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CONDOMINIUM DECLARATION FOR

WESTRIDGE CONDOMINIUMS

THIS DECLARATION is made effective the 19th day of May, 2001,
by WESTRIDGE LLC, an Idaho Limited Liability Company ("Declarant").

RECITALS

Declarant is the Owner of real property located in the City of Ketchum, Blaine County, Idaho, described in Exhibit "A" attached hereto and made a part hereof by this reference ("the Real Property"). Declarant has improved or intends to improve the real property by constructing improvements thereon consisting of residential and business or commercial condominiums and related facilities. By this Declaration, Declarant intends to establish a plan of Condominium ownership of the Real Property under the Condominium Property Act of the State of Idaho.

DECLARATION

Declarant declares that the real property is, and shall be, held, conveyed, hypothecated, encumbered, leased, rented, used and occupied subject to the following limitations, restrictions, easements, covenants, conditions, liens and charges, all of which are declared and agreed to be in furtherance of a plan of Condominium ownership as described in Idaho Code Section 55-1501, *et seq.* for the subdivision, improvement, protection, maintenance, and sale of Condominiums within the real property, and all of which are declared and agreed to be for the purpose of enhancing, maintaining and protecting the value and attractiveness of the real property. All of the limitations, restrictions, easements, covenants, conditions, liens and charges shall run with the land, shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the real property, and shall be binding on and inure to the benefit of the successors in interest of such parties. Declarant further declares that it is the express intent that this Declaration satisfy the requirements of Idaho Code Section 55-1505.

ARTICLE 1

DEFINITIONS

1.1 Articles. The "Articles" mean the Association's Articles of Incorporation and their amendments. A copy of the Articles is attached hereto as Exhibit "C" and made a part hereof.

1.2 Association Rules. The "Association Rules" mean the rules and regulations regulating the use and enjoyment of the Common Area adopted by the Board from time to time.

1.3 Association. The "Association" means the Westridge Condominium Association, Inc., an Idaho nonprofit corporation, its successors and assigns.

1.4 Board. The "Board" means the Board of Directors of the Association.

1.5 Building. The "Building" means any building constructed on the Real Property and in which the Units are located. "Building A", "Building B", "Building C", "Building D", and "Building E" shall mean the specific buildings identified on the plat with those letters.

1.6 Bylaws. The "Bylaws" mean the Association's Bylaws and their amendments.

1.7 Commercial Unit. A "Commercial Unit" means any of the four Units identified as Unit A, Unit B, Unit C, or Unit E, which may be used for any of the purposes specified in sub-sections A1 (except daycare uses), A4, A8, A11, A14, A15, and A16 of Section 17.52.010 of Chapter 17.52 of the City of Ketchum Zoning Code, Title 17, in effect at the time of recording this Declaration, or for residential purposes, and no other purposes or uses.

1.8 Common Area. The "Common Area" means the entire Development, except the individual Units, as defined in this Declaration or as shown on the Condominium Plat. The percentage of ownership interest in the Common Area which is allocated to each Unit for purposes of tax assessment under Idaho Code Section 55-1514 and for purposes of liability determination as provided by Idaho Code Section 55-1515 is expressed as a percentage of the entire ownership interest in the Common Area in Exhibit "B".

1.9 Common Expenses. "Common Expenses" mean all expenses incurred for the upkeep, maintenance, repair, replacement, management and operation of the Common Area, including any reserve for maintenance and repairs, reinstatement, rebuilding and replacement of the Common Area ("capital reserve"), all charges for taxes on or relating to the Common Area (except real property and other taxes assessed separately on the Condominiums or on the

personal property or any other interest of an Owner), the cost of insurance permitted or required herein to be procured and maintained by the Association, the cost of landscaping, snow removal, janitorial and similar services for the Common Area, wages, accounting and legal fees, management fees, water and sewer service charges, trash collection, common lighting and heating, any deficit remaining for a previous period, a reasonably estimated amount for anticipated increases in such expenses, and any other expenses and liabilities incurred by the Association for the benefit of the Owners under or by reason of the Declaration.

1.10 Common Surplus. "Common Surplus" shall be the amount, if any, by which all receipts of the Association, including but not limited to assessments, rents, profits and revenues on account of the Common Area, shall exceed the amount of the Common Expenses for any one fiscal year of the Association.

1.11 Condominium. A "Condominium" means an estate in real property as defined in Idaho Code Section 55-1503, consisting of an undivided interest as a tenant-in-common in the Common Area, together with a fee interest in a Unit shown and described on the Condominium Plat, plus the Limited Common Area appurtenant to that Unit.

1.12 Condominium Plat. The "Condominium Plat" means the Condominium Plat for the Westridge Condominiums to be filed for record in the office of the County Recorder of Blaine County, Idaho consisting of a plat or survey map of the surface of the ground of the real property showing a survey and legal description thereof, the location of the Buildings with respect to the boundaries of the real property, Building letters identifying the Buildings, together with diagrammatic floor plans of the Buildings showing the boundaries of each Unit within each Building, including horizontal and vertical locations and dimensions of all boundaries of each Unit, unit numbers identifying the Units, any Limited Common Area, together with such other information as may be included thereon in the discretion of the Declarant. Declarant may record the Condominium Plat initially showing only Phase I of the Development and reserves the right to thereafter record an Amended Condominium Plat showing both Phase I and Phase II of the Development without notice to or the consent of any Owner.

1.13 Declarant. The "Declarant" means WESTRIDGE LLC, an Idaho Limited Liability Company, and its successors and assigns, if such successors and assigns acquire record title to any portion of the development for development purposes. Purchasers of Units in fee from Declarant shall not be considered "the Declarant."

1.14 Development. The "Development" means the real property divided or to be divided into Condominiums or owned by the Association, including all structures and improvements on it, and any additional real property annexed to this Declaration.

1.15 Limited Common Areas. "Limited Common Areas" mean those Common Areas and facilities designated herein or on the Condominium Plat for use by Owners of particular Condominiums to the exclusion, limitation or restriction of others. The decks and

patios of Residential Units are designated as Limited Common Area for the exclusive use of the Residential Unit to which they are connected; each of the storage lockers located in the parking garage area of Buildings C, D and E are designated as Limited Common Area for the exclusive use of the Residential Units as shown on the attached Exhibit "D"; certain parking spaces are designated as Limited Common Area for the exclusive use of the Residential and Commercial Units as shown on the attached Exhibit "D"; and the basements of Buildings A and B are designated as Limited Common Area for the exclusive use of Commercial Unit B as shown on the Condominium Plat.

1.16 Member. A "Member" means every person or entity who holds a membership in the Association.

1.17 Mortgage. A "Mortgage" means a mortgage or deed of trust encumbering a Condominium or other portion of the Development. A "mortgagee" shall include the beneficiary under a deed of trust. An "institutional mortgagee" is a mortgagee that is a bank or savings and loan association or mortgage company or other entity chartered or licensed under federal or state laws whose principal business is lending money on the security of real property, or any insurance company or any federal or state agency. A "first mortgage" or "first mortgagee" is one having priority as to all other mortgages or holders of mortgages encumbering the same condominium or other portions of the development, and who has notified the Associates in writing of its encumbrance.

1.18 Owner. An "Owner" means each person or entity holding a record ownership interest in a Condominium including Declarant, and contract purchasers under recorded contracts. "Owner" shall not include persons or entities who hold an interest in a Condominium merely as security for the performance of an obligation.

1.19 Phase. A "Phase" is a portion of the construction of the Development. Phase I shall be Buildings A and B and the parking garage in Buildings C, D and E. Phase II shall be Buildings C, D and E above the parking garage.

1.20 Residential Unit. A "Residential Unit" means any of the Units located in Buildings A, B C, D or E which are not designated as Commercial Units and are to be used for residential purposes only.

1.21 Unit. A "Unit" means the separate interest in a Condominium as bounded by the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof as shown and numbered on the Condominium Plat, together with all fixtures and improvements contained therein. A Unit shall not be deemed to include bearing walls, columns, floors and roofs (except for the interior surface thereof), foundations, central heating systems, tanks, pumps and other surfaces used by more than one Unit, or pipes, vents, ducts, conduits, wires, and other utility installations wherever located (except the outlets thereof when located within the Unit). The interior surfaces of a perimeter window or door means the points at which such surfaces are

located when such windows or doors are closed; the physical windows and doors themselves are part of the Common Area. In case of combination of two or more adjoining Units, those portions of the partition walls, floors or ceilings between Units which are from time to time used as door or stairway openings between such Units shall be deemed to be divided in half, parallel to such partition wall, floor or ceiling, and each half shall constitute part of the Unit which it adjoins, as Limited Common Area appurtenant to such Unit.

ARTICLE 2

DESCRIPTION OF COMMON INTERESTS, PROPERTY RIGHTS OF ENJOYMENT AND EASEMENTS

2.1 Ownership of Condominium; Easements. Ownership of each Condominium within the Development shall include a Unit, Limited Common Areas, and an undivided interest in the Common Area (which undivided interest shall be specified in the deed from Declarant to each Owner and which undivided interest cannot be altered or changed as long as the prohibition against severability of component interests in a Condominium remains in effect as provided in this Declaration), a membership in the Association, and any exclusive or non-exclusive easement or easements appurtenant to such Condominium over the Common Area as described in this Declaration or the deed to the Condominium.

2.1.1 Legal Description. Every contract for the sale of a Condominium and every other instrument affecting title to a Condominium may describe that Condominium by the number shown on the Condominium Plat with the appropriate reference to the Condominium Plat and to this Declaration as each appears on the records of the County Recorder of Blaine County, Idaho, in the following fashion:

Condominium Unit ___ as shown on the Condominium Plat for Westridge Condominiums, recorded as Instrument No. _____, and as defined and described in the Condominium Declaration for Westridge Condominiums, recorded as Instrument No. _____, records of Blaine County, Idaho.

