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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
ELK VALLEY SUBDIVISION

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EXHIBITS:

- EXHIBIT A - Amended Plat
- EXHIBIT B - Legal Description of the Property
Subject to Possible Annexation
- EXHIBIT C - Articles and Bylaws of the Association
- EXHIBIT D - Agreement for Nitrate Groundwater
Monitoring in Elk Valley Subdivision

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
ELK VALLEY SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ELK VALLEY SUBDIVISION is made effective as of the 18th day of August, 2003, by ELK VALLEY RANCH, INC., an Idaho corporation ("Grantor" and "Class B Member").

ARTICLE I: PROPERTY; PURPOSE; DECLARATION

1.1 Grantor/Property. Grantor is the owner of certain property in the County of Elmore, State of Idaho, which is more particularly described Page 6 of that certain Plat showing the Amended Elk Valley Subdivision (see Exhibit A), recorded in the real property records of Elmore County, Idaho as Instrument No. 346310 on May 29, 2003 (the "Elk Valley Subdivision" or the "Property").

1.1.1 State /Property. The State of Idaho (the "State") is the owner of certain property in the County of Elmore, State of Idaho, which is more particularly described on Page 7 of that certain Plat showing the Amended Elk Valley Subdivision, recorded in the real property records of Elmore County, Idaho as Instrument No. 346310 on May 29, 2003 (the "State Property").

Unless otherwise specifically designated herein, the "Elk Valley Subdivision," the "Property," and the "State Property" are hereinafter collectively referred to as the "Property."

1.2 Purpose of Declaration. Elk Valley Subdivision is a residential development, which Grantor currently intends to develop in accordance with existing development approvals obtained from Elmore County and documented in the files of Elmore County, or any other development plan(s) for which Grantor may from time to time obtain approval. The purpose of this Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes (collectively, the "Restrictions") that will apply to the entire development and use of all portions of the Property. The Restrictions are designed to preserve the Property's value, desirability and attractiveness, and to guarantee adequate maintenance of the Common Area, and the Improvements located thereon.

1.3 Declaration. Grantor hereby declares that the Property, and each lot, tract, parcel or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased,

used, occupied and improved subject to the following terms, covenants, conditions, reservations, limitations, easements and restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property or any portion thereof, and to enhance the value, desirability and attractiveness thereof. The covenants, conditions, reservations, easements and restrictions set forth herein shall run with the land constituting the Property, and with each estate therein, and shall be binding upon all persons having or acquiring any right, title or interest in the Property or any lot, parcel or portion thereof; shall inure to the benefit of every lot, parcel or portion of the Property and any interest therein, and shall inure to the benefit of and be binding upon Grantor, Grantor's successors in interest and each grantee or Owner and such grantee's or Owner's respective successors in interest, and may be enforced by Grantor, by any Owner or such Owner's successors in interest, or by the Association.

1.4 Grantor's Right to Complete Development. Notwithstanding the foregoing, no provision of this Declaration shall be construed as to prevent or limit Grantor's right to complete development of the Property and to construct improvements thereon, nor Grantor's right to maintain model homes, construction, sales or leasing offices or similar facilities on any portion of the Property, including the Common Area or any public right-of-way, nor Grantor's right to post signs incidental to construction, sales or leasing. Specifically, no construction activities shall be deemed to constitute a nuisance or violation of this Declaration by any reason of noise, dust, presence of vehicles or construction machinery, erection of temporary structures, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. At all times, and under all circumstances, Grantor shall not be required to obtain any consent or approval from any Owner or Owners or the Association in order for Grantor to complete development of the Property and to construct Improvements thereon. The rights of Grantor under this Declaration may be assigned by Grantor to any successor in interest in connection with Grantor's interest in any portion of the Property, by an express written assignment recorded in the Office of the Elmore County Recorder.

1.5 Highway Zone. All home development in Elk Valley Subdivision shall be limited to single-family detached homes except for any development in the area designated on the Plat as the "highway zone." The Highway Zone may be developed in any manner not inconsistent with the development of the Golf Course and the Property, as provided herein, and may, without limitation, include Condominiums and/or Cluster Homes. If the Highway Zone is to be developed with other than single-family detached homes, Grantor, or Grantor's successor in interest, shall adopt additional covenants, conditions and restrictions specific to the Highway Zone as a supplement to this Declaration and shall record the same prior to the Sale of any Lot in the Highway Zone. Such supplement shall contain building standards that may differ from the remainder of the Property, including without limitation standards relating to density, construction, and design.

1.6 Agricultural Area. The area surrounding and near the Property is, or may be in the future, used for farming and/or ranching. Portions of the Property, after the recording of this Declaration and prior to the development of the Property may be used for farming and/or ranching. Prospective owners and Owners, as defined herein, must expect that farmers and/or ranchers in the vicinity of the Property will operate such farms and/or ranches. The approval of Elk Valley Subdivision by Elmore County is intended to encourage nonfarm development that is not unduly disruptive to agricultural pursuits. Owners must expect that the area surrounding the Property is agricultural in nature, and that, for example, roads in the vicinity are commonly used as stock trails to move livestock from one pasture to another. Vehicular traffic can be slowed due to this use of the roads. Owners are advised that livestock waste are often found on such roads.

ARTICLE II: DEFINITIONS

As used in this Declaration, unless the context otherwise specifies or requires, the following words and phrases shall be defined as follows:

2.1 “Articles” shall mean the Articles of Incorporation of the Association or other organizational or charter documents of the Association.

2.2 “Assessments” shall mean those payments required of Owners and Association Members.

2.3 “Association” or “Corporation” shall mean Elk Valley Community Association, Inc., a nonprofit corporation organized or to be organized under the laws of the State of Idaho, its successors and assigns.

2.4 “Board” shall mean the Board of Directors or other governing board or individual, if applicable, of the Association.

2.5 “Bylaws” shall mean the Bylaws of the Association, including any amendments thereto duly adopted.

2.6 “Cluster Homes” shall mean a development approach in which Building Lots are reduced in size and/or sited closer together in clusters. Cluster Homes may include zero lot line Lots, townhomes, attached Lots and detached Lots.

2.7 “Common Area” shall mean any or all real and personal property (including improvements) of Elk Valley Community Association, Inc., including without limitation, common area designated on the Plat such as private streets or drives, fences, common parking areas, stormwater and/or drainage facilities, community sewer system, common open space, and common landscaped areas. In the event that the highway zone is developed into high density housing, such as condominiums or cluster homes, the Common Area associated with such

portion of the Property may be maintained exclusively for said high density development pursuant to a duly adopted amendment or supplement to this Declaration. Common Area does not include any property described in Article I, Section 1.1.1.

2.8 “Condominium” shall mean a condominium as defined in Idaho Code Sections 55-1501 *et seq.*, as amended from time to time.

2.9 “Declaration” shall mean this Declaration as it may be amended from time to time.

2.10 “Elk Valley Subdivision” shall mean the Property.

2.11 “Golf Course” shall mean any parcel of land adjacent to or surrounded by the Property which is privately owned by Elk Valley Ranch, Inc., its successors, successors-in-title, or assigns, and which is operated as a golf course, and all related and supporting facilities and improvements operated in connection with such golf course.

2.12 “Grantor” shall mean Elk Valley Ranch, Inc., an Idaho corporation, or any successor, successor-in-title, or assignee of the undersigned Grantor, which successor succeeds to the ownership of Grantor’s interest in the whole of the Property. Grantor is Grantor for purposes of this Declaration.

2.12.1 “State” is the State of Idaho. The State of Idaho is not subject to any of the covenants, conditions or restrictions for the Elk Valley Subdivision and is not considered an owner or association member. However, when a lot is sold from State Property, the purchaser(s) of the lot(s) become owners and are subject to any and all Subdivision Restrictions.

2.13 “Highway Zone” shall mean the portion of the property depicted as the “highway zone” on the Plat.

2.14 “Improvement” shall mean any structure, facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including but not limited to buildings, fences, streets, drives, driveways, sidewalks, curbs, landscaping, signs, street signs, lighting, street lights, mail boxes, electrical lines, pipes, pumps, ditches, walkways, poles, swimming pools and other recreational facilities, stormwater and/or drainage facilities, and fixtures of any kind whatsoever.

2.15 “Limited Assessment” shall mean a charge against a particular Owner and such Owner’s Building Lot, directly attributable to the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, including interest thereon as provided in this Declaration.

2.16 “Lot” or “Building Lot” shall mean one or more lots as specified or shown on any Plat upon which Improvements may be constructed. The term “Lot” shall include single-family residential lots and a Lot within a condominium or cluster home development, but shall not include the Common Area.

2.17 “Member” shall mean each person or entity holding a membership in the Association.

2.18 “Owner” shall mean the person or other legal entity, including Grantor, but excluding the State, holding fee simple interest of record to a Building Lot which is a part of the Property, and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, but including any Mortgage (of any priority) or other security holder provided said mortgage or other security holder is in actual possession of a Lot as a result of foreclosure or otherwise and any person taking title through such Mortgage or other security holder by purchase at foreclosure sale or otherwise..

2.19 “Person” shall mean any individual, partnership, corporation or other legal entity.

2.20 “Plat” shall mean any subdivision plat covering any portion of the Property as recorded at the office of the County Recorder, Elmore County, Idaho, as the same may be amended by duly recorded amendments thereof.

2.21 “Property” shall mean the real property described in Exhibit A attached hereto and made a part hereof, including each Lot, parcel and portion thereof and interest therein, including all water rights associated with or appurtenant to such property, together with such additional property as may be subjected to this Declaration as provided herein.

2.22 “Regular Assessment” shall mean the portion of the cost of maintaining, improving, repairing, managing and operating the Common Area and all Improvements located thereon, and the other costs of the Association which are to be levied against each Lot and paid by each Owner, pursuant to the terms hereof or the terms of this Declaration.

2.23 “Special Assessment” shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments which are authorized by the Association Members and are to be paid by each Owner to the Association, pursuant to the provisions of this Declaration.

ARTICLE III: GENERAL AND SPECIFIC RESTRICTIONS

3.1 Structures - Generally. All structures are to be designed, constructed and used in such a manner as to promote compatibility between the types of use contemplated by this Declaration.

3.1.1 Use, Size, and Height of Dwelling Structure. All Building Lots shall be used exclusively for single-family residential purposes. No Building Lot shall be improved except with a single-family dwelling Lot or structure. No business or home occupation shall be conducted from said dwelling Lot or structure so as to be offensive or detrimental to the Property or to its occupants or residents, or in violation of state or local law or ordinance. Each one-story single-family dwelling Lot or structure shall have a minimum of fifteen hundred (1,500) square feet, and each two-story single-family dwelling Lot or structure shall have a minimum of twelve hundred (1,200) square feet on the ground floor.

3.1.2 Setbacks and Height. No residential or other structure shall be placed nearer to the Building Lot lines or built higher than permitted by the Plat in which the Building Lot is located, by any applicable zoning restriction, by any conditional use permit, or by a building envelope designated by Grantor.

3.1.3 Building Elevations. All residential structures within Elk Valley Subdivision shall be designed and constructed so that the finished floor level of the interior living area of such residence is at least two (2) feet above the 100-year flood plain level of the Boise River, or at such other elevation as is specified by the Federal Emergency Management Act or Elmore County.

3.1.4 Accessory Structures. Detached garages shall be allowed if in conformity with the provisions of this Declaration, and as approved by the Architectural Committee. Garages, storage sheds, patio covers, and detached patio covers, shall be constructed of, and roofed with, the same materials, and with similar colors and design, as the residential structure on the applicable Building Lot. No playhouses, playground equipment, pools, pool slides, diving boards, hot tubs, spas, or similar items shall extend higher than five (5) feet above the finished graded surface of the Building Lot upon which such item(s) are located.

3.1.5 Driveways. All access driveways shall have a wearing surface of asphalt, concrete, gravel, or other hard surface materials, and shall be properly graded to assure proper drainage. No driveway shall be wider than the garage to which said driveway leads.

3.1.6 Mailboxes. All mailboxes will be of consistent design, material, and coloration and shall be located on or adjoining Building Lot lines at places designated by Grantor or the Architectural Committee.

3.1.7 Fencing. No lot line fencing shall be allowed. Limited fencing of yards may be allowed by the Architectural Committee, provided no fence shall be constructed so as to extend toward the front of the Building Lot past the front plane of the dwelling structure constructed thereon, or closer than ten (10) feet to any side Building Lot line of

a corner of a Building Lot adjacent to a dedicated street. No fence, hedge, or boundary wall which obstructs site lines at an elevation between four (4) and eight (8) feet above any street shall be placed or permitted to remain on any corner lot. All fencing and boundary walls constructed on any Building Lot shall be of compatible style and material to that of other fencing constructed adjacent to or abutting Common Areas, public, and private streets, and shall otherwise be as approved by the Architectural Committee. The Architectural Committee may adopt rules governing fencing, including without limitation the height, material, style and location of fencing on all Building Lots and Common Area.

3.1.8 Lighting. Exterior lighting, including flood lighting, shall be part of the architectural concept of the Improvements on a Building Lot. Fixtures, standards and all exposed accessories shall be harmonious with building design, and shall be as approved by the Architectural Committee. Lighting shall be restrained in design, and excessive brightness shall be avoided.

3.1.9 Exterior of Dwelling Structure. The dwelling Lot exterior colors shall be of earth tones or light blues or greys. Exterior colors other than these must be pre-approved by Board. No change shall be made in the color of paint, stain, or other exterior finish to a dwelling Lot of structure without prior written approval by the Board of Directors.

3.1.10 Party Walls and Similar Structures.

(a) General Rules of Law to Apply. Each wall, fence, driveway, or similar structure built as a part of the original construction on the Lots which serves and/or separates any two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. All Owners who make use of the party structure shall share the cost of reasonable repair and maintenance of such structure equally.

(c) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners subsequently use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of an Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

3.2 Antennae. No exterior radio antenna, television antenna, satellite dish antenna or other antenna of any type shall be erected or maintained on the Property unless it is located or screened in a manner acceptable to the Architectural Committee.

3.3 Insurance Rates. Nothing shall be done or kept on any Building Lot which will increase the rate of insurance on any other portion of the Property without the approval of the Owner of such other portion, nor shall anything be done or kept on the Property or a Building Lot which would result in the cancellation of insurance on any property owned or managed by the Association or which would be in violation of any law.

3.4 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property, including the Common Area or vacant Building Lots, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to the Property or to its occupants, or to any other property in the vicinity thereof or to its occupants. No noise or other nuisance, as described by city or county ordinances, as amended from time to time, shall be permitted to exist or operate upon any portion of the Property. No party or other activity in a Common Area or Lot which makes or causes to make noises which might tend to unreasonably interfere with the peace and quiet of Owners or occupants of Elk Valley shall be allowed. No Owner shall permit any party or other activity in the Common Area or such Owner's Lot which makes or causes to make noises which might tend to unreasonably interfere with the peace and quiet of the other Owners or occupants. No radio or other sound system shall be operated on the Property except at a low sound level. No offensive noise, language or behavior is allowed. The use of fireworks, firecrackers and any type of firearms on the Property is strictly prohibited and is subject to formal complaint to the Police Department.

3.5 Exterior Maintenance; Owner's Obligations. No Improvement shall be permitted to fall into disrepair, and each Improvement shall at all times be kept in good condition and repair. In the event that any Owner shall permit any Improvement, including trees and landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or damages property or facilities on or adjoining their Building Lot which would otherwise be the Associations' responsibility to maintain, the Board upon fifteen (15) days prior written notice to the Owner of such property, shall have the right to correct such condition, and to enter upon such Owner's Building Lot for the purpose of doing so, and such Owner shall promptly reimburse the Association, for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments set forth in this Declaration. The Owner of the offending property shall be personally liable, and such Owner's property may be subject to a mechanic's lien for all

costs and expenses incurred by the Association in taking such corrective actions, plus all costs incurred in collecting the amounts due.

3.6 No Hazardous Activities. No activities shall be conducted on the Property, and no Improvements constructed on any property which are or might be unsafe or hazardous to any person or property.

3.7 Unsightly Articles. All Property and Improvements shall be kept and maintained by the Owner thereof in a clean, safe, attractive and sightly condition and in good repair. No unsightly articles shall be permitted to remain on any Building Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in such containers and in areas approved by the Board of Directors. No clothing or fabrics shall be hung, dried or aired in such a way as to be visible to other property, and no equipment, compressors, containers, lumber, firewood, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any Building Lot except within an enclosed structure or as appropriately screened from view. No vacant residential structures shall be used for the storage of building materials.

3.8 No Temporary Structures. No trailer, mobile home, motor home, tent, shack or other temporary building, improvement, or structure shall be placed upon any portion of the Property, except temporarily as may be required by construction activity undertaken on the Property. Said temporary structure shall be allowed for no longer than two years while the permanent structure is being constructed. Travel trailers, tents, and motor homes that are temporarily located on the premises for short-term recreational use are permitted, provided they are not permanently left on the Building Lot year round.

3.9 No Unscreened Boats, Campers and Other Vehicles. No boats, trailers, campers, all-terrain vehicles, motorcycles, recreational vehicles, bicycles, dilapidated or unrepared and unsightly vehicles or similar equipment shall be placed upon any portion of the Property (including, without limitation, streets, parking areas and driveways) unless the same are enclosed by a structure concealing them from view in a manner approved by the Architectural Committee.

3.10 Animals/Pets. No animals, birds, insects, pigeons, poultry, horses or livestock shall be kept on the Property or Building Lots. This paragraph does not apply to the keeping of up to two (2) domesticated dogs, up to two (2) domesticated cats, and other household domestic pets which do not unreasonably bother or constitute a nuisance to others. Further, two horses per lot will be allowed for a period not to exceed seven (7) days. Horses are to be in an enclosed area which is to be kept clean. Long term pasture for horses will be available for a fee through Elk Valley Ranch. Commercial breeding or boarding of animals shall be prohibited. Chronic dog barking shall be considered a nuisance.

