

Such lien may be foreclosed for nonpayment of Common Expenses and shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(1) Tax and special assessment liens on the Unit in favor of any assessment unit, and special district; and

(2) Encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

(g) A certificate executed and acknowledged by the Manager or Management Committee stating the unpaid Common Expenses then outstanding with respect to a Unit shall be conclusive upon the Management Committee and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or prospective Owner of encumbrances of a Unit upon request at a reasonable fee not to exceed Twenty Dollars (\$20.00). Unless the certificate of indebtedness is provided within ten (10) business days after the Manager or Management Committee receives such request, all unpaid Common Expenses that become due prior to the date of the receipt of such request shall be subordinate to the lien or interest held by or obtained by the person making the request. Any person or entity holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment such person or entity shall have a lien on such Unit for the amounts paid of the same rank as the lien thereby satisfied.

(h) A purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

(i) Upon payment of delinquent assessments concerning which a notice of assessment has been recorded or other satisfaction thereof, the Management Committee shall cause to be recorded in the same manner as the notice of assessment a further notice stating the satisfaction and release of the lien thereof. Such lien for nonpayment of assessment may be enforced by sale of the Unit by the Management Committee or by a bank or trust company or title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees.

(j) In the event of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Management Committee or Manager shall have the power to bid on the Unit at foreclosure or other sale and if so purchased, to hold, lease, mortgage and convey the Unit.

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20. Eminent Domain. In the event that eminent domain proceedings are commenced against the Development or any portion thereof, the Management Committee shall determine the manner of response and allocation of any funds obtained in such proceedings in consultation with affected Unit Owners.

21. Maintenance.

? exterior?

(a) Each Unit Owner at his own expense shall keep the interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting that may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Association is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit or building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant, or any member of the Unit Owner's family or of the family of any tenant or subtenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work as determined and approved in writing by the Management Committee. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any plumbing, fixtures, refrigerators, air conditioning and heating equipment, dishwashers, disposals, ranges, etc., that may be in or connected with the Unit, and the maintenance of any patio except the fences surrounding such areas. Without the written permission of the Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration, in or to the Unit, garages or parking stalls, or in or to the exterior of the buildings, and shall not paint, decorate or plant any portion of the exterior of the Unit or of the building in which the Unit is located including any Limited Common Areas. Satellite dishes shall only be allowed in certain areas designated by the Committee. Any Unit Owner seeking to install a satellite dish must first obtain the written approval of the Committee as to type of satellite dish and location. Any Unit Owner who installs, or causes to be installed, a satellite dish without first obtaining the written approval of the Committee, shall be subject to removal of the satellite dish by the Committee or its representatives, and the violating Unit Owner shall pay a fee of \$150.00 to the Association to cover the cost of necessary repairs resulting from the violation.

(b) In the event an Owner shall fail to maintain the Unit and the improvements situated thereon in a manner satisfactory to the Management Committee, the Association, after approval by two-thirds (2/3) vote of the Management Committee, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain and ~~restore the exterior~~ of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Unit is subject.

(c) Except as hereinafter provided, ~~the Management Committee shall provide for such maintenance and operation of the Common Areas and Facilities and of the Limited Common Areas~~ as may be reasonably necessary to keep them clean, functional, attractive and generally in good

*Unit owner
responsibility
inside*

condition and repair. The Management Committee shall have no obligation regarding maintenance or care of Units.

22. Right of Entry. The Management Committee and its ~~duly authorized agents shall have the right to enter any and all of the~~ Units and the Limited Common Areas appurtenant thereto in case of an emergency originating in or threatening such Unit or any other Owner in the Development, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units and Limited Common Areas at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Development or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other Units in the Development; and provided further, that the Unit Owner or occupant affected by such entry shall first be notified thereof if available and if time permits. Any damage done to a Unit by the exercise of the foregoing right of entry shall (to the extent not covered by insurance, if any) be deemed a Common Expense of the Association.

23. Administrative Rules and Regulations. The Management Committee shall have the power to adopt and establish by resolution, such building management and operational rules as it may deem necessary for the maintenance, operation, management and control of the Development. The Committee may, from time to time by resolution, alter, amend and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules. Unit Owners shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Unit Owners, tenants, subtenants, guests, or other occupants of the Units.