The description of the Condominium shall also include reference to the recording of any amendments to the Condominium Plat or Declaration. Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the common area, and to incorporate all the rights incident to ownership of a Condominium and all the limitations on such ownership as described in this Declaration.

2.2 Owners Non-Exclusive Easements of Enjoyment, Etc. Every Owner of an Condominium shall have a non-exclusive easement of use and enjoyment in, to and throughout the Common Area and for ingress, egress and support over and through the Common Area; however, such non-exclusive easements shall be subordinate to, and shall not interfere with, exclusive easements appurtenant to Units over the Common Area, if any. Each such non-

exclusive easement shall be appurtenant to and pass with the title to every Condominium, subject to the following rights and restrictions;

2.2.1 The right of the Association to adopt and to enforce the Association rules.

2.2.2 The right of the Association to borrow money to improve, repair or maintain the Common Area.

2.2.3 The right of the Association to assign, rent, license or otherwise designate and control use of unassigned parking and storage spaces within the Common Area (other than those portions subject to exclusive easements appurtenant to Units, if any).

2.2.4 The right of Declarant to enter on the Development to make repairs and remedy construction defects if such entry shall not interfere with the use of any occupied Unit unless authorized by the Unit Owner.

2.2.5 The right of the Association, or its agent, to enter any Unit to perform its obligations under this Declaration, including obligations with respect to construction, maintenance or repair for the benefit of the Common Area, of the Owners in common, or to make necessary repairs that the Unit Owner has failed to perform. The right shall be immediate in case of an emergency originating in or threatening such Unit, whether or not the Owner is present.

2.2.6 The right of any Owner, or his representatives, to enter the Unit of any other Owner to perform permissible installations, alterations or repairs to mechanical or electrical services, including installation of television antennae and related cables, if requests for entry are made in advance and such entry is at a time convenient to the Owner whose Unit is being entered except that in case of emergency such right of entry shall be immediate.

2.2.7 The right of Declarant to construct Phase II and to do all things necessary to complete such Phase II. Acceptance of a deed to any Phase I Unit constitutes express consent to Declarant's development of all Phase II Units.

2.3 Common Area Ownership Percentages. The development of Phase II shall in no event be such that there are more than twenty-seven (27) Units in both Phases. The ownership of the Common Area shall be initially determined as set forth in Exhibit "B". Upon the completion of Phase II, the Common Area ownership percentages, and Exhibit "B", shall be modified by Declarant so that each Unit owns that percentage of the Common Area which equals the percentage determined by dividing a Unit's square footage by the combined square footage of all Units in Phase I and Phase II. Phase II shall be deemed completed upon the recording of the

Amended Condominium Plat showing the Units in Phase II. Declarant shall be entitled to record an Amended Declaration for any purpose, specifically including modifying Exhibit "B" and Exhibit "D", without notice to or the consent of any Owner, provided such Amended Declaration does not contravene the material rights of existing Owners, as more specifically set forth in paragraph 15.4.

2.4 Delegation of Use; Contract Purchasers; Tenants. Any Owner may delegate his rights of use and enjoyment in the Development, to his guests, and invitees, and to such other persons as may be permitted by the Bylaws and the Association rules. However, if an Owner of a Condominium has sold his Condominium to a contract purchaser or rented it, the Owner, his guests and invitees shall not be entitled to use and enjoy the Common Area of the Development while the Owner's Unit is occupied by such contract purchaser or tenant. Instead, the contract purchaser or tenant, while occupying such unit shall be entitled to use and enjoy the Common Area of the development and can delegate the rights of use and enjoyment in the same manner as if such contract purchaser or tenant were an Owner during the period of his occupancy. Each Owner shall notify the Manager of the Association of the names of any contract purchasers or tenants of such Owner's Condominium. Each Owner, contract purchaser or tenant also shall notify the Manager of the Association of the names of all persons to whom such Owner, contract purchaser, or tenant has delegated any rights to use and enjoyment in the Development and the relationship that each such person bears to the Owner, contract purchaser, or tenant. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are the rights of Owners. The Board may specify any additional notification that must be given by the Owners, contract purchasers or tenants.

2.5 Easements Granted by Association. The Association shall have the power to grant and convey to any third party easements and rights-of-way in, on, over or under the common area for the purpose of construction, erecting, operating or maintaining lines, cables, wires, conduits, or other devices of electricity, cable television, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities, and each purchaser, in accepting a deed to a Condominium expressly consents to such easement. However, no such easement can be granted if it would interfere with the use, occupancy or enjoyment by any Owner of his Unit.

2.6 Declarant's Rights Incident to Construction. 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 construction of the Development. No claim of nuisance or breach of any covenant of quiet enjoyment against Declarant shall arise prior to sixty (60) days after the completion of Phase II and the recording of the Amended Condominium Plat for Phase II.

2.7 Owner's Rights With Respect to Interiors. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise maintain, refinish and decorate the

interior surfaces of the walls, ceilings, floors, window, and doors forming the boundaries of his Unit, and all walls, ceilings, floors and doors within such boundaries.

2.8 Parking. One (1) parking space located in the Common Area is designated Limited Common Area for exclusive use in connection with each of the Residential Units in such buildings on Exhibit "D". The following number of parking spaces located in the Common Area are designated Limited Common Area for exclusive use in connection with each of the designated Commercial Units in such buildings on Exhibit "D":

Unit A:	<u>9</u>
Unit B:	<u>6</u>
Unit C:	<u>4</u>
Unit E:	<u>4</u>

The remaining parking spaces located in the Common Area of the Development and on public rights of way shall be Common Area available for the use by and enjoyment of all Owners, subject to the Association Rules.

ARTICLE 3

USE RESTRICTIONS

3.1 Commercial Use. The Commercial Units are restricted to those uses and purposes set forth in paragraph 1.7 and those uses and purposes which are consistent with and appropriate to the design of such Units and for which adequate stair, ventilation, plumbing and similar and related facilities exist, provided that no Commercial Condominium nor any portion thereof shall be used, leased or subleased for the manufacture or assembly of any product, as a pet store, or for any type of retail business that could cause undue noise for the Owners, lessees, or sublessees of adjoining Units. Providing further that no Commercial Condominium nor any portion thereof shall be used, leased, or subleased by or for any purpose which shall increase the rate of fire insurance or which will make it impossible to obtain fire or other insurance required to protect the Buildings, or which will cause or be likely to cause structural damage to the Buildings or any part thereof, which will constitute a private or public nuisance, or which may violate any restriction which may be of record and applicable to the Real Property. Nor shall any Owner, lessee, or sublessee place a load upon any floor of any Commercial Unit exceeding the floor load per square foot which such floor was designed to carry and which is allowed by law.

3.2 Residential Use. The Residential Units are restricted to residential use, which use shall include short or long-term rental of such Unit and shall also include a "home office" trade or business which creates no greater burden on the other Units as would be created by reasonable residential use, including, but not limited to any unreasonable burden on parking, foot traffic, noise, odors, trash, heating, air conditioning or Common Area maintenance. Any rental agreement shall be in writing and shall provide that the tenant shall be bound by and obligated to

the provisions of this Declaration, the Bylaws and the Association Rules and further provide that the failure to comply with the provisions of these documents shall be a default under the rental agreement. No Residential Condominium nor any portion thereof shall be used for any purpose which shall increase the rate of fire insurance or which will make it impossible to obtain fire or other insurance required to protect the Buildings, or which will cause or be likely to cause structural damage to the Buildings or any part thereof, which will constitute a private or public nuisance, or which may violate any restriction which may be of record and applicable to the Real Property. Notwithstanding the foregoing restriction, the Declarant shall have the right to use any portion of the Development, including any Unit owned by Declarant, for a model condominium site and display and sales office during period of construction of the Development and the period during which Declarant is selling Units.

3.2.1 The Declarant hereby declares and imposes as an equitable servitude and as a restrictive covenant running with the land and running with each Condominium, binding upon the Declarant and all persons claiming by, through or under it, that no Condominium shall be used, leased or subleased for any use specifically prohibited in Section 3.1 above. The Declarant, its successors and assigns, or any Owner may enforce this use covenant by an appropriate action, but failure to enforce this use covenant shall not be construed as a waiver thereof. This use covenant shall continue in force until a termination of the Association as described in this Declaration.

3.2.2 The Declarant hereby declares and affirms that this use covenant is imposed as a limitation and burden upon each Condominium and Unit and upon the Declarant, its successors and assigns, and upon all future Owners of Condominiums.

3.3 Maintenance. Each Owner of a Condominium shall be responsible for maintaining his Unit, including the equipment and fixtures in the Unit and its interior walls, ceilings, windows and doors, in a clean, sanitary, workable and attractive condition and good state of repair. However, each Owner has complete discretion as to the choice of furniture, furnishings and interior decorating; but windows can be covered only by drapes, shades or other conventional window coverings, and cannot be painted or covered by foil, cardboard, or other similar materials. Notwithstanding paragraphs 1.20 and 4.3.2.1, each Owner also shall be responsible for the replacement of any cracked or broken window glass of his Unit. Unless otherwise provided in this Declaration, each Owner shall keep the Limited Common Area designated for use in connection with his Unit in a clean, sanitary and attractive condition, and shall maintain any exclusive easement appurtenant to his Condominium.

