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Ex-Officio Recorder Deputy

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR**

LAZY T RANCH ESTATES

JACQUELINE ESTATES, LLC, an Oregon limited liability company, qualified to do business in the State of Idaho ("Declarant") is the owner, in fee simple, of that real property located in the County of Jerome, Idaho, described in **EXHIBIT A**, attached hereto and incorporated herein by this reference. The property described on Exhibit A attached hereto is referred to hereinafter as the "Real Property." The Real Property has been subdivided, and a plat of Lazy T Ranch Estates Planned Unit Development has been recorded. The Lazy T Ranch Estates Planned Unit Development is referred to hereinafter as "the Project". The Project includes Phase I, II and III of the overall plan of development for the Project.

Recitals, Intent and Purposes

Being mindful of the need to promote and enhance the value, aesthetics and desirability of the Real Property for residential living, it is the desire and intention of Declarant to subject the Real Property to the covenants, conditions and restrictions set forth in this Declaration, so that the Real Property shall be an integrated and interrelated project, subject to a uniform, common schedule of development.

This Declaration of Covenants, Conditions and Restrictions ("Declaration") was adopted by the Declarant prior to any Lot being sold in the Project. This Declaration applies to all Lots in Lazy T Ranch Estates Planned Unit Development, in Jerome County, Idaho, according to the official plat thereof, now of record, which plat is of the Real Property.

Declaration

NOW, THEREFORE, Declarant declares that Real Property as hereafter described, subject to enforceability of the Declaration as to Phase II and Phase III as provided in Section 9.4 below shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are in furtherance of a plan for the subdivision, improvement and sale of the Project as an interrelated development, and which are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Project. All of the covenants, conditions and restrictions herein set forth shall run with the Project and shall be binding on all parties having or acquiring any right, title or interest in the Project or any part thereof, and shall be for the benefit of each Owner of any portion of the Project, or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of such Owners.

Name

The name by which the Project shall be known is LAZY T RANCH ESTATES
PLANNED UNIT DEVELOPMENT.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LAZY T RANCH ESTATES

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1. DEFINITIONS

In addition to the terms elsewhere defined herein, the following terms shall have the following meanings whenever used in this Declaration:

1.1 Declarant. Jacqueline Estates, LLC, an Oregon limited liability company, qualified to do business in Idaho is the Declarant. All rights and obligations of the Declarant pursuant to this Declaration shall be binding upon and inure to the benefit of the respective successors and assigns of Declarant.

1.2 Owner. The record Owner, or Owners, if more than one, of a Lot, including Declarant and including a vendee under a recorded land sale contract or recorded memorandum of land sale contract.

1.3 Real Property. The Real Property as described on EXHIBIT "A" attached hereto.

1.4 Project. The plat of the Lazy T Ranch Estates Planned Unit Development, recorded in the Jerome County, Idaho, Recorder's office, and which encompasses the Real Property.

1.5 Phase I. That portion of the real property described on EXHIBIT B attached hereto, the first portion of the Real Property to be made subject to this Declaration.

Phase II. That portion of the real property described on EXHIBIT C attached hereto, the second portion of the Real Property to be made subject to this Declaration.

Phase III. That portion of the real property described on EXHIBIT D attached hereto, the third portion of the Real Property to be made subject to this Declaration.

1.6 Lot. That portion of the Project conveyed or to be conveyed by the Declarant to an individual Owner in fee simple. For the purposes of this Declaration, a Lot shall exist from and after the date of recording an instrument making such Lot subject to this Declaration.

1.7 Dwelling Unit. The residential structure constructed on a Lot, including any garage, carport, patio, lanai or other physical appurtenance to such structure.

1.8 Common Area. All of the Project, excepting the Lots therein but including easements on Lots or other real property which have been or will be duly conveyed to the Association. The common area shall include the common areas designated and described on the official plat of the Project of record with the Jerome County, Idaho, Recorder.

1.9 Association. Lazy T Ranch Estates Homeowner's Association, Inc., an Idaho non-profit corporation.

1.10 Board. The Board of Directors of the Association.

1.11 Articles; Bylaws. The Articles of Incorporation and Bylaws of the Association, respectively. The Bylaws are attached hereto, marked as **EXHIBIT E** and are hereby incorporated herein and made a part hereof by this reference.

1.12 Declaration. This Declaration, as from time to time amended or supplemented.

1.13 Mortgage. A mortgage or a deed of trust of record encumbering a Lot. The term "Mortgagee" shall include the beneficiary under a deed of trust and the vendor under a recorded land sale contract or recorded memorandum of land sale contract.

1.14 Architectural Committee. The Architectural Committee as created pursuant to Section 6.

1.15 Design Guidelines. A document or documents which specify architectural, landscape architectural and engineering guidelines as of the date of the sale of the first Dwelling Unit, and as may be subsequently amended or supplemented upon recommendation by the Architectural Committee and approved by the Board.

1.16 PIS. The pressurized irrigation system owned and operated by the Association.

2. USE RESTRICTIONS

The use of the Lots and the Common Area shall be restricted in accordance with the following provisions in addition to all other covenants, conditions and restrictions herein contained.

2.1 Residential Use. The Lots and Dwelling Units shall be used for residential purposes only, except as specifically provided for in this Declaration.

2.2 Maintenance/Insurance. Each Owner shall maintain and repair his Dwelling Unit in a clean, sanitary and attractive condition. Each Owner shall ensure that no part of the property is used for dumping/collection of trash or waste, and all garbage shall be maintained in a sanitary container. In order to provide for repair or reconstruction following casualty damage, Owners shall carry such insurance coverage as required by the Bylaws of the Association.

2.3 Commercial Use. Unless expressly approved by the Board of Directors of the Association, no industry, business, trade, occupation or profession of any kind, whether commercial, religious, educational or otherwise, designed for profit or otherwise, shall be conducted, maintained or permitted on any part of the Project, except as may be conducted, maintained or permitted by Declarant in connection with Declarant's general development plan for the Project and as specifically provided by this Declaration.

2.4 Animals. No animals shall be maintained on any Lot without the permission of the Board; provided, however, that no more than two (2) generally recognized domestic pets (dogs or cats) may be so maintained without Board permission if they are kept thereon solely as pets for private use and not for commercial purposes. No animal shall be allowed to make an

unreasonable amount of noise or otherwise to become a nuisance. No animals shall be permitted outside of the Lot of the Owner of said animal unless said animal is under the control of a responsible person by means of a leash or other reasonable restraint, which shall not include verbal or sound restraints. Upon request of any Owner, the Board shall determine, in its sole discretion, whether for the purpose of this Section, a particular animal shall be considered a domestic pet or a nuisance. If the Board determines that the animal has become a nuisance by unreasonably interfering with the enjoyment of a reasonable number of other Lots, the animal shall be removed from the Project by its Owner. The Owner of any animal shall be responsible for cleaning up after the animal on any property within the Project. No structure for the care, housing or confinement of any animal shall be maintained so as to be visible from neighboring property.

2.5 Utility Service; City of Jerome. No lines, wires, antennae or other devices of any kind for the communication or transmission of electric current or power, including telephone, television and radio signals, shall be constructed, placed or maintained anywhere in or upon any Lot unless the same shall be contained in conduits or cables constructed, placed and maintained underground or concealed in, under or on buildings or other approved structures except as provided in Section 2.9 below. All Owners shall strictly abide by all rules and regulations imposed contractually or otherwise by the City or Jerome for connection and use of its public water and/or wastewater treatment systems, including the duty to pay all assessments, fees and charges required

2.6 Temporary Occupancy. No trailer, mobile home, manufactured home, modular home, basement of any incomplete building, tent, shack, garage, and no temporary building or structure of any kind shall be used at any time for a residence either temporary or permanent. Temporary buildings, trailers or structures may be used by Declarant during the sales and construction or improvement of Lots and the Common Area, but shall be removed within a reasonable time after the completion of construction within that portion of the Project.

2.7 Parking of Vehicles. Except as provided in this Section 2.7, no vehicle of any type shall be parked or left on any portion of the Project other than within a Lot's driveway or garage, except for occasional, temporary periods of not more than twenty-four (24) hours each, and of not more than seventy-two (72) hours during any thirty (30) day consecutive period.

All of the following vehicles and categories of vehicles shall be subject to the following special restrictions of this section.

(a) Any over-sized vehicle including any bus, or any vehicle which exceeds 12,000 pounds gross vehicle weight, or which has a wheelbase exceeding 133 inches, or which is fitted with dual rear wheels;

(b) Any farm vehicle or equipment;

(c) Any boat;

(d) Any trailer fitted or designated to be pulled by any other vehicle;

(e) Any vehicle within the generally recognized category of recreational vehicle, including a camper or camper body which is or may be mounted upon a pick-up truck;

(f) Any commercial-type vehicle including any pick-up truck or van on which any advertising is painted or otherwise displayed; and

(g) Any vehicle which is inoperable.

No vehicle described above may be permanently or semi-permanently parked anywhere within the Project (including any street, driveway or yard area), unless it is enclosed within a garage or behind a sight-obscuring fence, except for occasional, temporary periods of not more than twenty-four (24) hours each, and of not more than seventy-two (72) hours during any thirty (30) day consecutive period. Any Owner who parks or permits the prohibited parking of any such vehicle on the Project shall be deemed to commit a nuisance and shall be subject to the penalties or sanctions adopted by the Board of Directors pursuant to the Bylaws. No vehicle of any type (including regular passenger cars, motorcycles, bicycles or any other Vehicle) shall be parked on any street or other portion of the Project for the purpose of accomplishing repairs thereto or the reconstruction thereof, except for emergency repairs and then only to the extent necessary to enable movement of the vehicle. Violation of this prohibition against repairing vehicles shall also constitute a nuisance and shall be subject to the penalties or sanctions adopted by the Board of Directors. An occasional, temporary period of parking allowed pursuant to this Section 2.7 shall not be followed, within twenty-four (24) hours, by a subsequent, occasional, temporary period of parking.

2.8 Trash Containers and Collection. All garbage and trash shall be placed and kept in covered containers. In no event shall such containers be maintained so as to be visible from neighboring property. All Owners shall subscribe to regular garbage pick-up services on a weekly basis, or on such other periodic basis as the Board may determine to be reasonable. The Association, at its sole election, shall have the right to subscribe for such services on behalf of all Lot Owners.

2.9 Antennae. No antenna for transmission or reception of television, radio, shortwave signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors, whether attached to a building or structure or otherwise, except that a single satellite dish, not to exceed eighteen (18) inches in diameter, may be attached to each residence.

2.10 Clothes Drying Facilities. No outside clotheslines or other outside clothes drying or airing facilities shall be maintained on any Lot.

2.11 Barbecues. There shall be no exterior fires whatsoever except fires contained within receptacles designed for barbecuing. A pit designed for barbecuing shall be considered an acceptable receptacle.