24. Obligation to Comply with Declaration, Bylaws, Rules and Regulations. Each Unit Owner, tenant, subtenant or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, the Bylaws, and the rules and regulations, all agreements and determinations legally made and/or entered into by the Management Committee or the Unit Owners, when acting in accordance with their authority, and failure to comply with any of the provisions thereof shall be grounds for an action by the Management Committee or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom.

25. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Association of Unit Owners against all costs, expenses and liabilities whatsoever, including, without limitation, 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 Committee; provided, however, the foregoing

indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct, gross negligence or other intentional act of the member.

26. Amendment. This Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of not less than 67% of the Unit Owners. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In said instrument the Committee shall certify that the vote or consent required by this section has occurred.

(a) Mortgage Holder Consent. In addition to the consent of not less than 67% of the Unit Owners, the approval of a majority of Eligible Holders, Insurers and Guarantors shall be required to materially amend any provisions of this Declaration, the Bylaws, or equivalent documents of the Development, or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:

- (1) Voting;
- (2) Assessments, assessment liens or subordination of such liens;
- (3) Reserves for maintenance, repair and replacement of the Common Areas and Facilities;
- (4) Insurance or fidelity bonds;
- (5) Rights to use of the Common Areas and Facilities;
- (6) Responsibility for maintenance and repair of the several portions of the Development;
- (7) Expansion or contraction of the Development, except as provided herein, or the addition, annexation or withdrawal of property to or from the Development;
- (8) Boundaries of any Unit;
- (9) The interests in the Common Areas and Facilities;
- (10) Convertibility of Units into Common Areas and Facilities or of Common Areas and Facilities into Units;
- (11) Leasing of Units;
- (12) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit in the Development;
- (13) Establishment of self-management by the Association where professional management has been required by any governmental or regulatory agency; or
- (14) Any other provision of this Declaration or the Association Bylaws that is included for the express benefit of holders or insurers of first mortgages on Units in the Development.

27. Consent in Lieu of Vote. In any case in which the Act or this Declaration requires the vote of a stated percentage of the Unit Owners for authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to

such transaction from Unit Owners who collectively make up at least such stated percentage. The following additional provisions shall govern any application of this Section:

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner; and

(b) Any change in ownership of a Unit that occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose.

28. Severability. The invalidity of any one or more phrases, sentences, subsections or sections hereof shall not affect the remaining portions of this instrument or any part thereof, and in the event that any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subsection or subsections or section or sections had not been inserted.

29. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment.

30. Lease of Units. With the exception of a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his Unit except as provided in subsection 8(b). No Unit Owner may lease less than the entire Unit except a garage may be leased to another Unit Owner. *All lease agreements shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the Bylaws of the Association both attached as exhibits to the lease, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.* All leases shall be required to be in writing and a copy of such ~~lease shall be delivered to the Management Committee~~ five (5) days prior to occupancy by the tenant. The Unit Owner shall notify the Management Committee of the names of the lessee of the Unit. In the event of a lease of a Unit, only the tenant and not the Unit Owner shall have the right to the use of the Common Areas and Facilities while the Unit is leased. In the event insurance costs covered by Section 17 are increased due to the percentage of rentals, then those Unit owners who have leased their Units shall each pay their portion of the increased costs of insurance charged.

31. Legal Description of a Unit. Every conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Map with the appropriate reference to the Map and to this Declaration, as each shall appear in the official records of Bannock County, Idaho, and in substantially the following form:

Unit _____ of Pheasant Ridge Townhomes, Phase I, as shown in the Record of Survey Map for Pheasant Ridge Townhomes, Phase I, a Planned Unit Development

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appearing in the Records of the County Recorder of Bannock County, Idaho, recorded on _____, 2002, as Entry No. _____.

This conveyance is subject to the provisions of the Declaration of Covenants, Conditions and Restrictions of Pheasant Ridge Townhomes, appearing in the Records of the County Recorder of Bannock County, Idaho, recorded on _____, 2002 as Entry No. _____.

Such description will be construed to describe the Unit, together with the right to membership in the Association, which owns the Common Areas and Facilities, and to incorporate all the rights incident to Ownership of a Unit and all the limitations on such ownership as described in this Declaration.