3.4 Offensive Conduct; Nuisances. No noxious or offensive activities shall be conducted within the Development. Nothing shall be done on or within the Development that may be or may become a nuisance or interference to the businesses of the Development, or that in any way interferes with the quiet enjoyment of occupants of Units.

3.5 Parking Restrictions. Unless otherwise permitted by the Board, no automobile shall be parked or left within the Development other than within a parking stall or space. Parking spaces shall be used exclusively for the parking of motor vehicles; however, no boat, trailer, recreational vehicle, motor home, or camper shall be parked or left within the Development other than in a parking area designated by the Board for the parking and storage of such vehicles, if the Board chooses to make such a designation. However, parking by commercial vehicles for the purpose of making deliveries shall be permitted in accordance with the Association rules.

3.6 Signs. No Owner, tenant or occupant of a Residential Condominium shall place or suffer to be placed or maintained any advertising matter within the unit which shall be visible from the exterior thereof, or any sign, awning, canopy, decoration, lettering or advertising matter or other thing of any kind on any exterior door, wall, or window of the common area except with the prior written approval of the Board of Directors. Notwithstanding such prohibitions, an Owner may place a "For Sale" sign which is not larger than 18 inches by 24 inches in a window of a Residential Unit. Commercial Units may have signs which comply with the City of Ketchum ordinances.

3.7 Antennae, External Fixtures, Etc. No television or radio poles, antennae, awnings, flag poles, clotheslines, wiring, insulation, air conditioning equipment or other machinery or external fixtures other than those originally installed by Declarant or those approved by the Board, and any replacements, shall be constructed, erected or maintained on or within the Common Area or any structures on it. Satellite "dishes" are allowed subject to Association Rules.

3.8 Animals. No reptiles, rodents, livestock or poultry shall be kept in any Unit or elsewhere within the Development. A reasonable number of domestic dogs and cats, fish and birds ("pets") may be kept in Residential Units by Owners, but not by tenants of Owners, provided that such pets do not create or constitute a nuisance.

3.9 Trash Disposal. Trash, garbage or other waste shall be kept only in sanitary containers. No Owner shall permit or cause any trash or refuse to be kept on any portion of the Development other than in the receptacle customarily used for it, which shall be located only in places specifically designated for such purposes except on the scheduled day for trash pickup.

3.10 Structural Alterations. No structural alterations to the interior of or common area surrounding any unit shall be made and no plumbing or electrical work within any bearing or common walls shall be performed by any Owner without the prior written consent of the Board.

3.11 Exterior Alterations. No Owner shall at his expense or otherwise make any alterations or modifications to the exterior of the buildings, fences, railings or walls situated within the Development without the prior written consent of the Board.

3.12 Compliance with Laws, Etc. Nothing shall be done or kept in any Unit or in the common areas that might increase the rate of, or cause the cancellation of, insurance for the Development, or any portion of the Development, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Unit that violates any law, ordinance, statute, rule or regulation of any local, county, state or federal body. No Owner shall allow furniture, furnishings or other personalty belonging to such Owner to remain within any portion of the common area except portions subject to exclusive easements over common area appurtenant to such Owner's Condominium and except as may otherwise be permitted by the Board.

3.13 Indemnification. Each Owner shall be liable to the remaining Owners for any damage to the common area that may be sustained by reason of the negligence of that Owner, his contract purchasers, tenants, guests or invitees, but only to the extent that any such damage is not covered by insurance. Each Owner, by acceptance of his deed, agrees for himself and his contract purchasers, tenants, guests or invitees, to indemnify each and every other Owner, and to hold him harmless from, and to defend him against, any claim of any person for personal injury or property damage occurring within the Unit of that particular Owner and within any exclusive easements over the common area appurtenant to the Owner's Condominium, unless the injury or damage occurred by reason of the negligence of any other Owner or person temporarily visiting in said Unit or portion of the common area subject to an exclusive easement appurtenant to the Condominium or is fully covered by insurance.

3.14 Owner's Obligation for Taxes. To the extent allowed by law, all Condominiums, including their pro rata undivided interest in the common area and the membership of an Owner in the Association, shall be separately assessed and taxed so that all taxes, assessments and charges which may become liens prior to first mortgages under local law shall relate only to the individual Condominiums and not to the Development as a whole. Each Owner shall be obligated to pay any taxes or assessments assessed by the Blaine County Assessor against his Condominium and against his personal property.

3.15 Mechanic's and Materialman's Liens. No labor performed or services or materials furnished with the consent of or at the request of an Owner or his agent or his contractor or subcontractor shall be the basis for the filing of a lien against the Condominium of any other Owner, or against any part thereof, or against any other property or any other Owner, unless such other Owner has expressly consented to or requested the performance of such labor or furnishing of such materials or services. Such express consent shall be deemed to have been given by the Owner of any Condominium in the case of emergency repairs thereto. Labor performed or services or materials furnished for the Development, if duly authorized by the Association, shall be deemed to be performed or furnished with the express consent of each Owner. Any Owner may remove his Condominium from a lien against two or more Condominiums or any part thereof by payment to the holder of the lien of the fraction of the total sum secured by such lien which is attributable to his Condominium.

3.16 Enforcement. The failure of any Owner to comply with any provision of this Declaration or the Articles or Bylaws shall give rise to a cause of action in the Association and any aggrieved Owner for the recovery of damages or for injunctive relief, or both.

ARTICLE 4

THE ASSOCIATION

4.1 Formation. The Association is a nonprofit corporation which shall be formed under the laws of Idaho. Upon recordation of this Declaration, the Association shall be charged with the duties and invested with the powers set forth in the Articles, the Bylaws, and this Declaration, including, but not limited to, control and maintenance of the common area and ownership of any facilities on the common area.

4.2 Association Action; Board of Directors and Officers; Members' Approval. Except as to matters requiring the approval of members as set forth in this Declaration, the Articles, or the Bylaws, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint. Such election or appointment shall be in accordance with this Declaration or the Bylaws, and their amendments. Except as otherwise provided in this Declaration, the Articles or the Bylaws, all matters requiring the approval of members shall be deemed approved if members holding a majority of the total voting rights assent to them by written consent as provided in the Bylaws or if approved by a majority vote of a quorum of members at any regular or special meeting held in accordance with the Bylaws.

4.3 Powers and Duties of Association.

4.3.1 Powers. The Association shall act as the management body for the Development and shall have all the powers of a non-profit corporation organized under the General Nonprofit Corporation Law of Idaho subject only to such limitations on the exercise of such powers as are set forth in the Articles, the Bylaws and this Declaration. It shall have the power to do any lawful thing that may be authorized, required or permitted to be done by the Association under this Declaration, the Articles, and Bylaws, and to do and perform any act that may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association, including, without limitation, the following:

4.3.1.1 Assessments. The Association shall have the power to establish, fix and levy assessments against the Owners and to enforce payment of such assessments, in accordance with the provisions of this Declaration.

4.3.1.2 Right of Enforcement. The Association in its own name and on its own behalf, or on behalf of any Owner who consents, can commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provision of this Declaration or of the Articles or Bylaws, or of the Association rules or any resolutions of the

Board, and to enforce by mandatory injunction, or otherwise, all of these provisions. In addition, the Association can suspend the voting rights, can suspend use privileges of the common area, or can assess monetary penalties against any Owner or other person entitled to exercise such rights or privileges for any violation of this Declaration or the Articles, Bylaws, Association rules, or Board resolutions.

4.3.1.3 Delegation of Powers: Professional Management. The Association acting by and through the Board can delegate its powers, duties, and responsibilities to committees or employees, including a professional managing agent ("Manager"). Any agreement for professional management of the Development shall be terminable by either party with or without cause and without payment of a termination fee on thirty (30) days' written notice. The term of any such agreement shall not exceed one (1) year, although such agreement may be renewed from year to year by the Board.

4.3.1.4 Association Rules. The Board shall have the power to adopt, amend and repeal the Association rules as it deems reasonable. The Association rules shall govern the use of the common area by all Owners or their guests, invitees or by any contract purchaser, or tenant, or their respective guests or invitees. However, the Association rules shall not be inconsistent with or materially alter any provisions of this Declaration, the Articles or the Bylaws. A copy of the Association rules as adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. In case of any conflict between any of the Association rules and any other provisions of this Declaration, the Articles, or Bylaws, the conflicting Association rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or Bylaws.

4.3.2 Duties of the Association. In addition to the powers delegated to it by its Articles or the Bylaws, and without limiting their generality, the Association, acting by and through the Board, or persons or entities described in Section 4.3.1.3, has the obligation to conduct business affairs of common interest to all Owners and to perform each of the following duties:

4.3.2.1 Operation and Maintenance of Common Area. To operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the common area, and all its facilities, improvements, and landscaping including any private driveways, and any other property acquired by the Association, including personal property, in a first-class condition and in a good state of repair. The Association shall remove all snow from the drives, parking areas, and walkways in order to maintain clear access. In this connection, the Association may enter into contracts for services or materials for the benefit of the Association or the common area, including contracts with Declarant. The term of any such service contract shall not exceed one (1) year and shall be terminable by either party with or without cause and without payment of a termination fee upon thirty (30) days' written notice.

4.3.2.2 Taxes and Assessments. To pay all real and personal property taxes and assessments and all other taxes levied against the common area and personal property owned by the Association or against the Association. Such taxes and assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

4.3.2.3 Water and Other Utilities. To acquire, provide and pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas and other necessary utility services for the common area and for Condominiums when the Condominiums are not separately billed. The term of any contract to supply any of the listed services shall not exceed one (1) year or, if the supplier is a regulated public utility, the shortest term not to exceed one (1) year for which the supplier will contract at the applicable regulated rate.

