townhouse Sub-Lot shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the Townhouse Sub-Lot is held. An Owner shall be entitled to one membership for each Townhouse Sub-Lot owned by him or her. No person or entity other than an Owner may be a member of the Association, and the Bylaws of the Association state that the memberships in the Association may not be transferred except in connection with the transfer of a Townhouse Sub-Lot.

6.2 Each Owner of a Townhouse Sub-Lot shall be entitled to one vote on all matters submitted to, or considered by, the general membership of the Association.

6.3 Except as otherwise expressly stated herein, any of the rights, interests and obligations of the Association set forth herein or reserved herein may be transferred or assigned to any other person or entity; provided, however, that no such transfer or assignment shall relieve the Association of any of the obligations set forth herein. Any such transfer or assignment shall not revoke or change any of the rights or obligations of any Owners as set forth herein.

ARTICLE 7

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

7.1 The Trail Creek Hollow Townhomes Association, a non-profit unincorporated Association, is hereby designated to be the "Management Body" of the Development, as provided in Sections 55-1503 and 55-1506 of the Idaho Code and shall administer the Project in accordance with the applicable provisions of the Idaho Code, this Declaration, and the Bylaws of the Association.

7.2 The Association shall be responsible for the exclusive management, control, and maintenance of the Common Area and all improvements and landscaping thereon. The Association shall also be responsible for maintenance of that Common Area adjacent to the Development on Creek Trail Road and the Landscape Easement within Lot 4, adjacent to the east of Creek Trail Road, as shown on the plat of the Trail Creek Hollow Subdivision. The Association shall be responsible for the maintenance and repair of exterior surfaces of buildings and improvements located on the project, including without limitation, the painting of the same

as often as necessary, and replacement of trim and caulking, the maintenance and repair of roofs, the maintenance and repair of other Common Area, including utility lines, areas for access to any automobile parking structures constituting part of the Townhouse Units, and all other improvements or materials located within or used in connection with the Common Area. The Association shall maintain in a proper, first class manner, all landscaping and natural vegetation constituting part of the Common Area, including assuring the preservation of good visual continuity between landscaped areas and natural vegetation. The specification of duties of the Association with respect to particular Common Area shall not be construed to limit its duties with respect to other Common Area, as set forth in the first sentence of this Section. The cost of such management, maintenance and repair by the Association shall be borne as provided in Article 9.

The Association shall have the right to grant easements for utility purposes over, upon, across, under or through any portion of the Common Area, and each Owner hereby irrevocably appoints the Association as attorney-in-fact for such purpose.

7.3 The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Association may arrange with others to furnish electrical, water, sewer, trash collection services, and other common services to each unit.

7.4 The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Area. Such interest shall not be transferable except with the transfer of a Townhouse Sub-Lot. A transfer of a Townhouse Sub-Lot shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Townhouse Sub-Lot under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Townhouse Sub-Lot.

7.5 The Association may make reasonable rules and regulations governing the use of the Units and of the Common Area, which rules and regulations shall be consistent with the rights and duties established in this Declaration. Such rules and regulations may include, without limitation, assignment of particular portions of storage areas within the Common Area for exclusive use by Owners of particular Townhouse Sub-Lots. The Association may suspend any Owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations or with any other obligations of such Owner under this Declaration. The Association may also take judicial action against any Owner to enforce compliance with such rules, regulations or other obligations or to obtain damages for non-compliance, all to the extent permitted by law.