3.11 Landscaping. Prior to construction of Improvements, the Owner shall provide adequate irrigation and maintenance of existing trees and landscaping, shall control weeds, and maintain the Owner's property in a clean and safe condition free of debris or any hazardous condition. All trees located on common Building Lot lines shall be the joint responsibility of the adjoining Building Lot owners.

(a) The Architectural Committee may adopt rules regulating landscaping permitted and required. Provided, however, only small lawns, if any, shall be authorized by said rules. The Property and each Building Lot shall be maintained in a "natural" state. In the event that any Owner shall fail to install and maintain landscaping in conformance with such rules or shall allow such Owner's landscaping to deteriorate to a dangerous, unsafe, unsightly, or unattractive condition, the Architectural Committee, or the Board of the Association, upon fifteen (15) days' prior written notice to such Owner, shall have the right to correct such condition and to enter upon such Owner's property for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments as set forth herein.

(b) Following commencement of any construction of any Improvement, construction shall be diligently pursued and completed as soon as reasonably practical. All landscaping on a Building Lot, unless otherwise specified by the Association, shall be completed as soon as reasonably practical following completion of the residential structure on such Building Lot.

3.12 Exemption of Grantor. Nothing contained herein shall limit the right of Grantor to subdivide or resubdivide any portion of the Property, to grant licenses, to reserve rights-of-way and easements with respect to Common Area to utility companies, public agencies or others, or to complete excavation, grading and construction of Improvements to and on any portion of the Property owned by Grantor, or to alter the foregoing and its construction plans and designs, or to construct such additional Improvements as Grantor deems advisable in the course of development of the Property so long as any Building Lot in the Property remains unsold. Such right shall include, but shall not be limited to, erecting, constructing and maintaining on the Property such structures and displays as may be reasonably necessary for the conduct of Grantor's business of completing the work and disposing of the same by sales lease or otherwise. Grantor shall have the right at any time prior to acquisition of title to a Building Lot by a purchaser from Grantor to grant, establish and/or reserve on that Building Lot additional licenses, reservations and rights-of-way to Grantor, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property. Grantor may use any structures owned by Grantor on the Property as model home complexes or real estate sales or leasing offices. The rights of Grantor hereunder may be assigned by Grantor to any successor in interest in connection with Grantor's interest in any portion of the Property, by

an express written assignment recorded in the Office of the Elmore County Recorder. This exemption shall not apply to the property described in Article I, Section 1.1.1.

3.13 Signs. No sign of any kind shall be displayed to the public view without the approval of the Architectural Committee except: (1) such signs as may be used by Grantor in connection with the development of the Property and sale of Building Lots; (2) such signs identifying Elk Valley Subdivision, or informational signs, of customary and reasonable dimensions as prescribed by the Architectural Committee may be displayed on or from the Common Area; (3) one (1) sign of customary and reasonable dimensions as prescribed by the Architectural Committee as may be displayed by an Owner other than Grantor on or from a Building Lot advertising the residence for sale; and (4) any sign required by Elmore County. A customary "for sale" sign shall not require Architectural Committee approval. No sign naming the contractor, the architect, and/or the lending institution for a particular construction operation shall be displayed to the public view without the approval of Grantor. Without limiting the foregoing, no sign shall be placed in the Common Area without the written approval of the Board of Directors.

3.14 Drainage. There shall be no interference with the established drainage pattern over any property within Elk Valley Subdivision unless adequate provision is made for proper drainage and is approved by the Architectural Committee. For the purposes hereof, "established" drainage is defined as the drainage which exists at the time the overall grading of any portion of the Property is completed, or which is shown on any plans approved by the Architectural Committee.

3.15 No Further Subdivision; Discrimination. No Building Lot may be further subdivided except for Building Lot 70, which may be subdivided by the State or any of its successors in interest. In connection with the sale, lease, or other transfer of any Building Lot, no Owner shall discriminate on the basis of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital status, or status with regard to public assistance. No Lot or Common Area may be further subdivided nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof (excluding Grantor) without the prior written approval of the Architectural Committee and Central District Health; provided, however, that nothing herein shall be deemed to prevent or require the approval of the Architectural Committee or Central District Health for the transfer or sale of any Lot to more than one person to be held by them as tenants in common, joint tenants, tenants by the entirety or as community property.

3.16 No Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth.

3.17 Sewer System and Septic Tanks. Lots 1 through 38, and Lot 70, Block 1 of the Property shall be required to hook up to the central community sewerage system provided by the

Association. Individual septic tank and drain fields are prohibited on such Lots. Each Owner of such Building Lots shall connect the appropriate facilities on such Owner's Building Lot to the Elk Valley Community sewer system and pay all charges assessed therefor. Central District Health shall have the right of entry upon any Lot for the purpose to inspect any well or septic system, private or community. No individual well or septic tank and drain field may be constructed or installed without the prior site location approved by the Architectural Committee and receipt of all proper State and County permits obtained and approved by Central District Health and without adherence to that certain Agreement of Nitrate Groundwater Monitoring in Elk Valley Subdivision, dated September 5, 2000, attached hereto as Exhibit D and made a part hereof, which relates to the monitoring and potential mitigation concerning nitrates in the groundwater at Elk Valley Subdivision.

3.18 Adoption of Rules. The Association, through its Board of Directors, may adopt reasonable rules not inconsistent with this Declaration relating to the use of the Common Area and all facilities thereon, and relating to implementation of any provision of this Declaration or the Bylaws, including, without limitation issues such as design, construction, maintenance, and the conduct of Owners and their tenants and guests with respect to the Property and other Owners.

3.19 Rights to Water and Storm Water Runoff. Grantor hereby reserves for itself and its designees all rights to ground water, surface water, and storm water runoff within the Property and each Owner agrees, by acceptance of a deed to a Lot, that Grantor shall retain all such rights. No Person other than Grantor and its designees shall claim, capture, or collect rainwater, ground water, surface water, or storm water runoff within the Property without prior written permission of Grantor or its designee. Grantor or its designee may establish programs for reclamation of storm water runoff and wastewater for appropriate uses within or outside the Property and may require Owners and occupants of Lots to participate in such programs to the extent reasonably practical. No Owner or occupant of a Lot shall have any right to be compensated for water claimed or reclaimed from Lots. The Board shall also have the right to establish restrictions on or prohibit outside use of potable water within the Property. The State reserves all rights to ground water, surface water, and storm water runoff within the property described in Article I, Section 1.1.1. and these rights shall be transferred to purchasers of these lots.

3.20 Waterways. Building Lots 1 through 28 which abut the South Fork of the Boise River shall have a seventy-five (75) foot riparian setback from the ordinary high water mark of such waterway. The ordinary high water mark is the line which water impresses on soil of the waterway by covering it for sufficient periods of time to deprive the soil of its vegetation. Said seventy-five (75) foot riparian area shall be left in its natural state with no improvements allowed therein. Within the seventy-five (75) foot area is a twenty-five (25) foot wide unimproved non-motorized public access easement adjacent to the river. Elmore County may develop a ten (10) foot-wide public pedestrian and bicycle path within the twenty-five (25) foot-wide easement.

3.21 Restricted Activities. The following activities are prohibited within the Property unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board:

- (a) Operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Lot rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Grantor and its assigns may operate such a program with respect to Lots which they own;
- (b) Conversion of any carport, garage, attic, or other unfinished space, other than a basement, to finished space for use as an apartment or other integral part of the living area on any Lot;
- (c) Use of any trails maintained by the Association for purposes other than walking, non-motorized bicycling, and rollerblading. This section is not meant to preclude the use of such trails by handicapped persons using their normal mode of locomotion;

ARTICLE IV: GOLF COURSE DEVELOPMENT

4.1 Ownership and Operation of Golf Course. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by Grantor or any other Person with regard to the construction of, continuing existence, ownership or operation of the Golf Course, if any, and no purported representation or warranty in such regard either written or oral, shall ever be effective without an amendment to this Declaration executed or joined into by Grantor. Further, the ownership and/or operation of the Golf Course, if any, may change at time and from time to time by virtue of, but without limitation, (a) sale to or assumption of operations of the Golf Course by an independent entity or entities; (b) the creation or conversion of the ownership of an operating structure of the Golf Course to an "equity" club or similar arrangement whereby the Golf Course, or the rights to operate it, transferred to an entity which is owned or controlled by its members; or (c) the transfer of ownership or control of the Golf Course to one or more affiliates, shareholders, employees, or independent contractors of Grantor. No consent of the Association or any Owner shall be required to effectuate such transfer or conversion.

4.2 Right to Use. Neither membership in the Association nor ownership or occupancy of a Lot shall confer any ownership interest in or right to use the Golf Course. Rights to use the Golf Course will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the owner of the Golf Course. The owner of the Golf Course shall have the right, from time to time in its sole and absolute discretion and without notice, to amend or waive the terms and conditions use of the Golf Course, including, without limitation, eligibility for duration of use rights, categories of use and extent of use privileges, number of

users, and shall also have the right to reserve use rights and terminate use rights altogether, subject to the provisions of outstanding membership documents.

4.3 View Impairment. Neither Grantor, the Association, nor the owner or operator of the Golf Course guarantees or represents that view over and across the Golf Course from adjacent Lots will be preserved without impairment. The owner of the Golf Course, if any, shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in its sole and absolute discretion, to add trees and other landscaping to the Golf Course from time to time. In addition, the owner of the Golf Course may, in its sole and absolute discretion, change location, configuration, size, and elevation of the tees, bunkers, fairway, and greens on the Golf Course from time to time. Any such additions or changes to the Golf Course may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

4.4 Easements for Golf Course.

(a) Every Lot and the Common Area is burdened with an easement permitting golf balls unintentionally to come upon such Common Area and Lots, and for golfers at reasonable times and in a reasonable manner to come upon the Common Area or the exterior portions of a Lot to retrieve errant golf balls; provided, however, if any Lot is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: Grantor; the Association or its Members (in their capacity as such); the owner of the Golf Course, or assigns; any successor Grantor; any builder or contractor (in their capacities as such); any officer, director or partner of any of the foregoing, or any officer or director of any partner.

(b) The owner of the Golf Course, its respective agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Areas reasonably necessary to the operation, maintenance, repair, and replacement of the Golf Course.

(c) The Property immediately adjacent to the Golf Course is hereby burdened with a non-exclusive easement in favor of the Golf Course for overspray of water from any irrigation system serving the Golf Course. Under no circumstances shall the Association or the owners of the Golf Course be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

(d) The owner of the Golf Course, its respective successors and assigns, shall have a perpetual, exclusive easement of access over the Property for the purpose

of retrieving golf balls from any bodies of water within the Common Area lying reasonably within range of golf balls hit from the Golf Course.

4.5 Limitations on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the owner of the Golf Course, no amendment to this Article, and no amendment in derogation of rights reserved or granted to the owner of the Golf Course by other provisions of this Declaration, may be made without the written approval the owner of the Golf Course. The foregoing shall not apply, however, to amendments made by Grantor. This Declaration shall be recorded against the Golf Course property in the Office of the Elmore County Recorder.

4.6 Jurisdiction and Cooperation. It is Grantor's intention that the Association and any owner of the Golf Course shall cooperate to the maximum extent possible in the operation of the Property and the Golf Course. Each shall reasonably assist the other in ensuring compatibility between the Improvements found in the Golf Course and the Property. The Association shall have no power to promulgate rules and regulations affecting activities on or use of the Golf Course.

4.7 Golf Course Exception. Declarant currently intends to develop Elk Valley Subdivision with a Golf Course. If, for some reason, the Golf Course cannot be developed, or if after the Golf Course is developed circumstances arise that make it uneconomical to continue the Golf Course, the land designated for the Golf Course on the Plat shall be developed as follows:

- (a) The Association shall have a first right of refusal to purchase the land designated for the Golf Course at appraised value. The appraisal value shall be determined as follows: If the Association and Declarant, or Declarant's successor, cannot agree on an appraiser, each shall have such land appraised by a licensed appraiser and the value shall be the average between the two appraisals.
- (b) If the Association does not elect to exercise its right to purchase the land, further development of the land designated for the Golf Course shall be limited as follows:
 - (i) All additional Building Lots developed from the land previously designated for the Golf Course shall be single-family, detached homes and shall not be less than one (1) acre in size.
 - (ii) There shall be a buffer zone established between the land designated for the Golf Course and the original Building Lots shown on the Plat. Such buffer zone shall be at least one hundred (100) yards.
- (c) The State Property designated as Lot 70 shall not be subdivided into lots of less than one (1) acre in size and shall be limited to single-family, detached

homes. The lot or subdivided lots shall be sold at public auction to the highest bidder.

ARTICLE V: ELK VALLEY COMMUNITY ASSOCIATION, INC.

5.1 Organization of Elk Valley Community Association, Inc. Elk Valley Community Association, Inc. (the "Association") shall be initially organized by Grantor as an Idaho non-profit corporation under the provisions of the Idaho Code relating to general non-profit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

5.2 Membership. Each Owner, by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Association. The memberships in the Association shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of Owner's title and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Association.

5.3 Voting. Voting in the Association shall be carried out by Owners who shall cast the votes attributable to the Building Lots which they own, or attributable to the Building Lots owned by Grantor. The number of votes any Owner may cast on any issue is determined by the number of Building Lots which the Owner, including Grantor, owns. When more than one person holds an interest in any Building Lot, all such persons shall be Owners but shall share the votes attributable to the Building Lot. For voting purposes, the Association shall have two (2) classes of Owners as described below:

5.3.1 Class A Members. Owners other than Grantor and the State shall be known as Class A Members. Each Class A Member shall be entitled to cast one (1) vote for each Building Lot owned by such Class A Member on the day of the vote.

5.3.2 Class B Members. Grantor shall be known as the Class B Member, and shall be entitled to three (3) votes for each Building Lot of which Grantor is the Owner. The Class B Member shall cease to be a voting Owner in the Association on the happening of either of the following events, whichever occurs earlier:

- (a) when ninety-five percent (95%) of the Building Lots have been sold to Owners other than Grantor;
- (b) on December 31, 2015; or

(c) when, in its discretion, Grantor so determines and declares such in a recorded instrument.

5.3.3 Exercise of Voting Rights. Fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter being put to a vote. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that such Owner was acting with authority and consent of all joint Owners of the Building Lot(s) from which the vote derived. The right to vote may not be severed or separated from the ownership of the Building Lot to which it is appurtenant, except that any Owner may give a revocable proxy, or may assign such Owner's right to vote to a lessee, mortgagee, beneficiary or contract purchaser of the Building Lot concerned, for the term of the lease, mortgage, deed of trust or contract. Any sale, transfer or conveyance of such Building Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the Owner, subject to any assignment of the right to vote to a lessee, mortgagee, or beneficiary as provided herein.

5.3.4 Voting Rights for Highway Zone. In the event the highway zone is developed to include Condominiums or Cluster Homes, Owners of said Lots shall be entitled to the same voting rights per Lot as held by Lot Owners pursuant to Section 5.3 herein unless otherwise provided in an amendment or supplement to this Declaration.

5.4 Board of Directors and Officers. The affairs of the Association shall be conducted and managed by a Board of Directors ("the Board") and such officers as the Board may elect or appoint, in accordance with the Articles and Bylaws, as the same may be amended from time to time. The Board of the Association shall be elected in accordance with the provisions set forth in the Association's Bylaws.

5.5 Power and Duties of the Association.

5.5.1 Powers. The Association shall have all the powers of a corporation organized under the general corporation laws of the State of Idaho subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under Idaho law and under this Declaration, and the Articles and Bylaws, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area and the Association's other assets, including water rights when and if received from Grantor, and affairs and the performance of the other responsibilities herein assigned, including without limitation:

5.5.1.1 Assessments. The power to levy Assessments on any Owner or any portion of the Property and to force payment of such Assessments, all in accordance with the provisions of this Declaration.

5.5.1.2 Right of Enforcement. The power and authority from time to time in its own name, on its own behalf, or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or the Articles or the Bylaws.

5.5.1.3 Emergency Powers. The power, exercised by the Association or by any person authorized by it, to enter upon any property (but not inside any building constructed thereon) in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Association.

5.5.1.4 Licenses, Easements and Rights-of-Way. The power to grant and convey to any third party such licenses, easements and rights-of-way in, on or under the Common Area as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment of the Common Area, and for the preservation of the health, safety, convenience and the welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:

5.5.1.4.1 Underground lines, cables, wires, conduits or other devices for the transmission of electricity or electronic signals-for lighting, heating, power, telephone, television or other purposes, and the above ground lighting stanchions, meters, and other facilities associated with the provisions of lighting and services; and

5.5.1.4.2 Public sewers, storm drains, water drains and pipes, water supply systems, sprinkling systems, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities.

5.5.1.4.3 Mailboxes and sidewalk abutments around such mailboxes or any service facility, berm, fencing and landscaping abutting common areas, if any, public and private streets or land conveyed for any public or quasi-public purpose.

5.5.1.5 Manager. To retain and pay for the services of a person of firm to manage the Association's properties (the "Manager") to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the Association's properties or the conduct of the business of the Association, whether such personnel are employed directly by the Association or are furnished by the Manager. The Association and the Board may delegate any of their duties, powers or functions to the Manager, provided that any such delegation shall be revocable upon notice by the Association or Board. The Owners release the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power or function as delegated.

5.5.2 Duties. In addition to duties necessary and proper to carry out the power delegated to the Association by this Declaration, and the Articles and Bylaws, without limiting the generality thereof, the Association or its agent, if any, shall have the authority and the obligation to conduct all business affairs of the Association and to perform, without limitation, each of the following duties:

5.5.2.1 Operation and Maintenance of Common Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area. Keep the Common Area in good, clean, attractive and sanitary condition, order, and repair, consistent with this Declaration.