32. Expansion of the Project.

(a) Reservation of Option to Expand. Declarant hereby reserves the option to expand the Development to include additional Units in the Development. This option to expand may be exercised from time to time, at different times, and in any order, without limitation, provided however, the option shall expire seven (7) years from the effective date of the Declaration unless sooner terminated by Declarant's recorded Waiver of such option, there being no other circumstances that will cause the option to expire prior to said seven (7) years. Such right may be exercised without first obtaining the consent or vote of Unit Owners and shall be limited only as herein specifically provided. Such Units shall be constructed on any or all portions of the Additional Property.

(b) Supplemental Declarations and Supplemental Maps. Such expansion may be accomplished by the filing for record by Declarant in the office of the County Recorder of Bannock County, Idaho, no later than seven (7) years from the date this Declaration is recorded, a Supplement or Supplements to this Declaration containing a legal description of the site or sites for new Units, together with a supplemental Map or Maps containing the same information with respect to the new Units as was required on the Map with respect to the Phase One Units. The expansion may be accomplished in phases by successive supplements or in one supplemental expansion.

(c) Expansion of Definitions. In the event of such expansion, the definitions used in this Declaration automatically shall be expanded to encompass and refer to the Development as so expanded. For example, the term "Property" shall mean the real property initially submitted under the Declaration, plus any Additional Property added to the Development by a Supplemental Declaration or by Supplemental Declarations, and reference to this Declaration shall mean this Declaration as so supplemented. All conveyances of Units after such expansion shall be effective to transfer rights in the Development, as expanded by use of the form of description with additional references to the Supplemental Declaration and the Supplemental Map. The recordation in the office of the Bannock County Recorder of a Supplemental Map incident to any expansion shall operate automatically to grant, transfer, and convey to the Association the new Common Areas added to the Development as a result of such expansion.

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(d) Declaration Operative on New Units. The new Units shall be subject to all the terms and conditions of this Declaration and therein shall be subject to ownership with all the incidents pertaining thereto as specified herein, upon recording the Supplemental Map and Supplemental Declaration in the office of the Bannock County Recorder.

(e) Other Provisions Concerning Expansion. If the Development is expanded as hereinbefore contained, then it is further provided that:

(1) All or any part of the Additional Land may be added to the Development without any limitations whatsoever save and except that all additional Units created must be restricted to multi-family residential housing limited to one family per dwelling Unit.

(2) Portions of the Additional Land may be added to the Development at different times without any limitations.

(3) Declarant shall have the right without further conveyance or documentation to build roads and access ways to the Additional Property through the easement areas as shown on the Map. The Association of Unit Owners shall not allow anything to be built upon or interfere with said easement areas.

(4) No assurances are made concerning:

(i) The locations of any improvements that may be made on any portion of the Additional Land that may be added to the Project.

(ii) The type, kind or nature of improvements that may be created on any portion of the Additional Land.

(iii) Whether any Units created on any portion of the Additional Land will be substantially identical to those within the Land except that Units will be of a similar quality of materials and construction as the Units in Phase One.

(iv) The type, size, or maximum number of Limited Common Areas which may be created within any portion of the Additional Land added to the Development.

(5) Notwithstanding anything to the contrary which may be contained herein, this Declaration is not intended, and shall not be construed so as to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (i) the submission of any portion of the Additional Land to the provisions of the Act as land under this Declaration; (ii) the creation, construction, or addition to the Development of any additional property; (iii) the carrying out in any particular way or within any particular time any development that may be undertaken except as herein mentioned; or (iv) the taking of any particular action with respect to the Additional Land, the Development, or any Land.

(6) Before the additional Units may be added to the Development, the following will be required :

- (i) All the improvements relating to the new Units must be substantially completed;
- (ii) No Additional Property may be added to the Development, without the prior written consent of HUD, VA or FNMA if any of them holds, insures or guarantees any mortgage in the existing Development at the time the Additional Property is to be added, provided such consent will not be unreasonably withheld so long as the Additional Property does not materially alter the character of the Development as more fully provided in HUD Land Use Bulletin No. 6;
- (iii) No lien may exist on the Additional Property to be added to the Development that would adversely affect the rights of the existing Unit Owners, or the priority of the first mortgages on the Units in the existing Development; and
- (iv) All taxes and other assessments on the Additional Property to be added to the Development must be paid or otherwise satisfactorily provided for.