7.6 The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE 8

ASSESSMENTS

8.1 Declarant, for each Unit owned by it within the Project, and for and as the Owner of the Project and every part thereof, hereby covenants, and each Owner of any Townhouse Sub-Lot by the acceptance of a deed thereof, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association periodic assessments made by the Association for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

8.2 The total periodic assessments against all Townhouse Sub-Lots shall be based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Area, maintenance of exteriors of all buildings in the Development, to each Unit, which estimates may include, among other things, expenses of management; taxes and special assessments, until the Townhouse Sub-Lots are separately assessed as provided herein; premiums for all insurance which the Association is required or permitted to maintain pursuant hereto; landscaping and care of ground; common lighting and heating; water charges; trash collection; snow removal; sewer service charges, repairs and maintenance; wages for Association employees; legal and accounting fees; any deficit

remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking funds; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

8.3 Expenses attributable to the Common Area and to the Project as a whole shall be apportioned among all Owners in proportion to the interest in the Common Area owned by each.

8.4 The Association shall make periodic assessments, which assessments shall be annually, quarterly or monthly as the Association shall from time to time determine. The Association may, in its discretion, allow assessments to be paid in installments. Written notice of assessment shall be given to each Owner, which notice shall specify the amount of the assessment and the date or dates of payment of the same. No payment shall be due less than fifteen (15) days after the said written notice has been given. Each periodic assessment shall bear interest at the rate of fifteen percent (15%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Townhouse Sub-Lot for such assessment, but the date when payment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given.

8.5 In addition to the assessments authorized by this Article, the Association may levy at any time a special assessment, payable over such a period as the Association may determine for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, for any other expense incurred or to be incurred as provided in this Declaration. This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof which shall make specific reference to this Article. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to the interest in this Common Area owned by each. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of fifteen percent (15%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

8.6 All sums assessed to any Townhouse Sub-Lot pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such Townhouse Sub-Lots in favor of the Association upon recordation of a notice

of assessment as herein provided. Such lien shall be superior to all other liens and encumbrances on such Townhouse Sub-Lots except only for: (1) valid tax and special assessment liens on the Townhouse Sub-Lot in favor of any governmental assessing authority; (b) a lien for sums unpaid on a first mortgage, or on any Mortgage to Declarant, duly recorded in Blaine County, Idaho, real estate records, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument; and (c) labor or materialmen's liens to the extent required by law. All other lienors acquiring liens on any Townhouse Sub-Lot after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments as provided herein whether or not such consent be specifically set forth in the instruments creating such liens.

To create a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of assessment setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the record owner of the Townhouse Sub-Lot and a description of the Townhouse Sub-Lot. Such a notice shall be signed by the Association and may be recorded in the office of the County Recorder of Blaine County, Idaho. No notice of assessment shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by sale by the Association after failure of the Owner to pay such an assessment in accordance with its terms, such sale to be conducted in the manner permitted by law in Idaho for the exercise of power of sale in deeds of trusts or in any other manner permitted by law. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses of filing the notice of assessment and all reasonable attorney's fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Townhouse Sub-Lot which shall become due during the period of foreclosure. All such assessments accruing during this period of foreclosure shall likewise be secured by the lien and paid from the proceeds of any sale pursuant to the foreclosure proceedings. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the foreclosed Sub-Lot as the Owner thereof.

A further notice stating the satisfaction and release of any such lien shall be executed by the Association and recorded in the Blaine County, Idaho real estate records, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of assessment.

Any encumbrancer holding a lien on a Townhouse Sub-Lot may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall report to any encumbrancer of a Townhouse Sub-Lot any unpaid assessment remaining unpaid for longer than ninety (90) days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Association written notice of such encumbrance.

Unless sooner satisfied and released or the enforcement thereof initiated as provided earlier in this Section, any lien created pursuant to this Section shall expire and be of no further force or effect one year from the date of recordation of said notice of assessment, provided however, that said one year period may be extended by the Association for a period not to exceed one additional year by a written extension signed by the Association and recorded in the office of the County Recorder of Blaine County, Idaho, prior to expiration of said first one year period.

8.7 The amount of any periodic or special assessment against any Townhouse Sub-Lot shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any of the Common Area or by abandonment of his Townhouse Sub-Lot.