4.3.2.4 Insurance. To obtain, from reputable insurance companies, and maintain the insurance described in Article 8.

4.3.2.5 Enforcement of Restrictions and Rules. To perform such other acts, whether or not expressly authorized by this Declaration, that may be reasonably necessary to enforce any of the provisions of this Declaration, the Articles and Bylaws, and the Association's rules and Board Regulations.

4.3.3 Limitations on Authority of Board. Except with the vote or written assent of members of the Association holding fifty-one percent (51%) of the voting rights of the members, the Board shall not take any of the following actions:

4.3.3.1 Incur aggregate expenditures for capital improvements to the common area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or

4.3.3.2 Sell in any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or

4.3.3.3 Pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business. However, the Board may cause a member of the Board or an officer to be reimbursed for expenses incurred in carrying on the business of the Association.

4.4 Personal Liability. No member of the Board, or of any committees of the Association, or any officer of the Association, or any manager, or Declarant, or any agent of Declarant, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act,

omission, error, or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

4.5 Financial Statements of the Association. The Board shall prepare, or cause to be prepared, annual financial statements, including a balance sheet and operating statement of the Association, and copies of those statements shall be available to each member of the Association.

4.6 Inspection of Association Books and Records. Any membership register, books of account and minutes of meetings of the members, the Board and committees of the Board of the Association, shall be made available for inspection and copying by any member of the Association, or his duly-appointed representative, or any mortgagee, at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Association or at such other place within the Development as the Board prescribes.

ARTICLE 5

MEMBERSHIP AND VOTING RIGHTS

5.1 Membership.

5.1.1 Qualifications. Each Owner of a Condominium, including Declarant, shall be a member of the Association. Ownership of a Condominium or interest in it shall be the sole qualification for membership in the Association. Each Owner shall remain a member of the Association until his ownership or ownership interest in all Condominiums in the Development ceases at which time his membership in the Association shall automatically cease. Persons or entities who hold an interest in a Condominium merely as a security for performance of an obligation are not to be regarded as members.

5.1.2 Members Rights and Duties. Each member shall have the rights, duties and obligations set forth in this Declaration, the Articles, the Bylaws and the Association's rules, as the same may from time to time be amended. However, no more than one Owner of a Condominium may serve on the Board of Directors of the Association at any one time.

5.1.3 Transfer of Membership. The Association membership of each person or entity who owns, or owns an interest in, one or more Condominiums shall be appurtenant to each such Condominium, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to each such Condominium 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 Condominium or interest in it shall operate automatically to transfer the appurtenant membership rights in the Association to the new Owner.

5.2 Voting.

5.2.1 Number of Votes. The members of the Association will have a total of 100 votes. On all matters coming before the membership of the Association, the Owner(s) of a condominium shall be entitled to vote the percentage of all votes which equals the percentage interest in the Common Area appurtenant to such condominium. For example, if the interest in the Common Area appurtenant to a condominium is 12.5%, then the Owner(s) of such condominium would be entitled to cast 12 ½ votes on all matters being voted upon by the members.

5.2.2 Joint Owner Votes. The voting rights for each Condominium may not be cast on a fractional basis by co-Owners. If the joint Owners of a Condominium are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit the vote on the matter in question. If any Owner exercises the voting rights of a particular Condominium, it will be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Condominium. If more than one (1) person or entity exercises the voting rights for a particular Condominium, their votes shall not be counted and shall be deemed void.

5.3 Declarant's Control. Notwithstanding anything to the contrary in this Declaration, until the earlier of twenty-four (24) months after the first sale of a Condominium by Declarant or the date on which seventy-five percent (75%) of all Units have been sold by Declarant, Declarant shall be entitled to appoint not less than two-thirds (2/3) of the Directors to serve on the Board of Directors of the Association.

ARTICLE 6

ASSESSMENTS

6.1 Agreement to Pay. The Declarant, for each Condominium owned by it in the Development, except as otherwise set forth in this Declaration, covenants and agrees, and each Owner of a Condominium by acceptance of a deed therefor, whether or not it be so expressed in the deed, shall be deemed to covenant and agree to pay to the Association regular assessments and special assessments, such assessments to be established, made and collected as provided in this Declaration.

6.2 Personal Obligations. Each assessment or installment, together with any late charge, interest, collection costs and reasonable attorneys' fees, shall be the personal obligation of the person or entity who was an Owner at the time such assessment, or installment became due and payable. If more than one person or entity was the Owner of a Condominium, the personal obligation to pay such assessment, or installment respecting such Condominium shall be both joint and several. No Owner may exempt himself from payment of assessments, or installments, by waiver of the use or enjoyment of all or any portion of the common area or by waiver of the use or enjoyment of, or by abandonment of, his Condominium.

6.3 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of the members of the Association, the improvement, replacement, repair, operation and maintenance of the common area, and the performance of the duties of the Association as set forth in this Declaration.

6.4 Assessments.

6.4.1 Regular Assessments.

6.4.1.1 Not more than sixty (60) days nor less than thirty (30) days before the beginning of each fiscal year of the Association, the Board shall meet for the purpose of establishing the regular annual assessment of Common Expenses, including capital reserves, of the Development for the forthcoming fiscal year. At such meeting the Board shall review written comments received and any other information available to it and, after making any adjustments that the Board deems appropriate, without a vote of the members of the Association, shall establish the regular assessment of Common Expenses for the forthcoming fiscal year, provided, however, that the Board may not establish a regular assessment of Common Expenses for any fiscal year which is more than one hundred ten percent (110%) of the regular assessment of Common Expenses for the prior fiscal year (except with regard to the first fiscal year of the Association if it should be less than twelve (12) months), without the approval by vote or written consent of fifty-one percent (51%) the members. The Board may from time to time during each fiscal year make reasonable adjustments in the assessments on the basis of actual costs incurred. As soon as practicable after the end of each fiscal year, the aggregate amount of Common Expenses actually incurred for said year shall be determined by the Board. Capital reserves shall be established based on the projected useful life of Common Area elements and on estimates of the costs of periodic repairs to and replacements of Common Area elements, including but not limited to painting of buildings, surfacing and striping of parking areas, and replacing windows, doors and roofs.

6.4.1.2 Unless the Association or its assessment income shall be exempt from federal or state income taxes, to the extent possible, all reserves shall be accounted for and handled as contributions to the capital of the Association or in such other manner authorized by law or regulations of the Internal Revenue Service as will prevent such funds from being taxed as income of the Association.

6.4.2 Special Assessments. If the Board determines that the estimated total amount of funds necessary to defray the Common Expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements to the Common Area, the Board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by a majority vote of the Board, it shall become a special assessment. The Board may, in its discretion, pro rate such special assessment over the remaining months of the fiscal year or levy the assessment

immediately against each Condominium. Unless exempt from federal or state income taxation, all proceeds from any special assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which it was levied or it shall be otherwise handled and used in a manner authorized by law or regulations of the Internal Revenue Service to avoid, if possible, its taxation as income of the Association.

6.4.3 Limitation Respecting Special Assessments. Any special assessment in excess of ten percent (10%) of the regular annual assessment of the Association for the fiscal year in which a special assessment is levied shall require approval by vote or written consent of fifty-one percent (51%) of the members, except in case of a special assessment against an Owner as a remedy utilized by the Board to reimburse the Association for costs incurred in bringing the member or his Condominium into compliance with the provisions of this Declaration.

6.5 Rate of Assessment. Except as otherwise specifically provided in this Declaration, including Sections 4.3.1.2, 6.4.3 and 9.6, regular and special assessments shall be apportioned among all Condominiums in proportion to the interest in the Common Area appurtenant to such Condominium.

6.6 Assessment Period. The regular assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year, and regular assessments shall be payable in equal monthly installments unless the Board adopts some other basis for collection. However, the initial regular assessment period shall commence on the first day of the calendar month following the date on which the sale of the first Condominium to a purchaser is closed and recorded (the "initiation date") and shall terminate on December 31 of the year in which the initial sale is closed and recorded. The first regular assessment and all special assessments shall be adjusted according to the number of months remaining in the fiscal year and shall terminate on December 31 of the year in which the initial sale is closed and recorded. The first regular assessment and all special assessments shall be adjusted according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments unless the Board adopts some other basis for collection.

6.7 Notice and Assessment Installment Due Dates. A single ten (10) day prior written notice of each annual regular assessment and each special assessment shall be given to any Owner of every Condominium subject to assessment in which the due dates for the payments of installments normally shall be established by the Board. Each installment of regular assessments and special assessments shall become delinquent if not paid within fifteen (15) days after its due date.

6.8 Estoppel Certificate. The Board or Manager, on not less than twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request a statement in writing stating whether or not to the knowledge of the Association, a particular Owner is in default as to his Condominium under the provisions of this Declaration

and further stating the dates to which installments of assessments, regular or special, have been paid as to such Condominium. Any such certificate may be relied on by any prospective purchaser or mortgagee of the Condominium, but reliance on such certificate may not extend to any default not involving the payment of assessments of which the signer had no actual knowledge.

6.9 Declarant's Liability for Assessments. Notwithstanding any contrary provision herein, Declarant shall not pay assessments for any condominiums held by it for sale to third parties, except as provided below, provided that such unsold condominiums are not rented, leased, or otherwise occupied or placed in the control of third parties or occupied by Declarant. However, in lieu of such assessments, Declarant shall make up any "shortfall" in the amount available to pay Common Expenses of the Association by paying to the Association on a periodic basis (as necessary to keep all bills timely paid but not less often than quarterly) the amount, if any, by which the actual Common Expenses (excluding capital reserves) exceed the total of all assessments levied against the other Owners for such period less the capital reserves portion of such assessments. Declarant shall pay full assessments for any condominium it takes title to from any third party from the date it obtains title, and for any condominium owned by Declarant and held for lease or rental by Declarant from the date a certificate of occupancy is issued for such condominium. Commencing with the nineteenth (19th) month after the closing on the first sale of a Westridge condominium, Declarant shall pay full assessments for any condominium owned by Declarant and held for sale, and shall cease being liable for any "shortfall" in the amount available to pay Common Expenses of the Association.

