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DECLARATION OF COVENANTS, CONDITIONS,
HOME OWNERS ASSOCIATION AND RESTRICTIONS RECORDED AT REQUEST OF

OF

RIVERS EDGE SUBDIVISION

FEE 57⁰⁰ DEPUTY RECORDER

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OFFICIAL RECORD BK# 882

RECORDER

BANNOCK COUNTY IDAHO

ARTICLE 1

RECITALS, DESCRIPTION OF PROPERTY AND
DECLARATION OF COVENANTS

1.1 THIS DECLARATION OF COVENANTS, CONDITIONS, HOME OWNERS ASSOCIATION AND RESTRICTIONS (the "declaration"), is made on the date hereinafter set forth by Intermountain Development Group, (hereafter the "Declarant").

1.2 The Property. The Declarant has or will construct single family and townhouse residences in the project on the following described property.

RIVERS EDGE, DIVISIONS 1 THRU 20, ZONED BY THE CITY OF POCCATELLO, BANNOCK COUNTY, STATE OF IDAHO AS SHOWN ON RECORDED PLATS.

1.3 Declaration of Covenants. The property described in Article 1.2 is and shall be held, transferred, sold, conveyed, converted, used, leased and occupied subject to these covenants, restrictions, easements, charges, and liens set fourth in this declaration, which are for the purpose of enhancing the value and desirability of, and which shall be equitable servitude running with, the above-described property and shall be binding on all parties having any right, title or interest in the property or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each holder of any interest therein.

1.4 Description of Townhouse Ownership. There has been or will be constructed on the above described property an attached single family and single family dwelling project. The project will be sold in single family parcels described by legal documentation at time of purchase and each will separate freehold estates, separately described and conveyed, but sharing a common roof and exterior siding with an abutting lot. Each lot will have full rights of ownership but will be governed by and subject to both the provisions of this declaration and all amendments hereafter made thereto. "Lots" as more fully defined hereafter shall consist of all the land in fee simple and the structures located on the real property and all rights appurtenant thereto.

1.5 Survey map and description. None provided.

ARTICLE 2
DEFINITIONS

2.1 "Association" shall mean the Rivers Edge Home Owners Association, of which all of the lots or Home Owners shall be members. The Association shall be governed in accordance with this Declaration and the Association's bylaws (the "Bylaws"), which will be adopted at the organizational meeting of the Association.

2.2 "Common Expenses" shall mean any amount assessed against the owners of a lot pursuant to this declaration, and pursuant to such rules and regulations as the Association shall adopt or agree upon for the care and maintenance of the easement property and the common good and benefit of the lot owners.

2.3 "Common Areas" shall mean and refer to those areas specifically set forth and designated in the plat as "Common Area". The land, other than the land to be deeded for each townhouse residence

2.4 "Development Plan" shall mean the graphic representation of the property and the legal descriptions of each individual lot which will be spelled out individually at time of sale.

2.5 "Easement Property" shall mean that part of each lot not covered by buildings, or fenced yards as granted by the original subdivision. Enclosed area shall then become limited easement area private to the lot owner and maintained by the association only if gates and access are readily available to the maintenance crews. If the fenced area is not accessible the lot owner will be responsible for maintaining that portion. All gates must be a minimum of 4 feet wide.

2.6 "Institutional Mortgage" shall mean any institutional holder of any interest in any mortgage or deed of trust by which a parcel of the property is encumbered.

2.7 "Management Body" shall mean the Association or the designated agent thereof.

2.8 "Property" shall mean and refer to real property described in paragraph 1.2, together with all improvements existing or from time to time constructed thereon.

2.9 "Owner" shall mean the recorded owner, whether one or more persons or entities, of the fee simple title to any parcel, excluding however, any mortgagees unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. If a lot is owned by more than person or entity, the multiple owners shall only be allowed one vote in the meetings of the Association. A purchaser under a

contract of sale shall be deemed an owner if the contract is recorded in the Blaine County Recorder's Office.

2.11 "Lot" shall mean the entire parcel of the property as described by the lot and block description together with all appurtenances thereto. Each lot shall consist of the described land with all improvements constructed thereon, but subject to the easements identified herein. On each lot will be constructed a residential structure.

ARTICLE 3

OWNERSHIP, DESCRIPTION, RIGHTS AND RESTRICTIONS

3.1 Lot and Block Description Required. Each lot may be conveyed only by full recitation of the Lot and Block description.

3.2 Ownership. The owner of each lot shall own in fee simple title the entire land area of the lot together with all improvements located thereon, all appurtenances and all benefits of these covenants, subject only to the covenants, restrictions, easements, charges and liens set fourth in this declaration and in the instrument of conveyance. All property taxes, assessments and special taxes or charges of the State of Idaho or of any political subdivision thereof, or other lawful taxing or assessing body shall be assessed against or levied upon each lot separately and shall be a lien thereon pursuant to Idaho Code 55-1514(c).

