

**DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS
TIMBER RIDGE SUBDIVISION**

For Platted Lands in Sections 8 and 9, Township 19 North, Range 2 East, Boise, Meridian, Adams County, Idaho.

THIS DECLARATION made this 21st day of August, 1995, by H.P.L. PARTNERS, a California Limited Partnership, duly registered in the State of Idaho, hereinafter called "Declarant".

WHEREAS Declarant is the owner of the real property described in Article II of this Declaration and desires to create thereon a residential community; and,

WHEREAS Declarant desires to provide for the preservation of the values and amenities in said Community, and to this end, desires to subject the real property described in Article III to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are intended for the mutual benefit of said property and of each owner of a portion thereof;

NOW, THEREFORE, the Declarant declares that the real property in Article III, and such additions thereto as may be made pursuant to Article III hereof, is and shall be held, transferred, sold, conveyed and occupied subject to covenants, conditions, easements, charges, and liens hereinafter set forth.

ARTICLE I

DECLARATION

Declarant hereby declares that each lot, parcel or portion of Timber Ridge Subdivision, is and shall be held, sold conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms, covenants, conditions, easements and restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms, covenants, conditions, easements and restrictions set forth herein: (i) shall run with the land constituting the Property, and shall be binding upon all persons having or acquiring any right, title or interest in the Property or any lot, parcel or portion thereof; (ii) shall inure to the benefit of every lot, parcel or portion of the Property and interest therein; (iii) shall inure to the benefit of and be binding upon Declarant, Declarant's successor in interest and each grantee or Owner and such grantee's or Owner's respective successors in interest; and, (iv) may be enforced by Declarant, by any Owner or such Owner's successors in interest, or by the Association as hereinafter described.

Notwithstanding the foregoing, no provision of this Declaration shall be construed as to prevent or limit Declarant's right to complete development of the Property and to construct improvements thereon, nor limit Declarant's right to maintain model homes, construction, sales, or leasing offices or similar facilities (temporary or otherwise) on any portion of the Property, nor Declarant's right to post signs incidental to construction, sales or leasing activities.

ARTICLE II

DEFINITIONS

2.01 Architectural Control Committee: The term "Architectural Control Committee" shall mean the committee created pursuant to Article VIII.

2.02 Articles: "Articles" shall mean the Articles of Incorporation of the Association or other organizational or charter documents of the Association.

2.03 Assessments: "Assessments" shall mean those payments required of Association Members, including Regular, Special and Limited Assessments of the Association as further defined in this Declaration.

2.04 Association: "Association" shall mean the Timber Ridge Property Owners' Association.

2.05 Association Rules: "Association Rules" shall mean those rules and regulations promulgated by the Association governing conduct upon and use of the Property under the jurisdiction or control of the Association, the imposition of fines and forfeitures for violation of Association Rules and regulations, and procedural matters for use in the conduct of business of an Association.

2.06 Board: "Board" shall mean the Board of Directors or other governing board or individual, if applicable, of the Association.

2.07 Bylaws: "Bylaws" shall mean the Bylaws of the Association

2.08 Committee: The term "Committee" shall mean the Architectural Control Committee.

2.09 Common Areas and Facilities: The term "Common Areas and Facilities" shall mean all real property, fixtures, personal property and improvements owned, leased or otherwise held now or in the future by the Association, including but not necessarily limited to the following:

Lots 18 and 29 as depicted on the final plat of the subdivision;

2.10 Community: The term "Community" as used herein shall refer to the Existing Properties considered as a whole.

2.11 Declarant: The term "Declarant" shall mean H.P.J. Partners, a California limited Partnership, or its successors in interest, or any person or entity to whom rights under this Declaration are expressly transferred by H.P.J. Partners.

2.12 Declaration: The term "Declaration" shall mean this Declaration of Protective Covenants, Conditions and Restrictions contained herein.

2.13 Development: The term "Development" shall include the Existing Properties and any additional lands brought within the scheme of this Declaration.

2.14 Dwelling, Dwelling Units: The terms "Dwelling" and "Dwelling Units" are interchangeable and shall mean any building or portion thereof located on a parcel and designed and intended for use and occupancy as a single family residence.

2.15 Existing Properties: The term "Existing Properties" shall mean that real property described in Article III.

2.16 Improvements: The term "Improvements" shall include buildings, buildings, roads driveways, parking areas, fences, screening walls, retaining walls, decks, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs and other structures or landscaping improvements of every type and kind.

2.17 Lot: The term "Lot" shall mean any parcel of real property designated for single family residential use on the Recorded Plat of the Existing Properties.