8.8 Upon payment of a reasonable fee not to exceed \$25.00 and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Townhouse Sub-Lot, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Townhouse Sub-Lot, the amount of the current periodic assessment and the date that such assessment becomes or became due, credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days, all unpaid assessments which became due prior to the date of making such request, shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such a request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein and

thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Townhouse Sub-Lot.

8.9 Subject to the provisions of Section 9.8, a purchaser of a Townhouse Sub-Lot shall be jointly and severally liable with the seller for all unpaid assessments against the Townhouse Sub-Lot up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

ARTICLE 9

RESIDENTIAL USE OF TOWNHOUSE SUB-LOTS

9.1 Each Townhouse Unit shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. Lease or rental of a Unit for lodging or residential purposes shall not be considered to be a violation of this covenant. No Owner, tenant, or occupant of a Townhouse Unit shall engage in any activities which violate any laws or ordinances of the State of Idaho, Blaine County, or the City of Ketchum.

9.2 Each Owner shall be provided a deck in the backyard portion of his or her Sub-Lot, provided, however, no such deck shall occupy the entire backyard area of a Sub-Lot. There must be a minimum landscaped boundary around any such deck, which boundary shall be no less than 6 feet wide. No deck shall extend more than 12 feet from the back of the building in which the Townhouse Unit is located. Any modification or expansion of decks must be approved, prior to construction, by the Association or any Design Review Committee designated by the Board of Directors of the Association.

9.3 There shall be no obstruction of the Common Area, nor shall anything be stored on any part of the Common Area without prior written consent of the Association.

9.4 Nothing shall be done or kept in any Unit or in the Common Area or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase the rate of the insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Area or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Area or any part thereof shall be committed by any Owner or any invitee of an Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against

all loss resulting from any such damage or waste caused by him or his invitees, provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destruction or offensive activity shall be carried on in any Unit or in the Common Area or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

9.5 No owner shall violate the rules and regulations for the use of the Units and the Common Area as adopted from time to time by the Association.

9.6 Each Owner shall keep the interior of his Unit, including, without limitation, interior walls, windows, glass, ceilings, floors and permanent fixtures and appurtenances thereto, in a clean, sanitary and attractive condition, and good state of repair, and shall keep the heating equipment and water heater serving his Unit exclusively in a good state of maintenance and repair.

9.7 No structural alterations to any Unit shall be made, and no plumbing, electrical or similar work within the Common Area shall be done, by an Owner without the prior written consent of the Association.

9.8 No vehicle shall be parked or left on the property subject to this Declaration other than on the designated parking areas. The parking areas shall be used for parking vehicles only and shall not be converted for living, recreational or business purposes, nor shall anything be stored in any parking area so as to prevent the parking of an automobile thereon. No exposed storage shall be permitted anywhere on the property. Camper and boat storage on the Common Area shall be permitted only pursuant to Association rules and regulations.

9.9 Except for signs as may be used by Declarant in connection with the sale of Units, no sign of any kind shall be displayed to the public view without the approval of the Association.

9.10 No rubbish or debris of any kind shall be placed or permitted to accumulate and no odors shall be permitted to arise from the property so as to render any portion of the property unsanitary, unsightly, offensive or detrimental to any of the property or its occupants. Without limiting the generality of any of the following provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any such property without the prior written approval of the Association.

9.11 No clotheslines, television antennas, wiring or installation of air conditioning or other machines shall be installed on the exterior of the buildings or be allowed to protrude through the walls, the windows or the roof or the roof of the building, unless the prior written approval of the Association is secured.

9.12 Window Covering: Sixty days from date of conveyance are allowed for installation of permanent draperies or other suitable window treatments on all exterior windows. In no event are windows to be covered with newspaper, aluminum foil, sheets or other materials not specifically intended for such purpose and approved by the Architectural Committee. Reflective window treatments are not allowed in any case.