3.3. Taxation. The real property taxes shall be assessed individually against each parcel. The Common Areas are jointly owned by the parcel owners and should be subject to apportioned real property taxes.

3.4 Easements. Each parcel is hereby declared to be subject to and conversely the owners thereof and the Association shall have the benefit of the following common easements:

(f) If any building upon any of the parcels encroaches or shall hereafter encroach upon another parcel, an easement for such encroachment and for the maintenance of the same shall and does exist.

(g) The right, upon approval by the Association with reasonable notice, to go upon the parcel as necessary to clean, maintain or repair the exterior of the abutting townhouse residences.

3.5 Restrictions.

(a) Maintenance. No change, addition or alteration or change in exterior decoration shall be done by the owner except in conformity to the exterior decorating scheme adopted and approved by the Association for all the residences. It will remain the

duty of the owner to maintain the structural integrity and weatherability of his residence, specifically including but not limited to maintaining the soundness of the roof, windows, doors, and exterior walls.

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proposed scheme

(b) Limitation on New Structures. No structures of any kind shall be placed on any of the easement property. The easement property shall not be for storage of any property.

(c) No Subdivision. No parcel shall be subdivided in any fashion or utilized by more than one living group.

(d) Insurance. All structures on each parcel shall be fully insured at all times by a recognized and substantial insurance company for the full replacement value for all risks insurable in the Pocatello, Idaho, area. Any damage or destruction to the residence shall be promptly restored by the owner to its original design and dimensions to conform to the buildings existing on the other parcels or as otherwise approved by the Association.

(e) Approval for Structures. No building, fence, wall or other structure of any land or landscaping shall be commenced, erected or maintained upon any parcel, unless the plan and specification showing the nature, kind, shape, height, materials and location are submitted to and approved in writing as to harmony of external design and location and topography by the Association, except that reasonable landscaping shall be fully allowed within fenced yards. *It shall be incumbent upon the requesting etc.*

insert B

3.6 Party Roof and Exterior Siding. Adjoining roof structures and exterior siding now or hereafter constructed between abutting townhouses on the property shall be deemed to belong to the respective common owners as tenants in common and shall be used for the common purpose of the townhouses covered thereby. The preservation and structural repair of the party roof and exterior siding shall be the joint duty and obligation of the persons using the roof and siding. No structural changes in a townhouse roof or exterior siding shall be undertaken without the prior written consent and approval of the Association and each of the users of the particular party roof and exterior siding.

(a) In the event the party roof and exterior siding is damaged or destroyed through the act of one adjoining owner, or any of his guests or agents or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other abutting owner of the full use and enjoyment of the party roof and exterior siding, then the first such owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly, without cost to the adjoining owner.

(b) In the event any such party roof or exterior siding damaged or destroyed by some cause other than the act of one of the abutting owners, his agents, guests, or family (including ordinary wear and tear and deterioration from lapse of time), then in such event, both such adjoining owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint equal expense.

(c) In the event of a dispute between owners with respect to the repair or rebuilding of a party roof or exterior siding or with respect to the sharing of the cost thereof, then upon written request of one of such owners addressed to the president of the Association, the matter shall be submitted to mediation or arbitration under such rules as may from time to time be adopted by the Association. If no such rules have been adopted, then the matter shall be submitted to three (3) arbitrators, one chosen by each of the owners and the third by the Association. A determination of the matter signed by any two arbitrators shall be binding upon all parties involved in the subject dispute. The cost of arbitration shall be shared equally by the two owners involved in the dispute.

(d) These covenants shall be binding upon the heirs and assigns of any owners, but no person shall be liable for any act or omission respecting any party roofs and exterior siding except such as took place while that party was owner.

3.7 Lien for Assessments. As more fully provided in this instrument, each parcel shall be subject to a periodic assessment by the Association for its expenses. The assessments of the Association shall constitute a lien upon the parcel until paid.

3.8 Covenants and Restrictions Appurtenant to Lots. All rights or interests and obligations and restrictions created hereunder shall be deemed appurtenant to each lot and shall not be separable therefrom. Any conveyance or encumbrance shall also be deemed a conveyance or encumbrance subject to and together with those appurtenant rights, interests, obligations, or restrictions, even those that expressly stated or referred to in such transfer, conveyance or encumbrance.

3.9 Access Easement. Each owner and the Association and its agents shall have a nonexclusive easement of reasonable scope to go upon the parcels to service the utility lines that go under, through or over a parcel and to make such use as may be necessary or appropriate to perform the duties and functions which the Association is obligated to perform pursuant to this declaration.

3.10 Ownership of Common Areas. The Common Areas contained in the Development are described and identified in the Declaration and on the plat. Said Common Areas shall be owned by the Association. Each lot owner will have an interest in the Common Area with all the other lot owners by virtue of their membership in the Association. The Common Areas shall be used only in a manner that is consistent with their community nature and with the use restrictions applicable to the lots contained in the development.