2.12 Machinery and Equipment. No machinery or equipment of any kind shall be

placed, operated or maintained upon or adjacent to any Lot except such machinery or equipment, such as private workshop equipment, as is usual and customary in connection with the use or maintenance of a Dwelling Unit.

2.13 Diseases and Insects. No Owner shall permit any thing or condition to exist upon his Lot which shall induce, breed, or harbor infectious plant diseases or noxious insects.

2.14 Restrictions on Further Subdivision. No Owner, except Declarant, may grant an easement or other interest in a Lot without the prior written approval of the Board.

2.15 Signs. No signs whatsoever (including without limitation, commercial, political, family "crest" or name signs, and all such similar signs) which are visible from neighboring property shall be erected or maintained on any Lot except:

- (a) Such signs as may be required by legal proceedings;
- (b) Such residential identification signs as are installed in the initial construction of the Dwelling Units;
- (c) During the time of construction of any residence or other improvement by Declarant, job and sales identification signs;
- (d) Not more than one "for sale" sign having dimensions not to exceed eighteen (18) by twenty-four (24) inches, pursuant to the Rules of the Association, so long as the posts or standards for said signs do not damage or destroy lawns or plantings. However, the Board may cause the Association to install a common "for sale" identification sign(s) within the Common Area for the purpose of identifying all Lots which are "for sale". Following the installation of such sign(s), no for sale sign shall be allowed on any Lot pursuant to this Section 2.15 (d); and
- (e) Political signs for a period not to exceed 30-days prior to an election, or as otherwise allowed by local or state law.

2.16 Tenant Leases. No Dwelling Unit shall be rented or leased for a period of less than thirty (30) continuous days at one time. All rental and lease agreements shall be in writing and shall comply with the provisions of the Bylaws.

2.17 Skate Boarding /Motorized Transportation Devices. Neither skate boarding nor the operation of any motorized transportation device, excepting motor vehicles (as defined by Idaho law) and golf carts shall be allowed within the Project.

2.18 Right of Inspection. Upon twenty-four (24) hours written notice (emergencies excepted) and during reasonable hours, any authorized member of the Board, or any authorized representative of the Board, shall have the right to enter upon and inspect the Lot and the exterior of the Dwelling Unit or any of the improvements thereon for the purpose of ascertaining whether or not the provisions of these Restrictions, the Bylaws and the rules and regulations adopted by

the Board, have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry or inspection. If such inspection is made by the Architectural Committee upon authorization by the Board, a report shall be made to the Board which will decide the action to be taken. These rights shall be exercised in such a manner as to reasonably minimize any adverse impact upon the Owner's right to enjoyment of his Lot.

2.19 Penalties for Violations. The Board may adopt a schedule of penalties which shall be imposed upon Owners for violations of the requirements and restrictions set forth in this Section 2, the remainder of this Declaration and the Bylaws of the Association. Following the adoption or revision of such schedule and at least thirty (30) days prior to the imposition of any penalties pursuant to such schedule, the Board shall cause a copy of the schedule to be mailed to all Owners. The penalties may be imposed with or without further notice as provided in the schedule of penalties. Penalties imposed for such violations shall constitute a Special Lot Assessment, as provided in Section 4.4.

3. ASSOCIATION

3.1 Organization. The Association is a nonprofit Idaho corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, the Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. The Board of Directors of the Association, and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with the Articles and Bylaws as from time to time amended.

3.2 Subsidiary Associations. Nothing in this Declaration shall prevent the creation, by provision therefore in Supplemental Declarations, of subsidiary associations to assess, regulate, maintain or manage portions of the Real Property subject to such Supplemental Declarations or to own or control portions thereof for the common use or benefit of Lots in the portion of the Real Property subject to such Supplemental Declarations.

3.3 Membership. Each Owner shall be a Member of the Association and shall be entitled to one membership for each Lot owned. Each Member shall have the rights, duties and obligations set forth in this Declaration, the Articles, the Bylaws and the Association Rules, as the same may from time to time be amended. The membership of each Owner in the Association shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to such Lot, and then only to the transferee of title thereto. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof. For purposes of membership, the recording of a land sale contract or memorandum thereof shall constitute a transfer of the title to a Lot.

3.4 Voting.

(a) Members Entitled to Vote. Only Members of the Association shall be entitled to vote. The voting privileges of each Class of Members shall be as provided herein. Any

action by the Association which must have the approval of the Association membership before being undertaken shall expressly require the vote or written assent of a prescribed percentage of the total voting power of the Association, as more particularly stated within the Declaration.

(1) Class A Members. Class A Members shall be the Owners of lots who are not the Declarant, its successors and assigns. Class A Members shall have one (1) vote for each Lot. When more than one person owns a single Lot, all Owners shall be members of the Association. However, the vote for each Lot must be cast as a unit, and 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 in question. If any Owner (or Owners) casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that such Owner(s) was acting with the authority and consent of any other Owners of said Lot. The right to vote may not be severed or separated from the lot ownership to which it is appurtenant, and any sale, transfer, or conveyance of such Lot to a new Owner or Owners shall operate to transfer the appurtenant vote without the requirement of any express reference thereto.

(2) Class B Member. The Class B Member shall be the Declarant, its successors and assigns. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership as provided in Section 3.4(a)(1) above. Class B membership shall be converted to Class A membership (one vote per lot) and shall forever cease to exist when sixty-six and two-thirds percent (66 2/3%) of the Lots in the Project are conveyed to retail Owners other than Declarant.

(b) Voting Procedures. Any vote may be cast in person or by proxy. All proxies shall be in writing, dated, signed by the Owners giving the proxy and filed with the Secretary before the commencement of any meeting. A proxy shall terminate one year after its date unless the proxy specifies a shorter term. Every proxy shall automatically cease upon the sale of the Lot by the Owner and upon the death or incapacity of the Member who executed the proxy.

(c) Declarant's Right To Vote. Notwithstanding any other provision of this Declaration, and except as provided in Section 8.3, any provision of this Declaration which provides for approval by a prescribed percentage of Members' votes, other than the Declarant, shall be effective and construed also to require the affirmative vote of a majority of the total votes of all Members, including the Declarant.

(d) Suspension of Voting Rights. The voting rights of an Owner shall be suspended during such period as any assessment due hereunder from such Owner remains unpaid; provided, however, that the Board shall give any such Owner at least fifteen (15) days notice prior to such suspension, and such Owner shall be entitled to a hearing before the Board in accord with Section 3.4 of the Bylaws.

3.5 Initial Board of Directors. The initial Board shall be appointed by Declarant. Thereafter, the Board shall be elected as provided in the Bylaws.

3.6 Duties of the Association. The Association shall have the obligation and duties, subject to and in accordance with this Declaration, to do and perform the following acts for the benefit of its Members and for the maintenance and improvement of the Real Property:

(a) Common Area Road and Lot Maintenance and Operation. To maintain and otherwise manage: (i) The Common Area after such property is conveyed or otherwise transferred to it; (ii) All other improvements located on the Common Area; (iii) All easements for operation and maintenance purposes over the Common Area; (iv) All easements for the benefit of Members of the Association within the Common Area; and (v) All other easements which benefit the Members of the Association as a whole, excluding the portions of any such easement located within any Lot, and also excluding any public right-of-way, except that the Association shall maintain and repair all public roads and streets until such time as they are accepted for public maintenance by the Jerome Highway District.

(b) Utilities. To acquire, provide and/or pay for water, sewer, garbage disposal, refuse pickup, electrical, telephone, gas and other necessary utility services for the Common Area.

(c) Pressurized Irrigation System (PIS). To acquire ownership of shares of the Northside Canal Company, Ltd., and related pumps and appurtenances to deliver irrigation water to each Lot, and to establish rules and regulations for the operation of the PIS.

(d) Other. To perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration and Association Rules.

3.7 Powers and Authority of the Association. The Association shall have all of the powers of a nonprofit corporation organized under the Non-profit Corporation Law 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, or 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 this Declaration, the Articles and the Bylaws, and to do and perform any and all acts which may be necessary or proper for or

(a) Assessments. To levy assessments on the Owners and to enforce payment of such assessments, all in accordance with the provisions of Sections 4 and 5.

(b) Right of Entry and Enforcement. To enter upon any Lot or the Common Area for the purpose of performing the duties of the Association set forth in Section 3.6, enforcing by peaceful means any of the provisions of this Declaration or maintaining or repairing any area required to be maintained by an Owner if for any reason whatsoever such Owner fails to maintain or repair such area. Such entrance upon a Lot shall be after twenty-four (24) hours prior written notice to the Owner; provided, however, that such entrance shall be permitted upon consent of at least one Board member without any prior notice whatsoever in the event of an emergency. An emergency shall be deemed to exist when there is a condition causing peril or threat to persons or property. The Association shall also have the power and authority from time

to time in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions hereof. These rights shall be exercised in such a manner as to reasonably minimize any adverse impact upon the Owner's right to enjoyment of his Lot.

(c) Easements and Rights-of-Way. To grant and convey to any third party easements and rights-of-way in, on, over and under the Common Area for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, cable TV lines, security system lines and any similar public or quasi-public improvements or facilities.

(d) Employment of Manager. To employ the services of a person or firm to manage the Common Area and the affairs of the Association ("the Manager") to the extent deemed advisable by the Board. To employ the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Common Area, whether such personnel are employed directly by the Association or are furnished by the Manager.

(e) Services. To contract for materials and/or services for the Common Area or the Association. Any such service contract or management contract pursuant to Section 3.7(d) shall be subject to termination by either party without cause upon thirty (30) days notice in writing to the other party.

(f) Rules. By a majority vote of the Board, and from time to time, to adopt, amend, enforce and repeal such rules and regulations as the Board shall determine to be necessary or proper for the operation of the Project ("the Association Rules"). The Association Rules shall govern the use of the Lots and the Common Area by any Owner, by the family of such Owner, or by any invitee, licensee or tenant of such Owner; provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Association Rules shall have the same force and effect as if set forth in and a part of this Declaration. The Association Rules shall not materially change the rights, preferences or privileges of any person, or the restrictions on any Lot, as herein set forth.

4. FUNDS AND ASSESSMENTS

4.1 Operating and Reserve Funds. The Association shall establish and maintain an operating fund into which shall be deposited all monies paid to the Association as regular, special and emergency Assessments and miscellaneous fees, and from which fund the Association shall make disbursements in the performance of its rights and duties as provided for in this Declaration.

The Association shall also establish and maintain a reserve fund for replacement of all

items of common property which will normally require replacement, in whole or in part, in more than three (3) and less than thirty (30) years. The items may be identified in the reserve account as those which are insurable by a common carrier of all purpose risk insurance.

The operating fund and the reserve fund shall be kept in separate accounts.

All expenses of the Association for its performance of its rights and duties under this Declaration shall be paid from the operating fund and the reserve fund and shall be shared among the Owners as provided for the payment of assessments in this Section 4. All surplus of the Association shall be deposited in the operating fund and reserve fund as may be determined by the Board and shall be shared equally by the Owners.