ARTICLE 7

COLLECTION OF ASSESSMENTS; LIENS

7.1 Right to Enforce. The right to collect and enforce assessments is vested in the Board acting for and on behalf of the Association. The Board or its authorized representative, including any Manager, can enforce the obligations of the Owners to pay assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity, or the Board may foreclose by judicial proceedings or through the exercise of the power of sale pursuant to Section 7.2 to enforce the lien rights created. Suit to recover a money judgment for unpaid assessments together with all other amounts described in Section 6.2 shall be maintainable without foreclosing or waiving the lien rights.

7.2 Creation of Lien. If there is a delinquency in the payment of any assessment, or installment of an assessment on a Condominium, any amounts that are delinquent and all costs that are incurred by the Board or its authorized representative in the collection of the amounts, including reasonable attorneys fees, shall be a lien against such Condominium upon the recordation in the office of the Blaine County Recorder of a notice of assessment as provided in Idaho Code §55-1518. The notice of assessment shall not be recorded unless and until the Board or its authorized representative has delivered to the delinquent Owner or Owners, not less than

fifteen (15) days before the recordation of the notice of assessment, a written notice of default and a demand for payment, and unless such delinquency has not been accrued within said fifteen (15) day period. The lien shall expire and be void unless, within one (1) year after recordation of the notice of assessment, the Board or its authorized representative records a notice of default as provided hereinafter or institutes judicial foreclosure proceedings with respect to such lien.

7.3 Notice of Default; Foreclosure. Not more than one (1) year nor less than fifteen (15) days after the recording of the notice of assessment, the Board or its authorized representative can record a notice of default and can cause the Condominium with respect to which a notice of default has been recorded to be sold in the same manner as a sale is conducted under a power of sale in a deed of trust, or in any other manner permitted by law, or through judicial foreclosure. However, as a condition precedent to the holding of any such sale appropriate publication shall be made. In connection with any sale, the Board is authorized to appoint its attorney, any officer or director, or any title insurance company authorized to do business in Idaho as trustee for purpose of conducting the sale. If a delinquency is cured before sale, or before completing a judicial foreclosure, the Board or its authorized representative shall cause to be recorded in the office of the county recorder of the county in which the Development is located a certificate setting forth the satisfaction of such claim and release of such lien upon payment of actual expenses incurred, including reasonable attorneys fees, by any delinquent Owner. During the pendency of any foreclosure proceeding, whether judicial or by power of sale, the Owner shall be required to pay to the Association any assessments against the Condominium which shall become due, and such accruing assessments shall be secured by the lien and paid from the proceeds of any sale pursuant to the foreclosure proceedings. On becoming delinquent in the payment of any assessments or installments, each delinquent Owner shall be deemed to have absolutely assigned all rent, issues and profits of his Condominium to the Association and shall further be deemed to have consented to the appointment of a receiver (which appointment may, at the election of the Association, be enforced by the Association through specific performance). The Association, acting on behalf of the Owners, shall have the power to bid upon the Condominium at foreclosure sale and to acquire, hold, lease, mortgage and convey the Condominium.

7.4 Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Section 7, the benefit of any homestead or exemptions laws of Idaho in effect at the time any assessment, or installment, become delinquent or any lien is imposed.

7.5 Liability of Grantee. For Assessments subject to the provisions of Section 6.8, a grantee or purchaser of a Condominium shall be jointly and severally liable with the seller for all unpaid assessments against the Condominium up to the time of conveyance, without prejudice to the rights of the grantee or purchaser to recover from the seller the amount paid by the grantee or purchaser for such assessments.

ARTICLE 8

INSURANCE

8.1 Liability Insurance. The Association shall obtain and maintain comprehensive public liability insurance insuring the Association, any Manager, the Declarant and the Owners and occupants of Condominiums, and their respective guests, invitees, and the agents and employees of each, against any liability incident to the ownership or use of the common area and including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than One Million Dollars (\$1,000,000) covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability of non-owned and hired automobiles, liability for property of others and any other liability or risk customarily covered with respect to projects similar in construction, location and use.

8.2 Fire and Extended Coverage Insurance. The Association also shall obtain and maintain a master or blanket policy for fire insurance for the full insurable value of all of the improvements within the development which were originally specified by and installed by the Developer, together with any additional improvements or changes to the development authorized by the Board. Each Owner may obtain additional insurance for the insurable value of improvements specified and/or installed by him. The form, content, and term of the policy and its endorsements and the issuing company must be satisfactory to all institutional first mortgagees. If more than one institutional first mortgagee has a loan of record against a Condominium in the Development, the policy and endorsements shall meet the maximum standards of the various institutional first mortgagees represented in the Development. The policy shall contain an agreed amount of endorsement, replacement equivalent, an increased cost of construction endorsement, vandalism, malicious mischief coverage, a special form endorsement and a determinable cash adjustment clause or a similar clause to permit cash settlement covering full value of the improvements in case of partial destruction and a decision not to rebuild. The policy shall provide amounts of coverage as shall be determined by the Board. The policy shall name as insured the Association, the Owners, and Declarant, as long as Declarant is the Owner of any Condominium, and all mortgagees as their respective interests may appear, and may contain a loss payable endorsement in favor of the trustee described hereinafter.

8.3 Owner's Own Insurance Limited. Notwithstanding the provisions of Sections 8.1 and 8.2 above, each Owner may obtain insurance at his expense providing coverage upon his condominium, 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 Section. Further, all such insurance of the Owner's Condominium 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 a casualty loss is sustained and there is a reduction in the amount of proceeds which would otherwise be payable on the insurance purchased by the Association due to the purchase by the Owner of additional insurance, the Owner shall assign the proceeds of such additional insurance, to the extent of the amount of such reduction, to the trustee to be distributed as provided below.

8.4 Trustee. All insurance proceeds payable under Section 8.2 and 8.3, subject to the rights of mortgagees under Section 8.7, may be paid to a trustee, to be held and expended for the benefit of the Owners, mortgagees and others, as their respective interests shall appear. Said trustee shall be a commercial bank in Blaine County that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Board shall have the duty to contract for such work as provided for in this Declaration.

8.5 Other Insurance. The Board may and, if required by any institutional first mortgagee, shall purchase and maintain demolition insurance in adequate amounts to cover demolition in case of total or partial destruction and a decision not to rebuild. The Board also shall purchase and maintain worker's compensation insurance, to the extent that it is required by law, for all employees or uninsured contractors of the Association. The Board also shall purchase and maintain fidelity bonds or insurance and directors'/agents' errors and omissions insurance (specifically containing an endorsement of coverage of any person who may serve without compensation) in an amount deemed appropriate by the Board, provided that the amount is sufficient to meet the requirements of any institutional first mortgagee. The Board shall purchase and maintain such insurance on personal property owned by the Association, and any other insurance, that it deems necessary or that is required by any institutional first mortgagee.

8.6 Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to Section 8.1, 8.2 and 8.5. The Board is granted full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

8.7 Distribution of Mortgagees. Any mortgagee has the option to apply insurance proceeds payable on account of a Condominium in reduction of the obligation secured by the mortgage of such mortgagee.

ARTICLE 9

DESTRUCTION OF IMPROVEMENTS

9.1 Destruction: Proceeds Exceed Eighty-five Percent (85%) of Reconstruction Costs. If there is a total or partial destruction of the improvements in the Development, and if the available proceeds of the insurance carried pursuant to Article 8 are sufficient to cover more than eighty-five percent (85%) of the costs of repair and reconstruction, the improvements shall

be promptly rebuilt unless, within ninety (90) days from the date of destruction, members then holding at least fifty-one percent (51%) of the total voting power of members determine that such repair and reconstruction shall not take place. If repair and reconstruction is to take place, the Board shall be required to execute, acknowledge and record in the Blaine County Recorder's Office not later than one hundred twenty (120) days from the date of such destruction, a certificate declaring the intention of the members to rebuild.

9.2 Destruction; Proceeds Less than Eight-five Percent (85%) of Reconstruction Costs. If the proceeds of insurance are less than eighty-five percent (85%) of the costs of repair and reconstruction, repair and reconstruction may nevertheless take place if, within ninety (90) days from the date of destruction, members then holding at least fifty-one percent (51%) of the total voting power of members determine that such repair and reconstruction shall take place. If repair and reconstruction is to take place, the Board shall execute, acknowledge and record in the Blaine County Recorder's Office not later than one hundred twenty (120) days from the date of such destruction a certificate declaring the intention of the members to rebuild.

9.3 Rebuilding Procedures. If the members determine to rebuild, pursuant to Section 9.1 and 9.2, each Owner shall be obligated to contribute his proportionate share of the cost of reconstruction or restoration over and above the available insurance proceeds. The proportionate share of each Owner shall be equal to the percentage interest in the Common Area appurtenant to such Owner's Condominium. If any Owner fails or refuses to pay his proportionate share, the Board may levy a special assessment against the Condominium of such Owner which may be enforced under the lien provisions contained in Article 7 or in any other manner provided in this Declaration. If any Owner disputes the amount of his proportionate liability under this Section, such Owner may contest the amount of his liability by submitting to the Board within ten (10) days after notice to the Owner of his share of the liability written objections supported by cost estimates or other information that the Owner deems to be material and may request a hearing before the Board at which he may be represented by counsel. Following such hearing, the Board shall give written notice of its decision to all Owners, including any recommendation that adjustments be made with respect to the liability of any Owners. If such adjustments are recommended, the notice shall schedule a special meeting of members for the purpose of acting upon the Board's recommendation, including making further adjustments, if deemed by the members to be necessary or appropriate. All adjustments shall be affirmed or modified by a majority of the total voting power of members. If no adjustments are recommended by the Board, the decision of the Board shall be final and binding on all Owners, including any Owner filing objections.