ARTICLE 4
RIVERS EDGE HOMEOWNERS ASSOCIATION

4.1 Association Created. By this declaration, declarant declares the existence of Homeowners Association as an unincorporated nonprofit association under Idaho Code 53-701 et seq. The purpose and powers of the Association shall be all of the purposes and

powers set fourth in this declaration. The Association shall perform the duties and enforce the covenants and restrictions set fourth in this declaration.

4.2 Name. The name of this Association shall be Rivers Edge Homeowners Association.

4.3 Purpose. The purpose of the Association shall be:

(a) To promote the collective and individual property and civic interests of all persons owning property in the Rivers Edge development;

(b) To care for the improvements and maintenance of the common area property.

(c) To aid and cooperate with the owners in the enforcement of all conditions, covenants and restrictions on or appurtenant to their property;

(d) To collect funds for the Association's common expenses and to exercise any and all power that may be delegated to it from time to time by the owners;

(e) The Association shall not engage in politics or pursue any political purpose;

(f) Except on dissolution, the Association shall not make any distributions to its members and the net gains shall not inure to the individual benefit of the members, but shall be used exclusively for the purposes set forth herein.

4.4 Membership. Every lot owner shall be a member of the Association. If title to a lot is held by more than one person, the membership related to that lot shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the lot is held. An owner shall be entitled to one membership for each lot owned by him. Each such membership shall be appurtenant to the lot upon which it is based and shall be transferred automatically by conveyance of the parcel. No person or entity other than an owner may be a member of the Association, provided, however, that the rights of membership may be assigned to a mortgagee as further security for a loan secured by a lien on a lot.

4.5 Administration. The owners covenant and agree that the administration of the common area, the enforcement of covenants and restrictions of the Association property shall be in accordance with the provision of this declaration and the bylaws of this Association.

4.6 Meetings of Association.

(a) Place of Meetings. Meetings of the Association shall be held at such place within the County of Bannock, State of Idaho, as the Board of directors may specify in the notice, except as herein otherwise specified.

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(b) Annual Meetings. The annual meetings of the Association shall be held on the first Thursday of December of each year, provided that the Board of Directors may by resolution, fix the date and place of the annual meeting on such other date or such other place in Bannock County, Idaho, as the Board of Directors may deem appropriate.

(c) Special Meetings. Special meetings of the Association may be called at any time by written notice signed by a majority of the Board of Directors, or by owners having thirty percent (30%) of the total votes, delivered not less than ten (10) days prior to the date fixed for said meeting. Such meeting shall be held on the project or such other place in Bannock County, Idaho, as the notice may specify and the notice thereof shall state the date, time, place and matters to be considered and shall contain a proxy for absence voting.

(d) Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered to each Association member either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered 48 hours after a copy of the same has been deposited in the United States Mail, postage prepaid, addressed to each owner at the address given by such person to the secretary for the purpose of service of such notice or to the parcel of such person if no other address has been given. Such address may be changed from time to time by notice in writing to the secretary, or by email or other available forms of communication as long as it etc

not less than 10 days prior to the meeting?

Handwritten notes: "K... in person" and "C... in person"

(e) Quorum. At any meeting of the Association, the owners of more than thirty percent (30%) of the voting rights, present, in person or represented by proxy, shall constitute a quorum for any and all purposes, except where by express provision of this declaration a greater vote is required, in which event a quorum shall be the number required for such vote. In the absence of a quorum a meeting may be adjourned from time to time, without notice other than by announcement at the meeting, until holders of the amount of interest requisite to constitute a quorum shall attend. At any future gathering such an adjourned meeting where a quorum is present, any business may be transacted of which owners were originally notified.

(f) Voting. Voting shall be a parcel basis, and each parcel shall be entitled to one vote. When a quorum is present at any meeting, the vote of owners representing at least fifty-one percent (51%) or more of the voting rights of the owners either present in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the board of directors, unless the question is one upon which this declaration requires a different vote, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing and shall be delivered to the secretary prior to the meeting.

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(g) Waiver of Notice. Any owner may at any time waive any notice required to be given under this declaration or by statute or otherwise. The presence of an owner in person at any meeting of the owners shall be deemed such waiver.

4.7 Action by Written resolution. Any action that could be approved by a duly constituted meeting of the Association may be approved by written resolution in the following fashion:

(a) By its own motion, or upon written petition signed by at least thirty percent (30%) of the owners, the board of directors shall cause a statement of the proposal to be delivered to all parcel owners. The statement shall set forth the proposed resolution and contain short statements from the proponents of the resolution and from the opponents of the action, if any, which fairly set forth the arguments in favor and against the proposal.