4.2 Regular Assessments. Within forty-five (45) days prior to the beginning of each fiscal year, the Board shall estimate the costs and expenses to be incurred by the Association during such fiscal year in performing its rights and duties under this Declaration, which benefit the Association or all Owners, in general, as opposed to direct benefit to a Lot or the Owners of a Lot, including a reasonable provision for unanticipated expenses and replacements and less any anticipated surplus from the prior year's fund. Within thirty (30) days after adopting a proposed annual budget for the Association, the Board shall provide a summary of the budget to all Owners. The Board may not, without the vote or written assent of a majority of the voting power of the Association residing in members other than the Declarant, impose a regular annual assessment per Lot which is more than twenty percent (20%) greater than the regular assessment for the immediately preceding fiscal year. Such estimated amount shall be assessed equally to the Owners. The amount per Lot so assessed to each Owner is called "the Regular Assessment."

4.3 Commencement of Assessments. The Regular Assessments shall commence upon the close of the sale of the first Lot to someone other than Declarant. The first Regular Assessment shall be adjusted according to the number of months remaining in the fiscal year. The initial payment due with respect to a partial month from an Owner, other than Declarant, shall be prorated as of the close of escrow for the purchase of such Owner's Lot. All other assessments shall commence as the Board shall determine. The Association shall, within ten (10) days after demand and upon payment of a reasonable fee as determined by Resolution of the Board, furnish to an Owner a certificate signed by an officer of the Association stating whether assessments on his Lot have been paid. The initial regular assessment for the fiscal year expiring December 31st, 2007, shall be at \$200.00 per lot.

4.4 Special Assessments. The Board may make a special assessment to defray the costs of unanticipated expenses related to the Common Area of PIS. The special assessment shall be payable within such time limit as may be prescribed by the Board.

5. ENFORCEMENT OF ASSESSMENTS

5.1 Covenant to Pay Assessments. Declarant covenants for each Lot owned, and each Owner, other than Declarant, by acceptance of a deed to a Lot, shall be deemed to covenant to pay assessments levied in accordance with Section 4.

5.2 Enforcement. Each assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the person who was the Owner of such Lot at the time such assessment became due and payable. In the event of a default in payment of any such assessment, the Association may enforce each such obligation by any and all remedies provided by law. In the event the Association brings an action to enforce each such assessment obligation, any judgment rendered in any such action shall include a sum for reasonable attorneys' fees in such amount as the Court may adjudge against the defaulting Owner, including reasonable attorneys' fees on appeal.

At any time when an assessment of any type provided for by this Declaration or an installment thereof is delinquent, the Association, by and through its Board or designated agent, may file a notice of lien in the deed records of Jerome County, Idaho, against the Owner and Lot to which the assessment pertains.

6. ARCHITECTURAL COMMITTEE

6.1 Architectural Committee. There shall be an Architectural Committee comprised of not less than two (2) nor more than three (3) members, who shall be appointed by and who shall serve at the pleasure of the Board. The Declarant shall appoint all of the original members of the Architectural Committee and all replacements until one hundred percent (100%) of all lots in the Project have been conveyed to Owners other than the Declarant. Thereafter, the Board shall have the power to appoint all of the members of the Architectural Committee. Members appointed to the Architectural Committee by the Declarant need not be members of the Association. The Architectural Committee, with the approval of the Board, shall have the right to hire a licensed architect, a landscape architect, an engineer or such other professionals as may be required to advise the Architectural Committee in carrying out its duties pursuant to this Section 6.

6.2 Duties of Architectural Committee. It shall be the duty of the Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to insure that any painting or exterior coverings or improvements constructed, which shall also include landscaping and plantings, on the Project by anyone other than the Declarant conform to plans approved by the Architectural Committee. Except for the original construction of the Project by Declarant and except for purposes of proper maintenance and repair or as otherwise in this Declaration provided, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, plant, remove or construct any lighting, shades, railings, screens, awnings, patio covers, decorations, fences, sprinkler lines and heads, parking spaces, driveway aprons, and hedges, landscaping features, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, *patios*, balconies, driveways, carports, covered parking spaces, walls, fireplaces, solar panels, gutters and downspouts, or to make any change or otherwise alter (including any alteration in color), in any manner whatsoever the exterior of any Lot, Dwelling Unit, or upon any of the Common Areas within the Project or to remove or alter any windows or exterior doors of any Dwelling Unit or do anything which will materially increase the cost of operating or insuring the Association property or impair any easement, until the complete plans and specifications, showing the location, nature, shape, height, form of change (including, without limitation, any other information specified by the

Board of Directors) shall have been submitted to and approved in writing as to safety, the effect of any such alterations on the cost of maintaining and insuring the Association property and harmony of design, color and location in relation to surrounding structures and topography, by the Architectural Committee. The foregoing shall not apply to temporary seasonal decorations attached or lighting attached to a Dwelling Unit or to landscaping during a national holiday and a reasonable period of time before and after such a holiday. All such decorations shall be permanently removed after the end of the holiday period. All plans approved by the Architectural Committee shall conform to the Design guidelines adopted by the Architectural Committee.

6.3 Architectural Rules. The Board may, from time to time, and in its sole and absolute discretion, adopt, amend and repeal rules and regulations, to be known as "Architectural Rules." Said Rules shall interpret and implement this Declaration by setting forth the standards and procedures for any Committee review and the Design Guidelines for architecture design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use within the Project. In addition to such rules that may be adopted by the Board in the future as Design Guidelines, the following rules are hereby adopted as Design Guidelines:

6.3.a Each lot shall have a garage with a capacity of at least two (2) cars attached to each residence.

6.3.b Each residence and garage shall be sided with a material approved in advance by the Architectural Committee. Vinyl siding is not a permissible siding. Every front (street facing) side of each residence and garage shall have at least twenty-five percent (25%) of its surface composed of rock or brick, as approved by the Architectural Committee

6.3.c Each residence shall have, adjacent to the driveway to the residence at a site approved by the Architectural Committee, a street light mounted on a 24" x 24" column with a minimum height of five (5) feet above the ground. The street light shall be activated by photoelectric cell, such that it remains lit from dusk to dawn.

The design of the column, and the design and dimensions of each light fixture shall be subject to approval by the Architectural Committee. Each Owner shall be responsible to keep the light within each fixture functional and lit from dusk to dawn of each day.

6.3d. Each residence shall contain a minimum of Two Thousand (2000) square feet of living area, exclusive of the garage, on a single level. Any proposal for multistory structures must be specifically approved by the Architectural Committee, and shall not alter the requirement of 2000 square feet of living area on the ground level. All plans must be signed and approved by the Architectural Committee.

6.3e. Every structure shall have a roof of a minimum pitch of 5:12

6.4 Application for Approval of Improvements. Any Owner, except the Declarant and its designated agents, proposing to perform any work of any kind whatever which requires the

prior approval of the Architectural Committee pursuant to any provision in this Declaration, shall apply to such Architectural Committee for approval by notifying the Architectural Committee of the nature of the proposed work in writing and furnishing such information as the Architectural Committee may require.

6.5 Approval/Disapproval. All approvals given under this Section 6 shall be in writing. If a request for approval has not been granted within fifteen (15) days from the date of submission of all information requested by the Architectural Committee, the proposal shall be deemed approved. If the Architectural Committee disapproves the proposal, the applicant shall have the right to appeal such decision to the Board by giving written notice thereof to the President or Secretary of the Board within ten (10) days after written notice of disapproval is given to the applicant by the Architectural Committee. Any such appeal shall be conducted pursuant to rules and regulations established by the Board. The Board's decision shall be final.

6.6 Completion of Work. The Owner shall complete the construction, reconstruction, refinishing or alteration of any such improvement within six (6) months after commencing construction thereof, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities or other supervening forces beyond the control of the Owner or his agents. If the Owner fails to comply with this Section 6.6, the Architectural Committee shall notify the Board of such failure, and the Board shall proceed in accordance with the provisions of Section 6.7 as though the failure to complete the improvement were a noncompliance with approved plans.

6.7 Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

(a) Upon the completion of any construction or reconstruction or the alteration or refinishing of the exterior of any improvements, or upon the completion of any other work for which approved plans are required under this Section 6, the Owner shall give written notice thereof to the Architectural Committee.

(b) Within thirty (30) days thereafter the Architectural Committee, or its duly authorized representatives, may inspect such improvement to determine whether it was constructed, reconstructed, altered or refinished to substantial compliance with the approved plans and shall report its findings and recommendation to the Board. If the Board finds that such construction, reconstruction, alteration or refinishing was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such noncompliance, specifying particulars of noncompliance, and shall require the Owner to remedy such noncompliance.

(c) If upon the expiration of ten (10) days from the date of such notification, the Owner shall have failed to remedy such noncompliance the Board shall set a date on which a hearing before the Board shall be held regarding the alleged noncompliance. The hearing date shall be not more than thirty (30) days nor less than ten (10) days in advance of notice thereof by the Board to the Owner, the Architectural Committee and, in the discretion of the Board, to any other interested party. The hearing procedures shall conform to those adopted by the Board pursuant to the Bylaws.

(d) At the hearing, the Owner, the Architectural Committee and, in the Board's discretion, any other interested person may present information relevant to the question of the alleged noncompliance. After considering all such information, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than fifteen (15) days from the date of the Board ruling. If the Owner does not comply with the Board ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board, at its option, may either remove the noncomplying improvement or remedy the noncompliance, and the Owner shall reimburse the Association for all expenses incurred in connection therewith upon demand. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy a Special Lot Assessment against such Owner pursuant to Section 4.4, hereof.

(e) If for any reason the Board fails to notify the Owner of any noncompliance within thirty (30) days after receipt of said notice of completion from the Owner, the improvement shall be deemed to be in accordance with said approved plans.

6.8 Liability. Neither the Architectural Committee nor any member thereof or their delegates shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development of any property within the Project or (d) the execution and filing of an estoppel certificate whether or not the facts therein are correct; provided, however, that such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of the foregoing, the Architectural Committee, or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications or any other proposal submitted to the Architectural Committee. Approval by the Architectural Committee does not mean said Architectural Committee is warranting or incurring any liability for the structural adequacy of the plans, drawings and specifications submitted to and approved by said Architectural Committee. Plans, specifications and drawings may require building permits and other entitlements from the appropriate governmental agencies.

6.9 Landscape/Fencing. Front yard landscaping shall be installed by the Owner within six (6) months of the date of the completion of construction of a residence on a lot. A landscape plan shall be submitted to the Architectural Committee for approval prior to installation. The Owner shall be responsible to install all required rear and side yard fencing. The cost of all fencing installed on shared property lines shall be shared equally by the adjoining property owners. Prior to installing any fence, a plan shall be submitted to the Architectural Committee establishing the height, location, and material of the fence. Fencing and landscape plans shall comply with the Design Guidelines adopted by the Board.