2.18 Owner: The term "Owner" shall refer to that person or entity or those persons entities who hold the ownership interest in any Lot as shown on the records of the County Recorder, Adams County, Idaho; such term shall also include any person, persons, entity or entities who succeed to such recorded interest by any means, including buyers under executory contracts of sale and excluding those holding an interest merely as security for the performance of an obligation.

2.19 Record, Recorded: The term "Record" or "Recorded" shall mean, with respect to any documents, the recordation of said document in the Office of the County Recorder, Adams County, Idaho.

2.20 Residence: The term "Residence" shall mean a building or buildings, including any garage, carport or similar outbuilding, used for residential purposes.

2.21 Single Family Residential Use: The term "Single Family Residential Use" shall mean the occupation and use of a single family dwelling in conformity with this

Declaration and any requirements imposed by applicable zoning laws or other state or municipal agencies, rules or regulations.

2.22 Structure: The term "Structure" shall include buildings, outbuildings, roads, driveways, parking areas, fences, walls, stairs, decks and poles.

ARTICLE III

PROPERTY SUBJECT TO THIS DECLARATION

3.01 Existing Property: The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this declaration is located in Adams County, Idaho, and is more particularly described as follows:

See Exhibit "A" attached hereto

All of the above-described property shall hereinafter be referred to as "Existing Property."

3.02 Additions to Existing Property: The Declarant, and its assigns, shall have the right to bring within the scheme of this Declaration additional lands in Adams County, Idaho, in future stages of the Development.

The additions authorized under this section shall be made by filing of record a Supplementary Declaration of Protective Covenants with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property. Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as not inconsistent with the scheme of this Declaration. In no event however, shall such Supplementary Declaration revoke, modify or add to the covenants and restrictions established by this Declaration within the Existing Properties. Upon recordation of such Supplementary Declaration, the additions authorized under this section shall thereafter be treated in all respects as Existing Properties.

No permission shall be necessary from the owners of Existing Property before the Declarant may bring such lands within the scheme of this Declaration.

ARTICLE IV

PROTECTIVE COVENANTS

4.01 Land Use and Living Units: All of the subject lots in the Existing Property shall be used and occupied solely for single family residential purposes or agricultural purposes, as allowed herein. Pending sale of Declarant's lots, and regarding lots otherwise owned which are placed under Declarant's management, Declarant and

Declarant's successors may engage in agricultural activities on such lots, including but not limited to crop or hay production, grazing and/or timber harvesting. Nothing in these Covenants shall be viewed as limiting or prohibiting Declarant's right to do so and to thereby, qualify for an agricultural or timber exemption for Adams County ad valorem tax purposes. None of the subject lots or parcels shall be split, divided or subdivided into a smaller lots or parcels than indicated on the Record Plat of Timber Ridge Subdivision property, in the office of the County Recorder of Adams County, Idaho. All single family residences shall be subject to the following conditions and limitations:

A. No buildings other than one detached residence, a private garage for the use of the occupants of such residence, and such other usual and appropriate outbuildings strictly incidental and appurtenant to a private residence, or the care and keeping of livestock, shall be erected or maintained on any parcel. No use whatsoever shall be made of any parcel herein other than as the site and grounds of a private residence. The term "private residence" as used herein is intended to exclude every form of multi-family dwelling, boarding or lodging house, and the like, but is not intended to exclude a guest house for the entertainment of social guests, or servants or caretakers' quarters for persons employed upon the premises, if such guest housing is allowed by applicable Adams County Ordinances. There shall not be more than a maximum of four (4) buildings allowed on any lot.

B. No structure of a temporary character, to specifically include mobile homes, basement, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently except during the period of construction as defined and limited by Article VIII; nor shall any residential structure be moved on to any lot from any other location, unless the prior written approval of the Architectural Control Committee is obtained, such approval to be obtained in the same manner as for new construction.

C. Visitors and guests may park a camper, motor home or trailer in the Subdivision for a reasonable term, not to exceed two weeks consecutive duration nor more than a total of forty-five (45) days each calendar year, except with special permission of the Architectural Control Committee.

D. A residence shall contain a minimum of 1,000 square feet of total living area; and, all construction must be of good quality and done in a good workmanlike manner.

E. All buildings shall be placed within the "building envelopes" depicted on the Subdivision's site plan, and shall not in any case be located within fifty (50) feet of a street right-of-way or within fifty (50) feet of an adjoining property line, except may be within twenty (20) feet of a perimeter property line.

Provided, the property line setbacks on Lots 7, 22, and Lots 27 through 36 shall be thirty (30) feet from adjoining property lines.