(b) The statement shall be accompanied by a ballot containing the proposal and shall state a period of time beginning at least ten (10) days and not more than twenty-one (21) days from delivery when the ballot will be returnable to the secretary of the association or other location designated by the board.

(c) A statement and ballot shall be either hand delivered or mailed to each owner at the address maintained on the records of the Association. Mail delivery shall be complete on mailing by first class mail, *or by email or other available forms etc.*

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(d) A resolution will be deemed approved upon the receipt by the appointed agent within the designated time period of affirmative ballots signed by a majority of all owners. If the action be one that requires a two-thirds majority of all homeowners, or two-thirds of the members in attendance at a duly called meeting, the receipt of affirmative ballots signed by two-thirds of all homeowners shall be required for approval.

4.8 Board of Directors.

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(a) Declarant is Board of Directors. The affairs of the Association shall be managed by the Declarant, through its designated agents, as the sole member of the Board of Managers until the first annual meeting of the Association following the sale of (50%) of the lots.

By laws

(a) Purposes and Powers. The board of directors shall be composed of three (3) members, each of whom must be owners of parcels. On the majority vote of all parcel owners at a duly constituted meeting of the association or by written resolution signed by a majority of all parcel owners, the number of directors constituting the board of directors may be expanded. No director may fulfill his or her duties by proxy or substitute.

No longer applies

(b) Election. At the first annual meeting after the sale of fifty percent (50%) of the lots, the Board of Directors shall be expanded to three persons, all of whom shall be Members of the Association. The Members of the Board shall be elected to

staggered terms of one, two, and three years. The member receiving the highest number of votes shall serve three year term; the member receiving the second highest number of votes shall serve the two year term and the member receiving the next highest number of votes shall serve the one year term.

(c) Vacancies. In the event of vacancies on the board of directors resulting from any reason whatsoever, a special meeting of the Association shall be called pursuant to Section 4.6, paragraph c., for the purpose of electing a director to fill the remainder of the term vacated.

after
 (d) Regular Meetings. A regular meeting of the board of directors shall be held ~~immediately after the adjournment of~~ each annual Association meeting. Regular meetings, other than the annual meeting, shall or may be held at regular intervals at such places and at such times as either the president or the board of directors may from time to time designate.

(e) Special Meetings. Special meetings of the board of directors shall be held whenever called by the president or by three (3) or more members. By unanimous consent of the board of directors, special meetings may be held without call or notice at

(f) Quorum and Voting. A quorum for the transaction of business at any meeting of the board of directors shall consist of a majority of the board of directors. All action shall be approved upon the vote of a majority of those in attendance at the duly called meeting at which a quorum is in attendance. A member of the board may be represented by a proxy only if, but only if, the proxy is unanimously approved by all the other directors in attendance at the meeting

(g) Compensation. Members of the board of directors, as such, shall not receive any stated salary or compensation.

(h) Waiver of Notice. Before or at any meeting of the board of directors, any member thereof may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the board of directors at any meeting thereof shall be a waiver of notice by him of the time and place thereof.

(i) Adjournments. The board of directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty (30) days.

(j) Fidelity Bonds. The board of directors may require that all officers and employees of the board of directors handling or responsible for funds provide adequate fidelity bonds. The premium on such fidelity bonds shall be a common expense.

(k) Indemnification. Each member of the board of directors shall be indemnified and held harmless by the owners against all costs, expenses and liabilities

whatsoever, including without limitations, attorney's fees reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said body. Expenses incurred by reason of this indemnification shall be a common expense.

1. Written Resolution. Any action of the board of directors that could be approved at a meeting may be taken without a meeting if a consent in writing setting forth the action to be authorized, shall be signed by all the directors.

4.9 Officers.

(a) Designation and Election. The principal officers of the board of directors shall be a president, a vice-president and a secretary-treasurer, all of whom shall be elected by and from the board of directors at its first meeting following the annual meeting of the association for a one year term. The board of directors may appoint an assistant secretary-treasurer and such other officers as in its judgment may be necessary or desirable, but the same shall not be voting members unless elected from the board of directors.

(b) Removal of Officers and Agents. All officers and agent shall be subject to removal, with or without cause, at any time by the affirmative vote of the majority of the then members of the board of directors.

(c) President. The president shall be the chief executive of the board of directors and shall exercise general supervision over the Association's property and affairs. The president may also function as managing agent. The president shall sign on behalf of the Association all contracts relating to the property and shall do and perform all acts and things which the board of directors may require of him. He shall preside at all meetings of the Association and the board of directors. He shall have all of the general powers and duties which are normally vested in the office of the president of a corporation. Including but not limited to, the power to appoint committees from among the members from time to time as he may be in discretion decide is appropriate to assist in the conduct of the condominium project. The president shall be the agent for serving process in any action relating to the common easement pursuant to Idaho Code 55-1512.