7. PROPERTY RIGHTS AND EASEMENTS

7.1 Conveyance of Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey title to the Common Area to the Association, free and clear of all liens and encumbrances, except the covenants, conditions and restrictions herein set forth, easements and utility rights-of-way then of record. All of the Common Area shall be for the use and benefit of the residents. The conveyance will be made at or prior to the first meeting of the members of the Association. The Declarant will also, prior to the first meeting of Members, transfer ownership to the Association of all shares of the Northside Canal Co., Ltd., appurtenant to the portions of the real property, not being farmed by third parties, together with pumps, motors and other appurtenances related to the PIS. All shares of Northside Canal Co., Ltd., stock appurtenant to the project shall be transferred to the Association as portions of the Project cease to be farmed.

7.2 Easements in Common Area. Every Owner shall have a right and nonexclusive easement of enjoyment in and to the Common Area and any easements shown on the final plat, a nonexclusive easement for ingress and egress over and through the Common Area, and a nonexclusive easement for vehicular ingress and egress over through those portions of the Common Area which shall be designated as private streets on the recorded maps of the respective tracts within the Project.

(a) The right of the Association to sell, transfer or encumber all or any portion of the Common Area to a person, firm or entity, whether public or private, and 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 agreed to by the Owners. No such sale, transfer, encumbrance or dedication shall be effective except upon the prior vote or written consent of Members representing sixty-six and two-thirds percent (66 2/3%) of the voting power of the Association and sixty-six and two-thirds percent (66 2/3%) of the voting power in members other than the Declarant; provided, however, that a dedication required by a governmental agency as a condition to a recording a final plat covering any portion of the Real Property shall require no such prior vote or written consent.

7.3 Delegation. Any Owner may delegate his right of use and enjoyment to the Common Area to the members of his family or tenants who reside on his Lot. Tenants shall not have the right to further delegate the Owner's right to use and enjoy the Common Area. As to tenants, such Owner shall notify the Association in writing of such delegation and the names of such delegees. The rights and privileges of any delegee shall be in accordance with and subject to this Declaration; provided, however, that the Owner making such delegation (and his Lot) shall remain liable for the assessments herein provided for and subject to all of the terms and conditions of this Declaration.

7.4 Utility Easements. Each Lot shall be conveyed to Owners, other than Declarant, and thereafter held by such Owners, their successors and assigns subject to any and all easements of record at the time of the initial conveyance of the particular Lot involved to an Owner other than Declarant for the use and benefit of the several authorized public and/or other utilities, including but not limited to, cable television, sanitary sewers, water, irrigation water, gas,

electrical and drainage easements, and no Owner shall damage or interfere with the installation and maintenance of such utilities, or in any manner change the direction or flow of drainage channels in any such easements, or in any manner obstruct or retard the flow of water through drainage channels in any such easements.

7.5 Restricted Access. The board may impose rules to restrict access to portions of the Common Area, such as retention or pumping ponds that may pose a threat to the safety and welfare of the Owners, the members of their households, or the public.

8. DEVELOPMENT RIGHTS

8.1 Limitations of Restrictions. Declarant may undertake some of the work of constructing residential dwellings, and incidental improvements upon the Lots included within the Project. The completion of that work and the sale, rental and other disposal of said Dwelling Units is essential to the establishment and welfare of said property as a residential community. In order that said work may be completed and said property be established as a fully occupied residential community as rapidly as possible, nothing in these Restrictions shall be understood or construed to:

(a) Prevent Declarant, its contractors, or subcontractors, from obtaining reasonable access over and across the Common Area of the Project or from doing on any Lot or any portion of the Project, including property annexed thereto, whatever is reasonably necessary or advisable in connection with the completion of said work; or

(b) Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Project, including property annexed thereto, such structures as may be reasonably necessary for the conduct of its business of completing said work and establishing said property as a residential community and disposing of the same in parcels by sale, lease, or otherwise; or

(c) Prevent Declarant from conducting on any part of the Project, including property annexed thereto, its business of completing said work and of establishing said property as a residential community and of disposing of said property in parcels or lots by sale, lease or otherwise, including the right to maintain model homes and sales offices; or

(d) Prevent Declarant from maintaining such signs within the Project, including property annexed thereto, as may be necessary for the sale, lease or disposition of the lots therein, including the right to maintain a sales and resale office in or on some portion of the Project owned by Declarant.

8.2 Declarant's Development Rights. Notwithstanding any other provision herein contained, Declarant expressly retains unalterable rights to develop the Project, in the manner deemed desirable by Declarant in Declarant's sole discretion, provided, however, that Declarant has or shall obtain governmental consents where required by law.

This Declaration shall not in any manner constitute a limitation on Declarant's fee title rights to any of the Real Property prior to development hereunder, nor shall it impose any

obligation on Declarant, or any other person or entity to improve or develop any of the Real Property. Upon development of all the Real Property Declarant shall have constructed or shall construct the following amenities which shall be a part of the Common Area:

1. Identification Signs
2. Landscaping
3. Lighting
4. Mutual Access/Parking Areas
5. Pedestrian Path

Said amenities shall be constructed no later than the time when all Lots have been sold by Declarant.

It is anticipated that development of the Real Property will extend over a period of years, and for that reason the Declarant shall retain the flexibility to develop the Real Property in the manner deemed best by Declarant in Declarant's sole discretion. Declarant's reserved rights shall include the power to restrict access to portions of the Common Area as reasonably necessary during the course of construction, and thereafter, for health, safety, privacy and security purposes, as deemed appropriate by Declarant. There shall be no limitation other than that imposed by appropriate governmental agencies having jurisdiction upon Declarant's rights to develop and sell the property in any manner deemed appropriate by Declarant.

Nothing in this Declaration shall limit the right of Declarant to commence and complete construction of improvements to the Project or to alter the foregoing or the Lots or Common Area or to construct such additional improvements (including fencing) as Declarant deems advisable prior to the completion and sale of the entire Real Property. Declarant shall have a matchline easement over and across all boundary lines in the Common Areas for the purpose of adding or removing materials to insure that the boundary lines between the Common Areas and the Lots in the Project are appropriately aligned. Provided, however, except as otherwise provided herein, after completion, conveyance and acceptance by the Association of each parcel of the Common Area, it may be altered by Declarant only with approval of sixty-six and two-thirds percent (66 2/3%) of the Class A Members.

Declarant may use any of the Lots within the Project owned by it for model homesites, sales offices, and parking therefore, and for any other purpose for which Declarant may use the Common Area as provided herein. Declarant may use any dwellings upon Lots owned by it as a temporary overnight residence and for promotional purposes in connection with its sales program. Declarant shall have the right and easement to enter upon, use and enjoy and designate and permit others (including without limitation, Declarant's agents, employees, representatives, contractors and prospective purchasers and lenders) to enter upon, use and enjoy the Common Area, including but not limited to, all streets, sidewalks, parking areas and open areas, for common driveway purposes, for drainage and encroachment purposes and for ingress to and

egress from the Common Areas for the purpose of completing improvements thereon or for the performance of necessary repair work and for entry onto adjacent property in connection with the development of additional Phases of the overall project; provided, however, that the exercise of such right and easement shall not unreasonably interfere with the reasonable use and enjoyment of the Common Area by the Members.

Declarant reserves the right to alter its construction and development plans and designs as it deems appropriate, subject to applicable governmental approvals. The rights of Declarant under this Declaration may be assigned to any successor or successors to all or part of said entity's respective interests in the Real Property, by an express assignment incorporated in a recorded deed, option or lease, as the case may be, transferring such interest to such successor. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchaser from Declarant to establish on any Lot additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Real Property.

8.3 Consent of Declarant to Amendments. Until Declarant shall sell all of the Lots in the Project, no amendment to this Declaration shall be effective to curtail or eliminate Declarant's development rights set forth herein without Declarant's consent.

9. ANNEXATION OF ADDITIONAL PROPERTIES; PHASES II AND III.

9.1 Alternative Procedures. Additional property may be annexed to and become subject to this Declaration, from time to time, by either of the following methods:

(a) Upon approval in writing of the Association, pursuant to a sixty-six and two-thirds (66 2/3) majority of the voting power of its Members, and a sixty-six and two-third's (66 2/3) majority of the voting power in Members other than the Declarant, to add such additional property to the scheme of this Declaration and to subject it to the jurisdiction of the Association, by the filing of record a Supplementary Declaration, as described in Section 9.3 below, or

(b) All or any part of the Real Property may be annexed to the Project by Declarant, from time to time, and made subject to the scheme of this Declaration and subject to the jurisdiction of the Association without the assent of the Association or its members subject to the following conditions:

(1) The development of the additional properties shall be in accordance with a plat approved by the County of Jerome, Idaho;

(2) A Supplementary Declaration, as described in Section 9.3 below, shall be recorded covering the applicable portion of the Real Property;

(3) Any additional Common Area to be annexed as a part of the annexation of additional property may be developed as determined at the sole discretion of Declarant;

(4) Voting rights relating to membership in the Association will continue to be allocated on the basis of one (1) vote for each Lot except that Declarant shall continue to have three (3) votes for each Lot owned by Declarant; provided that this provision shall not limit the establishment of any sub-associations or the determination of voting rights in such sub-associations as it relates to the particular area of the Real Property that has been annexed;

(5) Upon the annexation of any Lots, Common Area expenses shall continue to be apportioned equally among all Lots;

(6) The proposed annexation will not result in an overburdening of the common interests.

(7) The proposed annexation will not result in a substantial increase in assessments against existing Owners which was not disclosed to such Owners.

9.2 Deannexations. In order to correct any errors in legal descriptions or to correct any faulty annexations of property, Declarant may deannex, without the consent of the Association or Owners, any of the Real Property so annexed provided that such property is comprised of Lots, and the Lots have not been improved with Dwelling Units or have not been sold to a retail purchaser, or, if comprised of Common Area, has not been conveyed to the Association. Such right of deannexation shall not expire. Upon any such deannexation, voting rights relating to membership in the Association will continue to be allocated on the basis of one (1) vote for each Lot except that Declarant shall continue to have three (3) votes for each Lot owned by Declarant; provided that this provision shall not limit the establishment of any sub-associations or the determination of voting rights in such sub-associations as it relates to the particular area of the Real Property that has been annexed. Upon any such deannexation, Common Area expenses shall continue to be apportioned equally among all Lots.

9.3 Supplementary Declaration. The additions or deannexation authorized under this Section 9 above shall be made by filing of record a Supplementary Declaration of covenants, conditions and restrictions, or similar instrument, with respect to the additional properties, which instrument shall extend the framework of this Declaration to such properties. Each such Supplementary Declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties. In no event, however, shall any such Supplementary Declaration revoke, modify or add to the covenants, conditions and restrictions established by this Declaration as to Phases I, II and III, except as herein otherwise provided.