5.5.2.2 Maintenance of Berms, Retaining Walls and Fences. The Association shall maintain or provide for the maintenance of any and all berms, retaining walls, and the exterior of fences, if any, within and abutting the Common Area.

5.5.2.3 Maintenance of Drainage Areas. The Association shall maintain or provide for the maintenance of all drainage areas on the Property, and any drainage areas serving the subdivision that are located on Grantor's adjacent property or on the golf course property.

5.5.2.4 Taxes and Assessments. Pay all real and personal property taxes and Assessments separately levied against the Common Area or against the Association and/or any other property owned by the Association. Such taxes and Assessments may be contested or compromised by the Association, provided, however, that such taxes and Assessments are paid or a bond insuring payment is posted prior to the sale or disposition of any property to satisfy the payment of such taxes and Assessments. In addition, the Association shall pay all other federal, state or local taxes, including income or

corporate taxes levied against the Association, in the event that the Association is denied the status of a tax exempt corporation.

5.5.2.5 Water and Other Utilities. Acquire, provide and/or pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone and gas and other necessary services for the Common Area.

5.5.2.6 Insurance. Obtain insurance from reputable insurance companies authorized to do business in the State of Idaho, and maintain in effect any insurance policy the Board deems necessary or advisable, including, without limitation the following policies of insurance:

5.5.2.6.1 Fire insurance including those risks embraced by coverage of the type known as the broad form "All Risk" or special extended coverage endorsement on a blanket agreed amount basis for the full insurable replacement value of all Improvements, equipment and fixtures located within the Common Area.

5.5.2.6.2 Comprehensive public liability insurance insuring the Board, the Association, Grantor and the individual grantees and agents and employees of each of the foregoing against any liability incident to the ownership and/or use of the Common Area. Limits of liability of such coverage shall be as follows: Not less than One Million Dollars (\$1,000,000) per person and One Million Dollars (\$1,000,000) per occurrence with respect to personal injury or death, and One Million Dollars (\$1,000,000) per occurrence with respect to property damage.

5.5.2.6.3 Full coverage directors' and officers' liability insurance with a limit of at least Two Hundred Fifty Thousand Dollars (\$250,000).

5.5.2.6.4 Such other insurance, including motor vehicle insurance and Workmen's Compensation insurance, to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Board shall deem necessary or required to carry out the Association functions or to insure the Association against any loss from malfeasance or dishonesty of any employee or other person charged with the management or possession of any Association funds or other property.

5.5.2.6.5 The Association shall be deemed trustee of the interests of all Owners in connection with any insurance proceeds

paid to the Association under such policies, and shall have full power to receive such Owner's interests in such proceeds and to deal therewith.

5.5.2.6.6 Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the Regular Assessments levied by the Association.

5.5.2.6.7 Each Owner may obtain insurance at such Owner's own expense providing coverage upon such Owner's Building Lot, such Owner's personal property, for such Owner's personal liability, and covering such other risks as such Owner may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Association obtains pursuant to this article. All such insurance shall waive the insurance company's right of subrogation against the Association, the other Owners, and the servants, agents and guests of any of them, if such insurance can be obtained in the normal practice without additional premium charge for the waiver of rights of subrogation. Proceeds of such insurance claims shall be paid to the owner of the Building Lot and/or the mortgagee.

5.5.2.7 Indemnification. The Association shall indemnify every officer, director, and committee member against all expenses, including counsel fees, reasonably incurred in connection with any action, suit, other proceeding (including settlement of any suit or proceeding, approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

5.5.2.8 Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably advisable or necessary to enforce any of the provisions of the Declaration, or of the Articles or Bylaws, including, without limitation, the recordation of any claim of lien with the Elmore County Recorder, as more fully provided herein.

5.5.2.9 Architectural Committee. To appoint and remove members of the Architectural Committee as provided in Article VI hereof, and to ensure that at all reasonable times there is available a duly constituted and appointed Architectural Committee.

5.6 Personal Liability. No member of the Board, or member of any committee of the Association, or any officer of the Association, or Grantor, or the Manager, if any, 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 the account of any act, omission, error or negligence of the Association, the Board, the Manager, if any, or any other representative or employee of the Association, Grantor, or any committee, or any officer of the Association, or Grantor, provided that such person, upon the basis of such information as may be possessed by such person, has acted in good faith without willful or intentional misconduct.

5.7 Budgets and Financial Statements. Financial statements for the Association shall be prepared regularly and copies shall be distributed to each Member of the Association as follows:

5.7.1 Operating Statement. A pro forma operating statement or budget, for each fiscal year shall be distributed not less than sixty (60) days before the beginning of each fiscal year. (The fiscal year shall coincide with the calendar year.) The operating statement shall include a schedule of Assessments received and receivable, identified by the Building Lot number and the name of the person or entity assigned.

5.7.2 Balance Sheet. Within thirty (30) days after the close of each fiscal year, the Association shall cause to be prepared and delivered to each Owner, a balance sheet as of the last day of the Association's fiscal year and annual operating statements reflecting the income and expenditures of the Association for its last fiscal year. Copies of the balance sheet and operating statement shall be distributed to each Member within ninety (90) days after the end of each fiscal year.

5.8 Meetings of Association. Each year the Association shall hold at least one meeting of the Members, according to the schedule for such meetings established by the Bylaws; provided, that such meeting shall occur no earlier than April 15 and no later than May 31 each year. Only Members shall be entitled to attend Association meetings, and all other persons may be excluded. Notice for all Association meetings, regular or special, shall be given by regular mail to all Members, and any person in possession of a Building Lot, not less than ten (10) days nor more than thirty (30) days before the meeting and shall set forth the place, date and hour of the meeting and the nature of the business to be conducted. All meetings shall be held within the Property or as close thereto as practical at a reasonable place selected by the Board. The presence at any meeting in person of the Class B Member where there is such a Member, and of the Class A Members representing Owners holding at least thirty percent (30%) of the total votes entitled to be cast at the meetings shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present may adjourn the meeting and reschedule it as provided in the Bylaws.

ARTICLE VI: ARCHITECTURAL CONTROL

6.1 Members of Committee. The Architectural and Environmental Control Committee ("Architectural Committee" or "Committee") shall consist of at least three, but not

more than five persons. The members of the Committee shall include but not be limited to the Grantor and two persons appointed by Grantor. The members need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals. Each of said persons shall hold office until such time as he or she has resigned or has been removed or his or her successor has been appointed, as provided herein. Members of the Committee may be removed at any time without cause by the Grantor.

6.2 Appointment and Removal. The Grantor shall have the right to appoint and remove all members of the Committee. Provided, however, at such time as Grantor's rights as a Class B member are converted to Class A membership status under Article V, Section 5.3 herein, the Grantor's right to appoint and remove members of the Committee shall cease. At such time, the Association Board shall have the right to appoint and remove all members of the Committee.

6.3 Review of Proposed Construction. The Committee shall consider and act upon any and all proposals or plans and specifications submitted for its approval pursuant to this Declaration and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Committee. The Committee shall approve proposals or plans and specification submitted for its approval only if it deems that the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area or Elk Valley Subdivision as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures. The Committee may condition its approval of proposals or plans and specifications on such changes therein as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Committee may also issue rules or guidelines setting forth design standards, construction standards, and procedures for the submission of plans for approval, or additional factors which it will take into consideration in reviewing submissions. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including without limitation, floor plans, site plans, drainage plans, elevation drawings and description of samples of exterior material and colors. The Committee may also require a fee of not to exceed Three Hundred Dollars (\$300) to accompany each application for approval. Until receipt by the Committee of any required plans and specifications, the Committee may postpone review of any plan submitted for approval.

6.4 Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time by resolution unanimously adopted in writing designate one of its members to take any action or perform any duties for and on behalf of the Committee. In the absence of such designation, the vote of any three (3) members of the Committee or the written consent of any three (3) members of the Committee taken without a meeting, shall constitute an act of the Committee.

6.5 No Waiver of Future Approvals. The approval of the Committee to any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent.

6.6 Non-Liability of Committee Members. Neither the Committee nor any member thereof shall be liable to the Association, or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Committee. The Committee shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and Elk Valley Subdivision generally. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with buildings or other codes.

6.7 Variances. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any amendment or supplement to this Declaration, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be evidenced in writing, must be signed by at least three (3) members of the Committee, and shall become effective upon recordation in the Office of the County Recorder of Elmore County. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration or any amendment or supplement to this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or of any amendment or supplement to this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance.

6.8 Approvals Required. No building, structure, detached or attached storage shed, fence, wall, hedge, landscaping, painting, ornament, obstruction, berm, driveway, and/or Improvement shall be placed on, under, over or across any part of the Property unless a written request for approval thereof containing the plans and specifications therefor, including exterior color scheme, if applicable, has been approved, in writing, by the Architectural Committee or the Board of Directors of the Association. There shall be no excavation or construction or alteration which in any way alters the exterior appearance of any Improvement within the Property, nor removal of any Improvement, without the prior written approval of the Architectural Committee. In the event the Board fails to approve or disapprove such request within thirty (30) days after

such request has been submitted in writing, approval shall not be required as provided in this Article and this Article will be deemed to have been complied with.

ARTICLE VII: RIGHTS TO COMMON AREAS

7.1 Use of Common Area. Every Owner shall have a right to use each parcel of the Common Area, which right shall be appurtenant to and shall pass with the title to every Building Lot, subject to the following provisions:

7.1.1 The right of the Association holding or controlling the Common Area to levy and increase Assessments;

7.1.2 The right of the Association to suspend the voting rights and rights to use of, or interest in, Common Area by an Owner for any period during which any Assessment or charge against such Owner's Building Lot remains unpaid; provided, however, any such Owner shall still have the right to use the Common Area for ingress to and egress from such Owner's Building Lot; and

7.1.3 The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be permitted by the Articles and Bylaws and agreed to by the Members. Any such encumbrance of the Common Area shall be subject to each Owner's right of ingress to and egress from such Owner's Building Lot over the Common Area. No dedication or transfer of said Common Area shall be effective unless an instrument agreeing to such dedication or transfer signed by Members representing sixty-six percent (66%) of each class of Members has been recorded.

7.1.4 The right of the Association to prohibit the construction of structures or Improvements on the Common Area.

7.1.5 The right of the Association to limit the number of Owners permitted to use the Common Area, or a portion thereof, at any one time.

7.1.6 The right of the Association to publish reasonable rules and regulations governing the use of the Common Area.

7.1.7 The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Association's property.

7.1.8 The right of the Association to allow the general public, or certain portions thereof, to use any recreational facility situated upon the Association's property, and in the discretion of the Board, to charge admission fees thereof.

7.2 Designation of Common Area. Grantor shall designate and reserve the Common Area in this Declaration, and/or recorded Plats, deeds or other instruments and/or as otherwise provided herein. In the event that the Highway Zone is developed into Condominiums or Cluster Homes, the Association may designate Common Area for the exclusive use by Owners of Lots within the Highway Zone.

7.3 Delegation of Right to Use. Any Owner may delegate, in accordance with the respective Bylaws of the Association such Owner's right of enjoyment to the Common Area, to the members of such Owner's family in residence, and such Owner's tenants or contract purchasers who reside on such Owner's Building Lot.

7.4 Damages. Each Owner shall be fully liable for any damage to any Common Area which may be sustained by reason of the gross negligence or willful misconduct of the Owner, such Owner's resident tenant or contract purchaser, or such Owner's family and guests, both minor and adult. In the case of joint ownership of a Building Lot, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be a Limited Assessment against the Building Lot and may be collected as provided herein for the collection of other Assessments. No Owner shall be liable for any amounts greater than is legally allowable under Idaho law.

ARTICLE VIII: ASSESSMENTS

8.1 Covenant to Pay Assessments. By acceptance of a deed to any property in Elk Valley Subdivision, each Owner of such property hereby covenants and agrees to pay when due all Assessments or charges made by the Association, including all Regular, Special and Limited Assessments and charges made against such Owner pursuant to the provisions of this Declaration or other applicable instrument.

8.1.1 Assessment Constitutes Lien. Such Assessments and charges together with interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment or charge is made.

8.1.2 Assessment is Personal Obligation. Each such Assessment, together with interest, costs and reasonably attorneys' fees, shall also be the personal obligation of the Owner of such property beginning with the time when the Assessment falls due. The personal obligation for delinquent Assessments shall not pass to such Owner's successors in title unless expressly assumed by them but shall remain such Owner's personal obligation regardless of whether he remains an Owner.

8.2 Regular Assessments. All Owners, including Grantor, are obligated to pay Regular Assessments to the treasurer of the Association on a schedule of payments established by

the Board. The State is not an Owner and is therefore not obligated to pay any assessments at any time.

8.2.1 Purpose of Regular Assessments. The proceeds from Regular Assessments are to be used to pay for all costs and expenses incurred by the Association, including legal and attorneys fees and other professional fees, for the conduct of its affairs, including without limitation the costs and expenses of construction, improvement, utilities, protection, maintenance, repair, management and operation of the Common Area, including all Improvements located on such areas owned and/or managed and maintained by the Association, and an amount allocated to an adequate reserve fund to be used for repairs, replacement, maintenance and improvement of those elements of the Common Area, or other property of the Association that must be replaced and maintained on a regular basis (collectively "Expenses").

8.2.2 Computation of Regular Assessments. The Association shall compute the amount of its Expenses on an annual basis. The Board shall compute the amount of Regular Assessments owed beginning the first day of the third month following the month in which the closing of the first sale of a Building Lot occurred in Elk Valley Subdivision for the purposes of the Association's Regular Assessment ("Initiation Date"). Thereafter, the computation of Regular Assessments shall take place not less than thirty (30) nor more than sixty (60) days before the beginning of each fiscal year of the Association. The computation of the Regular Assessment for the period from the Initiation Date until the beginning of the next fiscal year shall be reduced by an amount which fairly reflects the fact that such period was less than one year.

8.2.3 Amounts Paid by Owners. The Board can require, in its discretion or as provided in the Articles or Bylaws, payment of Regular Assessments in monthly, quarterly, semi-annual or annual installments. The Regular Assessment to be paid by any particular Owner, including Grantor, for any given fiscal year shall be computed by multiplying the Association's total advance estimate of Expenses by the fraction produced by dividing the Building Lots attributable to the Owner by the total number of Building Lots in the Property.

8.3 Special Assessments.

8.3.1 Purpose and Procedure. In the event that the Board shall determine that its respective Regular Assessment for a given calendar year is or will be inadequate to meet the Expenses of the Association for any reason, including but not limited to costs of construction, reconstruction, unexpected repairs or replacement of capital improvements upon the Common Area, attorney's fees and/or litigation costs, other professional fees, or for any other reason, the Board thereof shall determine the approximate amount necessary to defray such Expenses and levy a Special Assessment against the portions of the Property within its jurisdiction which shall be computed in the

same manner as Regular Assessments. No Special Assessment shall be levied which exceeds twenty percent (20%) of the budgeted gross Expenses of the Association for that fiscal year, without the vote or written assent of the Owners representing a majority of the votes of the Members of the Association. The Board shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

8.3.2 Consistent Basis of Assessment. Every Special Assessment levied by and for the Association shall be levied and paid upon the same basis as that prescribed for the levying and payment of Regular Assessments for the Association.

8.4 Sewer System Assessments. The Association shall have the power to levy Regular or Special Assessments for the operation, maintenance, repair, and monitoring of a sewer system for its Members, in compliance with the rules and regulations of the State of Idaho and as adopted by Central District Health. Said sewer system shall be developed, maintained, and operated pursuant to the Agreement for Nitrate Ground Water Monitoring in Elk Valley Subdivision between Grantor and Central District Health, which Agreement is attached hereto as Exhibit D.

8.5 Limited Assessments. Notwithstanding the above provisions with respect to Regular and Special Assessments, a Board may levy a Limited Assessment against a Member as a remedy to reimburse the Association for costs incurred in bringing the Member and/or such Member's Building Lot into compliance with the provisions of the governing instruments for Elk Valley Subdivision.

8.6 Uniform Rate of Assessment. Unless otherwise specifically provided herein, Regular and Special Assessments shall be fixed at a uniform rate per Building Lot for all Members of the Association.

8.7 Assessment Period. Unless otherwise provided in the Articles or Bylaws, the Assessment period shall commence on January 1 of each year and terminate December 31 that same year. The first Assessment shall be pro-rated according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments.

8.8 Notice and Assessment Due Date. Thirty (30) days prior written notice of Regular and Special Assessments shall be sent to the Owner of every Building Lot subject thereto, and to any person in possession of such Building Lot. The due dates for installment payment of Regular Assessments and Special Assessments shall be the first day of each month unless some other due date is established by the Board. Each monthly installment of the Regular Assessment or Special Assessment shall become delinquent if not paid within fifteen (15) days after the levy thereof. There shall accrue with each delinquent installment payment a late charge equal to ten percent (10%) of the delinquent installment. In addition, each installment payment which is delinquent for more than thirty (30) days shall accrue interest at eighteen percent (18%) per annum calculated the date of delinquency to and including the date full payment is received

by the Association. The Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Building Lot as more fully provided herein. Each Owner is personally liable for Assessments, together with all interest, costs and attorneys' fees, and no Owner may exempt such Owner from such liability by a waiver of the use and enjoyment of the Common Area, or by lease or abandonment of such Owner's Building Lot.

8.9 Estoppel Certificate. The Association, upon at least 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 Building Lot Owner is in default under the provisions of this Declaration, and further stating the dates to which any Assessments have been paid by the Owner. Any such certificate delivered pursuant to this paragraph 8.9 may be relied upon by any prospective purchaser or mortgagee of the Owner's Building Lot. Reliance on such Certificate may not extend to any default as to which the signor shall have had no actual knowledge.