9.4 Rebuilding Contract. If the members determine to rebuild, the Board or its authorized representative shall obtain bids from at least two (2) reputable contractors and shall award the repair and reconstruction work to the lowest bidder. The Board shall have the authority to enter into a written contract with the contractor for such repair and reconstruction, and the insurance proceeds held by the trustee shall be disbursed to the contractor according to the terms of the contract. It shall be the obligation of the Board to take all steps necessary to

assure the commencement and completion of authorized repair and reconstruction at the earliest possible date.

9.5 Rebuilding Not Authorized. If the members determine not to rebuild, then, subject to the rights of mortgagees under Section 8.7, any insurance proceeds then available for such rebuilding shall be distributed to the Owner of each Condominium in proportion to his respective percentage undivided interest in the common area. The Board shall have the duty, within one hundred twenty (120) days from the date of such destruction, to execute, acknowledge and record in the office of the County Recorder of Blaine County, a certificate declaring the intention of the members not to rebuild.

9.6 Minor Repair and Reconstruction. The Board shall have the duty to repair and reconstruct improvements, without the consent of members and irrespective of the amount of available insurance proceeds, in all cases of partial destruction when the estimated cost of repair and reconstruction does not exceed Five Thousand Dollars (\$5,000). The Board is expressly empowered to levy a special assessment for the cost of repairing and reconstructing improvements to the extent insurance proceeds are unavailable, such assessment to be levied as described in Section 9.3 (but without the consent or approval of members, despite any contrary provisions in this Declaration).

9.7 Revival of Right to Partition. On recordation of a certificate described in Section 9.5, the right of any Owner to partition through legal action as described in Article 11 shall revive immediately.

ARTICLE 10

CONDEMNATION

10.1 Sale on Unanimous Consent. If an action for condemnation of all or a portion of the Development is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the Owners and after written notice to all mortgagees, the Development, or a portion of it may be sold by the Board acting as irrevocable attorney-in-fact of all of the Owners for a price deemed fair and equitable by the Board but in no event less than the aggregate unpaid balance of all mortgages encumbering Condominiums in the Development if the Development is sold.

10.2 Distribution of Proceeds of Sale. On a sale occurring under Section 10.1, the proceeds shall be distributed to the Owner and the mortgagees of each Condominium as their respective interests may appear in proportion to each Owner's respective percentage undivided interest in the Common Area.

10.3 Distribution of Condemnation Award. If the Development, or a portion of it, is not sold but is instead taken, the judgment of condemnation shall by its terms apportion the award among the Owners and their respective mortgagees.

10.4 Revival of Right to Partition. On sale or on taking that renders more than fifty percent (50%) of the total square footage of the Units in the Development unusable as residential or commercial spaces, the right of any Owner to partition through legal action shall revive immediately.

10.5 Partial Taking. In the event that less than the entire Development is taken or condemned, or sold or otherwise disposed in lieu of or in avoidance thereof, the Condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the condemnation award to be determined in the following manner by the Association:

10.5.1 The total amount allocated to taking of or injury to the common area shall be apportioned among the Owners according to the percentage interest in the common area appurtenant to the Condominiums of such Owners.

10.5.2 The total amount allocated to severance damages shall be apportioned to those Condominiums which were not taken or condemned.

10.5.3 The respective amounts allocated to the taking of or injury to a particular Condominium and/or improvements, including trade fixtures, the Owner has made within his Condominium, and any relocation, moving expenses or other allowance of a similar nature designated to facilitate relocation, shall be apportioned to the particular Condominium involved.

10.5.4 The total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in these circumstances.

ARTICLE 11

PARTITION

11.1 Suspension. The right of partition is suspended pursuant to Idaho law as to the Development. Partition of the Development can be had on a showing that the conditions of such partition as stated in Section 9.7 or in Section 10.4 have been met. Nothing in this Declaration shall prevent partition or division of interest between joint or common Owners of any Condominium.

11.2 Distribution of Proceeds. Proceeds or property resulting from a partition shall be distributed to and among the respective Owners and their mortgagees as their interests

appear in proportion to each Owner's respective undivided percentage interest in the common area.

11.3 Power of Attorney. Each of the Owners hereby grants the Association an irrevocable power of attorney to sell the Development for the benefit of the Owners when partition can be had. Exercise of said power is subject to the approval of members and their institutional first mortgagees.

ARTICLE 12

NON-SEVERABILITY OF COMPONENT INTERESTS IN A CONDOMINIUM

12.1 Prohibition Against Severance. An Owner shall not be entitled to sever his interest in any Condominium from his membership in the Association, and shall not be entitled to sever his Unit and his membership from his undivided interest in the common area for any purpose. None of the component interests in a Condominium can be severally sold, conveyed, encumbered, hypothecated or otherwise dealt with, and any violation or attempted violation of this provision shall be void. The suspension of such right of severability will not extend beyond the period set forth in Article 11 respecting the suspension of partition. It is intended hereby to restrict severability.

12.2 Conveyances. After the initial sales of the Condominiums, any conveyance of a Condominium by an Owner shall be presumed to convey the entire Condominium. However, nothing contained in this Section shall preclude the Owner of any Condominium from creating a cotenancy or joint tenancy in the ownership of the Condominium with any other person or persons.

ARTICLE 13

TERM OF DECLARATION

This Declaration shall run with the land and shall continue in full force and effect unless and until this Declaration is revoked by an instrument executed by Members holding seventy-five percent (75%) of the votes which may be cast by Members of the Corporation and recorded in the office of the Blaine County Recorder.

ARTICLE 14

PROTECTION OF MORTGAGEES

14.1 Mortgage Permitted. Any Owner may encumber his Condominium with a mortgage.

14.2 Subordination. Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any mortgage that encumbers all or a portion of the Development, or any Condominium, made in good faith and for value, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such mortgage unless the mortgagee expressly subordinates his interest, in writing, to such lien.

14.3 Amendment. The prior written consent, as provided in Section 14.3.6, below, of all first mortgagees shall be required for any material amendment to this Declaration, to the Articles or to the Bylaws. As used in this Section 14.3, the term "any material amendment" is defined to mean amendments to provisions of this Declaration, to the Articles or to the Bylaws governing the following subjects:

14.3.1 The purpose for which the Development may be used;

14.3.2 Voting provisions of Articles 9 and 10;

14.3.3 Creation and subordination of assessment liens;

14.3.4 Rights of use to and in the common area;

14.3.5 Any provision, which by its terms, is specifically for the benefit of first mortgagees, or specifically confers rights on first mortgagees.

14.3.6 The Association shall provide notice of such amendment by United States mail, return receipt requested, to all first mortgagees that have previously disclosed their interest in writing to the Association. In the event that no response from said first mortgagee is received by the Association within forty-five (45) days of the mailing of said notice, the non-responding first mortgagee shall be deemed to have consented to the amendment.

14.4 Restrictions on Certain Changes. Unless all first mortgagees have given their prior written approval, as provided in Section 14.4.6, below, neither the Association nor the Owners shall be entitled:

14.4.1 By act or omission to seek to abandon or terminate the condominium project, except for abandonment provided by statute in case of substantial loss to the Units and common area;

14.4.2 To change the pro rata interest or obligations of any Condominium for purposes of allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of ownership of each Owner in the common area;

14.4.3 To partition or subdivide any Unit; any partition or subdivision shall be subject to the applicable laws of all government entities with jurisdiction thereover;

14.4.4 By act or omission to seek to abandon, partition, subdivide, encumber, sell or transfer the common area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common area by the Association or the Owners shall not be deemed to be a transfer within the meaning of this clause.

14.4.5 To use hazard insurance proceeds for losses to Units or common area improvements in the development or to any other Association property, for other than the repair, replacement or reconstruction of such improvements or property except as provided by statute in case of substantial loss to the Units or common area of the development.

14.4.6 The Association shall provide notice of such acts referred to in paragraphs 14.4.1. through 14.4.5, above, by United States mail, return receipt requested, to all first mortgagees that have previously disclosed their interest in writing to the Association. In the event that no response from said first mortgagee is received by the Association within thirty (30) days of the mailing of said notice, the non-responding first mortgagee shall be deemed to have consented to the act.

14.5 Right to Examine Books and Records. First mortgagees can examine the books and records of the Association or the condominium project and can require the submission of financial data concerning the Association or the condominium project, including annual audit reports and operating statements as furnished by the Owners.

14.6 Distribution of Insurance and Condemnation Proceeds. No Owner, or any other party, shall have priority over any right of first mortgagees of Condominiums pursuant to their mortgages in case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Units or common area. Any provisions to the contrary in this Declaration or in the Bylaws or other documents relating to the development is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected first mortgagees naming the mortgagees, as their interests may appear.

14.7 Notices to First Mortgagees of Record. Upon any loss to any Unit covered by a mortgage, if such loss exceeds Five Thousand Dollars (\$5,000) or any loss to the common area, if such loss exceeds Ten Thousand Dollars (\$10,000), or on any taking of the common area, notice in writing of such loss or taking shall be given to each first mortgagee of record. If any Owner of a unit is in default under any provision of these covenants, conditions and restrictions, or under any provision of the Bylaws or the Association rules, which default is not cured within thirty (30) days after written notice to such Owner, the Association shall give the first mortgagee of record of such Owner written notice of such default and of the fact that said thirty (30) day period has expired.