9.4 Enforceability as to Phase II and Phase III. Until the Declarant has given notice of intent to construct for Phase II and Phase III, these covenants, conditions and restrictions shall not be effective as to such phases, except that Declarant shall be bound to develop Phases II and III in accordance with the approved Plat for the Project. Notice of intent to construct for Phases II and II shall be in writing and recorded in the records of Jerome County, Idaho.

10. DAMAGE OR DESTRUCTION

10.1 Insurance Proceeds Sufficient. In the event of damage or the partial destruction of any of the Common Area improvements in the Project, and if the available proceeds of the insurance carried pursuant to the Bylaws are sufficient to cover not less than eighty-five percent (85%) of the cost of repair or reconstruction thereof, the damaged or destroyed improvements shall be promptly repaired and rebuilt substantially in accordance with the original design and standard of construction of the damaged or destroyed improvement, unless, within ninety (90) days from the date of such damage or destruction, at a duly constituted meeting of the Association, Members representing seventy-five percent (75%) of the total voting power of the Association determine that such repair and reconstruction shall not take place.

10.2 Insurance Proceeds Insufficient. If the available proceeds of such insurance are less than eighty-five percent (85%) of the cost of repair or reconstruction, such repair or reconstruction may, nevertheless, take place if, within ninety (90) days from the date of such damage or destruction, Members representing fifty-one percent (51%) of the total voting power of the Association so elect at a duly constituted meeting of the Association.

10.3 Assessments. If the Members determine to rebuild, either pursuant to Section 10.1 or Section 10.2 above, each Owner shall be obligated to contribute such funds as may be necessary to pay his proportionate share of the cost of reconstruction, over and above the insurance proceeds. Such additional amount shall be assessed to each Owner in the manner provided in Section 4.

10.4 Failure to Rebuild. If rebuilding of the Common Areas shall not be authorized, either pursuant to Section 10.1 or Section 10.2, above, any available insurance proceeds shall be collected by the Association and used by the Association for such Common Area improvements, repair and other expenses associated with the Common Area as it shall deem appropriate.

11. MORTGAGEE PROTECTION

11.1 Mortgages Permitted. Any Owner may encumber his Lot with Mortgages.

11.2 Subordination. Any lien created or claimed under the provisions of Idaho law or of this Declaration is expressly made subject and subordinate to the rights of any First Mortgage that encumbers any Lot or other portion of the Project, made in good faith and for value, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such First Mortgage unless the First Mortgagee expressly subordinates his interest, in writing, to such lien.

11.3 Effect of Breach. No breach of any provision of this Declaration shall invalidate the lien of any Mortgage made in good faith and for value, but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

11.4 Non-Curable Breach. No Mortgagee who acquires title to a Lot by foreclosure or by deed in lieu of foreclosure or assignment-in-lieu of foreclosure shall be obligated to cure any breach of this Declaration that is non-curable or of a type that is not practical or feasible to cure.

11.5 Right to Appear at Meetings. Any Mortgagee may appear at meetings of the Members and the Board.

11.6 Right to Furnish Information. Any Mortgagee may furnish information to the Board concerning the status of any Mortgage.

11.7 Right to Examine Books and Records, Etc. The Association shall make available to Owners, prospective purchasers and First Mortgagees, current copies of the Project Documents and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

11.8 Owners' Right to Ingress and Egress. There shall be no restriction upon any Owners' right of ingress and egress to his Lot, which right shall be perpetual and appurtenant to his Lot Ownership.

11.9 First Mortgagee Assessment Liability. Any First Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage or foreclosure of the Mortgage shall not be liable for such Lot's unpaid Assessments or Individual Charges which accrue prior to the acquisition of title to such Lot by the Mortgagee.

11.10 Distribution; Insurance and Condemnation Proceeds. No provision of the Project Documents shall give a Lot Owner, or any other party, priority over any rights of the First Mortgagee of the Lot pursuant to its Mortgage in the case of a distribution to such Lot Owner of insurance proceeds or condemnation awards for losses to or a taking of the Lot and/or Common Area.

12. AMENDMENTS

12.1 Procedure. Except as otherwise herein expressly provided, until the two (2) class voting structure of the Association is converted to one (1) class voting, this Declaration may be amended by an instrument in writing signed and acknowledged by the President and Secretary of the Association, certifying that such amendment has been approved by members representing at least seventy-five percent (75%) of the total voting power of each class of membership of the Association. At such time as the two (2) class voting structure has been converted to one (1) class voting pursuant to the provisions hereof, any such amendment shall be approved by seventy-five percent (75%) of the total voting power of the Association and seventy-five percent (75%) of the votes of members other than the Declarant. Provided that, the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed to take action under said clause or provision. Provided further that, the Declarant shall have the power and authority to amend this Declaration when required by a governmental agency as a condition to obtaining a permit.

13. GENERAL PROVISIONS

13.1 Binding Effect; Term. The covenants, conditions and restrictions of this Declaration shall run with the land, and shall inure to the benefit of and be enforceable by the Association, or any Owner, their respective legal representatives, heirs, successors, and assigns.

13.2 Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether the relief sought is negative or affirmative action, by Declarant, the Association or any Owner.

13.3 Violation of Law. Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the Ownership, occupation or use of the Project or any part thereof is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

13.4 Condemnation of Common Area. If at any time all or any portion of any Common Area, or any interest therein, be taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the entire award in condemnation shall be paid to the Association. Any such award to the Association shall be deposited into the operating fund of the Association. No Owner shall be entitled to any portion of such award, and no Owner shall be entitled to participate as a party, or otherwise, in any proceedings relating to such condemnation, such right of participation being herein reverted exclusively to the Association, or other holder of the fee title which shall, in its name alone, represent the interests of all Lot Owners to the extent such Lot Owners have any interest.

13.5 Obligations of Owner. No Owner may avoid the burdens or obligations imposed on him by this Declaration through non-use of the Common Area or by abandonment of his Lot. Upon the conveyance, sale, assignment or other transfer of a Lot to a new Owner, the transferring Owner shall not be liable for any assessments levied with respect to such Lot after the date of such transfer, and no person, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under this Declaration.

13.6 Notice of Sale. Within five (5) business days after the consummation of the sale of any Lot under circumstances whereby the transferee becomes an Owner thereof, the transferee shall notify the Association in writing of such sale. Such notification shall set forth (i) the name of the transferee and his transferor, (ii) the street address of the Lot purchased by the transferee, (iii) the transferee's mailing address, and (iv) the date of sale. Prior to receipt of such notification, any and all communications required or permitted to be given by the Association, the Board or the Architectural Committee shall be deemed to be duly made and given to the transferee if duly and timely made and given to his transferor.

13.7 Notices. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, such notice or document

shall be deemed to have been delivered and received five (5) calendar days after a copy thereof has been deposited in the United States postal service, postage prepaid, addressed as follows:

(a) If to the Association, to the address designated by the Association as its principal office address in the Articles of Incorporation.

(b) If to an Owner, to the address of any Lot owned, in whole or in part, by him or to any other address last furnished by an Owner to the Association:

(c) If to Declarant:
Jacqueline Estates, LLC
3159 Redwood Ave.
Grants Pass, OR 97527

Provided, however, that any such address may be changed at any time by the party concerned by delivering a written notice of change of address to the Association. Each Owner of a Lot shall file the correct mailing address of such Owner with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

13.8 Cumulative Remedies. Each remedy provided by this Declaration is cumulative and not exclusive.

13.9 Partial Invalidity. The invalidity or partial invalidity of any provision of this Declaration shall not affect the validity of enforceability of any other provision.

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

IN WITNESS WHEREOF, Declarant has executed this Declaration this 19th day of November, 2007.

JACQUELINE ESTATES, LLC
An Idaho limited liability company

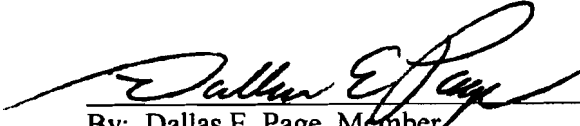

By: Dallas E. Page, Member

EXHIBIT A

THE WEST HALF OF THE NORTHEAST QUARTER ($W\frac{1}{2}NE\frac{1}{4}$), SOUTHEAST QUARTER OF THE NORTHEAST QUARTER ($SE\frac{1}{4}NE\frac{1}{4}$), SECTION EIGHTEEN (18), TOWNSHIP NINE (9) SOUTH, RANGE SEVENTEEN (17) EAST, BOISE MERIDIAN EXCEPTING THE FOLLOWING DESCRIBED TRACT:

A TRACT OF LAND IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER ($SW\frac{1}{4}NE\frac{1}{4}$), SECTION EIGHTEEN (18), TOWNSHIP NINE (9) SOUTH, RANGE SEVENTEEN (17) EAST, BOISE MERIDIAN, JEROME COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER ($SW\frac{1}{4}NE\frac{1}{4}$) OF SECTION EIGHTEEN (18), TOWNSHIP NINE (9) SOUTH, RANGE SEVENTEEN (17) EAST, BOISE MERIDIAN;
THENCE EASTERLY ALONG THE SOUTH BOUNDARY LINE OF SAID $SW\frac{1}{4}NE\frac{1}{4}$ A DISTANCE OF 982.9 FEET;
THENCE NORTH $78^{\circ}21'$ WEST FOR A DISTANCE OF 188.5 FEET TO THE POINT OF BEGINNING, CONTAINING IN ALL 2.13 ACRES, MORE OR LESS.

EXCEPTING THEREFROM:

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE
BOISE MERIDIAN, JEROME COUNTY, IDAHO.

SECTION 18: THAT PORTION OF THE $SE\frac{1}{4}NE\frac{1}{4}$ WHICH LIES NORTH AND EAST OF THE NORTH SIDE CANAL COMPANY LATERAL N-33.

AND FURTHER EXCEPTING THEREFROM:

TOWNSHIP 9 SOUTH, RANGE 17, EAST OF THE
BOISE MERIDIAN, JEROME COUNTY, IDAHO.

SECTION 18: THAT PORTION OF THE $SE\frac{1}{4}NE\frac{1}{4}$ WHICH LIES SOUTH OF THE NORTH SIDE CANAL COMPANY LATERAL N-33 AND 640 FEET WEST FROM THE CENTER OF THE ROAD.

AND FURTHER EXCEPTING THEREFROM:

SECTION 18: BEGINNING AT THE NORTHWEST CORNER OF THE $W\frac{1}{2}NE\frac{1}{4}$, SAID CORNER ALSO BEING THE QUARTER CORNER COMMON TO SECTIONS 18 AND 7, SAID TOWNSHIP AND RANGE;
THENCE SOUTH $00^{\circ}08'58''$ WEST, ALONG THE WESTERLY LINE OF SAID $W\frac{1}{2}$, A DISTANCE OF 1048.00 FEET;
THENCE SOUTH $89^{\circ}51'02''$ EAST A DISTANCE OF 1312.48 FEET TO THE EASTERLY LINE OF SAID $W\frac{1}{2}$;
THENCE NORTH $00^{\circ}04'31''$ EAST, ALONG SAID EASTERLY LINE, A DISTANCE OF 1031.46 FEET TO THE NORTHEAST CORNER OF

SAID W½, SAID POINT ALSO BEING ON THE NORTHERLY SECTION
LINE OF SAID SECTION 18;

THENCE NORTH 89°07'40" WEST, A DISTANCE OF 1311.25 FEET
TO THE TRUE POINT OF BEGINNING.