ARTICLE IX: ENFORCEMENT OF ASSESSMENTS; LIENS

9.1 Right to Enforce. The Association has the right to collect and enforce its Assessments pursuant to the provisions hereof. Each Owner of a Building Lot, upon becoming an Owner of such Building Lot, shall be deemed to covenant and agree to pay each and every Assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees in addition to any other relief or remedy obtained against such Owner. The Board or its authorized representative may enforce the obligations of the Owners to pay such Assessments by commencement and maintenance of a suit at law or in equity, or the Board may exercise the power of foreclosure and sale pursuant to paragraph 9.3 to enforce the liens created hereby. A suit to recover a money judgment for an unpaid Assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided.

9.2 Assessment Liens.

9.2.1 Creation. There is hereby created a claim of lien with power of sale on each and every Building Lot to secure payment of any and all Assessments levied against such Building Lot pursuant to this Declaration together with interest thereon at the maximum rate permitted by law and all costs of collection which may be paid or incurred by the Association making the Assessment in connection therewith, including reasonable attorneys' fees. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on such respective Building Lots upon recordation of a claim of lien with the Elmore County Recorder. Such lien shall be prior and superior to all other liens or claims created subsequent to the recordation of the notice of delinquency and claim of lien except for tax liens for real property taxes on any Building Lot and

Assessments on any Building Lot in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.

9.2.2 Claim of Lien. Upon default of any Owner in the payment of any Regular, Special or Limited Assessment issued hereunder, the Association may cause to be recorded in the office of the Elmore County Recorder a claim of lien. The claim of lien shall state the amount of such delinquent sums and other authorized charges (including the cost of recording such notice), a sufficient description of the Building Lot(s) against which the same have been assessed, and the name of the record Owner thereof. Each delinquency shall constitute a separate basis for a notice and claim of lien, but any number of defaults may be included within a single notice and claim of lien. Upon payment to the Association of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction of relief of such delinquent sums and charges. The Association may demand and receive the cost of preparing and recording such release before recording the same.

9.3 Method of Foreclosure. Such lien may be foreclosed by appropriate action in court or by sale by the Association establishing the Assessment, its attorney or other person authorized to make the sale. Such sale shall be conducted in accordance with the provisions of the Idaho Code applicable to the exercise of powers of sale permitted by law. The Board is hereby authorized to appoint its attorney, any officer or director of the Association, or any title company authorized to do business in Idaho as trustee for the purpose of conducting such power of sale or foreclosure.

9.4 Required Notice. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of the notice of delinquency and claim of lien, whether judicially, by power of sale or otherwise, until the expiration of thirty (30) days after a copy of such claim of lien has been deposited in the United States mail, certified or registered, postage prepaid, to the Owner of the Building Lot(s) described in such notice of delinquency and claim of lien, and to the person in possession of such Building Lot(s), and a copy thereof is recorded by the Association in the Office of the Elmore County Recorder.

9.5 Subordination to Certain Trust Deeds. The lien for the Assessments provided for herein in connection with a given Building Lot shall not be subordinate to the lien of any deed of trust or mortgage except the lien of a first deed of trust or first mortgage given and made in good faith and for value that is of record as an encumbrance against such Building Lot prior to the recordation of a claim of lien for the Assessments. Except as expressly provided in paragraph 9.6 with respect to a first mortgagee who acquires title to a Building Lot, the sale or transfer of any Building Lot shall not affect the Assessment lien provided for herein, nor the creation thereof by the recordation of a claim of lien, on account of the Assessments becoming due whether before, on, or after the date of such sale or transfer, nor shall such sale or transfer diminish or

defeat the personal obligation of any Owner for delinquent Assessments as provided for in this Declaration.

ARTICLE X: EASEMENTS

10.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Building Lot and such portion or portions of the Common Area adjacent thereto or as between adjacent Building Lots due to the unwillful placement or settling or shifting of the Improvements including but not limited to structures, walkways, bike paths, sidewalks and driveways constructed, reconstructed or altered thereon in accordance with the terms of this Declaration. Easements of encroachment shall be valid only so long as they exist, and the rights and obligations of Owners shall not be altered in any way because of encroachments, settling or shifting of the Improvements; provided, however, that in no event shall a valid easement for encroachment occur due to the willful act or acts of an Owner. In the event a structure on any Building Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Building Lot agree that minor encroachments over adjoining Building Lots that existed prior to the encroachment may be reconstructed pursuant to the easement granted by this paragraph 10.1. The State is not an Owner and as long as the State retains title to the Building Lots, no encroachments are allowed.

10.2 Easements of Access. Grantor expressly reserves for the benefit of all the Property reciprocal easements of access, ingress and egress for all Owners to and from their respective Building Lots for installation and repair of utility services, for drainage of water over, across and upon adjacent Building Lots, and Common Area, resulting from the normal use of adjoining Building Lots or Common Area, and for necessary maintenance and repair of any Improvement including fencing, retaining walls, lighting facilities, mailboxes and sidewalk abutments, trees and landscaping. Such easements may be used by Grantor, and by all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of a Building Lot or Common Area.

10.3 Drainage and Utility Easements.

10.3.1 Notwithstanding anything expressly or impliedly contained herein to the contrary, this Declaration shall be subject to all easements heretofore or hereafter granted by Grantor for the installation and maintenance of utilities and drainage facilities that are required for the development of the Property. In addition, Grantor hereby reserves for the benefit of the Association the right to grant additional easements and rights-of-way over the Property, as appropriate, to utility companies and public agencies as necessary or expedient for the proper development of the Property until close of escrow for the sale of the last Building Lot in the Property to a purchaser.

10.3.2 The Owners of Building Lots are hereby restricted and enjoined from constructing any Improvements upon any drainage or utility easement areas as shown on the Plat of Elk Valley Subdivision or otherwise designated in any recorded document which would interfere with or prevent the easement from being used for such purpose.

10.4 Rights and Duties Concerning Utility Easements. The rights and duties of the Owners of the Building Lots within the Property with respect to utilities shall be governed by the following:

10.4.1 Wherever utility house connections are installed within the Property, which connections or any portions thereof lie in or upon Building Lots owned by an Owner other than the Owner of the Building Lot served by the connections, the Owner of the Building Lot served by the connections shall have the right, and is hereby granted an easement to the full extent necessary therefor, to enter upon any Building Lot or to have their agent enter upon any Building Lot within the Property in or upon which said connections or any portion thereof lie, to repair, replace and generally maintain the connections as and when it may be necessary.

10.4.2 Whenever utility house connections are installed within the Property, which connections serve more than one Building Lot, the Owner of each Building Lot served by the connections shall be entitled to full use and enjoyment of such portions of said connections as service such Owner's Building Lot.

10.5 Driveway Easements. Whenever a driveway is installed within the Property which in whole or in part lies upon a Building Lot owned by an Owner other than the Owner of the Building Lot served, or installed to serve more than one Building Lot, the Owner of each Building Lot served or to be served by such driveway shall be entitled to full use and enjoyment of such other Building Lot as required to service such Owner's Building Lot or to repair, replace or maintain such driveway.

10.6 Landscape and Access Easements. The Owners of Building Lots are hereby restricted and enjoined from constructing any Improvements upon any landscape or access easement areas as shown on the Plat of Elk Valley Subdivision or otherwise designated in any recorded document, provided, however, that the Owner(s) of such Building Lots and Grantor, the Association or designated entity with regard to the landscaping easement described in this Article X, shall be entitled to install and maintain landscaping on such easement areas, and also shall be entitled to build and maintain fencing on such easement areas subject to approval by the Board, so long as the same would not interfere with or prevent the easement areas from being used for their intended purposes; provided, further, however, that any damage sustained to Improvements on the easement areas as a result of legitimate use of the easement area shall be the sole and exclusive obligation of the Owner of the Building Lot whose Improvements were so damaged.

10.7 Easements for Collection of Storm Water Runoff and Flood Water. Grantor reserves for itself and its successors, assigns, and designees the nonexclusive right and easement but not the obligation to enter upon any conservation easement located within the Common Area to (a) install, keep, maintain, and replace pumps in order to provide water for the irrigation of any of the Common Area; (b) construct, maintain, and repair any structure designed to divert, collect, or retain water; and (c) remove trash and other debris. Grantor's rights and easements provided in this Section shall be transferred to the Association at such time as Grantor shall cease to own any property subject to the Declaration, or such earlier time as Grantor may elect, in its sole discretion, to transfer such rights by a written instrument. Grantor, the Association, and their designees shall have an access easement over and across any of the Property abutting or containing any portion of any conservation easement to the extent reasonably necessary to exercise their rights under this Section. There is further reserved herein for the benefit of Grantor, the Association, Elmore County and their designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Lots (but not the dwellings thereon) adjacent to or within fifty (50) feet of lake beds, ponds and streams within the Property, in order to (a) temporarily flood and back water upon and maintain water over such portions of the Property; (b) maintain and landscape the slopes and banks of such ponds, and streams; and (c) enter upon and across such portions of the Property for the purpose of exercising its rights under this Section. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Grantor or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disasters.

10.8 Easements for Cross-Drainage. Every Lot and the Common Area shall be burdened with easements for natural drainage of storm water runoff from other portions of the Property; provided, no Person shall alter the natural drainage on any Lot so as to materially increase the drainage of storm water onto adjacent portions of the Property without the consent of the Owner of the affected Property.

10.9 Riparian Area/Public Walkway. There exists a twenty-five (25) foot-wide unimproved, non-motorized public access easement adjacent to the river within the seventy-five (75) foot-wide riparian area on the river side of Lots 1 through 28, Block 1, of the Property. Ten (10) feet of said easement shall be held and may be developed as a public foot and bicycle path and maintained by Elmore County, provided, however, that any such development and/or maintenance is not contrary to the terms and provisions of this Declaration.

10.10 Disputes as to Sharing of Costs. In the event of a dispute between Owners with respect to the repair or rebuilding of utility connections or driveways, or with respect to the sharing of the cost therefor, and if both Owners agree, the matter shall be submitted to the Board which shall decide the dispute and, if appropriate, make an appropriate Assessment against any or all of the Owners involved on behalf of the prevailing Owner(s), which Assessment shall be collected and enforced in the manner provided by this Declaration for Limited Assessments.

ARTICLE XI: MISCELLANEOUS

11.1 Term. The easements created hereunder shall be perpetual, subject only to extinguishment by the holders of such easements as provided by law. The covenants, conditions, restrictions and equitable servitudes of this Declaration shall run until December 31, 2035, unless amended as herein provided. After December 31, 2035, such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by Members holding at least three-fourths (3/4) of the voting power of the Association and such written instrument is recorded with the Elmore County Recorder. Further provided that the Association shall not be dissolved without the prior written approval of the Elmore County Commissioners, such consent not to be unreasonably withheld provided that a responsible successor organization shall agree to perform those maintenance responsibilities arising from applicable city and county governmental requirements.

11.2 Amendment.

11.2.1 By Grantor. Except as provided in paragraph 11.2.3 below, until the recordation of the first deed to a Building Lot in the Property, the provisions of this Declaration may be amended, modified, clarified, supplemented, added to (collectively, "amendment") or terminated unilaterally by Grantor by recordation of a written instrument setting forth such amendment or termination.

11.2.2 By Owners. Except where a greater percentage is required by express provision in this Declaration, any amendment to the provisions of this Declaration, other than this Article XI, shall be by an instrument in writing signed and acknowledged by the president and secretary of the Association certifying and attesting that such amendment has been approved by the vote or written consent of Owners representing more than fifty percent (50%) of the votes in the Association, and such amendment shall be effective upon its recordation with the Elmore County Recorder. Any amendment to this Article XI shall require the vote or written consent of Members holding ninety-five percent (95%) of the voting power of the Association.

11.2.3 Effect of Amendment. Any amendment of this Declaration approved in the manner specified above shall be binding on and effective as to all Owners and their respective properties notwithstanding that such Owners may not have voted for or consented to such amendment. Such amendments may add to and increase the covenants, conditions, restrictions and easements applicable to the Property but shall not prohibit or unreasonably interfere with the allowed uses of such Owner's property which existed prior to the said amendment.

11.3 Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat or render invalid the rights of the

beneficiary under any first deed of trust upon a Building Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after foreclosure of any such first deed of trust such Building Lot shall remain subject to this Declaration, as amended.

11.4 Notices. Any notices permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association, as provided in this paragraph 11.4.

11.5 Enforcement and Non-Waiver.

11.5.1 Right of Enforcement. Except as otherwise provided herein, any Owner of any Building Lot, or the Association, shall have the right to enforce any or all of the provisions hereof.

11.5.2 Violations and Nuisances. The failure of any Owner of a Building Lot to comply with any provision hereof, or with any provision of the Articles or Bylaws of the Association, is hereby declared a nuisance and will give rise to a cause of action in Grantor, the Association or any Owner Building Lot(s) within the Property for recovery of damages or for negative or affirmative injunctive relief or both. However, any other provision to the contrary notwithstanding, only Grantor, the Association, the Board, or a duly authorized agent of any of them, may enforce by self-help any of the provisions hereof only if such self-help is preceded by reasonable notice to the Owner.

11.5.3 Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth in this Declaration and any or all enforcement procedures in law and equity.

11.5.4 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

11.5.5 Non-Waiver. The failure to enforce any of the provisions herein at any time shall not constitute a waiver of the right to enforce any such provision.

11.6 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Property. This Declaration shall be construed and governed under the laws of the State of Idaho.

11.6.1 Restrictions Construed Together. All of the provisions hereof shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in the recitals of this Declaration.

11.6.2 Restrictions Severable. Notwithstanding the provisions of the foregoing paragraph 11.6.1, each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

11.6.3 Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each including the masculine, feminine and neuter.

11.6.4 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

11.7 Successors and Assigns. All references herein to Grantor, Owners, the Association or person shall be construed to include all successors, assigns, partners and authorized agents of such Grantor, Owners, Association or person.

11.8 Conflict of Provisions. In the event of a conflict between the provisions of this Declaration and the requirements of ordinances of Elmore County, Idaho, applicable to the Property, the more restrictive shall control.

11.9 Mortgagees' Right to Satisfy Obligations of the Association. In the event that the Association fails to pay any debt or sum lawfully owed by it, for which a lien has been placed against the Common Area, or in the event that the Association fails to pay premiums due on insurance policies required by this Declaration, the lapse of which would jeopardize a mortgagee's security in any Building Lot, such mortgagee may pay said premium after first having served five (5) days, written demand for such payment on the Association. In the event that the Association has allowed said insurance policies to lapse, any such mortgagee whose security in any Building Lot is jeopardized thereby may secure new comparable insurance coverage. In the event that such mortgagee makes payments allowed hereunder, it shall be entitled to prompt reimbursement from the Association.

11.10 Annexation. Additional real property may be annexed to the Property with the consent of two-thirds (2/3) of each class of Members. Such annexation shall require the filing of an amendment or supplement to this Declaration in the land records of Elmore County, Idaho describing the property to be annexed and specifically subjecting it to the terms of this Declaration as may be amended by such amendment or supplement.

11.10.1 Withdrawal of Property. Grantor reserves the right to amend this Declaration so long as it has a right to annex additional property pursuant to this Article, without prior notice and without the consent of any Person except the State, for as long as the State holds title to property within the Subdivision, for the purpose of removing property then owned by Grantor, its affiliates, or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of any changes in Grantor's plans for the Properties, provided such withdrawal is not unequivocally contrary to the overall uniform scheme of development for the Properties.

IN WITNESS WHEREOF, Grantor has executed this Declaration as of the day and year first written above.