14.8 Voting Rights on Default. In case of default by any Owner in any payment due under the terms of any first mortgage encumbering such Owner's Condominium, or the

promissory note secured by the mortgage, the first mortgagee or his representative, on giving written notice to such defaulting Owner or Owners, and placing of record a notice of default, is hereby granted a proxy and can exercise the voting rights of such defaulting Owner attributable to such Condominium at any regular or special meeting of the members held during such time as such default may continue.

14.9 Payments by First Mortgagees. First mortgagees of Condominiums may, jointly or singularly, pay taxes or other charges against common area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for common area improvements or other insured property of the Association and, upon making any such payments, such first mortgagees shall be owed immediate reimbursement therefor from the Association. This provision shall constitute an agreement by the Association for the express benefit of all first mortgagees and upon the request of any first mortgagee the Association shall execute and deliver to such first mortgagee a separate written agreement embodying the provisions of this Section 14.9.

14.10 Effect of Breach. No breach of any provision of these covenants, conditions, and restrictions shall invalidate the lien of any mortgage in good faith and for value, but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustees's sale, or otherwise.

14.11 Foreclosure. If any condominium is encumbered by a mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this Declaration, assessments, or installments of assessments, shall not operate to affect or impair the lien of the mortgage. On foreclosure of the mortgage, the lien for assessments, or installments, that has accrued up to the time of foreclosure shall be subordinate to the lien of the mortgage, with the foreclosure-purchaser taking title to the Condominium free of the lien for assessments, or installments, that has accrued up to the time of the foreclosure sale. On taking title to the Condominium, the foreclosure-purchaser shall only be obligated to pay assessments or other charges levied or assessed by the Association after the foreclosure-purchaser acquired title to the Condominium. The subsequently levied assessments or other charges may include previously unpaid assessments provided all Owners, including the foreclosure-purchaser, and his successors and assigns are required to pay their proportionate share as provided in this Section.

14.12 Loan to Facilities. Any mortgage given to secure a loan to facilitate the resale of a Condominium after acquisition by foreclosure or by a deed-in-lieu of foreclosure or by an assignment-in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Article 14.

14.13 Appearance at Meetings. Because of its financial interest in the development, any mortgagee may appear (but cannot vote except under the circumstances set forth in Section 14.8) at meetings of the members and the Board to draw attention to violations

of this Declaration that have not been corrected or made the subject of remedial proceedings and assessments.

14.14 Right to Furnish Information. Any mortgagee can furnish information to the Board concerning the status of any mortgage.

14.15 Contracts with Declarant. Any agreement between the Association and Declarant pursuant to which the Declarant agrees to provide services shall provide for termination by either party without cause or payment of a termination fee on thirty (30) days' written notice and shall have a maximum contract term of one (1) year; provided that the Board can renew any such contract on year-to-year basis.

14.16 Mortgagee to Notify Board of Owners Default. Upon the happening of a default under the terms of a mortgage of a Condominium which would permit the holder to declare the entire principal sum due, notice of the intention of the holder to do so shall be given to the Board but failure to give such notice shall not prevent the holder from instituting a foreclosure action and joining the Association as a party defendant therein.

14.17 Rights of Association with Respect to Mortgages in Default. The Association shall have the following rights, powers and privileges with respect to mortgages in default:

14.17.1 By and with the consent of the holder thereof, to remedy the defaults existing under the terms of the mortgage and to put the same in good standing. In the event the Board shall make the advances necessary to remedy the defaults, the Association shall be deemed to hold a junior participating interest in the obligation and mortgage for the sum of principal together with interest, costs, disbursements, counsel fees, insurance, taxes or other charges so advanced with the right to foreclosure of such junior participating interest against the defaulting Unit Owner for the benefit of the remaining Unit Owners. The holder of the mortgage shall in no event be required or have the obligation to collect the junior interest so created on behalf of the Association.

14.17.2 To acquire such mortgage by assignment from the holder thereof either before or after the institution of a foreclosure action. The mortgage shall be acquired in the name of the Association with all the powers and rights of the holder against the defaulting Unit Owner including the right to foreclose the same for the benefit of the remaining Owners.

14.17.3 To accept from the defaulting unit Owner a deed transferring the unit and its common interest and, by and with the consent of the holder of the mortgage, to remedy the defaults existing under the terms thereof for the benefit of the other Unit Owners.

14.17.4 To continue any pending action or to institute an action to foreclose any mortgage taken by assignment under subsection 14.18.2 above, or to take a deed in lieu of such foreclosure.

In no event shall a Unit Owner be relieved from liability already incurred for past due common expenses and charges or be relieved from personal liability on the bond, note or other obligation by reason of any conveyance made under the provisions set forth above.

14.18 Association Shall be Necessary Party in All Mortgage or other Lien Foreclosures. The Association shall be a necessary party in every action brought to foreclosure any mortgage or other lien affecting a Condominium. The Association shall be entitled to bid at any sale, whether the Association is the plaintiff or a defendant, and to purchase any Condominium at such sale for such amount as shall be approved by the Board taking into consideration the amount due, the costs and disbursements, and all other charges affecting the Condominium. The Association shall not, however, be limited in its bidding to such amount or total but may bid any higher sum it finds necessary in order to protect the interests of the other unit Owners.

ARTICLE 15

RETAINED RIGHTS OF DECLARANT

15.1 Retained Right to Develop and Include Adjacent Property. The Declarant hereby expressly retains the right to acquire property adjacent to the Real Property at any time and to develop such additional property and include such additional property to the Development subject to all of the provisions of this Declaration and the Bylaws. "Adjacent property" shall mean property which adjoins the Real Property or which is separated from the Real Property by a road, street or easement, but would adjoin the Real Property but for such road, street or easement, whether the road, street or easement is public or private. Any additional property to be added to the Development, if improved, shall be improved and developed with condominium buildings and other facilities which are substantially similar in architectural style, construction and materials to the Development; provided, however, that if Declarant acquires Lot 1, Sun Mountain Subdivision, Blaine County, Idaho, which has existing condominiums built on it, Declarant may include such property and such condominiums in the Development. In addition, Declarant reserves the right to change the size, design, and allocation of commercial or residential use of the Units to meet market demands. The Declarant specifically retains the right to amend this Declaration and the Condominium Plat to include the additional property, condominium units, and common areas. Any Owner's acceptance of a deed to any Unit of the Development constitutes express consent to such amendments.

15.2 Adjustments to Common Areas upon Addition of Property. If the Declarant acquires additional property and adds such additional property to the Development as provided above, all interests in the Common Areas shall be adjusted appropriately. A revised Exhibit B

setting forth the Common Area ownership percentages of all of the Units shall be prepared and recorded as part of the amended Declaration.

15.3 Adjustments to Assessments upon Addition of Property. If additional Units are added to the Development as provided above, the Assessments shall be recalculated to include the Common Expenses of the additional property added to the Development and allocated as provided in Article 6. Each additional Unit which is added to the Development as provided in this Article 15 shall be subject to Assessments commencing on the first day of the month which is six (6) months after issuance of a Certificate of Occupancy for such Unit; provided that any Owner of a Unit other than Declarant shall pay full assessments for such Owner's Unit from the date of conveyance of such Unit to such Owner.

15.4 Retained Right to Amend Condominium Plat and Declaration. Notwithstanding any contrary provision in this Declaration, Declarant retains the right to amend the Condominium Plat and the Declaration at any time prior to the completion of Phase II of the Development without prior notice to or the consent of any Owner and to record such amended documents; provided, however, that such amendment may not adversely impact any material rights of existing Owners other than Declarant. A "material right" is a right contained in the original recorded Declaration related to:

15.4.1 The purpose for which the Development may be used;

15.4.2 The voting rights or power of existing Owners;

15.4.3 The method of determining the obligations, assessments, dues or other charges which may be levied against any existing Owner, or a change in the pro rata interest or obligations of any Condominium of an existing Owner for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of ownership of each existing Owner in the Common Area (except as provided in paragraphs 2.3 and 15.2);

15.4.4 The restrictions on any act or omission seeking to abandon, partition, subdivide, encumber, sell or transfer the Common Area or any Unit.

15.4.5 The use of hazard insurance or condemnation proceeds for losses to Common Area or Units not owned by Declarant.

15.4.6 The maintenance of the Common Area.

15.4.7 The designation of Limited Common Area appurtenant to any Unit not owned by Declarant.

ARTICLE 16

AMENDMENT

16.1 Amendment of Declaration. Except as provided in paragraphs 2.3 and 15.4, this Declaration may be amended or revoked in any respect by the vote or written consent of Members holding eighty percent (80%) of the votes which may be cast by Members of the Corporation. Also, if the consent or approval of any governmental authority, mortgagee, or other person, firm, agency or entity is required under this Declaration with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained, or deemed given, as provided in this Declaration.

16.2 Reliance on Amendments. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

ARTICLE 17

GENERAL PROVISIONS

17.1 Headings. The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Declaration.

17.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provisions or portions of it shall not invalidate any other provisions.

17.3 Cumulative Remedies. Each remedy provided for in this Declaration shall be cumulative and not exclusive. Failure to exercise any remedy provided for in this Declaration shall not, under any circumstances, be construed as a waiver thereof.

17.4 Violations as Nuisance. Every act or omission in violation of the provisions of this Declaration shall constitute a nuisance and, in addition to all other remedies herein set forth, may be abated or enjoined by any Owner, any member of the Board, the Manager, or the Association.