EXHIBIT B

PHASE I

**TOWNSHIP 9 SOUTH, RANGE 17, EAST OF THE BOISE MERIDIAN, JEROME
COUNTY, IDAHO**

**SECTION 18: BEGINNING AT THE NORTHWEST CORNER OF THE W $\frac{1}{2}$ NE $\frac{1}{4}$,
SAID CORNER ALSO BEING THE QUARTER CORNER COMMON
TO SECTIONS 18 AND 7, SAID TOWNSHIP AND RANGE;
THENCE SOUTH 00°08'58" WEST, ALONG THE WESTERLY LINE
OF SAID W $\frac{1}{2}$, A DISTANCE OF 1048.00 FEET;
THENCE SOUTH 89°51'02" EAST A DISTANCE OF 1312.48 FEET
TO THE EASTERLY LINE OF SAID W $\frac{1}{2}$;
THENCE NORTH 00°04'31" EAST, ALONG SAID EASTERLY
LINE, A DISTANCE OF 1031.46 FEET TO THE NORTHEAST
CORNER OF SAID W $\frac{1}{2}$, SAID POINT ALSO BEING ON THE
NORTHERLY SECTION LINE OF SAID SECTION 18;
THENCE NORTH 89°07'40" WEST, A DISTANCE OF 1311.25 FEET
TO THE TRUE POINT OF BEGINNING.**

EXHIBIT C

PHASE II

COMMENCING AT THE NORTHWEST CORNER OF THE WEST $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF SECTION 18, TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO, SAID CORNER ALSO BEING THE QUARTER CORNER COMMON TO SECTIONS 18 AND 7, SAID TOWNSHIP AND RANGE; THENCE SOUTH $00^{\circ}08'58''$ WEST ALONG THE WESTERLY LINE OF SAID WEST $\frac{1}{2}$, A DISTANCE OF 1048.00 FEET; THENCE, CONTINUING ALONG SAID WESTERLY LINE, SOUTH $00^{\circ}08'58''$ WEST, A DISTANCE OF 852.00 FEET; THENCE SOUTH $89^{\circ}51'02''$ EAST, A DISTANCE OF 1734.06 FEET TO A POINT ON CENTERLINE OF THE NORTH SIDE CANAL COMPANY LATERAL N-33; THENCE, ALONG SAID CANAL CENTERLINE THE FOLLOWING COURSES, NORTH $44^{\circ}47'17''$ WEST, A DISTANCE OF 21.45 FEET; THENCE NORTH $24^{\circ}52'58''$ WEST, A DISTANCE OF 99.57 FEET; THENCE NORTH $35^{\circ}25'36''$ WEST, A DISTANCE OF 158.53 FEET; THENCE NORTH $18^{\circ}35'17''$ WEST, A DISTANCE OF 39.72 FEET; THENCE NORTH $08^{\circ}53'05''$ EAST, A DISTANCE OF 53.07 FEET TO A POINT ON THE NORTHERLY LINE OF THE SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 18; THENCE NORTH $89^{\circ}10'34''$ WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 187.12 FEET TO THE NORTHWEST CORNER OF SAID SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 18; THENCE NORTH $00^{\circ}04'31''$ EAST, ALONG THE EASTERLY LINE OF THE WEST $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 18, A DISTANCE OF 289.52 FEET; THENCE NORTH $89^{\circ}51'02''$ WEST, A DISTANCE OF 1312.48 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT D

PHASE III

THE WEST HALF OF THE NORTHEAST QUARTER ($W\frac{1}{2}NE\frac{1}{4}$), SOUTHEAST QUARTER OF THE NORTHEAST QUARTER ($SE\frac{1}{4}NE\frac{1}{4}$), SECTION EIGHTEEN (18), TOWNSHIP NINE (9) SOUTH, RANGE SEVENTEEN (17) EAST, BOISE MERIDIAN EXCEPTING THE FOLLOWING DESCRIBED TRACT:

A TRACT OF LAND IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER ($SW\frac{1}{4}NE\frac{1}{4}$), SECTION EIGHTEEN (18), TOWNSHIP NINE (9) SOUTH, RANGE SEVENTEEN (17) EAST, BOISE MERIDIAN, JEROME COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER ($SW\frac{1}{4}NE\frac{1}{4}$) OF SECTION EIGHTEEN (18), TOWNSHIP NINE (9) SOUTH, RANGE SEVENTEEN (17) EAST, BOISE MERIDIAN;
THENCE EASTERLY ALONG THE SOUTH BOUNDARY LINE OF SAID $SW\frac{1}{4}NE\frac{1}{4}$ A DISTANCE OF 982.9 FEET;
THENCE NORTH $78^{\circ}21'$ WEST FOR A DISTANCE OF 188.5 FEET TO THE POINT OF BEGINNING, CONTAINING IN ALL 2.13 ACRES, MORE OR LESS.

EXCEPTING THEREFROM:

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE
BOISE MERIDIAN, JEROME COUNTY, IDAHO.

SECTION 18: THAT PORTION OF THE $SE\frac{1}{4}NE\frac{1}{4}$ WHICH LIES NORTH AND EAST OF THE NORTH SIDE CANAL COMPANY LATERAL N-33.

AND FURTHER EXCEPTING THEREFROM:

TOWNSHIP 9 SOUTH, RANGE 17, EAST OF THE
BOISE MERIDIAN, JEROME COUNTY, IDAHO.

SECTION 18: THAT PORTION OF THE $SE\frac{1}{4}NE\frac{1}{4}$ WHICH LIES SOUTH OF THE NORTH SIDE CANAL COMPANY LATERAL N-33 AND 640 FEET WEST FROM THE CENTER OF THE ROAD.

AND FURTHER EXCEPTING THEREFROM:

SECTION 18: BEGINNING AT THE NORTHWEST CORNER OF THE $W\frac{1}{2}NE\frac{1}{4}$, SAID CORNER ALSO BEING THE QUARTER CORNER COMMON TO SECTIONS 18 AND 7, SAID TOWNSHIP AND RANGE;
THENCE SOUTH $00^{\circ}08'58''$ WEST, ALONG THE WESTERLY LINE OF SAID $W\frac{1}{2}$, A DISTANCE OF 1048.00 FEET;
THENCE SOUTH $89^{\circ}51'02''$ EAST A DISTANCE OF 1312.48 FEET TO THE EASTERLY LINE OF SAID $W\frac{1}{2}$;

THENCE NORTH 00°04'31" EAST, ALONG SAID EASTERLY LINE, A DISTANCE OF 1031.46 FEET TO THE NORTHEAST CORNER OF SAID W½, SAID POINT ALSO BEING ON THE NORTHERLY SECTION LINE OF SAID SECTION 18;
THENCE NORTH 89°07'40" WEST, A DISTANCE OF 1311.25 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM:

COMMENCING AT THE NORTHWEST CORNER OF THE WEST ¼ OF THE NORTHEAST ¼ OF SECTION 18, TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO, SAID CORNER ALSO BEING THE QUARTER CORNER COMMON TO SECTIONS 18 AND 7, SAID TOWNSHIP AND RANGE; THENCE SOUTH 00°08'58" WEST ALONG THE WESTERLY LINE OF SAID WEST ¼, A DISTANCE OF 1048.00 FEET; THENCE, CONTINUING ALONG SAID WESTERLY LINE, SOUTH 00°08'58" WEST, A DISTANCE OF 852.00 FEET; THENCE SOUTH 89°51'02" EAST, A DISTANCE OF 1734.06 FEET TO A POINT ON CENTERLINE OF THE NORTH SIDE CANAL COMPANY LATERAL N-33; THENCE, ALONG SAID CANAL CENTERLINE THE FOLLOWING COURSES, NORTH 44°47'17" WEST, A DISTANCE OF 21.45 FEET; THENCE NORTH 24°52'58" WEST, A DISTANCE OF 99.57 FEET; THENCE NORTH 35°25'36" WEST, A DISTANCE OF 158.53 FEET; THENCE NORTH 18°35'17" WEST, A DISTANCE OF 39.72 FEET; THENCE NORTH 08°53'05" EAST, A DISTANCE OF 53.07 FEET TO A POINT ON THE NORTHERLY LINE OF THE SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 18; THENCE NORTH 89°10'34" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 187.12 FEET TO THE NORTHWEST CORNER OF SAID SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 18; THENCE NORTH 00°04'31" EAST, ALONG THE EASTERLY LINE OF THE WEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 18, A DISTANCE OF 289.52 FEET; THENCE NORTH 89°51'02" WEST, A DISTANCE OF 1312.48 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT E

**BY-LAWS OF
LAZY T RANCH ESTATES HOMEOWNER'S ASSOCIATION, INC.**

KNOW ALL MEN BY THESE PRESENTS: that ***LAZY T RANCH ESTATES HOMEOWNER'S ASSOCIATION, INC.*** a Corporation duly organized and existing under and by virtue of the laws of the State of Idaho, has adopted, and by these presents does adopt, this code of By-Laws for the conduct and control of its business affairs:

ARTICLE I.

Section 1. Annual Meeting: The annual meeting of the members of the Corporation shall be held annually at Jerome, Idaho, at such place as may be determined upon by the Board of Directors, on the first Monday of February in each year, if not a legal holiday, and if a legal holiday, then the next day not a legal holiday, for the purpose of electing directors, and for the transaction of such other business as may be brought before the meeting.

Section 2. Special Meetings: Special meetings of the members, for any purpose or purposes, other than those regulated by law, may be called by a majority of the Board of Directors or 35% of the members on Fifteen (15) days' written notice to all members. The notice shall contain the purpose(s) for which the meeting is called and shall be mailed by first class mail through the United States mail system, postmarked at least fifteen (15) days prior to the date of the meeting.

Section 3. Notice of Meetings: The Secretary of the Corporation, or such other person authorized by the Board of Directors, shall give written notice of the time, place and purpose of meetings of members, including the annual meeting of members, to all members of record, at least fifteen (15) days prior to the day named for the meeting. Such notice shall be mailed to the address of each and every member appearing on the books of the Corporation, and shall be mailed postage prepaid, at least fifteen (15) days prior to the date for such meeting.

Section 4. Waiver of Notice and Consent: Unless otherwise provided by law, any notice required to be given under these By-Laws, whether meeting or otherwise, may be waived, and upon such waiver being made in writing and entered of record on the records of the Corporation, such waiver shall have the same force and effect as if due notice had been given.