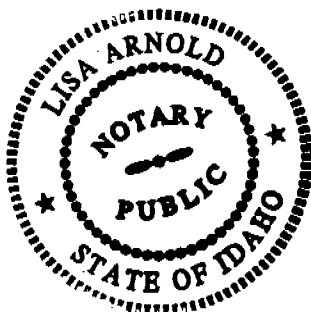
ELK VALLEY RANCH, INC.,
an Idaho corporation

By: David R. Mickelsen Pres.
David R. Mickelsen, President

STATE OF IDAHO)
) ss.
County of Ada)

On this 18th day of August, 2003, before me, the undersigned, a Notary Public in and for the State, personally appeared DAVID R. MICKELSEN, known or identified to me to be the President of ELK VALLEY RANCH, INC., an Idaho corporation, the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

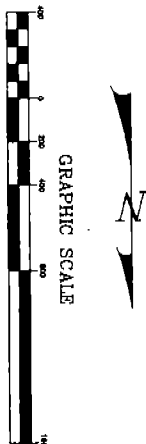


Lisa Arnold
NOTARY PUBLIC FOR IDAHO
Residing at Boise
My commission expires: 5-17-08

EXHIBIT A

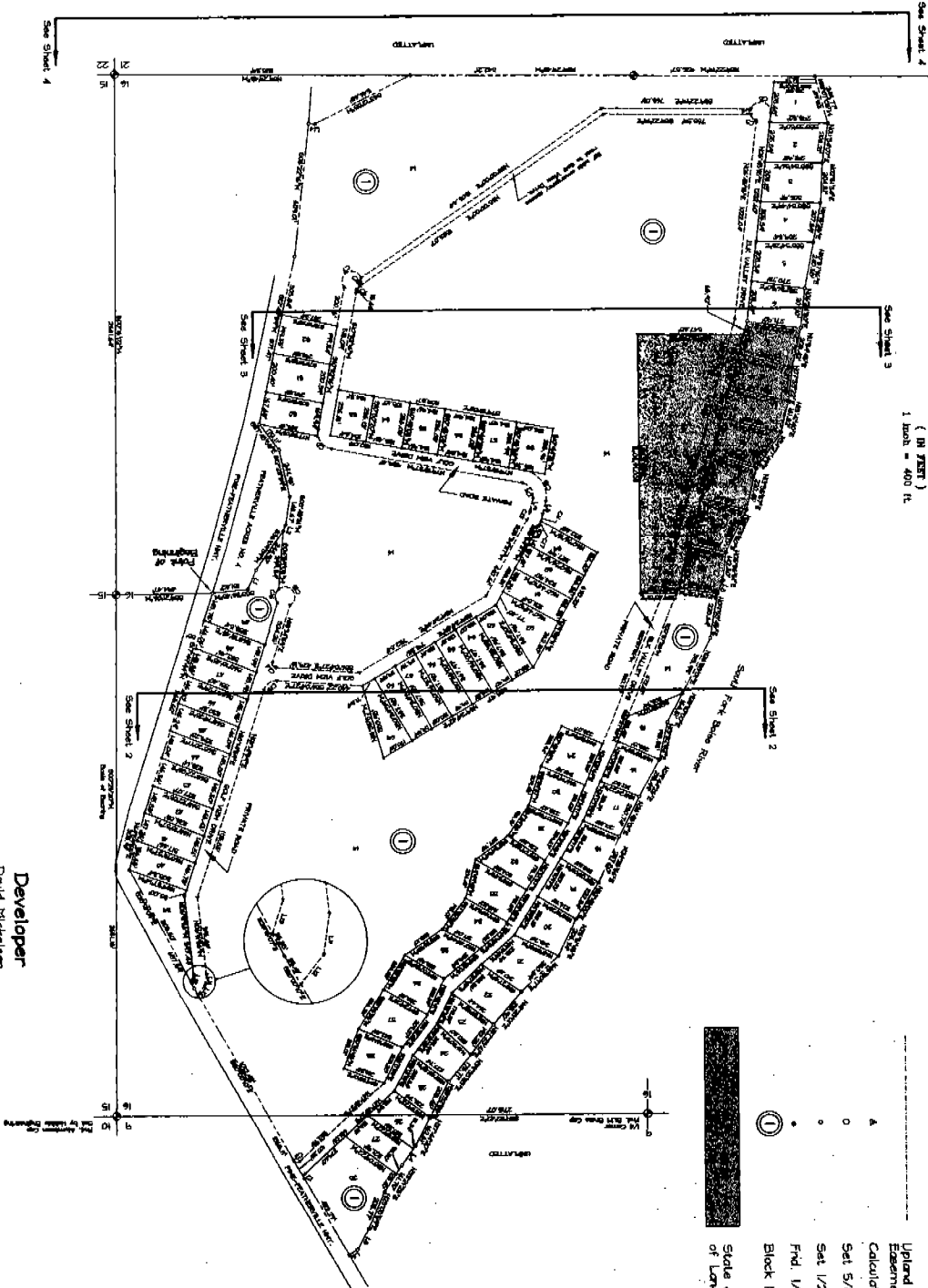
Amended Plat

PLAT SHOWING
AMENDED ELK VALLEY SUBDIVISION
 LYING IN A PORTION OF GOVERNMENT LOT 3, SECTION 9,
 A PORTION OF THE EAST 1/2 OF SECTION 16,
 AND PORTIONS OF GOVERNMENT LOTS 1, 4, 5, AND 6,
 T.3N., R.10E., B.1N., ELMORE COUNTY, IDAHO
 2005



Legend

- Subdivision Boundary
- Lot Line
- Roadway Easement
- 75' wide riparian area w/25' wide public walkway
- Upland Boundary of Conservation Easement
- Calculation point - not set
- Set 5/8" x 30" iron pin w/cap
- Set 1/2" x 24" iron pin w/cap
- Find 1/2" iron pin
- Block Number
- Scale of Idaho Department of Lands Ownership



Developer
 David Nickelsen
 HC 87 Box 439
 Pine, Idaho 83647
 (208) 357-8191

Engineer
 J.L. Howard
 1675 Hill Road, Suite A
 Boise, Idaho 83702
 (208) 344-0574

CURVE TABLE

Curve	Length	Radius	Bearing	Delta
C1	27.14	20.00	6.13	25.11
C2	35.64	20.00	24.80	31.14
C3	24.73	50.00	12.62	24.48
C4	64.35	50.00	37.50	60.00
C5	130.25	50.00	181.87	96.42
C6	24.77	50.00	12.65	24.52
C7	175.64	50.00	98.25	186.44
C8	130.17	85.00	88.18	117.51
C9	107.56	85.00	61.95	96.57
C10	213.50	135.00	131.67	131.31
C11	37.13	233.00	18.60	37.04
C12	46.22	167.00	23.26	46.07
C13	89.49	67.00	52.04	82.20
C14	36.42	20.00	25.75	31.54
C15	167.28	50.00	148.70	94.48
C16	74.88	50.00	46.47	65.08
C17	27.36	233.00	13.69	27.34
C18	74.74	50.00	40.54	40.76

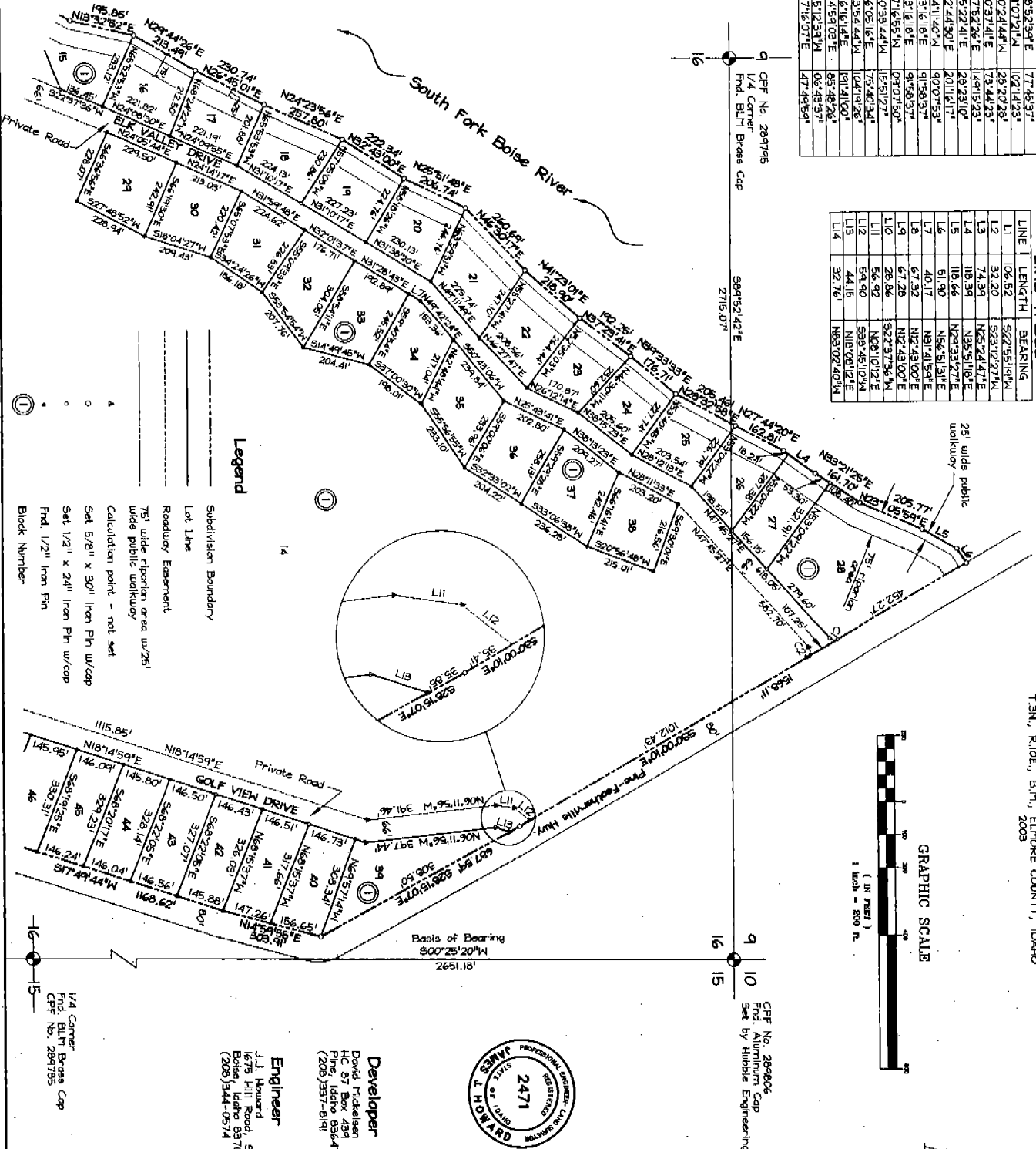
LINE TABLE

LINE	LENGTH	BEARING
L1	106.62	S22°55'19"W
L2	73.20	S23°12'27"W
L3	74.39	N25°24'47"E
L4	118.66	N35°11'08"E
L5	118.66	N23°33'27"E
L6	51.90	N56°51'31"E
L7	40.17	N19°41'54"E
L8	67.32	N12°43'00"E
L9	28.84	S22°32'34"W
L10	55.92	S22°32'34"W
L11	54.92	N08°48'10"E
L12	44.15	N18°08'12"E
L13	32.76	N03°02'40"E

Lot Acreages

Lot 14	182.32 Acres
Lot 15	1.20 Acres
Lot 16	1.11 Acres
Lot 17	1.07 Acres
Lot 18	1.19 Acres
Lot 19	1.18 Acres
Lot 20	1.18 Acres
Lot 21	1.14 Acres
Lot 22	1.02 Acres
Lot 23	1.02 Acres
Lot 24	1.01 Acres
Lot 25	1.03 Acres
Lot 26	1.06 Acres
Lot 27	1.07 Acres
Lot 28	3.41 Acres
Lot 29	1.12 Acres
Lot 30	1.12 Acres
Lot 31	1.13 Acres
Lot 32	1.13 Acres
Lot 33	1.23 Acres
Lot 34	1.03 Acres
Lot 35	1.15 Acres
Lot 36	1.12 Acres
Lot 37	1.26 Acres
Lot 38	1.15 Acres
Lot 39	1.16 Acres
Lot 40	1.09 Acres
Lot 41	1.09 Acres
Lot 42	1.10 Acres
Lot 43	1.10 Acres
Lot 44	1.10 Acres
Lot 45	1.10 Acres

Note
The boundary along the river is the ordinary high water mark as determined by the Department of Lands in September, 2002.



PLAT SHOWING
AMENDED ELK VALLEY SUBDIVISION
LYING IN A PORTION OF GOVERNMENT LOT 3, SECTION 9,
AND PORTIONS OF GOVERNMENT LOTS 14, 15, AND 16,
T3N, R10E, B1W, 2003



Developer
David Rickelsen
HC 87 Box 4394
Pine, Idaho 83447
(208) 337-6141

Engineer
J. J. Howard
1675 Hill Road, Suite A
Boise, Idaho 83702
(208) 344-0574

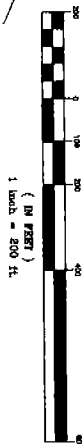
- Legend**
- Subdivision Boundary
 - Lot Line
 - Roadway Easement
 - 75' wide riparian area w/75' wide public walkway
 - Calculation point - not set
 - Set 5/8" x 30" Iron Pin w/cap
 - Set 1/2" x 24" Iron Pin w/cap
 - Find 1/2" Iron Pin
 - Block Number

Lot Acreages

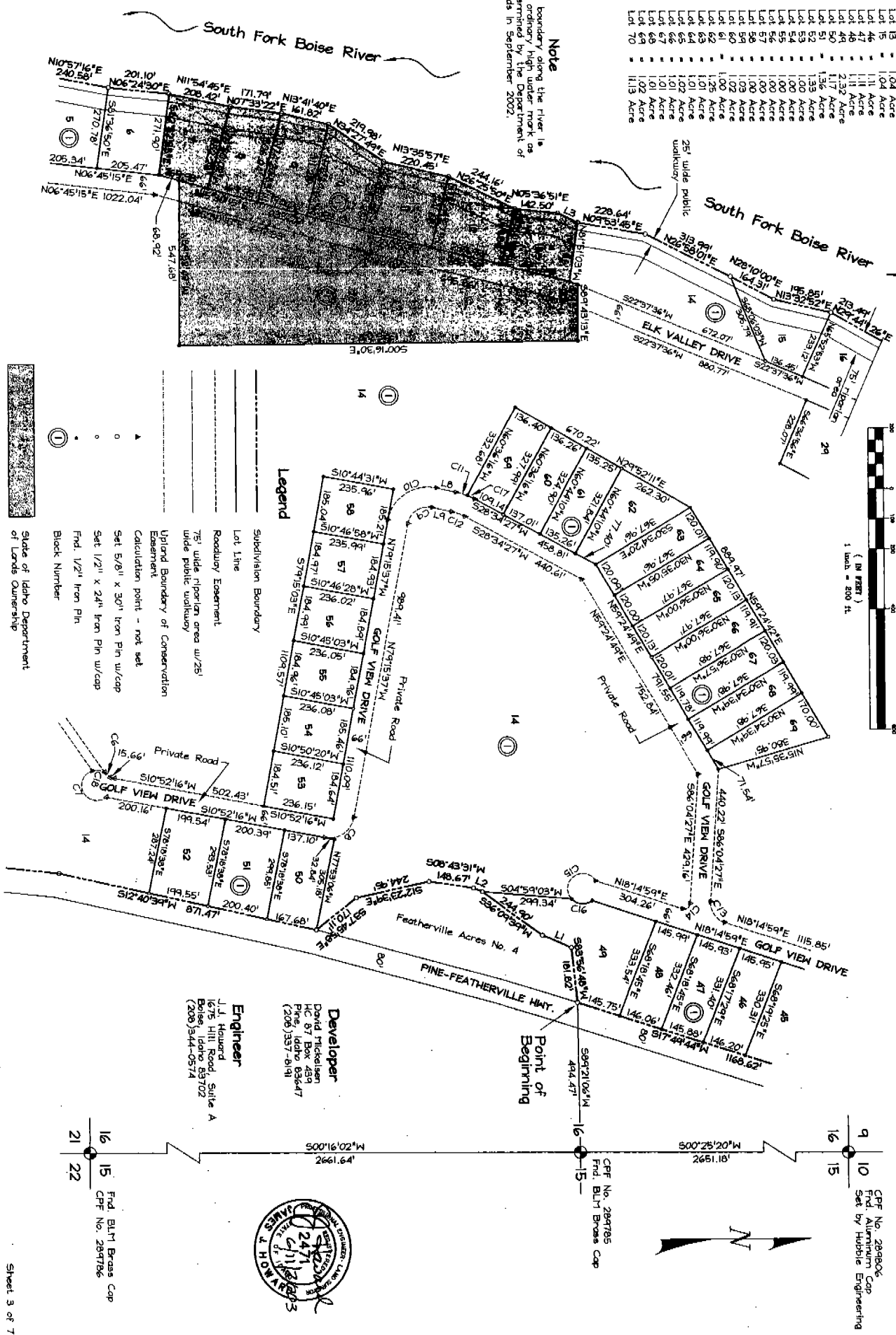
Lot 6	1.27	Acres
Lot 7	1.20	Acres
Lot 8	1.15	Acres
Lot 9	1.18	Acres
Lot 10	1.26	Acres
Lot 11	1.25	Acres
Lot 12	1.19	Acres
Lot 13	1.04	Acres
Lot 14	1.11	Acres
Lot 15	1.11	Acres
Lot 16	1.11	Acres
Lot 17	1.11	Acres
Lot 18	1.11	Acres
Lot 19	1.11	Acres
Lot 20	1.11	Acres
Lot 21	1.11	Acres
Lot 22	1.11	Acres
Lot 23	1.11	Acres
Lot 24	1.11	Acres
Lot 25	1.11	Acres
Lot 26	1.11	Acres
Lot 27	1.11	Acres
Lot 28	1.11	Acres
Lot 29	1.11	Acres
Lot 30	1.11	Acres
Lot 31	1.11	Acres
Lot 32	1.11	Acres
Lot 33	1.11	Acres
Lot 34	1.11	Acres
Lot 35	1.11	Acres
Lot 36	1.11	Acres
Lot 37	1.11	Acres
Lot 38	1.11	Acres
Lot 39	1.11	Acres
Lot 40	1.11	Acres
Lot 41	1.11	Acres
Lot 42	1.11	Acres
Lot 43	1.11	Acres
Lot 44	1.11	Acres
Lot 45	1.11	Acres
Lot 46	1.11	Acres
Lot 47	1.11	Acres
Lot 48	1.11	Acres
Lot 49	1.11	Acres
Lot 50	1.11	Acres
Lot 51	1.11	Acres
Lot 52	1.11	Acres
Lot 53	1.11	Acres
Lot 54	1.11	Acres
Lot 55	1.11	Acres
Lot 56	1.11	Acres
Lot 57	1.11	Acres
Lot 58	1.11	Acres
Lot 59	1.11	Acres
Lot 60	1.11	Acres
Lot 61	1.11	Acres
Lot 62	1.11	Acres
Lot 63	1.11	Acres
Lot 64	1.11	Acres
Lot 65	1.11	Acres
Lot 66	1.11	Acres
Lot 67	1.11	Acres
Lot 68	1.11	Acres
Lot 69	1.11	Acres
Lot 70	1.11	Acres

Note
The boundary along the river is the ordinary high water mark as determined by the Department of Lands in September 2002.