(d) Vice-President. The vice-president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice-president is able to act, the board of directors shall appoint some other members thereof to do so on an interim basis. The vice-president shall also perform such other duties as shall from time to time be prescribed by the board of directors.

(e) Secretary-Treasurer. The secretary-treasurer shall keep the minutes of all meetings of the board of directors and of the Association, have charge of the books and papers as the board of directors may direct, shall in general, perform all the duties incident to the office of the secretary-treasurer and shall have the responsibility for the

funds and securities of the Association and shall be responsible for keeping full and accurate accounts of all receipts and all disbursements in books belonging to the board of directors. He shall be responsible for the deposit of all monies and all other valuable effects in the name and to the credit of the Association in such depositories as may be from time to time designated by the board of directors.

(f) Compensation. No compensation shall be paid to the officers for their services as officers. No compensation shall be paid to an officer for services performed by him for the board of directors in any other capacity, unless a resolution authorizing such compensation shall have been unanimously adopted by the board of directors before the services are undertaken.

4.10 Administrative Rules and Regulations. The Board of Directors shall have the power to adopt and establish by resolution such management and operational rules as it may deem necessary for the maintenance, operation, management and control of the property. The management body may adopt the initial regulations governing the use of the project by the only after due notice of the proposed regulations is given to the owners and the owners are given an opportunity to present arguments for or against such regulations.

4.11 Obligation to Comply Herewith. All owners shall comply with all provisions of this declaration, the bylaws and the administrative rules and regulations pertaining to the project and shall require such compliance from their children, tenants, guests, employees and any other persons whom they invite upon the project. All agreements, decisions and determinations lawfully made by the association shall be deemed to be binding on all owners and shall inure to their benefit. Each owner, any group of owners or the Association shall have standing and authority unless otherwise provided, to enforce by any legal means, including suit for specific performance, injunctive relief or damages, the provisions of the declaration and any duly adopted decisions or regulations of the association.

ARTICLE 5
MANAGEMENT

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5.1 General Management of Project.

(a) Responsibility for Management. The Association shall have the responsibility for management of the property.

(b) Management in Accordance with Declaration, Etc. The Association shall be responsible for the control, operation and management of the project in accordance with the provisions of this declaration and such administrative, management and operational rules and regulations as may be adopted by the Association.

(c) Necessary Powers. The Association shall have the powers necessary for the administration of the project's affairs.

(d) Actions by Association. Without limiting the rights of any owner, actions may be brought by the Association on behalf of two or more of the owners with respect to any cause of action relating to the common area appurtenant to one or more lots, but all expenses incurred by the Association in so doing shall be assessed to the owners for whose benefit the suit is being brought.

(c) Specific Duties of Association. The Association shall have the obligation to contract for the operation, repair and maintenance of the common areas and the exterior decoration, for necessary legal and accounting services and to purchase materials and supplies therefore. The Association shall make all expenditures authorized once such expenditures have been authorized in the annual budget. The declarant, prior to submitting an annual budget to the Association, is authorized to incur and pay reasonable and necessary expenses. All payment vouchers shall be approved by the president and after such approval shall be paid by the Association. Upon ten (10) days notice to the Association and upon payment of a reasonable fee therefore, the Association shall furnish to any owner a statement of his account setting forth the amount of any unpaid assessments or other charges due or owing from such owner. It shall be the duty of the Association to bill, collect, and receipt the collection of all monthly assessments and to enforce the collection thereof. The Association shall have the affirmative obligation to enforce all the provisions of this declaration and shall retain the services of an attorney when necessary to do so. The Association shall record in the office of the Barnock County Recorder's Office all instruments affecting the property. The Association shall see that all members are informed with respect to all regulations as may be adopted and promulgated by the board of directors or association from time to time. The Association shall have the authority and duty to designate and remove, when it deems removal appropriate, any property improperly remaining on the common areas and to contract for the removal, cleaning, maintenance and repair of the improvements on the common areas.

5.2 Accounting.

(a) Books and Accounts. The books and accounts of the Association shall be kept under the direction of the secretary-treasurer and in accordance with the reasonable standards of accounting procedures.

(b) Report. At the close of each accounting year, the books and records of the project shall be reviewed by a person or firm approved by the Association. Report of such review shall be prepared and submitted to the owners at or before the annual meeting of the Association, provided, however, that a certified audit by a certified public accountant approved by the Association shall be made if the owners so vote.

(c) Inspection of Books. Financial reports, such as are required to be furnished, shall be available at the principal office of the Association for inspection at reasonable times by any owner.

5.3 Mortgagee's Right to Management Information. Any mortgagee shall be entitled upon request to:

(a) inspect the books and records of the project at the office of the Association during normal business hours;

(b) receive an annual financial statement of the Association within ninety (90) days following the end of the fiscal year; and

(c) receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

5.4 Contracting of Administrative Duties. The Association may, at its option, enter into an agreement with any other homeowner's association or professional management entity for a period not exceeding three (3) years for performance of administrative duties of the Association. The Association may contract with such agents as appropriate for any of its required functions including the collection of assessments and all bookkeeping and accounting.