33. Records. The Association shall make available, upon written request and within a reasonable time, to the Unit Owners, lenders and the holders and insurers of the first mortgage on any Unit current copies of the Declaration, Bylaws, and other rules governing the Association and shall also make available to prospective purchasers current copies of the same and the most recent audited financial statement of the Association, if any. The Association may charge a reasonable fee for such records and for compiling the records. Upon written request from any governmental agency which has an interest or prospective interest in a Unit, the Association shall furnish within a reasonable time audited financial statements (if any) of the Association for the immediately preceding fiscal year.

34. First Lien Holder's Rights.

(a) Notices of Action. A holder, insurer or guarantor of a first mortgage, upon written request to the Association, (such request to state the name and address of such holder, insurer or guarantor and the Unit number), will be entitled to timely written notice of:

(1) Any proposed amendment of the condominium instruments effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Areas and Facilities appertaining to any Unit or the liability for Common

Expenses appertaining thereto, (iii) the number of votes in the Association appertaining to any Unit or (iv) the purposes to which any Unit or the Common Areas and Facilities are restricted;

- (2) Any proposed termination of the condominium regime;
- (3) Any condemnation loss or any casualty loss which affects a material portion of the Development or which affects any Unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- (4) Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the mortgage of such Eligible Holder, Insurer or Guarantor, where such delinquency has continued for a period of 60 days; or
- (5) Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to paragraph 18.

35. Gender. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

36. Construction and Invalidity. To the extent that any portion of this Declaration is in conflict with federal, state or local laws, regulations, rules or ordinances (collectively referred to as the "Laws"), such shall be construed to give maximum effect to the restriction without violating the applicable Laws. For example, to the extent the Americans with Disabilities Act allows accommodation animals, then these restrictions shall be interpreted to allow such animals so long as the animal meets the applicable accommodation criteria. The invalidity of any provisions of this Declaration, or any portion thereof, shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein. This Declaration, notwithstanding any common law rule of construction, shall be construed in favor of Declarant. If there are any ambiguities, such shall not be construed against the Declarant, but resolved in a manner that would allow expansion of the Development as contemplated by the Declarant, it being understood that it is difficult to anticipate all contingencies and issues, and in this regard Declarant's intent is to provide a means to expand the Development as provided herein.

37. Waivers. No provision contained in the 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.

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

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39. Effective Date. This Declaration shall take effect upon recording.

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 24th day of June 2003.

PHEASANT RIDGE DEVELOPMENT, INC.,
An Idaho Corporation

ATTEST:

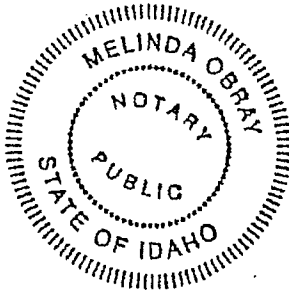
By Jason A. Lyle
Jason A. Lyle, Secretary

By [Signature]
Steve Lyle, President

STATE OF IDAHO)
 : ss.
County of Bannock)

On the 24th day of June, 2003, personally appeared before me Steve Lyle and Jason A. Lyle who, being by me duly sworn did say that they are the President and Secretary, respectively, of Pheasant Ridge Development, Inc., and that the said instrument was signed in behalf of said corporation by authority of a resolution of the Directors or its Bylaws, and the aforesaid officers acknowledged to me that said corporation executed the same.