GRAPHIC SCALE



PLAT SHOWING AMENDED ELK VALLEY SUBDIVISION LYING IN A PORTION OF GOVERNMENT LOT 3, SECTION 9, A PORTION OF THE EAST 1/2 OF SECTION 16, AND PORTIONS OF GOVERNMENT LOTS 1, 4, 5, SECTION 16, T3N, R10E, B1M, ELMORE COUNTY, IDAHO 2003



Legend

- Subdivision Boundary
- Lot Line
- Roadway Easement
- 75' wide riparian area w/25' wide public walkway
- Upland Boundary of Conservation Easement
- Calculation point - not set
- Set 5/8" x 30" Iron Pin w/cap
- Set 1/2" x 24" Iron Pin w/cap
- Find 1/2" Iron Pin
- Black Number
- State of Idaho Department of Lands Ownership

Developer
David M. Nelson
1675 Hill Road, Suite A
Boise, Idaho 83702
(208) 344-0574

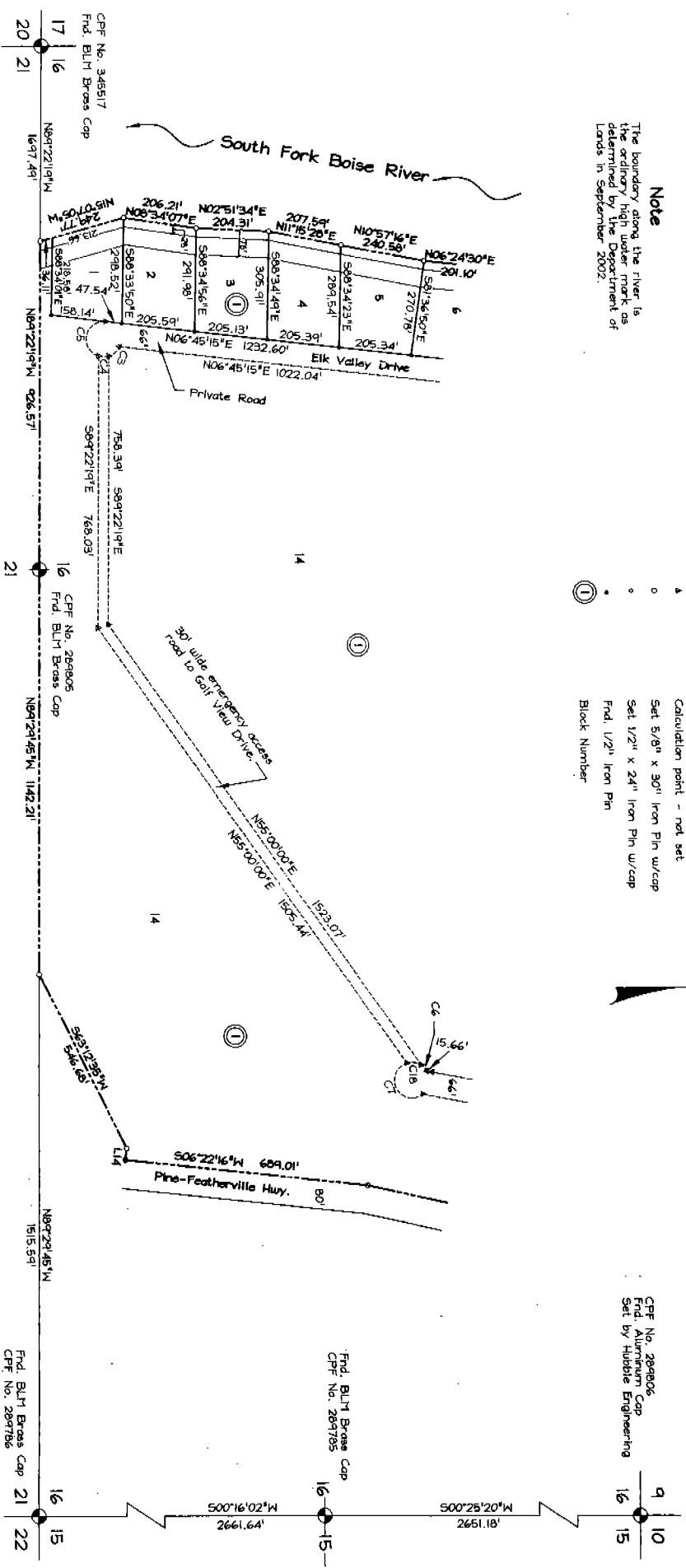
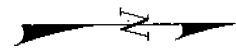
Engineer
J.L. Howard
1675 Hill Road, Suite A
Boise, Idaho 83702
(208) 344-0574



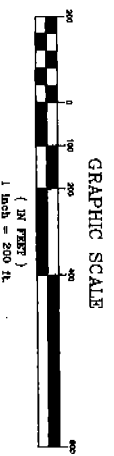
PLAT SHOWN
AMENDED ELK VALLEY SUBDIVISION
 LYING IN A PORTION OF GOVERNMENT LOT 3, SECTION 9,
 A PORTION OF THE EAST 1/2 OF SECTION 16,
 AND PORTIONS OF GOVERNMENT LOTS 1, 4, 5, AND 6,
 T.3N., R.10E., S.11N., ELK COUNTY, IDAHO.
 2003

Note
 The boundary along the river is
 the ordinary high water mark as
 determined by the Department of
 Lands in September 2002.

- Legend**
- Subdivision Boundary
 - Lot Line
 - Roadway Easement
 - 75' wide Flotation area w/25' wide public walkway
 - Calculation point - not set
 - Set 5/8" x 30" Iron Pin w/cap
 - Set 1/2" x 24" Iron Pin w/cap
 - Fnd. 1/2" Iron Pin
 - Block Number



- Lot Acreages**
- Lot 1 - 122 Acres
 - Lot 2 - 139 Acres
 - Lot 3 - 140 Acres
 - Lot 4 - 140 Acres
 - Lot 5 - 143 Acres

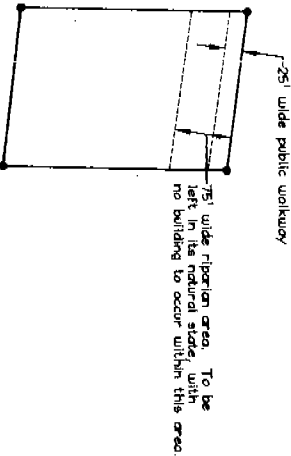


Developer
 David Nielsen
 1675 Hill Road, Suite A
 Boise, Idaho 83702
 (208) 337-8191

Engineer
 J.J. Howard
 1675 Hill Road, Suite A
 Boise, Idaho 83702
 (208) 344-0574

PLAT SHOWING
AMENDED ELK VALLEY SUBDIVISION
 LYING IN A PORTION OF GOVERNMENT LOT 3, SECTION 9,
 A PORTION OF THE EAST 1/2 OF SECTION 16,
 AND PORTIONS OF GOVERNMENT LOTS 1, 4, 5, AND 8, SECTION 16,
 T3N, R10E, B1W, ELMORE COUNTY, IDAHO
 2003

South Fork Boise River



Typical for lots
 fronting Boise River

Base Flood Elevation
 According to Firm Map 225B

Block	Lot	BFE	Block	Lot	BFE	Block	Lot	BFE
1	1	4448	1	17	4472	1	29	4471
1	2	4449	1	18	4473	1	30	4472
1	3	4450	1	19	4474	1	31	4473
1	4	4452	1	20	4475	1	32	4474
1	5	4453	1	21	4476	1	33	4475
1	6	4454	1	22	4477	1	34	4476
1	7	4456	1	23	4477	1	35	4477
1	8	4457	1	24	4478	1	36	4477
1	9	4458	1	25	4479	1	37	4478
1	10	4459	1	26	4479	1	38	4479
1	11	4461	1	27	4480			
1	12	4462	1	60	4465			
1	13	4464	1	61	4466			
1	14	4468	1	62	4467			
1	15	4470	1	63	4468			
1	16	4471	1	64	4469			

NOTE

Lot owners to contact the Elmore County Growth and Development Services for additional information regarding Flood Plain elevations and potential impacts on individual lots.

NOTES

1. This development recognizes Section 22-4503, Idaho Code Right to Farm Act, which states: "No agricultural operation or an opportunity to it shall be or become a nuisance, private or public, by any changed conditions on or about the surrounding nonagricultural activities after the same has been in operation for more than one year, unless the operation has been abandoned for more than one year, provided that the provisions of the section shall not apply whenever a nuisance results from the improper or negligent operation of any agricultural operation or opportunity to it."
2. No additional domestic water supplies shall be installed beyond the water system approved in sanitary restriction releases. Reference is made to the public health letter on file regarding additional restrictions.
3. Any real subdivision of this plat shall comply with the applicable zoning regulations in effect at the time of real subdivision.
4. Building setbacks in this subdivision shall conform to the regulations in effect for Elmore County.
5. Lots 14, 28, and 39, Block 1 are hereby designated as open areas, to be owned by the Elk Valley Ranch, Inc.
6. Golf View Drive and Elk Valley Drive are designated as private road easements, to be maintained by the Homeowners Association, lot owners within this subdivision have agreed to contribute to the maintenance of these roads. Said private roads also have a blanket easement for public utilities.
7. Lots fronting the private road easement have a 10-foot wide permanent public utilities easement.
8. Each side of common lot lines has a 6 foot wide permanent public utilities and lot drainage easement.
9. No lot is allowed direct access from the Pine-Featherville Highway.



Developer

David Michaelson
 MC 87 Box 439
 Pine, Idaho 83647
 (208) 337-8191

Engineer

J.J. Howard
 1675 Hill Road, Suite A
 Boise, Idaho 83702
 (208) 344-0574

AMENDED ELK VALLEY SUBDIVISION

CERTIFICATE OF OWNER

KNOW ALL MEN BY THESE PRESENTS, THAT THE STATE OF IDAHO DEPARTMENT OF LANDS DOES HEREBY CERTIFY THAT THEY ARE THE OWNERS OF THE REAL PROPERTY SITUATED IN ELMORE COUNTY, IDAHO, AND THAT THEY INTEND TO INCLUDE SAID LAND IN THIS SUBDIVISION.

AND A PORTION OF GOVERNMENT LOT 8, A PARCEL OF LAND BEING GOVERNMENT LOT 5, SECTION 16, T3N, R10E, B1M, ELMORE COUNTY, IDAHO, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE BRASS CAP MARKING THE CORNER COMMON TO SECTIONS 9, 10, 15 AND 16, T3N, R10E, B1M, ELMORE COUNTY, IDAHO; THENCE S 00°23'20"N 269.18 FEET TO THE BRASS CAP MARKING THE 1/4 CORNER COMMON TO SAID SECTIONS 16 AND 15; THENCE N 87°48'15"W 2602.87 FEET MARKING THE NORTHWEST CORNER OF GOVERNMENT LOT 8; SAID POINT BEING THE POINT OF BEGINNING.

THENCE ALONG THE FOLLOWING COURSES AND DISTANCES TO IRON PINS:

S 00°16'30"E 1325.67 FEET TO THE SOUTHEAST CORNER OF SAID LOT 5;
 THENCE N 89°32'41"W 547.68 FEET ALONG THE SOUTH LINE OF SAID LOT 5;
 THENCE N 82°23'33"W 271.90 FEET TO THE ORDINARY HIGH WATER MARK OF THE BOISE RIVER;
 THENCE ALONG SAID HIGH WATER MARK THE FOLLOWING COURSES AND DISTANCES TO IRON PINS:
 N 11°54'45"E 208.42 FEET;
 THENCE N 07°33'22"E 171.74 FEET;
 THENCE N 13°41'40"E 161.92 FEET;
 THENCE N 13°27'49"E 219.98 FEET;
 THENCE N 13°36'57"E 220.45 FEET;
 THENCE N 08°28'50"E 244.16 FEET;
 THENCE N 05°34'51"E 142.50 FEET;
 THENCE N 01°51'09"E 197.60 FEET TO THE NORTHWEST CORNER OF SAID LOT 5;
 THENCE N 23°37'34"E 28.86 FEET TO THE NORTH LINE OF SAID LOT 5;
 THENCE S 89°43'19"E 187.75 FEET TO THE POINT OF BEGINNING, SAID PARCEL CONTAINING 19.39 ACRES.

IN WITNESS WHEREOF I HAVE SET MY HAND THIS 23RD DAY OF MAY, 2003.

Jay G. Bladeau
 JAY G. BLADEAU, ASST. DIRECTOR

CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF IDAHO) **
 COUNTY OF ELMORE)
 ON THIS 23RD DAY OF MAY, 2003,
 BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED JAY G. BLADEAU, KNOWN OR IDENTIFIED TO ME TO BE THE ASSISTANT DIRECTOR OF THE IDAHO DEPARTMENT OF LANDS THAT RECITED THE SAID INSTRUMENT, AND ACKNOWLEDGED TO ME THAT SUCH IDAHO DEPARTMENT OF LANDS EXECUTED THE SAID INSTRUMENT.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED MY OFFICIAL SEAL ON THE DAY AND YEAR IN THIS CERTIFICATE FIRST ABOVE WRITTEN.

Julie A. Parker
 NOTARY PUBLIC FOR IDAHO RESIDING AT BOISE.
 MY COMMISSION EXPIRES 7/23/2004.



APPROVAL OF BOARD OF COUNTY COMMISSIONERS

THE FOREGOING PLAT WAS DULY ACCEPTED AND APPROVED BY THE BOARD OF COUNTY COMMISSIONERS OF ELMORE COUNTY, IDAHO ON THIS 26 DAY OF MAY, 2003.

Cheri Leland
 CHAIRMAN

CERTIFICATE OF COUNTY ENGINEER

I, GILBERT C. WALKER III, REGISTERED PROFESSIONAL ENGINEER FOR ELMORE COUNTY, IDAHO, HEREBY CERTIFY THAT I HAVE CHECKED THIS PLAT AND FIND THAT IT COMPLIES WITH THE STATE OF IDAHO CODE RELATING TO PLATS AND SURVEYS.

Gilbert C. Walker III
 GILBERT C. WALKER III, COUNTY ENGINEER
 MAY 29, 2003

CERTIFICATE OF COUNTY RECORDER

INSTRUMENT NO. 346310
 STATE OF IDAHO) **
 COUNTY OF ELMORE)
 I HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST OF J.L. HOWARD AT 23 MINUTES PAST 2 O'CLOCK P M, THIS 29TH DAY OF MAY, 2003.

EX-OFFICIO RECORDER

EXHIBIT B

Legal Description of the Property Subject to Possible Annexation

EXHIBIT B

TRACT II

Tracts of land in Sections 9, 16 and 21, in Township 3 North, Range 10 East, Boise Meridian, Elmore County, Idaho, described as follows:

TOWNSHIP 3 NORTH, RANGE 10 EAST, BOISE MERIDIAN, ELMORE COUNTY, IDAHO

Section 21: All of Government Lots 4, 5 and 1, Northeast Quarter Southeast Quarter, Northwest Quarter Northeast Quarter, that part of the East half of the Northeast Quarter that lies west of the Pine-Featherville Road.

SAVE AND EXCEPT

All of Lots 6, 7, 8, 9, 10, 11 and 12, in Block 2, of the FEATHERVILLE ACRES SUBDIVISION #1, and Lots 1, 2, 3, 4, 5, Block 2, of the Amended plat of Lots 1 through 5, Block 2, FEATHERVILLE ACRES no. 1 SUB. ALL according to the official plat thereof on file and of record in the office of the County Recorder of Elmore County, Idaho.

ALSO SAVE AND EXCEPT

A Tract of land situated in the Southeast Quarter of Section 21, Township 3 North, Range 10 East, Boise Meridian, Elmore County, Idaho, more particularly described as follows;

Commencing at the East Quarter corner of said Section 21, thence South 75°27'55" West a distance of 874.23 feet to the Northeast corner of Lot 8, Block 2, of FEATHERVILLE ACRES SUBDIVISION #1, thence North 87°45'26" West along the North boundary of said Lot 8 a distance of 382.37 feet to the Northwest corner of Lot 8, said point being the REAL POINT OF BEGINNING, thence South 82°41'42" West a distance of 536.91 feet to a steel pin; thence South 0°49'20" West a distance of 586.50 feet to a steel pin; thence South 65°40'19" East a distance of 248.24 feet to a steel pin; thence North 22°34'46" East along the westerly boundary of FEATHERVILLE ACRES SUBDIVISION #1, a distance of 819.81 feet to the REAL POINT OF BEGINNING.

TOWNSHIP 3 NORTH, RANGE 10 EAST, BOISE MERIDIAN, ELMORE COUNTY, IDAHO

Section 16: All of Government Lots 8, 4 and 1, that part of Southeast Quarter that lies West of the Featherville-Pine Road, and the East half of the Northeast Quarter that lies West of the Featherville-Pine Road.

SAVE AND EXCEPT

Tract of land situated in Section 16, Township 3 North, Range 10 East, Boise Meridian, Elmore County, Idaho, BEGINNING at the Quarter corner common to Sections 15 and 16, thence South 68°02'34" West a distance of 617.22 feet to a point on the West right-of-way of the Featherville-Pine Road, being the REAL POINT OF BEGINNING, thence South 16°50'46" West a distance of 647.84 feet along said West right-of-way, thence North 36°16'21" West a distance of 170.11 feet, thence North 10°54'02" West a distance of 244.95 feet, thence North 10°13'08" East a distance of 148.67 feet, thence North 24°42'06" East a distance of 32.20 feet, thence North 37°39'16" East a distance of 244.90 feet, thence North 24°24'56" East a distance of 106.52 feet, thence North 85°35'46" East a distance of 181.60 feet, thence South 18°32'34" West a distance of 251.06 feet to the REAL POINT OF BEGINNING.

TOWNSHIP 3 NORTH, RANGE 10 EAST, BOISE MERIDIAN, ELMORE COUNTY, IDAHO

Section 9: That part of Government Lot 3, that lies West of the Featherville-Pine Road.