ARTICLE 6 COMMON EXPENSES

6.1 Owner Shall Pay. Each owner shall pay to the Association his allocated portion of the common expenses of the Association which shall include an annual budget for the expenses of the management, operation, repair and maintenance of all the common area and the maintenance of the common area as designated on the plat. The assessment shall be equal for every parcel.

6.2 Annual Budget. The Association shall prepare an annual budget which shall indicate anticipated management, operating, maintenance, repair and other common expenses for the Association's next fiscal year. The annual budget shall be the basis for the assessment for that next year. It may include among other things, insurance, common lighting, landscaping and care of grounds, repairs, renovations and painting of the easement property, snow removal, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this declaration, the payment of any deficit remaining from a previous period and the creation of a contingency or other reserve or surplus funds, as determined by the Association. The Association's fiscal year shall be ~~the calendar year~~ *from July 1 through June 30.*

6.3 Presented to Owners. The proposed annual budget shall be presented at a regularly constituted meeting of the Association to be scheduled at least one month before the commencement of the budgeted year. At such a meeting, approval by sixty percent (60%) of all the owners present either in person or represented by proxy, shall be necessary to ratify the annual budget for the following fiscal year. The budget for the prior year shall remain in effect until a new budget is approved. Failure to hold the annual budget meeting by the scheduled time shall not invalid the budget process for the rest of the year.

6.4 How Assessed to Owners Paid. All portions of the annual budget shall be assessed to the owners in proportion to the parcels owned by each. The assessment as thus determined and pro rated to the owners shall be payable by such owners in twelve (12) equal installments with the first installment due on the first day of the budgeted year and each succeeding installment due at one month intervals thereafter or at such greater interval as the board of directors may direct. The owners shall pay the assessments when due without any deduction on account of any set-off or claim which the owner may claim to have against the Association.

6.5 Adjustment of Periodic Installments. The Association may at any time, up to the close of the budget year, decrease the amount previously fixed as the annual budget and decrease the periodic installments assessed against each owner accordingly.

6.6 Interest and Costs of Collection. Each periodic installment of such assessments shall bear interest from the due date at the rate of eighteen percent (18%) per annum or the highest legal rate if less than eighteen percent (18%) if not paid within thirty (30) days after it is due. All costs of collection of such assessments, including reasonable attorney's fees, costs of suit and costs of establishing a lien or foreclosure of the same, shall also become a debt of the owner at the time such costs are incurred.

6.7 Lien Against Lot. The amount of any such assessments or other extraordinary assessments together with the costs of collection shall be secured by a lien upon the lot assessed, from and after the time the Association causes to be recorded with Barnock County Recorder's Office a notice of assessment which shall state the amount of the annual assessment, the amount of any periodic installment and the due date thereof and all incurred or anticipated collection costs, a description of the lot against which it has been assessed and the name of the recorded owner thereof. Such notice shall be signed by a duly authorized representative of the association representative of the Association and may be filed at any time after delinquency in payment. If any assessment or installment is not paid within three (3) months of the due date, such lien may be foreclosed in like manner as a mortgage upon real property.

6.8 Capital Improvements. Following the execution of this declaration, assessment to parcel owners for major maintenance items on the common area exceeding \$3,000 in cost shall not be made without the approval of sixty-six and two-thirds percent (66 2/3 %) vote of the owners at a duly called meeting of the Association.

6.9 No Abandonment. No owner may exempt himself from liability for his contribution toward the expenses of the Association by waiver of the use or enjoyment of any of the common areas or by abandonment of his lot.

6.10 Reserve Fund Upon Transfer. If an owner transfers his lot to another, his interest in all funds of the Association including any reserve fund shall be deemed to also have been transferred to the new owner as an appurtenance to the transferred lot.

6.11 Grantee Liable. Subject to subparagraph 6.14 below, the grantee of a lot shall be jointly and severally liable with the grantor for all unpaid assessments owed by the grantor at the time of the conveyance, but such liability shall without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee therefore.

6.12 Statement of Assessment. Upon payment of a reasonable fee and upon written request by any owner, mortgagee, prospective mortgagee, or prospective purchaser of a lot, the Association shall issue a written statement setting forth with respect to any lot the amount of the unpaid assessments, if any, the amount of the current periodic assessment and the date that such assessment becomes or became due; credit for advanced payments or prepaid items, including, but not limited to, an owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith except in the case of obvious error. Unless the request for such written statement shall be met within ten (10) days, all unpaid assessments which become due prior to the date of making of such request shall be subordinate to the lien, if any, held by the person making the request. Any mortgagee may pay any amount shown as due on such statement, and upon such payment such mortgagee shall have a lien on such parcel for the amounts paid of the same rank as the lien of his encumbrance.