17.5 Access to Books. Any Owner may, at any reasonable time and upon reasonable notice to the Board or Manager at his own expense, cause an audit or inspection to be made of the books and financial records of the Association.

17.6 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision thereafter.

17.7 Notification of Sale of Condominium. Concurrently with the consummation of the sale of any Condominium under circumstances whereby the transferee becomes an Owner thereof, or within five (5) business days thereafter, the transferee shall notify the Manager of the Association in writing of such sale. Such notification shall set forth the name of the transferee and his mortgagee and transferor, the common address of the Condominium purchased by the transferee, the transferee's and the mortgagee's mailing address, the date of sale, the amount of such mortgages and the recording information pertinent to identify same. Prior to the receipt of such notification, any and all communications required or permitted to be given by the Association, the Board or the Manager shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor. Mailing addresses may be changed at any time upon written notification to the Manager. Notices shall be deemed received forty-eight (48) hours after mailing if mailed to the transferee, or to his transferor if the Manager has received no notice of transfer as above provided, by certified mail, return receipt requested, at the mailing address above specified. Notice shall also be deemed received twenty-four (24) hours after being sent by telegram or upon personal delivery to any occupant of a Condominium over the age of eighteen (18) years. The Board may specify any additional notification that must be given by the transferee.

17.8 Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine or neuter, as the context requires.

17.9 Exhibits. All exhibits referred to are attached to this Declaration and incorporated by reference.

17.10 Easements Reserved and Granted. Any easements referred to in this Declaration shall be deemed reserved or granted, or both reserved and granted, by reference to this Declaration in a deed to any Condominium.

17.11 Binding Effect. This Declaration shall inure to the benefit of and be binding on the successors and assigns of the Declarant, and the heirs, personal representatives, grantees, tenants, successors, and assigns of the Owners.

17.12 Unsegregated Real Estate Taxes. Until such time as real property taxes have been segregated by the Blaine County Assessor, they shall be paid by the respective Owners of Condominiums. The proportionate share of the taxes for a particular Condominium shall be determined by dividing the initial sales price or offered initial sales price of the Condominium by the total initial sales prices and offered initial sales prices of all Condominiums within the Development (the term "offered initial sales price" means the price at which an unsold Condominium is then being offered for sale by Declarant). If, and to the extent, that taxes are not paid by any Owner of a Condominium and are allowed to become delinquent, they shall be collected from the delinquent Owner by the Association.

17.13 Designation of Person to Receive Service. Declarant, as the Owner of the development and every part thereof, and for all subsequent Owners of Condominiums, has executed pursuant to Idaho Code Section 55-1512 a Designation of Person to Receive Service, a copy of which is attached hereto as Exhibit "E" and made a part hereof. This Designation shall be filed with the recorder of Blaine County, Idaho. Upon termination of the authority to receive service of the person designated herein, the Board shall prepare and file with said recorder a new such Designation naming another person to receive service.

17.14 Consent of Recordation. Declarant, as the Owner of the fee simple title to the real property, hereby consents to the recordation of this Condominium Declaration and the Condominium Plat in the records of Blaine County, Idaho. Further, Declarant hereby certifies that all holders of recorded liens or other security interests in the real property have also consented to the recordation of such documents by virtue of the fully executed Certificates of Consent attached hereto as Exhibit "F" and made a part hereof, all as required by Idaho Code Section 55-1504(c) (iii).

17.15 Governing Law. This Agreement shall be governed by the laws, including conflicts of laws, of the State of Idaho, as an agreement between residents of the State of Idaho, and to be performed in the State of Idaho.

17.16 Attorney's Fees. In the event that any party hereto has to retain counsel for the purpose of enforcing any of the rights, duties or obligations arising out of or relating to this Agreement, the non-prevailing party shall pay to the prevailing party the latter's reasonable attorneys' fees and costs, whether or not litigation is actually instituted, and including attorneys' fees and costs on appeal and in any bankruptcy proceeding.

Declarant has executed this instrument as of the 16 day of May 2001.

WESTRIDGE LLC

By  MEMBER
Earl Engelmann, Member

By ENGELMANN, INC., Member

By  MEMBER
Jack Bunce, Member

By  PRES
Earl Engelmann, President

EXHIBIT A

LEGAL DESCRIPTION

Lot 2 of SUN MOUNTAIN SUBDIVISION, according to the official plat thereof, recorded as Instrument No. 291019, records of Blaine County, Idaho.

EXHIBIT "A"

EXHIBIT B

PERCENTAGE OF COMMON AREA OWNERSHIP

UNIT #	SQ. FT.	of common area
1	1455	7.74%
2	1260	6.70%
3	1392	7.41%
4	1455	7.74%
5	1260	6.70%
6	1392	7.41%
7	1382	7.35%
8	1463	7.78%
9	1469	7.83%
A	3546	18.87%
B	2720	14.47%
Totals	18794	100.00%

EXHIBIT "B"

FILED/EFFECTIVE

01 MAY 18 AM 10:47
SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF INCORPORATION
OF
WESTRIDGE CONDOMINIUM ASSOCIATION, INC.

I, the undersigned, acting as the Incorporator of a corporation under the Idaho Non-profit Corporation Act, Idaho Code Section 30-301, et seq., adopt the following Articles of Incorporation for such corporation:

I.

The name of the corporation is WESTRIDGE CONDOMINIUM ASSOCIATION, INC.

II.

The Corporation shall be a non-profit membership corporation where pecuniary profit is not an objective.

III.

The period of duration of the Corporation is perpetual.

IV.

The Corporation is organized and shall be operated as the management body for the Westridge Condominiums, as defined in Idaho Code Section 55-1503, and shall perform the functions and provide the services contemplated in the Condominium Declaration for Westridge Condominiums (the "Declaration"). The purpose for which this corporation is formed and its powers are consistent with the provisions of the Idaho Condominium Property Act, Idaho Code Section 55-1501 *et seq.*

V.

Subject to the purposes declared in Article IV, above, and any limitations herein expressed, the Corporation shall have and may exercise each and all of the following powers and privileges:

(a) The power to do any and all things that the Corporation is authorized or required to do under the Declaration, as the same may from time to time be amended, including, without limitation, the specific power to fix, levy and collect the charges and assessments provided for in the Declaration;

IDAHO SECRETARY OF STATE
05/18/2001 09:00
CR: 1238 CI: 12794 BH: 397892

1 @ 38.00 = 38.00 INC WOMP # 2 HF
1 @ 28.00 = 28.00 EXPEDITE C W 3

ARTICLES OF INCORPORATION/I

C139097

(b) The power to purchase, acquire, own, hold, lease, mortgage, sell and dispose of any and all kinds and character of real, personal and mixed property, and while the owner of any of the foregoing, to exercise all rights, powers and privileges appertaining thereto; and

(c) The power to do any and all things that a non-profit corporation may now or hereafter do under the laws of the State of Idaho.

VI.

The address of the initial registered office of the corporation shall be 191 Eighth Street, Unit B, Ketchum, Idaho, and the initial mailing address of the Corporation is P.O. Box 6240, Ketchum, Idaho 83340, respectively, and the name of its initial registered agent at such address is Earl Engelmann.

VII.

The corporation shall have members who must be and remain owners of condominiums within the Westridge Condominiums. All owners of Westridge condominiums shall be members of the corporation.

VIII.

Upon dissolution, the Corporation's assets shall be distributed to its members.

IX.

The number of Directors constituting the initial Board of Directors of the corporation is three (3), and the names and addresses of the persons who are to serve as Directors until the first annual meeting of the members or until their successors are elected and shall qualify are:

<u>NAME</u>	<u>MAILING ADDRESS</u>
Earl Engelmann	P.O. Box 6240 Ketchum, Idaho 83340
Jack Bunce	P.O. Box 6478 Ketchum, Idaho 83340
Cindy Mann	P.O. Box 6240 Ketchum, Idaho 83340

X.

The name and street address of the Incorporator is: Earl Engelmann, as a member of Westridge, L.L.C., 660 Second Ave. South, Unit A, Ketchum, Idaho 83340.

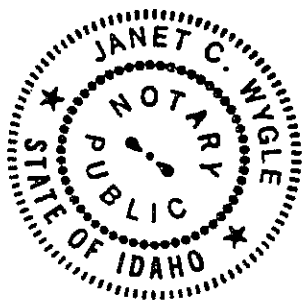
DATED this 17th day of May, 2001.

WESTRIDGE, L.L.C.

By [Signature]
Earl Engelmann, Member

STATE OF IDAHO) -
) ss.
County of Blaine)

I, Janet C. Wygle, a notary public, do hereby certify that on this 17th day of May, 2001, personally appeared before me EARL ENGELMANN, who, being by me first duly sworn, declared that he is a Member of Westridge, L.L.C., the Incorporator of Westridge Condominium Association, Inc., that he signed the foregoing document as a Member of Westridge, L.L.C., and that the statements therein contained are true.



Janet C. Wygle
Notary Public for Idaho
Residing at: Ketchum
Commission expires: 9/19/2004

EXHIBIT D

LIMITED COMMON AREA - PHASE I

UNIT	STORAGE UNIT #	PARKING SPACE #
1	T-1*	31
2	T-2*	32
3	T-3*	33
4	T-4*	29
5	T-5	28
6	T-6*	27
7	T-7*	20
8	T-8*	21
9	T-9*	22
A	None	7-12, 24-26
B	Basements of Buildings A & B	16-19, 5-6

*Temporary storage unit in basement of building A until Phase II is completed

EXHIBIT "D"