261415

ELMORE COUNTY, IDAHO, ss
Request of
GUARANTY TITLE, INC.
Time 11:28 AM
Date November 16, 1990
By
RAMONA YEAZABAE
By Merrill E. Yeazabae
For \$ 9.00

EXHIBIT C

Articles and Bylaws of the Association

BYLAWS
OF
ELK VALLEY COMMUNITY ASSOCIATION, INC.

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BYLAWS
OF
ELK VALLEY COMMUNITY ASSOCIATION, INC.

ARTICLE I
GENERAL PLAN OF OWNERSHIP

Section 1.1 Name. The name of the corporation is ELK VALLEY COMMUNITY ASSOCIATION, INC. (the "Association"). The principal office of the Association shall be located in Elmore County, Idaho.

Section 1.2 Bylaws Applicability. The provisions of these Bylaws are applicable to the Elk Valley Subdivision (hereinafter called "Property"), a subdivision located in the County of Elmore, State of Idaho, generally provided for in the Declaration of Covenants, Conditions and Restrictions for Elk Valley Subdivision, and the amendments and supplements thereto, recorded or to be recorded in the office of the County Recorder, Elmore County, Idaho ("Declaration").

Section 1.3 Personal Application. All present and future Owners and their tenants, future tenants, employees, and any other person that might use the facilities owned and/or managed and/or maintained by the Association in any manner, are subject to the regulations set forth in these Bylaws, the Declaration and the Project Documents, as defined in the Declaration. The mere acquisition or rental of any of the Building Lots of the Property or the mere act of occupancy of any of the Building Lots will signify that these Bylaws are accepted, ratified, and will be complied with.

ARTICLE II
VOTING, MAJORITY OF DELEGATES, QUORUM, PROXIES

Section 2.1 Voting. Except for the Class B Membership as provided for in the Articles of Incorporation and the Declaration, and except as may be otherwise provided in the Declaration, each Member shall be counted as one vote for each Building Lot owned by such Member for the purpose of determining the number of votes of the Class A Members.

Section 2.2 Majority of Members. As used in these Bylaws, the term "Majority of Members" shall mean those Class A and Class B Members representing fifty-one percent (51%) of the voting power of each Class A and Class B Membership in the Association.

Section 2.3 Quorum. Except as otherwise provided in these Bylaws, the Articles of Incorporation or the Declaration, the presence in person or by proxy of the Class B Member,

and the presence in person or by proxy of the Class A Members holding at least thirty percent (30%) of the total votes entitled to be cast by the Class A Members, shall constitute a quorum of the Membership. The Class A and/or Class B Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Class A and/or Class B Members to leave less than a quorum.

Section 2.3 Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary at least twenty-four (24) hours before the appointed time of each meeting. Every proxy shall be revocable at the pleasure of the Class A and/or Class B Member who executed the proxy and shall automatically cease after completion of the meeting of which the proxy was filed, if filed for a particular meeting. In no event shall a proxy be valid after eleven (11) months from the date of its execution.

ARTICLE III ADMINISTRATION

Section 3.1 Responsibilities. The Association shall have the responsibility of administering the Common Area and/or Maintenance Property owned and/or managed by the Association, if any, approving the annual budget, establishing and collecting all assessments, if any, and may arrange for the management of the same pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the Manager, as defined below. Except as otherwise provided, decisions and resolutions of the Association shall require an affirmative vote of a Majority of Members present at an annual or special meeting of the Association at which a quorum is present or written consent of a Majority of Members of the Association.

Section 3.2 Place of Meetings. Meetings of the Association shall be held on the Property or such other suitable place as close to the Property as practicable in Elmore County as may be designated by the Board of Directors, and shall be conducted in accordance with Robert's Rules of Order.

Section 3.3 Annual Meetings. The first annual meeting of the Association shall be held during the month of May of the first calendar year following the first sale of a Building Lot in the Property, at such time and place as specified by the Board of Directors. Thereafter, the annual meetings of the Association shall be held during the month of May of each year at such time and on such date as specified by the Board of Directors. The initial Directors as identified in the Articles of Incorporation shall serve until the second annual meeting, and at the second annual meeting, and annually thereafter, Directors shall serve for a term of one (1) year beginning with such annual meeting. Each Director shall hold office until a successor has been appointed and/or elected or until death, resignation, removal or judicial adjudication of mental incompetence. The Class A and Class B Members may also transact such other business of the Association as may properly come before them at any such annual meeting.

Section 3.4 Special Meetings. It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board of Directors, or upon a petition signed by Members having not less than one-tenth (1/10) of the vote entitled to be cast at such meeting and having been presented to the Secretary. The notice of all regular and special meetings shall be given as provided in Section 3.5 of these Bylaws, and shall state the nature of the business to be undertaken. No business shall be transacted at a special meeting except as stated in the notice, unless by consent of the Members holding at least four-fifths (4/5) of each class of voting Membership in the Association, either in person or by proxy.

Section 3.5 Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Association, stating the purpose thereof as well as the day, hour and place where such meeting is to be held, to each Member of record at least ten (10) but not more than thirty (30) days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section 3.5, shall be considered notice served, after said notice has been deposited in a regular depository of the United States mail. If no address has been furnished the Secretary, notice shall be deemed to have been given to a Member if posted in a conspicuous place on the Property.

Section 3.6 Adjourned Meetings. If any meeting of the Association cannot be organized because a quorum has not attended, the voting Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than ten (10) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence in person or by proxy of the voting Members holding at least ten percent (10%) of the total votes entitled to be cast by the Class A Members at such meeting. Such adjourned meetings may be held without notice thereof as provided in this Article 3, except that notices shall be given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of an original meeting.

Section 3.7 Order of Business. The order of business at all meetings shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of Directors; (g) unfinished business; and (h) new business. Meetings shall be conducted by the officers of the Association in order of their priority.

Section 3.8 Action Without Meeting. Any action, which under the provisions of the Idaho Nonprofit Corporation Act may be taken at a meeting of the Association, may be taken without a meeting if authorized in writing signed by all of the Members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary.

Section 3.9 Consent of Absentees. The transactions of any meeting of the Association, either annual or special, however called and noticed, shall be as valid as though

transacted at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if either before or after the meeting each of the Class A or Class B Members not present in person or by proxy signed a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made party of the minutes of the meeting.

Section 3.10 Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1 Number and Qualification. The Property, business and affairs of the Association shall be governed and managed by a Board of Directors composed of at least three (3) persons, who need not be Members of the Association. The Class B Member shall be a Director. Directors shall not receive any salary or other compensation for their services as Directors; provided, however, that nothing herein contained shall be construed to preclude any Director from serving the Association in some other capacity and receiving compensation therefor.

Section 4.2 Powers and Duties. The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association, as more fully set forth in the Declaration and the Project Documents, and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done exclusively by the Owners.

Section 4.3 Special Powers and Duties. Without prejudice to such foregoing general powers and duties, and such powers and duties as set forth in the Declaration, the Board of Directors is vested with, and responsible for, the following powers and duties:

(a) To select, appoint and remove all officers, agents, and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the Declaration, the Project Documents and these Bylaws; to fix their compensation and to require from them security for faithful service when deemed advisable by the Board of Directors.

(b) To conduct, manage and control the affairs and business of the Association, and to make and enforce such rules and regulations therefor consistent with law, with the Articles of Incorporation, the Declaration, the Project Documents and these Bylaws, as the Board of Directors may deem necessary or advisable.

(c) To change the principal office for the transaction of the business of the Association from one location to another within the County of Elmore, State of Idaho, as provided in Article 1 hereof; and to designate any place within said County for the holding of any annual or special meeting or meetings of the Association consistent with the provisions of Section 3.2 hereof.

(d) To borrow money and to incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities therefor; subject, however, to the limitations set forth in the Articles of Incorporation and the Declaration.

(e) To fix and levy from time to time Regular Assessments, Special Assessments, and Limited Assessments upon the Owners, as provided in the Declaration; to determine and fix the due date for the payment of such Assessments, and the date upon which the same shall become delinquent; provided, however, that such Assessments shall be fixed and levied only to provide for the payment of the expenses of the Association, and of the taxes and assessments upon real or personal property owned, leased, controlled or occupied by the Association, or for the payment of expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of such property or for the payment of any and all obligations in relation thereto, or in performing or causing to be performed any of the purposes of the Association for the general benefit and welfare of the Owners, in accordance with the provisions of the Declaration and the Project Documents. The Board of Directors is hereby authorized to incur any and all such expenditures for any of the foregoing purposes and to provide, or cause to be provided adequate reserves for replacements as the Board of Directors shall deem to be necessary or advisable in the interest of the Association or welfare of the Owners. The funds collected by the Board of Directors from the Owners, attributable for replacement reserves, for maintenance recurring less frequently than annually, and for capital improvements, shall at all times be held in trust for the Owners and shall not be commingled with other Assessments collected from the Owners. Such Regular Assessments, Special Assessments and Limited Assessments shall be fixed in accordance with the provisions of the Declaration. Should any Owner fail to pay such Assessments before delinquency, the Board of Directors in its discretion, is authorized to enforce the payment of such delinquent Assessments as provided in the Declaration.

(f) To enforce the provisions of the Declaration, the Project Documents, these Bylaws and/or other agreements of the Association.

(g) To contract for and pay for, casualty, blanket, liability, malicious mischief, vandalism and other insurance, insuring the Owners, the Association, the Board of Directors and other interested parties, in accordance with the provisions of the Declaration, covering and protecting against such damages or injuries as the Board deems advisable, which may include without limitation, medical expenses of persons injured on the Property, and to bond

the agents and employees of any management body, if deemed advisable by the Board of Directors.

(h) To operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Area and/or Maintenance Property, if any, and to contract for and pay maintenance, gardening, utilities, materials and supplies, and services relating to the Common Area and/or Maintenance Property, if any, and to employ personnel necessary for the operation of the Common Area and/or Maintenance Property, if any, including legal and accounting services, and to contract for and pay for improvements and any Recreational Facilities, if any. In case of damage by fire or other casualty to the property owned and/or managed by the Association, if insurance proceeds exceed Twenty-Five Thousand Dollars (\$25,000), or the cost of repairing or rebuilding exceeds available insurance proceeds by more than Five Thousand Dollars (\$5,000), then the Board of Directors shall obtain firm bids from two or more responsible contractors to rebuild any portion of the said property in accordance with the original plans and specifications with respect thereto, and shall, as soon as possible thereafter, call a special meeting of the Association to consider such bids. At such special meeting, the Members may by three-fourths (3/4) of the voting power cast, elect to reject such bids and thus not to rebuild. Failure to thus reject such bids shall be deemed acceptance of such bid as may be selected by the Manager.

(i) To grant easements where necessary for utilities and sewer facilities over the Common Area to serve the Property.

(j) To fix, determine and name from time to time, if necessary or advisable, the public agency, fund, foundation or corporation which is then or there organized or operated for nonprofit purposes, to which the assets of this Association may be distributed upon liquidation or dissolution according to the Articles of Incorporation of the Association unless such assets shall be distributed to Owners of Building Lots as more particularly provided in the Articles of Incorporation. The assets so distributed shall be those remaining after satisfaction of all just debts and obligations of the Association, and after distribution of all property held or acquired by the Association under the terms of a specific trust or trusts.

(k) To adopt, amend, and repeal by majority vote of the Board of Directors, rules and regulations as to the Association deemed reasonable and necessary.

(l) To pay all real and personal property taxes and assessments levied against the Common Area and/or Maintenance Property owned or managed by the Association.

Section 4.4 Management Agent. The Board of Directors may contract or employ for the Association a management agent ("Manager") at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize, including, but not limited to the duties listed in Section 4.3 hereof.

Section 4.5 Books, Financial Statements and Audit. The Board of Directors shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles. An annual balance sheet and operating statement reflecting income and expenditures of the Association shall be distributed to each Member within ninety (90) days after the end of each fiscal year, and to first mortgagees who have in writing requested a copy.

Section 4.6 Appointment and Term of Office. The term of office of the Directors shall be one (1) year. Each Director shall hold office until a successor has been appointed or elected or until death, resignation, removal or judicial adjudication of mental incompetence. There shall be no limitation on the number of terms during which a Director may serve.

Section 4.7 Vacancies. Vacancies in the Board of Directors caused by any reason shall be filled by appointment by the Association and if no such Association exists, by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall be a Director until the next annual meeting. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any Director.

Section 4.8 Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by a Majority of Members. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 4.9 Organization Meeting. The first regular meeting of a new Board of Directors shall be held within ten (10) days of the annual meeting of the Association, at such place as shall be fixed and announced by the Directors at the annual meeting, for the purpose of organization, election of officers, and the transaction of other business. No notice shall be necessary to the new Directors in order to constitute such meeting, provided a majority of the whole Board of Directors shall be present.

Section 4.10 Other Regular Meetings. Other regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a resolution adopted by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail or telephone, at least three (3) days prior to the day named for such meetings, unless the time and place of such meetings is announced at the organization meeting, in which case such notice of other regular meetings shall not be required.

Section 4.11 Special Meetings. Special meetings of the Board of Directors may be called by the President, or, if the President is absent or refuses to act, by the Vice President, or by any two (2) Directors. At least two (2) days, notice shall be given to each Director, personally or by mail or telephone, which notice shall state the time, place (as herein above provided) and the

purpose of the meeting. If served by mail, each such notice shall be sent, postage prepaid, to the address reflected on the records of the Association, and shall be deemed given, if not actually received earlier, at 5:00 o'clock p.m. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Whenever any Director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Director, as required by law and as provided herein.

Section 4.12 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be waiver of notice by that Director of the time and place thereof. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Directors not present signs such a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 4.13 Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.14 Action Without Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the vote or written consent of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 4.15 Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for the Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association or its Manager.

Section 4.16 Committees. The Board of Directors, by resolution, may from time to time designate such committees as the Board of Directors shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and

establishing a committee shall provide for the appointment of its members, as well as a chairperson, shall state the purpose of the committee, and shall provide for reports, termination, and other administration matters as deemed appropriate by the Board of Directors.

ARTICLE V OFFICERS

Section 5.1 Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in the Board of Directors' judgment may be necessary. One person may hold two or more offices, except those offices of President and Secretary.

Section 5.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the Organizational Meeting of each new Board of Directors, and each officer shall hold office at the pleasure of the Board of Directors until resignation or removal or disqualification to serve, or until a successor shall be elected and qualified to serve.

Section 5.3 Removal of Officers. Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, either with or without cause, and a successor elected at any regular meeting of the Board of Directors, or any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Board of Directors shall not be necessary to make it effective.

Section 5.4 Compensation. Officers, agents, and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board of Directors. Appointment of any officer, agent or employee shall not of itself create contractual rights of compensation for services performed by such an officer, agent or employee. No officer, employee or Director of Grantor or any affiliate of Grantor may receive any compensation.

Section 5.5 President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of a nonprofit corporation, including but not limited to the power, subject to the provisions of Section 4.16, to appoint committees from among the Members and Owners from time to time as the President alone may decide are appropriate to assist in the conduct of the affairs of the Association. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Association. The President shall be ex officio a member of all standing committees, and the President shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 5.6 Vice President. The Vice President shall take the place of the President and perform such duties whenever the President shall be absent, disabled or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or these Bylaws.

Section 5.7 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association at the principal office of the Association or such other place as the Board of Directors may order. The Secretary shall keep the seal of the Association in safe custody and shall have charge of such books and papers as the Board of Directors may direct, and the Secretary shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Association and of the Board of Directors required by these Bylaws or by law to be given. The Secretary shall maintain a book of record Owners, and any person in possession of a Building Lot that is not an Owner, listing the names and addresses of the Owners, and any person in possession of a Building Lot that is not an Owner, as furnished to the Association and such book shall be changed only at such time as satisfactory evidence or a change in ownership of a Building Lot is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 5.8 Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts of the Property owned by the Association, tax records and business transactions of the Association including accounts of all assets, liabilities, receipts and disbursements, all in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with the Declaration, shall render to the President and Directors upon request, an account of all transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE VI OBLIGATIONS OF OWNERS

Section 6.1 Assessments

(a) All Owners are obligated to pay, in accordance with the provisions of the Declaration, all Assessments imposed by the Association to meet all expenses of the Association, which may include, without limitation, a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of fire, earthquake

or other hazard, as more fully provided in Section 4.3 of these Bylaws. Except as otherwise provided in the Declaration, the Assessments shall be made equally per Building Lot for all Members of the Association obligated to pay such Assessment.

(b) All delinquent Assessments shall be enforced, collected or foreclosed in the manner provided in the Declaration.

Section 6.2 Maintenance and Repair

(a) Every Owner must perform promptly, at the Owner's sole cost and expense, all maintenance and repair work on such Owner's Building Lot as required under the provisions of the Declaration. As further provided in the Declaration, all plans for alterations and repair of improvements on the Property must receive the prior written consent of the Design Committee. The Design Committee shall establish reasonable procedures for the granting and denial of such approval in accordance with the Declaration.

(b) As further provided in the Declaration, each Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any portion of the Property owned or controlled by the Association which are damaged through the fault of the Owner, and each Owner shall promptly reimburse the Association for the costs of repairing, replacing and/or maintaining that portion of the Property which the Association has repaired, replaced or maintained pursuant to the Declaration. Such expenditures shall include all court costs and reasonable attorneys' fees and costs incurred in enforcing any provision of these Bylaws or the Declaration.

ARTICLE VII AMENDMENTS TO BYLAWS

These Bylaws may be amended by the Association at an annual meeting or at a duly constituted meeting of the Association for such purpose as provided in the Articles of Incorporation. No amendment to these Bylaws shall take effect unless approved by at least a Majority of Members or such other percentage as herein otherwise provided.