6.13 Assignment of Rents. If any owner who is renting his lot to another shall default for a period of one month in the payment of any assessments, the Association may, at its option, and for so long as such default shall continue, demand and receive from any tenant occupying the lot, any portion of the rent due or becoming due, and to the extent such rent is paid to the Association such tenant shall be discharged of liability to the owner.

6.14 Mortgagee Protection. Notwithstanding all other provisions of this Article, the liens created hereunder upon any lot shall be subject and subordinate to, and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage and any purchase money mortgage created by the original purchaser of each lot from developer made in good faith and for value, provided that after foreclosure and sale by any such first mortgagee, there may be a lien created to secure all assessments, whether regular or special, coming due after the date of such foreclosure sale. No amendment of this declaration shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof. By subordination agreement executed by the Association, the benefits of this paragraph may be extended to mortgagees not otherwise entitled thereto. Any mortgagee which comes into possession of the lot pursuant to the remedies provided in the mortgage or by transfer in lieu of foreclosure shall take the property free of any claims for unpaid assessments or charges the notice of lien for which was filed of record in the Nassau County Recorder's office subsequent to the date when such mortgage was filed of record in that office and shall take free of any claims for unpaid assessments or charges for which no notice of lien has been filed and which have accrued prior to the time when such holder comes into possession of such lot. Assessments shall be deemed to accrue and become

due periodically as assessed and not annually, and assessments becoming due subsequent to when the holder of such mortgage comes into possession of such parcel may be secured by the creation of a lien against such parcel as provided in Section 6.7 hereof.

ARTICLE 7
USE OF THE PROJECT

7.1 Owners Obligation to Maintain and Repair. Each owner at his expense, shall keep his townhouse in good order, condition and repair and in a clean and sanitary condition, and shall do all repairs, redecorating and painting which may at any time be necessary to maintain the good appearance of his lot. Except to the extent that the owner is protected by insurance purchased by the Association, an owner shall repair all damage or injury to his parcel with a quality and kind equal to the original work. No owner shall replace the exterior surfaces of the unit except with a material approved as to type, color and quality by the Association, comparable in quality and matching to the extent possible the existing appearance of the other residences.

7.2 Taxation. Each lot is subject to a separate assessment and taxation by each taxing authority.

7.3 Single Family. Each of the parcels shall be occupied only by one family and guests, as a private residence and for no other purpose. No lot may be divided or subdivided into a smaller lot.

7.4 Common Use. Subject to the limitations contained in this declaration, each owner shall have the nonexclusive right to use and enjoy the common area for the purposes for which they are intended.

7.5 No Nuisance. No use or practice shall be permitted which is a source of annoyance or which interferes with the peaceful possession and proper use of the property. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish refuse, or garbage shall be allowed to accumulate nor any fire hazard to exist. No immoral, improper, offensive or unlawful use shall be made of any part of the property.

7.6 Leasing of parcels. The owners of the respective lots shall have absolute right to lease the residences. However, such lease is subject to the covenants and conditions of this declaration and any rules and regulations made by the Association. Any breach of these covenants and conditions or of these rules and regulations shall constitute a default under the lease. An owner shall not lease only a portion of the residence, nor shall any lease be of a shorter term than three months.

7.7 Signs, Antennas, and Satellite dishes. No signs or advertisements shall be displayed on or from any lot without the written approval of the board of directors. No large antennas or towers shall be allowed in any lots, except that ~~one satellite dish~~ less

Incid \rightarrow *three functioning satellite dishes*

than 36 inches in diameter may be mounted on the rear of a building or on the north side of the roof. *Political signs can be displayed not more than 6 weeks etc*

Insert I

7.8 Joint Repairs. If a part of the exterior of a building on a lot needs maintenance, repair or replacement and the association reasonably determines that such work is most expeditiously done in connection with that similar repairs on an abutting residence, the Association may require the owner of the abutting townhouse to perform the repairs and if the abutting owner fails or refuses to perform such repairs, the Association may perform it and assess the cost thereof to the abutting owner which assessment shall be lien upon the abutting owners parcel and subject to the same collection rights in the Association as liens for assessments.