9.13 Animals: No animals of any kind shall be raised, bred or kept, with the exception of dogs, cats or other household pets which may be kept, provided that they are not kept, bred or maintained for any commercial purpose. Dogs and cats shall be limited to no more than two in each unit. Only owners are permitted to have pets. Owner guests with pets shall be limited to a maximum of two weeks in any continuous six month period. Tenants with pets are not permitted.

ARTICLE 10

INSURANCE

10.1 The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Idaho. The provisions of this Article shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

(a) The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Coverage shall include without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Project.

(b) The Association shall obtain and keep in full force and effect property damage and casualty coverage insuring against damage to all building improvements in the Development, to include damage resulting from fire, vandalism and malicious mischief. This coverage will exclude, however, damage to Unit interiors and the Owner's contents and personal property.

(c) The Association may purchase workman's compensation and employer's liability insurance and all other similar insurance in respect of employees of the Association in the amounts and in the forms now or hereafter required by law.

(d) The Association may purchase, in such amounts and in such forms as it shall deem appropriate, coverage against dishonesty of employees, destruction or disappearance of money or securities, and forgery.

(e) The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project, including any personal property of the Association located thereon.

10.2 Public liability and property damage insurance shall name the Association the insured, as trustee for the Owners, and shall protect each Owner against liability for acts of the Association in connection with the ownership, operation, maintenance or other use of the Project, including the Common Area.

10.3 Notwithstanding the provisions of Sections 11.1 and 11.2 hereof, each Owner may obtain insurance at his own expense providing coverage upon his Townhouse Unit, his personal property, for his personal liability, and covering such other risks as he may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Association obtains pursuant to this Article. All such insurance of the Owner's Unit shall waive the insurance company's right of subrogation against the Association, and other Owners, and the servants, agents and guests of any of them, if such insurance can be obtained in the normal practice without additional premium charge for the waiver of rights of subrogation.

ARTICLE 11

AMENDMENT

11.1 None of the provisions of this Declaration shall be amended unless the Owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the Townhouse Sub-Lots as reflected on the real estate records of Blaine County, Idaho, consent and agree to such amendment by instruments duly recorded. Any such amendment shall be binding upon every Owner and every Unit whether the burdens thereon are increased or decreased by any such amendment and whether or not the Owner of each and every Unit consents thereto.

11.2 This Declaration shall not be revoked and the Project removed from the applicable provisions of the (Idaho

Condominium Property Act) unless the Owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the Townhouse Sub-Lots, as reflected on the real estate records of Blaine County, Idaho, and the holders of all liens affecting any of the Units or the Common Area, consent and agree to such revocation by instruments duly recorded.

ARTICLE 12

PARTY WALLS

12.1 Party Walls. The Townhomes at Trail Creek Hollow are constructed with common party walls. These walls and roof structures are situated on townhouse unit subplot lines between adjoining townhouse units, and, to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

12.2 Maintenance. The cost of maintaining said party walls shall be borne equally by the Owners on either side of any such wall.

12.3 Damage to Party Wall. In the event of damage to or destruction of any such party wall from any cause, other than the negligence of either Owner, or his or her tenants or guests, then the Owners shall, at their joint expense, repair and rebuild said wall, and each party shall have the right to the full use of said wall so repaired or rebuilt. If either party's negligence shall cause damage to or destruction of said wall, such negligent party shall bear the entire costs of repair or reconstruction. If either party shall neglect or refuse to pay his share or all of such costs in the case of negligence, the other party may have the wall repaired and restored and shall be entitled to have a mechanic's lien filed and foreclosed on the townhouse subplot of the party so failing to pay for the amount of such defaulting party's share of the repair or replacement costs.

12.4 Repair. Either party or the Association shall have the right to break through a party wall for the purpose of repairing or restoring utilities within the wall, subject to the obligation to restore the wall to its previous structural and aesthetic condition, at said party's expense and the payment to the adjoining owner of any damages caused thereby.

12.5 Easement. No party shall alter or change any party wall in any manner, interior decoration excepted, and any party walls shall always remain in the same location as when erected, and each party to a common wall shall have a perpetual easement in that party of the premises of the other party on which said party wall is located for party wall purposes.