ARTICLE VIII MEANING OF TERMS

Except as otherwise defined herein, all terms herein initially capitalized shall have the same meanings as are applied to such terms in the Declaration including, without limitation, "Articles", "Assessments", "Building Lot", "Common Area", "Grantor", "Class A Member", "Class B Member", and "Owner."

ARTICLE IX CONFLICTING PROVISIONS

In case any of these Bylaws conflict with any provisions of the laws of the State of Idaho, such conflicting Bylaws shall be null and void upon final court determination to such effect, but all other Bylaws shall remain in full force and effect. In case of any conflict between the Articles of Incorporation and these Bylaws the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE X INDEMNIFICATION AND INSURANCE

Section 10.1 Certain Definitions. For the purposes of this Article, "agent" means any person who is or was a Director, officer, employee or other agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, or was a Director, officer, employee or agent of a corporation which was a predecessor corporation of the Association; "Proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes without limitation attorneys' fees and costs and any expenses of establishing a right to indemnification under Section 10.3 or paragraph (3) of Section 10.4.

Section 10.2 Indemnification. This Association shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of this Association to procure a judgment in its favor) by reasons of the fact that such persons is or was an agent of this Association, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such persons was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the persons reasonably believed to be in or not opposed to the best interests of the Association or with respect to any criminal proceeding that the person had reasonable cause to believe that the person's conduct was unlawful. However, no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Association in the performance of such persons' duty to the Association, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall deem proper.

Section 10.3 Expenses in Successful Defense. To the extent that an agent of the Association has been successful on the merits in defense of any proceeding referred to in Section

10.2 or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 10.4 Determination of Standard of Conduct. Except as provided in Section 10.3, any indemnification under this Article shall be made by the Association only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 10.2, as determined by:

(1) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;

(2) Approval or ratification by the affirmative vote of a Majority of Members entitled to vote represented at a duly held meeting of the Association at which a quorum is present or by the written consent of a Majority of Members entitled to vote. For purposes of determining the required quorum of any meeting of the Association called to approve or ratify indemnification of an agent and the vote or written consent required therefor, an agent who is a Member to be indemnified shall not be entitled to vote thereon;

(3) The court in which such proceeding is or was pending, upon application made by the Association or the agent or the attorney or other persons rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Association; or

(4) Independent legal counsel in written opinion, engaged at the direction of a quorum of disinterested Directors.

Section 10.5 Advancing Expenses. Expenses incurred in defending any proceeding may be advanced by the Association prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount, if it shall be determined ultimately that the agent is not entitled to be indemnified as authorized in this Article.

Section 10.6 Extent and Limitations of Indemnifications. No indemnification or advance shall be made under this Article, except as provided in Section 10.3 or paragraph (3) of Section 10.4, in any circumstance where it appears:

(1) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws, a resolution of the Board of Directors or Members or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

This Article shall create a right of indemnification for each agent referred to in this Article, whether or not the proceeding to which the indemnification relates arose in whole or in part prior to adoption of this Article; and in the event of the death of such agent, whether before or after initiation of such proceeding, such right shall extend to such agent's legal representatives. In addition, to the maximum extent permitted by applicable law, the right of indemnification hereby given shall not be exclusive of or otherwise affect any other rights such agent may have to indemnification, whether by law or under any contract, insurance policy or otherwise.

Section 10.7 Liability Insurance. The Association may purchase and maintain insurance on behalf of any agent of the Association against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Association would have the power to indemnify the agent against such liability under the provisions of this Article.

ARTICLE XI MISCELLANEOUS

Section 11.1 Checks, Drafts and Documents. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 11.2 Execution of Documents. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have the power or authority to bind the Association by any contract or engagement or to pledge the Association's credit or to render the Association liable for any purpose or in any amount.

Section 11.3 Inspection of Bylaws. The Association shall keep in the Association's office for the transaction of business the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times during office hours.

Section 11.4 Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors, and having been so determined, is subject to change from time to time as the Board of Directors shall determine.

Section 11.5 Membership Book. The Association shall keep and maintain in the Association's office for the transaction of business a book containing the name and address of each Member. Termination or transfer of ownership of any Building Lot by an Owner shall be recorded in the books together with the date on which such ownership was transferred, and the new Owner shall be incorporated into the book in accordance with the provisions of the Declaration and the Articles of Incorporation.

CONSENT OF DIRECTORS OF
ELK VALLEY COMMUNITY ASSOCIATION, INC.
IN LIEU OF MEETING

RE: ADOPTION OF BYLAWS

The undersigned, constituting all of the Directors of ELK VALLEY COMMUNITY ASSOCIATION, INC., an Idaho nonprofit corporation (the "Association"), do hereby consent to adopt and approve in writing the following corporate action without a meeting in accordance with the provisions of the general nonprofit corporation laws of the State of Idaho:

RESOLVED, That the above and foregoing Bylaws are hereby duly adopted as the Bylaws of the Association and that the same do now constitute the Bylaws of the Association.

This Consent of Directors of ELK VALLEY COMMUNITY ASSOCIATION, Inc. in Lieu of Meeting shall be effective the 15th day of ~~Aug~~ Aug. 2003

David Mickelsen, Pres.
DAVID MICKELSEN, President

David Gentry
David Gentry, Vice President

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of ELK VALLEY COMMUNITY ASSOCIATION, INC., an Idaho nonprofit corporation; and

2. The foregoing Bylaws comprising 11 pages including this page constitute the Bylaws of ELK VALLEY COMMUNITY ASSOCIATION, Inc. and were duly adopted by the Board of Directors pursuant to that "Consent of Directors of ELK VALLEY COMMUNITY ASSOCIATION, Inc. in Lieu of Meeting" dated effective the 15th day of ~~April~~ Aug. 2003

IN WITNESS WHEREOF, I have hereunto subscribed my hand and attest the act
of the Association effective the 15th day of ~~April~~, 2001.

Aug. 2003


Carmen Allison, Secretary/Treasurer

FILED/EFFECTIVE

ARTICLES OF INCORPORATION

OF

ELK VALLEY COMMUNITY ASSOCIATION, INC.

Mar 21 4 47 PM '01

SECRET

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, for the purpose of forming a nonprofit corporation under the laws of the State of Idaho in compliance with the provisions of Title 30, Chapter 3, *Idaho Code*, does hereby certify, declare and adopt the following Articles of Incorporation:

ARTICLE I
NAME

The name of the corporation shall be ELK VALLEY COMMUNITY ASSOCIATION, INC. (hereinafter, the "Association").

ARTICLE II
TERM

The period of existence and duration of the life of this Association shall be perpetual.

ARTICLE III
NONPROFIT

This Association shall be a nonprofit, membership corporation.

ARTICLE IV
REGISTERED

The location and street address of the initial registered office of this Association shall be HC 87 Box 439, Featherville, Idaho 83647, and David Mickelsen is hereby appointed the initial registered agent of the Association.

ARTICLE V
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which the Association is formed include: to provide for certain regulations of the use and architectural control of the Building Lots and Common Areas located in Elk Valley Subdivision according to the plat(s) thereof recorded in the official records

IDAHO SECRETARY OF STATE

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of Elmore County, Idaho (the "Subdivision"), which Building Lots and Common Areas are a portion of the Property covered by the Declaration of Covenants, Conditions and Restrictions for Elk Valley Subdivision recorded in the official records of Elmore County, Idaho ("Declaration"); and to promote the health, safety and welfare of the residents within the Subdivision; and for this purpose to:

(A) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Bylaws and the Declaration as amended from time to time as therein provided, said Bylaws and Declaration being incorporated herein as if set forth at length;

(B) Fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration and all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association;

(C) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association under the limitations imposed by the Declaration and the Bylaws;

(D) Borrow money, and with the assent of two-thirds (2/3) of each voting class of Members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(E) Participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall comply with the requirements of the Declaration and the Bylaws; and

(F) Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit Corporation Act may by law now or hereafter have or exercise, subject only to limitations contained in the Bylaws and the Declaration and the amendments and supplements thereto.

ARTICLE VI

MEMBERSHIP

Each person or entity holding fee simple interest of record to a Building Lot which is a part of the Property, and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Building Lot located in the Subdivision.

ARTICLE VII

VOTING RIGHTS

The Association shall have two classes of voting membership (that is Class A and Class B):

(A) Class A Members. Owners other than the Grantor shall be known as Class A Members. Each Class A Member shall be entitled to cast one (1) vote for each Building Lot owned by such Class A Member on the day of the vote.

(B) Class B Member. Grantor shall be the Class B Member, and shall be entitled to three (3) votes for each Building Lot of which Grantor is the owner. The Class B Member shall cease to be a voting Member in the Association at the earlier of: (1) when ninety-five percent (95%) of the Building Lots have been sold to Owners other than Grantor; (2) December 31, 2010; or (3) when, in its discretion, the Grantor so determines and declares such in a recorded instrument.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of at least three (3) Directors, who need not be Members of the Association. The Class B Member shall be a Director. The number of Directors may be changed by amendment of the Bylaws of the Association, but in no event shall the number be less than three (3). The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

David Mickelsen	HC 87 Box 439 Featherville, ID 83647
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David Gentry	400 E. 250 N. Rupert, ID 83350
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Carmen Allison	5963 N. Brooklet Ave. Boise, Id. 83713
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ARTICLE IX

ASSESSMENTS

Each Member shall be liable for the payment of Assessments provided for in the Declaration and as set forth in the Bylaws of the Association.

ARTICLE X **DISSOLUTION**

The Association may be dissolved at any duly noticed regular meeting, or any special meeting of the Association called for that purpose, by the affirmative votes of not less than three-fourths (3/4) of each voting class of Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the real property and other assets of the Association shall be: (i) dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created; or (ii) granted, conveyed and assigned to a nonprofit corporation, association, trust or other organization to be devoted to such similar purposes; or (iii) distributed to the Owners of Building Lots to be held by them as tenants in common in proportion to the number of Building Lots within the Subdivision. The determination of the liquidating distribution of the real property and other assets of the Association as provided above, shall be determined by vote of a majority of the Owners of Lots as part of the Member vote on dissolution. No part of the monies, properties or assets of the Association, upon dissolution or otherwise, shall inure to the benefit of any private person or individual or any Member of the Association. Notwithstanding any other provisions of these Articles, the Association shall not carry on any other activities not permitted by an organization exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law).

ARTICLE XI **AMENDMENTS**

Amendment of these Articles of Incorporation may be made at any regular meeting, or any special meeting of the Association called for that purpose, by the affirmative votes of not less than three-fourths (3/4) of each voting class of Members and, if required by the Declaration, the consent of holders of first mortgages on Building Lot(s) who have requested of the Association in writing to provide them notice of proposed action which affects their interests. No amendment which is inconsistent with the provisions of the Declaration or Project Documents shall be valid.

ARTICLE XII **MEANING OF TERMS**

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are applied to such terms in the Declaration including, without limitation, "Articles," "Assessments," "Board," "Building Lot," "Bylaws," "Common Area," "Delegate," "Grantor," "Member," "Owner," and "Property."

ARTICLE XIII
INCORPORATION

Stephanie A. Balzarini, 101 South Capitol Boulevard, 10th Floor, Boise, Idaho 83702, shall be the incorporator of the Association.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 21 day of March, 2001.



STEPHANIE A. BALZARINI, Incorporator

EXHIBIT D

Agreement for Nitrate Groundwater Monitoring in Elk Valley Subdivision

RECEIVED
SEP - 5 2000
ENVIRONMENTAL HEALTH

AGREEMENT FOR NITRATE GROUNDWATER/MONITORING
IN ELK VALLEY SUBDIVISION

AGREEMENT, made this 5th day of September, 2000, by Elk Valley Ranch, Inc., an Idaho corporation, and by David R. Mickelsen of HC 87, Box 439, Pine, Idaho 83647, sometimes hereinafter referred to as "Mickelsen".

RECITALS

(a) Mickelsen is the developer of Elk Valley Subdivision in Elmore County, Idaho.

(b) As a condition of final approval of the subdivision by the Central District Health Department, Mickelsen must provide a legal and binding document that addresses future monitoring and potential mitigation of nitrates in the groundwater, all pursuant to the plan developed by EnviroSearch International.

(c) It is the intent of this agreement to be the legal and binding document required by Central District Health for the monitoring and potential mitigation concerning nitrates in the groundwater at Elk Valley Subdivision.

(d) The initial start up, installation and the first year of monitoring of the wastewater treatment system for Elk Valley Subdivision shall be performed by Quality Water Systems, Incorporated of P. O. Box 4640, Bozeman, Montana 59772. Mickelsen shall arrange and pay for this service.

IN CONSIDERATION OF the approval of Elk Valley Subdivision by Central District Health, Mickelsen agrees as follows:

1. Mickelsen shall purchase and have installed a wastewater treatment system for Elk Valley Subdivision designed, manufactured and installed by Quality Water Systems, Incorporated of Bozeman, Montana. The initial start up, installation and the first year of operation of the system shall be performed by Quality Water Systems, Incorporated. Quality Water Systems shall have properly certified personnel to operate and maintain the system. A comprehensive Operation and Maintenance Manual will be an addendum to the Maintenance Contract specifying in detail the standard of required monitoring, sampling, and reporting. The maintenance company shall be given specific response times for various alarm conditions and be assisted in monitoring by remote access via phone line to the on-site control panel.

2. To evaluate potential impacts to groundwater from subsurface sewage disposal, routine monitoring activities will be performed to document nitrate concentrations in groundwater. Specific monitoring points include existing monitoring wells and the installation of two additional wells, MW-4 and MW-5 (Block 4 area), the locations of which shall be as approved by Central District Health. The new wells will be constructed with two-inch diameter PVC casing and manufactured well screen using a hollow stem auger drill rig. All of the wells will be monitored on a semi-annual basis (during April and September) for nitrate starting in 2001. Wells MW-4 through MW-5 will be used as compliance

points to determine if corrective action to reduce nitrate loading is necessary.

3. Wells MW-4 and MW-5 are located downgradient of Block 4. Due to the relative proximity of drinking water wells in the immediate area, the action level (concentration at which additional actions may be required by the regulatory agencies) will be related to drinking water standards. An action level of 7 milligrams per liter (mg/L) has been established for these two wells (drinking water Maximum Contaminant Level is 10 mg/L). If action levels are exceeded in any of the compliance wells, the well must be re-sampled within 45 days. Corrective action will only be conducted when two consecutive sampling events exceed action levels, unless it can be demonstrated that nitrate impacts are not due to septic tank effluent. All groundwater monitoring results will be submitted to the health district within two weeks of their receipt from the laboratory.

4. If corrective action proves necessary, the following options will be discussed with health district representatives to identify the appropriate course of action. These options include connection of Block 4 septic systems to the centralized system, construction/enhancement of existing wetland/riparian areas (for nutrient uptake), or installation and operation of a groundwater interception trench that would collect nitrate impacted groundwater for land application and treatment on the development's golf course fairways (instead of fertilizer application).

5. Prior to sampling, the depth to groundwater shall be measured to the nearest tenth of a foot below the top of the well casing in each of the monitoring wells. Subsequently, a minimum of three casing volumes of water (approximately 5 gallons) shall be purged from each well using a bailer (a length of pipe with a check valve in the bottom used to remove water from wells). The bailer should be rinsed between wells using tap water. This evacuation procedure removes stagnant and/or thermally stratified water in the well casing, allowing groundwater to enter the well directly from the water bearing unit. Well purging will ensure that water quality samples are representative of the water in the surrounding water bearing formation.

6. Following well purging (generally within 24 hours) water quality samples shall be collected with the bailer used for purging. The bailer should be rinsed with tap water between wells. Groundwater samples should be transferred directly to laboratory-provided sample containers (approximately 300 milliliter sample volume). Sample containers should be labeled with the date and time of sample collection, and the well number. Time and date of sample collection, sample identification numbers, custody personnel, analysis to be performed, and time and date received by the laboratory should be transcribed on chain-of-custody forms. A sample chain-of-custody form is attached.

7. All groundwater samples shall be delivered within 48 hours of sample collection in an ice-filled cooler to a

laboratory certified by the State of Idaho for Safe Drinking Water Act analysis. The groundwater samples shall be analyzed for nitrate by EPA method 300.0. A sample log shall be maintained for each sampling event. An example sampling log is attached. The sample log shall document the name of the sampler, date and time of sample collection, methods used, volume of purge water removed, and any unusual field observations during sampling.

8. Following receipt of laboratory results, the data shall be entered into a table format that displays both current and previous sampling results (sample attached). The table, and copies of laboratory reports and chain-of-custody forms shall be submitted to the health district within two weeks of receipt of the data. Copies of all sample logs and reports shall be maintained by Mickelsen.

9. This proposed monitoring plan/action level approach shall be re-evaluated by both health district personnel and Mickelsen following the collection of several years of monitoring data. This review will ensure that the monitoring plan is protective of human health and the environment while incorporating a better understanding of actual site conditions (e.g. seasonal variations in nutrient concentrations, establishment of baseline conditions, etc.).

10. The Nutrient/Pathogen Groundwater Study dated March 31, 1998, and the Nitrate Transport Groundwater Modeling Results dated June 15, 1998, are hereby incorporated in and made a part of this agreement where applicable.

11. This agreement shall be binding on the heirs successors and assigns of Mickelsen.

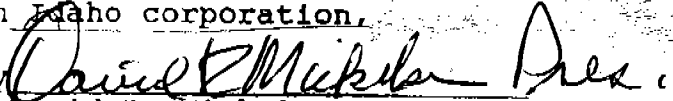
12. This agreement shall run with the land and may be incorporated in and made a part of the Elk Valley Subdivision plat or any covenants recorded pertaining to said subdivision.

DATED this 5th day of September, 2000.


David R. Mickelsen

Elk Valley Ranch, Inc.,
an Idaho corporation,

By


David R. Mickelsen
President