rbf/pheasant ridge cers BL.wpd
N-9349



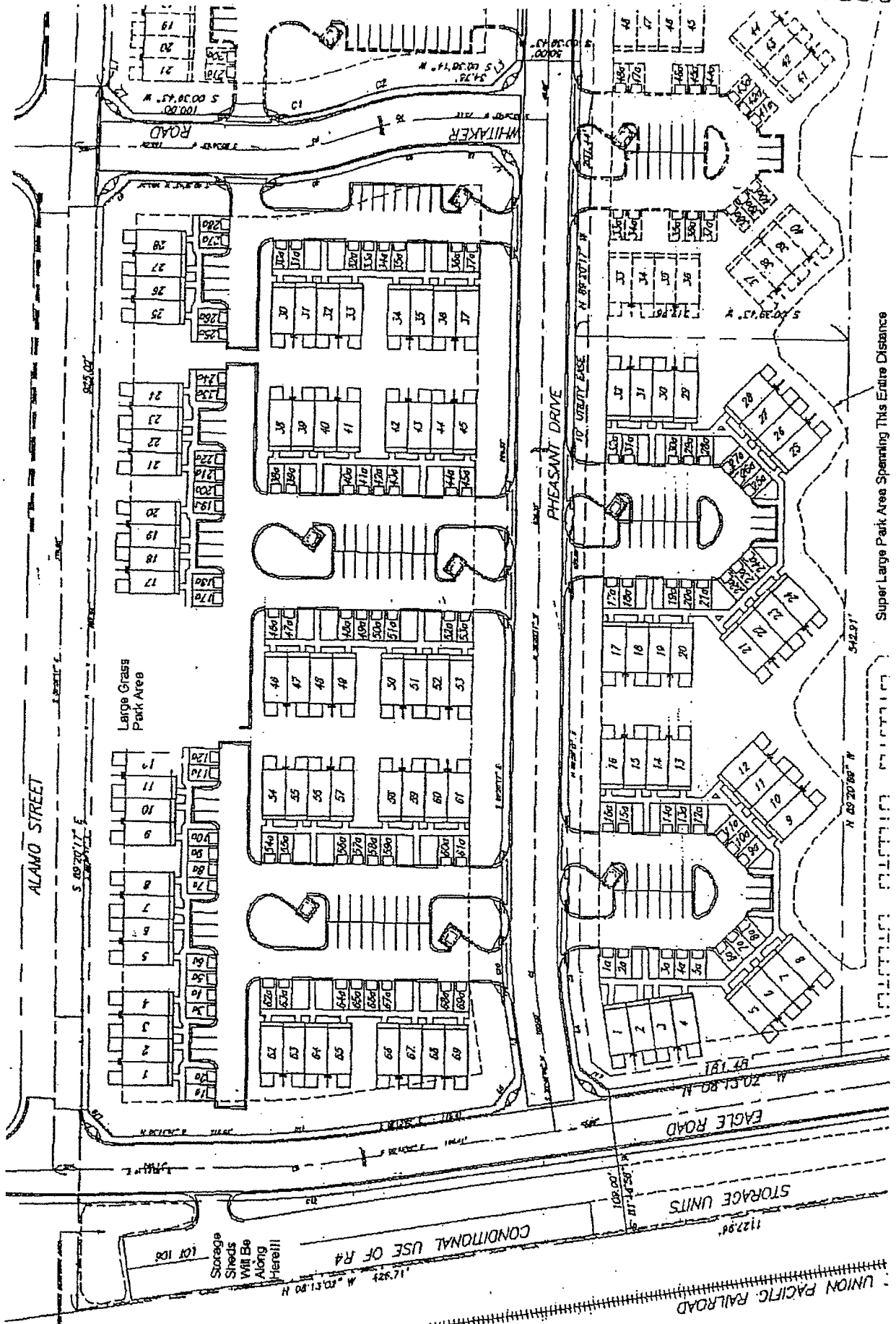
Melinda Obay
NOTARY PUBLIC
Residing at: Pocatello, ID
Com. exp: 2-15-07

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RECORDED AT REQUEST OF
FEE 76 DEPUTY BP

2003 JUN 24 PM 2 59
OFFICIAL RECORD BK# 82
LARRY W. BROWN RECORDER
BANNOCK COUNTY IDAHO

Exhibit



Super Large Park Area Spanning This Entire Distance

STORAGE UNITS

CONDITIONAL USE OF R4

UNION PACIFIC RAILROAD

20316590

Exhibit 0

PHEASANT RIDGE TOWNHOUSES
PART OF THE NW 1/4 OF SECTION 11 AND
NE 1/4 SECTION 10, T. 6 S., R. 34 E. 1/4 M.
BANNOCK COUNTY, IDAHO