12.6 Right to Contribution. The right of any Owner to contribution from the other owner under this paragraph shall be appurtenant to the land and shall pass to such Owner's successors in title.

12.7 Arbitration. In the case of a dispute or disagreement regarding a party wall that cannot be resolved by the parties, the disrupted matter or matters shall be referred to three disinterested parties, one chosen by each side and those two to choose another, and the decision in writing signed by any two shall be final.

ARTICLE 13

PERIOD OF TOWNHOUSE OWNERSHIP

The Townhouse ownership created by this Declaration and the Plat of the Townhomes at Trail Creek Hollow shall continue until this Declaration is revoked in the manner provided in Article 11 of this Declaration.

ARTICLE 14

MISCELLANEOUS

15.1 Each Owner shall comply with the provisions of this Declaration and the Bylaws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

15.2 Any rights or any interest reserved hereby to the Declarant may be transferred or assigned by the Declarant to any person or entity.

15.3 All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may have leased or rented said interest as provided herein, but the Owner of a Townhouse Sub-Lot shall have no obligation for expenses or other obligations accruing after he conveys such Townhouse Sub-Lot.

15.4 If any of the provisions of this Declaration or any clause, paragraph, sentence, phrase or word or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

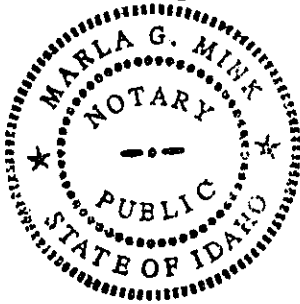
This Declaration is executed this 21 day of December, 1995.

Roger W. Ewart
MANAGING GENERAL PARTNER

STATE OF IDAHO)
) ss.
County of Blaine)

On this 19th day of December, 1995,
before me, the undersigned Notary Public in and for said state,
personally appeared Roger W. Ewart, Managing General Partner of
Pioneer Investment Partners, known or identified to me to be the
person whose name is subscribed to the foregoing instrument, and
acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal the day and year first above written.



Marla G. Mink
Notary Public of Idaho
Comm. Expires: 12/21/2000

EXHIBIT B

Unit 1	12.75%	2500 SF (Approx.)
Unit 2	12.75%	2488 SF (Approx.)
Unit 3	12.75%	2500 SF (Approx.)
Unit 4	12.75%	2488 SF (Approx.)
Unit 5	11.5%	2450 SF (Approx.)
Unit 6	13.5%	2570 SF (Approx.)
Unit 7	13.5%	2570 SF (Approx.)
Unit 8	<u>11.5%</u>	<u>2450 SF (Approx.)</u>
	100 %	19.816 SF (Approx.)

BYLAWS
OF
TRAIL CREEK HOLLOW TOWNHOMES ASSOCIATION

ARTICLE I

GENERAL PROVISIONS

Section 1. Name. The name of the association is the Trail Creek Hollow Townhomes Association (the "Association").

Section 2. Definitions. Unless expressly indicated to the contrary, the terms used herein shall have the following meanings:

 a. Declaration. "Declaration" means that certain document entitled "Townhouse Declaration of Covenants, Conditions, and Restrictions for the Townhomes at Trail Creek Hollow Townhouses," which document was recorded with the Blaine County Recorder on _____, 1995, as Instrument No. _____.

 b. Additional Terms. The balance of the terms defined in the Declaration shall have the same meaning when used in these Bylaws as when used in the Declaration.

Section 3. Purpose. The Association has been formed for the purpose of exercising the powers and performing the duties of the Association set forth in these Bylaws and the Declaration.

Section 4. Conflicts. In case any of these Bylaws conflict with the provisions of the Declaration, the provisions of the Declaration shall control.