Section 5. Quorum: At any meeting of the members of the Corporation, a majority of the members present in person or by proxy entitled to vote shall constitute a quorum for all purposes for which the members may wish to lawfully transact business.

Written proxies shall be allowed for membership meetings if the same are signed by the member granting the proxy and delivered to the Secretary prior to the commencement of the meeting.

Section 6. Members: The members of the Corporation shall be the owners of lots within **Lazy T Ranch Estates Planned Unit Development**, according to the official plat thereof of record

with the Jerome County, Idaho Recorder, which lots have been made subject to the Declaration of Covenants, Conditions & Restrictions of record with the Jerome County, Idaho Recorder, ("the Declaration") as they now exist or may hereafter be amended, a current copy of which is attached to these By-Laws as **EXHIBIT B**. There shall be one membership per lot owned as per the recorded plat. Each membership shall be entitled to one (1) vote at all membership meetings, except as otherwise provided by the Declaration with regard to Class A and Class B Membership.

A current roll of members shall be maintained by the Secretary of the Corporation. Membership shall be automatically transferred with the transfer of ownership of any lot underlying membership to the new owner, as of the date of transfer.

A member who is a corporation, partnership, limited liability company, limited partnership or other entity shall designate an officer, partner or other designee to vote the membership(s) of that entity at all membership meetings.

Section 7. Organization: The President shall call all meetings of the members to order and shall act as Chairman of such meetings. The Board of Directors may appoint any member to act as Chairman of the meeting in the absence of the President and Vice President. The Secretary of the Corporation shall act as Secretary at all meetings, but in the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting.

ARTICLE II.

BOARD OF DIRECTORS

Section 1. Number, Qualifications and Term of Office: The business and property of this Corporation shall be managed, conducted and controlled by, and the corporate powers of the Corporation shall be vested in and exercised by, a board of at least three (3), but not more than five (5) directors to be elected from among the membership of the Corporation, provided that any corporation, partnership or limited partnership holding membership(s) shall be entitled to nominate one of their officers or partners for any directorship. Multiple memberships by one owner shall not prevent more than one (1) director being nominated and elected to the board from one owner. The term of office for directors shall be one (1) year, except that the directors elected upon the adoption of these By-Laws shall hold office only until the next annual meeting.

All directors shall take office immediately following the close of the polls and the announcement of the decision of the inspectors, and shall hold office as above provided.

Notwithstanding the foregoing provisions of this By-Law, the initial board of directors of the corporation shall be comprised of Dallas Page, John Schleining and Rob Patridge.

Section 2. Vacancies: In case any vacancy arises in the directors through death, resignation,

disqualification or other cause, the remaining directors by affirmative vote of the majority thereof, shall elect a successor to hold office until the next annual meeting.

Section 3. Place of Meeting: The directors may hold their meetings at the office of the Corporation at Jerome, Idaho or at such other place within or without the State of Idaho, as a majority of the Board of Directors may from time to time appoint and determine. Meetings may be held by telephone conference if all directors agree.

Section 4. Special Meetings: Special meetings of the Board of Directors shall be held at any time upon five (5) days' written notice signed by a majority of the Board. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting. At any meeting at which every director is present, even though without notice, any business may be transacted.

Section 5. Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business, and the acts of a 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 there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

Section 6. Order Of Business: At meetings of the Board of Directors, business shall be transacted in such order as from time to time the Board may, by resolution, determine. At all meetings of the Board of Directors, the President, or, in his absence, the Vice President, or, in the absence of both, a member of the Board to be selected by the members present, shall preside. The Secretary of the Corporation shall act as Secretary at all meetings of the Board of Directors, and in case of his absence, the Chairman of the meeting may designate any person to act as Secretary.

Section 7. Powers of Directors:

(a) In addition to the powers and authority by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute, or by the Articles of Incorporation or by these By-Laws, directed or required to be exercised or done by the members. Without prejudice to such general powers and the other powers conferred by law, by the Articles of Incorporation, and by these By-Laws, it is expressly hereby declared that the Board of Directors shall from time to time establish assessments to the members of the Corporation for the following purposes:

- (1) To own, maintain and regulate the use of the common areas as set forth on the recorded plat of the subdivision;
- (2) To establish, own, maintain and operate a pressurized irrigation water system (PIS) for the benefit of all lots, and to establish rules and regulations therefore;
- (3) To exercise all powers and privileges and perform all the duties and obligations set forth in the Declaration of record with the Jerome County,

Idaho Recorder.

- (4) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration to pay all expenses in connection therewith and all other expenses incidental to the conduct of the business of the Corporation, including any taxes or assessments levied against the Corporation;
- (5) To carry out any other business activity or purpose necessary or incidental to the primary business purposes above recited, or which may be appropriate for non-profit corporations to exercise under the provisions of Idaho Code § 30-301 et seq.

(b) The Board of Directors shall establish a tentative operating budget for the Corporation for the coming year. The Board of Directors shall at the same time determine a fair and equitable method for apportioning the costs so determined among the members of the Corporation.

(c) The amount so determined by the Board, hereafter referred to as the "regular assessment", shall be assessed to members monthly or as necessary, with every bill being fully due and payable within fifteen (15) days of its receipt.

(d) The Board of Directors may authorize a special assessment, in addition to the regular assessment, should it be determined that such assessment is necessary for the purpose of defraying the cost of, in whole or in part, any construction, reconstruction, repair, or replacement of the common area or PIS owned by the Corporation including, but not limited to, such matters as motors, pumps, pipelines, whether on an emergency basis or not. The special assessment shall be apportioned among the members equally on a per lot basis, and shall be payable upon such terms and conditions as the Board of Directors shall determine.

(e) The Board of Directors shall establish rules and regulations for payment of assessments and the use of the common area and systems provided by the Corporation consistent with the Declarations. The rules and regulations shall include, but not be limited to, the permitted uses of the common area and irrigation system; the rotation of water among the various lots with respect to the irrigation water system; interest rates to be charged upon delinquent assessments, method and manner of collection of delinquent assessments; grounds upon which services may be terminated; and a procedure by which any member may appeal to the Board any assessment or proposed disconnection from any of the common area or systems provided by the Corporation. All rules and regulations shall be consistent with the Declarations.

Section 8. Compensation of Directors: Directors, as such, shall not receive any salary for their services, but, by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board.

Section 9. Duties of Directors: It shall be the duty of the Board of Directors, in addition to all other duties imposed by law, the Articles of Incorporation and these By-Laws:

- (a) To supervise all officers, agents, and employees of the Corporation, and to see that their duties are properly performed.
- (b) To cause to be installed such system of auditing as will enable to complete determination of the financial condition of the Corporation to be made at any time.
- (c) To cause to be kept a complete record of all its acts and the proceedings of its meetings, and to present a full statement at the regular annual meeting of the members, showing in detail the condition of the affairs of the Corporation.
- (d) To cause the monies of the Corporation to be safely kept and invested.

Section 10. Architectural Committee Meetings: Meetings of the Architectural Committee shall be held monthly unless there are no pending applications before it, in which case it need not meet. Any application considered at a meeting of the committee shall be acted upon no later than the following monthly meeting. The initial member of the Architectural Committee shall be Dallas Page.

ARTICLE III.

OFFICERS

Section 1. Designation and Appointment: The executive officers of the Corporation shall be a President, a Vice President, a Secretary and Treasurer, or any combination thereof, all of whom shall be elected at the pleasure of the Board of Directors.

Section 2. President: The President shall be the chief executive of the members and the Board of Directors. He shall call and preside over all meetings of the members and directors of the Corporation; shall sign and execute all authorized promissory notes, bonds, contracts, mortgages, deeds, and other obligations of the Corporation, and membership certificates; and shall do and perform such other duties as may from time to time, be assigned to him by the Board of Directors, or these by-Laws, the Articles of Incorporation, or the statutes of the State of Idaho.

Section 3. Vice President. In the absence of the President, the Vice President shall perform the duties of the President; provided, however, that in case of the death, resignation, or ineligibility of the President, the Board of Directors may declare the office vacant and elect his successor.

Section 4. Secretary: The Secretary shall keep the minutes of all meetings of the members and the Board of Directors, and shall act as secretary at each such meeting; he shall serve, or cause to be served, all notices, and make or cause to be made, all publications required either by law or these

By-Laws; he shall sign with the President, in the name of the Corporation, all authorized obligations of the Corporation, and shall affix the corporate seal of the Corporation, to all such instruments; he shall have charge of the certificate books of the Corporation, transfer books and such other books and papers as the Board of Directors may from time to time direct, all of which shall, at all reasonable times, be open to the examination of any directors; and he shall, in general, perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors. He shall submit such reports to the Board of Directors as may be requested by them and shall perform such duties as may be delegated to him by the Board of Directors.

Section 5. Treasurer: The Treasurer shall have the custody of all funds and securities of the Corporation which may come into his hands; when necessary or proper, he shall endorse on behalf of the Corporation for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or banks or depository as the Board of Directors may designate. He shall regularly enter in the books of the Corporation, to be kept by him for that purpose, a full and accurate account of all monies received and paid by him on account of the Corporation; he shall at all reasonable times exhibit his books and accounts to any director of the Corporation; he shall submit at each annual meeting of the members, a complete statement of his accounts, and whenever required by the Board of Directors, he shall render a statement showing receipts and disbursements and balances on hand. He shall give bond for the faithful performance of his duties in such sum as the Board of Directors may require.

ARTICLE IV.

FISCAL YEAR

The year of the Corporation shall begin on the 1st day of January of each year and end on the 31st day of December of each year.

ARTICLE V.

MISCELLANEOUS

Section 1. Annual Statement: The Board of Directors shall prepare and submit to the members, at least fifteen (15) days in advance of the annual meeting, a statement of the fiscal and financial condition of the Corporation, and a consolidated income account of the Corporation covering the previous calendar year, and a consolidated balance sheet showing the assets and liabilities of the Corporation.

Section 2. Mailing Address of Members: Each member shall file a mailing address with the Secretary of the Corporation; thereafter and until further notice from the member, all notices and communications from the Corporation to the member that are to be mailed, whether required by law, these By-Laws, or otherwise, shall be addressed to the address given. Whenever any notice whatever is required to be given by law, the Articles of Incorporation, or these By-Laws, a waiver thereof in

writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 3. Declaration Prevails. Any conflict between these Bylaws and the Declaration shall be resolved by the Declaration.

ARTICLE VI.

AMENDMENT

The By-Laws may be repealed, amended, or additional By- Laws adopted at any regular annual meeting of the members, or any special meeting called for that purpose, by the affirmative vote of a majority of the members of each class of membership of the corporation, one (1) vote per lot owned.