7.9 RV'S, MOTORHOMES, BOATS, CAMPERS. RV's, Motorhomes, boats, watercraft, buses, large trucks, campers and vehicles on blocks or not running are not to be stored on the owners property in the association. These types of units may be placed temporarily in the driveway while preparing them for use or if guests are using them. Guests shall only be allowed for a period of Two weeks

7.10 Animals and Owner Pets. Homeowners are permitted to have ^{Pets} ~~and~~ ^{but no live stock or} ~~small animals.~~ ^{Pets} ~~positivly.~~ The ~~animals~~ must be kept on or in the owners own parcel. The ~~animal~~ may not cause noise or nuisance for the other members of the association. If the ~~animal~~ ^{Pets} becomes a nuisance, is permitted to roam freely, or causes bothersome noise the owner will not be permitted to keep the ~~animal~~ on the premise. No part of pens or enclosures for individual owner's ~~pets or animals~~ may be used as a common fence between two property owners. ~~Animal~~ pens and areas must be kept odor free. When pets are outside in the common areas, they must be supervised by the owner, who shall immediately clean up after any pet that defecates or otherwise disturbs the grounds. Any Owner failing to comply with this requirement shall be fined by the Association in the amount of \$50.00 per occurrence. If any pet becomes a nuisance to other owners, the pet owner will be given a written warning from the Association. If nuisance persists, the pet owner shall remove the pet from the development upon written notice by the Association or management committee.

(S)

7.11 Fencing of Individual Parcels. All fencing must meet the codes of Pocatello City. The individual owners must use vinyl fencing to enclose their property if the fence is a common fence between two property owners in the homeowners association. If the association member does not share the fence with anyone in common, the Fence may be constructed of materials chosen by the parties involved, Fence not to exceed six feet in height. ~~Gates must be a minimum of four (4) feet wide.~~ Fencing is by owners choice and no owner may force another owner to participate. *At least one gate must be a minimum of four (4) feet wide to accommodate mowers access*

(K)

7.12 Withdrawal from Lawn Maintenance and Snow Removal. Individual ^{accommodate mowers access} owners may withdraw from the lawn maintenance and snow removal portion of the association. They may mow their own lawns and remove their own snow and not pay into the association for such maintenance. Owners may also choose to have just the front portion of their properties maintained excluding the back yards. The property must be

mowed weekly and fertilized three times a year with proper watering. The property must keep in clean and neat appearance or the other owners may have the property included in the landscape maintenance contract and assess fees equal to all other parcels.

Home based businesses → *Home based businesses are etc.*
 7.13 ~~Declarant Exemption from Restrictions.~~ The foregoing restrictions shall not apply to the Declarant during the time it takes to sell the lots. Declarant may make such use of unsold lots as may facilitate sales thereof, including parking of equipment, display of signs and any other use necessary for the completion of said lots.

ARTICLE 8 AMENDMENT

8.1 This declaration may be amended upon two-thirds (2/3) vote of those owners in attendance at a duly called and constituted special meeting of the Association or by written resolution signed by two-thirds (2/3) of all parcel owners. Any amendment shall be recorded in the Barnock County Recorder's Office, State of Idaho, and shall be accompanied by a certificate of the Secretary of the Association certifying the manner of the adoption of said amendment. Also, a copy of said amendment shall be sent to each owner. Thereafter the amendment shall be binding upon each owner, whether the burdens thereof are increased or decreased thereby or whether the owner of a particular lot consented thereto. Provided, however, unless all mortgagees and all owners of lot have given their prior written approval, no amendment shall be made which changes the pro rated interest or obligation of any lot for purposes of levying assessments and charges for Association expenses or changing the manner in which taxes are assessed against the parcels.

ARTICLE 9 CONSTRUCTION

9.1 Severability. In the event that a phrase, sentence, clause, paragraph or article contained herein should be invalid or should operate to render this agreement invalid, this declaration shall be construed as if such invalid phrase, sentence, clause, paragraph or article had not been inserted.

9.2 Gender and Number. The singular, wherever used herein, shall be construed to mean the plural and the masculine the feminine when applicable, and the necessary grammatical changes required to made the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

9.3 Waivers. No provision contained in this declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

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9.4 Topical Headings. The topical headings of the articles and paragraphs contained in this declaration are for convenience only and do not define, limit or construe the contents of the articles or paragraphs or of this declaration.

9.5 Effective Date. This declaration shall take effect upon recording.

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 6 day of ~~January~~, 2006.

APRIL

ATTEST:

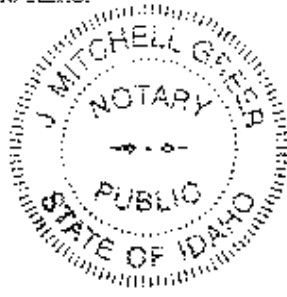
Intermountain Development Group,
a Partnership

By [Signature]
Gary G. Ratliff, Declarant

By [Signature]
Gary B. Ratliff, Declarant

STATE OF IDAHO)
) ss.
County of Blaine)

On the 6 day of April, 2006, personally appeared before me Gary G. Ratliff and Gary B. Ratliff, who, being by me duly sworn did they say they are the persons whose names are subscribed to the forgoing instrument and acknowledge to me that they are executed the same.



[Signature]
NOTARY PUBLIC FOR IDAHO
RESIDING AT BLAINE COUNTY
COMMISSION EXPIRES 5/17/08