Section 5. Application. All present and future Owners, mortgagees, tenants and occupants of Sub-Lots and their employees, and any other persons who may use the Sub-Lots or any other portion of the Townhomes at Trail Creek Hollow Development in any manner are subject to these Bylaws and the Declaration. The acceptance of a conveyance or the act of occupancy of a Sub-Lot shall constitute an agreement that these Bylaws and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership.

a. Membership of Association. The membership of the Association shall be composed of the Owner of each of the Sub-Lots in the Development.

b. Members' Rights and Duties. Each member shall have the rights, duties and obligations set forth in the Declaration, Bylaws and the Association's rules, as the same may be adopted and from time to time managed.

c. Transfer of Membership. The Association membership of each person or entity who owns, or owns an interest in, one or more Townhouse Sub-Lot shall be appurtenant to each such Sub-Lot and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to each such Sub-Lot or interest in it and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Sub-Lot or interest in it shall operate automatically to transfer the appurtenant membership rights in the Association to the new Owner.

Section 2. Voting.

a. Number of Votes. As set forth in the Declaration, there is one membership in the Association for each Sub-Lot, and each Sub-Lot shall have one vote in the Association. When more than one person owns interest in a Sub-Lot, the vote for such Sub-Lot shall be exercised as the Owners of that Sub-Lot may determine, but in no case shall more than one vote be cast with respect to any one Sub-Lot.

b. Joint Owner Votes. The voting rights for each Sub-Lot may not be cast on a fractional basis. If any Owner exercise the voting right of a particular Sub-Lot, it will be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Sub-Lot. If more than one (1) person or entity exercises the voting rights for a particular Sub-Lot, their votes shall not be counted and shall be deemed void.

ARTICLE III

MEETINGS OF MEMBERS

Section I. Annual Meeting. There shall be an annual meeting of the Association each calendar year at such reasonable place and time as may be designated by notice given to the members in writing not less than seven (7) nor more than sixty (60) days prior to the date fixed for said meeting.

Section 2. Special Meetings. A special meeting may be called at any reasonable time and place by any member by

notice delivered to all other members not less than fifteen (15) days prior to the date fixed for said meeting. The presence at any meeting, in person or by proxy, of the members entitled to vote at least in majority of the total votes shall constitute a quorum.

Section 3. Informal Action by Members. Any action required by law to be taken at a meeting of members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be assigned by all of the members entitled to vote with respect to the subject matter thereof.

Section 4. Quorum. A majority of the membership in the Association shall constitute a quorum for a meeting of the members. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the date the original meeting was called.

Section 5. Proxies. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

ARTICLE IV

MANAGEMENT

The day-to-day affairs of the Association shall be managed by a Board of Directors consisting of three (3) members of the association elected at the annual meeting of the membership.

ARTICLE V

OFFICERS

The Board of Directors may designate such appropriate officers of the Association as may be deemed appropriate or useful for the effective management of the Association and performance of the duties of the Association enumerated in the Declaration.

ARTICLE VI

BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the membership. All books and records of the Association may be inspected by any member, or his agent or

attorney, for any proper purpose at any reasonable time.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January, and end on the last day of December, in each calendar year.

ARTICLE VIII

ASSESSMENTS

The Association shall determine from time to time the amount of assessments to be levied in accordance with the applicable provisions of the Declaration.

ARTICLE IX

WAIVER OF NOTICE

Whenever any notice is required to be given under applicable provisions of the Declaration or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

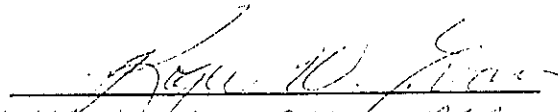
ARTICLE X

AMENDMENT TO BYLAWS

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by the vote of a majority of the members of the Association at any regular meeting or special meeting called for that particular purpose.

I HEREBY CERTIFY that these Bylaws of Trail Creek Hollow Townhomes Association were adopted at the organizational meeting of the members of the Association.

DATED this 17th day of December, 1995.


MANAGING GENERAL COUNSEL