CERTIFICATE OF ADOPTION

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, being all the Directors and the Secretary of **LAZY T RANCH ESTATES HOMEOWNER'S ASSOCIATION, INC.**, also being all the members of said Corporation, do hereby certify that the above and foregoing By-Laws were duly and legally adopted as the By-Laws of said Corporation at the first meeting of the members and the first meeting of the Directors, of said Corporation, on the ____ day of _____, 2007, and that the same does now constitute the By-Laws of the said Corporation.

IN WITNESS WHEREOF, We have hereunto set our hands as Directors, also as members, of the said Corporation, and affixed hereto the Corporate Seal thereof, this ____ day of _____, 2007.

DALLAS PAGE, Director

JOHN SCHLEINING, Director

ROB PATRIDGE, Director

STATE OF IDAHO)
)ss.
County of Jerome)

I, _____, the duly and regularly elected, qualified, and acting Secretary of **LAZY T RANCH ESTATES HOMEOWNER'S ASSOCIATION, INC.**, do hereby certify that the above and foregoing By-Laws were regularly adopted by the Directors of said Corporation at a regular meeting of the Directors of said Corporation, duly and regularly held and called on the ____ day of _____, 2007, and were also adopted by the majority vote of the members of the corporation, at a duly and regularly called and held meeting of the Corporation, on the ____ day of _____, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2007.

Secretary of the Corporation

EXHIBIT F



ARTICLES OF INCORPORATION

(Non-Profit)

(Instructions on back of application)

FILED EFFECTIVE

The undersigned, in order to form a Non-Profit Corporation under the provisions of Title 30, Chapter 3, Idaho Code, submits the following articles of incorporation to the Secretary of State.

2007 AUG -6 PM 1:31

Article 1: The name of the corporation shall be:

LAZY T RANCH ESTATES HOMEOWNER'S ASSOCIATION, INC.

SECRETARY OF STATE
STATE OF IDAHO

Article 2: The purpose for which the corporation is organized is:

Administer a Homeowner's Association

Article 3: The street address of the registered office is: 153 East Main Street, Jerome, Idaho 83338

and the registered agent at such address is: Robert E. Williams

Article 4: The board of directors shall consist of no fewer than three (3) people. The names and addresses of the initial directors are:

Dallas Page, 3159 Redwood Avenue, Grants Pass, OR 97527

John Schleining, 3140 Juanipero Way, Suite 201, Medford OR 97504

Rob Patridge, 3140 Juanipero Way, Suite 201, Medford OR 97504

Article 5: The name(s) and address(es) of the incorporator(s):

Dallas Page, 3159 Redwood Avenue, Grants Pass, OR 97527

Article 6: The mailing address of the corporation shall be:

3159 Redwood Avenue, Grants Pass, OR 97527

Article 7: The corporation (☒ does ☐ does not) have voting members.

Article 8: Upon dissolution the assets shall be distributed:

To the members pro rata.

Signatures of all incorporators:

Dallas Page

Typed Name:

Typed Name:

Typed Name:

Typed Name:

Typed Name:

Customer Acct #: 1660

(if using pre-paid account)

Secretary of State use only

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Revised 07/2002

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IDAHO SECRETARY OF STATE

08/07/2007 05:00

CK: 19932 CT: 1660 BN: 1069444

1 @ 30.00 = 30.00 INC MONY # 2

Web Form:

Instrument # 2092582

JEROME COUNTY, JEROME, IDAHO

5-27-2009 03:45:34 No. of Pages: 8

Recorded for: LAND TITLE & ESCROW

MICHELLE EMERSON Fee: 18.00

Ex-Officio Recorder Deputy

Burch

Recording Requested By and
When Recorded Return to:

Lazy T Ranch Estates Homeowner's Association, Inc
c/o Kevin Boer, President

Jerome, Idaho 83338

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

**FIRST AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
LAZY T RANCH ESTATES**

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LAZY T RANCH ESTATES ("First Amendment") is made to that certain Declaration of Covenants, Conditions and Restrictions for Lazy T Ranch Estates, recorded November 26, 2007, as Instrument No. 2077041, Official Records of Jerome County, Idaho ("Declaration"), as follows:

1. Pursuant to Section 12.1 of the Declaration, the President and Secretary certify that at least seventy-five percent (75%) of the total voting power of each class of membership of the Association and a majority of the total votes of all Members do hereby approve this First Amendment.

2. The first paragraph of Section 1.5 of the Declaration is deleted in its entirety and amended as follows:

1.5 Phase I. That portion of the real property described in Exhibit B attached hereto, the first portion of the Real Property to be made subject to this Declaration. Notwithstanding the foregoing, only the Owners of Lots 1, 2, 3, 4, 5, 40, 42, 43, 44, 45, 46, 48, 49, 50, 51, 52, 53, 55, 56, 57, 58, 59, 60 and 89 of Lazy T Ranch Estates, as the same is platted in the official plat recorded October 22, 2007 as Instrument Number 2076415, records of Jerome County, Idaho, shall be members of the Association.

3. The second paragraph of Section 1.5 of the Declaration is deleted in its entirety and amended as follows:

Phase II. That portion of the real property described in Exhibit C attached hereto, the second portion of the Real Property to be made subject to this Declaration.

First Amendment to Declaration of Covenants, Conditions and Restrictions Lazy T
Ranch Estates - 1

41185 0022 1381658 2

Notwithstanding the foregoing, only the Owners of Lots 6, 7, 8, 9, 10, 11, 12, 32, 33, 34, 35, 37, 38, 39, 61, 62, 63, 64, 65, 78, 79, 80, 81, 82, 83, 85, 86, 87, 88, 91, 92, 93, 94, 95, 96, 97, 98, 99 and 100 of Lazy T Ranch Estates, as the same is platted in the official plat recorded October 22, 2007 as Instrument Number 2076415, records of Jerome County, Idaho, shall be members of the Association.

4. The third paragraph of Section 1.5 of the Declaration is deleted in its entirety and amended as follows:

Phase III. That portion of the real property described in Exhibit D attached hereto, the third portion of the Real Property to be made subject to this Declaration. Notwithstanding the foregoing, only the Owners of Lots 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76 and 77 of Lazy T Ranch Estates, as the same is platted in the official plat recorded October 22, 2007 as Instrument Number 2076415, records of Jerome County, Idaho, shall be members of the Association.

5. Section 3.4(a) of the Declaration is hereby deleted in its entirety and amended as follows:

(a) Members Entitled to Vote. Each Member shall be entitled to one (1) vote per Lot. When more than one person owns a Lot, all Owners shall be members of the Association. However, the vote for each Lot must be cast as a unit, and 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 in question. If any Owner (or Owners) casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that such Owner(s) was acting with the authority and consent of any other Owners of said Lot. The right to vote may not be severed or separated from the Lot ownership to which it is appurtenant, and any sale, transfer, or conveyance of such Lot to a new Owner or Owners shall operate to transfer the appurtenant vote without the requirement of any express reference thereto.

6. Section 9.1(b)(4) of the Declaration is hereby deleted in its entirety and amended as follows:

First Amendment to Declaration of Covenants, Conditions and Restrictions Lazy T Ranch Estates - 2

(4) Voting rights relating to membership in the Association will continue to be allocated on the basis of one (1) vote for each Lot; provided that this provision shall not limit the establishment of any sub-associations or the determination of voting rights in such sub-associations as it relates to the particular area of the Real Property being annexed.

7. Section 12.1 of the Declaration is hereby deleted in its entirety and amended as follows:

12.1 Procedure. Except as otherwise specifically set forth herein, this Declaration may be amended by an instrument in writing signed and acknowledged by the President and Secretary of the Association, certifying that such amendment was approved by at least seventy-five percent (75%) of the Members of the Association. Provided that, the Declarant shall have the power and authority to amend this Declaration when required by a governmental agency as a condition to obtaining a permit.

8. The Real Property in Phase II shall be annexed to and subject to the Declaration and each Owner of a Lot in Phase II shall be a Member of the Association.

9. Except as set forth in this First Amendment, any and all references in the Declaration to different classes of membership for the purposes of voting in the Association shall be disregarded as there is only one class of membership in the Lazy T Ranch Estates Homeowner's Association, Inc.

10. Capitalized terms not otherwise specifically defined in this First Amendment shall have the meanings as otherwise ascribed to such terms in the Declaration.

11. Except as amended or modified hereby, the Declaration shall remain in full force and effect.

12. By signing below, the President and Secretary of the Lazy T Ranch Estates Homeowner's Association, Inc., an Idaho non-profit corporation, certify this First Amendment was approved by the members representing at least seventy-five percent (75%) of the total voting power of each class of membership and a majority of the total votes of all Members of the Association.

IN WITNESS WHEREOF, this First Amendment is hereby executed and effective
this 16th day of January, 2009.

LAZY T RANCH ESTATES
HOMEOWNER'S ASSOCIATION, INC.

By: 

Name: Kevin Boer

Title: President

By: 

Name: Greg Pence

Title: Secretary

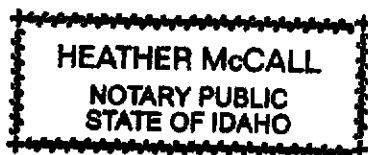
STATE OF IDAHO)

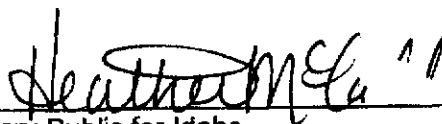
) ss.

County of Jerome)

On this 16th day of February 2009, before me,
Heather McCall, a Notary Public in and for said State,
personally appeared Kevin Boer, known or identified to me to be the President of Lazy T
Ranch Estates Homeowner's Association, Inc., the corporation that executed the within
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 this certificate first above written.




Notary Public for Idaho
Residing at Fuller
My commission expires 10/1/2012

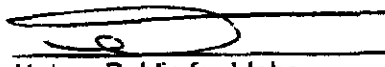
First Amendment to Declaration of Covenants, Conditions and Restrictions Lazy T
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STATE OF IDAHO)
) ss.
County of Canyon)

On this 4th day of February, 2009, before me,
Missy Walker-Sitts, a Notary Public in and for said State,
personally appeared Greg Pence, known or identified to me to be the Secretary of Lazy
T Ranch Estates Homeowner's Association, Inc., the corporation that executed the
within 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 this certificate first above written.





Notary Public for Idaho
Residing at Wilden Id
My commission expires 11/18/2010

ACKNOWLEDGED AND CONSENTED TO:

DECLARANT:

JACQUELINE ESTATES, LLC

By: 

Name: Robert W. Patridge

Title: Manager

STATE OF OREGON)

) ss.

County of Jackson)

On this 20TH day of January, 2009, before me,
JESS HART, a Notary Public in and for said State,
personally appeared Robert W. Patridge, known or identified to me to be the manager
of Jacqueline Estates, LLC, or the person who executed the instrument on behalf of
said limited liability company and acknowledged to me that such limited liability
company executed the same.

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




Notary Public for Oregon

Residing at MEDFORD, OR

My commission expires 03/27/2010

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