F. No improvements which will be visible above ground or which will ultimately affect the visibility of any above ground improvement shall be built, erected, placed or materially altered on or removed from the Property unless and until the building plans, specification, and plot plan or other appropriate plans and specifications have been reviewed in advance by the Architectural Committee, and the same have been approved in writing. The procedures for review are as more fully set forth in Article VIII. The review and approval or disapproval may be based upon the following factors: size, height, design and style elements, mass and form, topography, setbacks, finished ground elevations, architectural symmetry, drainage, color, materials, physical or aesthetic impacts on other properties, artistic conformity to the terrain and other improvements on the Property, and any and all other factors which the Architectural Committee, in its reasonable discretion, deems relevant. Said requirements as to the approval of the architectural design shall apply only to the exterior appearance of the improvements. This Declaration is not intended to serve as authority for the Architectural Committee to control the interior layout or design of residential structures except to the extent incidentally necessitated by use, size and height restrictions.

G. Detached garages, guest quarters, barns, outbuildings and storage sheds shall be allowed if in conformity with the provisions of this Declaration and the applicable ordinances of Adams County. Garages, storage sheds, patio covers, and detached patio covers, shall be constructed of, and roofed with, the same or compatible materials, and with similar colors and design, as the residential structure on the applicable Lot if such improvements are visible from a public or private street or adjacent Lots.

H. All access driveways shall have a wearing surface approved by the Architectural Committee and shall be graded to assure proper drainage. Where driveways intersect County roads, design approval of the approach shall be obtained from the Adams County Building Inspector. A ten (10) foot setback from property lines shall be required.

I. Each residential structure shall have a street number discreetly placed at or near the street entrance to the Lot. All mailboxes and stands, if any, will be of consistent design, material and coloration.

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

excessive brightness shall be avoided. For instance, flood lights, during snowfall is fine, while during a clear dark night ruins stargazing.

K. The maximum height of any building shall be in compliance with the applicable Adams County land use or zoning ordinances, but shall not exceed thirty-two (32) feet in height, measured from finished grade, adjacent to the highest point of any roofline.

L. Roofs shall be required to be of pitched design and shall be covered with non-flammable materials (e.g. non-reflective metal or tile). Fire retardant wood shingles or shakes shall be discouraged, but may be used with prior consent of the Architectural Committee.

M. No exterior surfaces of any structure shall be painted other than earth tones (excluding trim) and no reflective roofing material may be exposed on any lot. All exterior walls of any structure shall be of natural materials such as wood, stained wood, rock or brick, but may be a manufactured product, such as wood manufactured siding. Prior to construction, samples of such materials must be approved by the Architectural Control Committee.

N. TV Satellite dishes (larger than 24 inches) should be screened from view of the road and other homes, if possible, and be first approved by the Architectural Control Committee.

4.02 Common Areas: The common areas shown on the recorded plat of the subdivision are provided for the use and enjoyment of the community of Timber Ridge Subdivision and their immediate families only. Ownership of the common areas shall be transferred from the Declarant to the Association, which shall be responsible for the maintenance, upkeep and preservation of such areas.

Control of the use of these common areas is vested in the Board, which may promulgate rules regarding the use of such areas and which may suspend or revoke an owner's right of use of such areas for violations of such rules.

Use of the common areas shall be at the user's own risk, and by the use thereof, said user assumes such risk. The Board shall be entitled to promulgate reasonable rules and regulations regarding use of Lots 18 and 29, which are intended to provide non-motorized access from the subdivision to the adjoining public lands. No motorized vehicles of any kind shall be allowed or used within or on said parcels.

4.03 Landscaping: All lots shall be properly cared for at all times so as to maintain a good appearance to the public view. The owner of each such lot, upon erecting a single family residence or other approved structure thereon, shall provide and maintain minimal natural landscaping on the rear and side portions of the lot as well as the front lot area. All disturbed areas shall be re-established with native vegetation. In

the event of neglect to properly maintain and care for any such lot, or to provide for such minimal landscaping, the Architectural Control Committee shall have the right, but shall have no obligation, to have the necessary work performed on any parcel to keep it from presenting an unsightly appearance, the charges for work so performed to be billed to, and paid for, by the owner or owners of such lot and become a lien upon the property.

All landscaping, exterior structure surfaces, dimensions, and location on the lot shall be approved by the Architectural Control Committee, prior to commencement of any work thereon. Planting trees is encouraged on Lots without trees. Proper planning is required so matured trees do not unreasonably block the views of adjacent lot owners. No structure or landscaping shall be approved which shall detract from the attractiveness or desirability of the Timber Ridge Subdivision.

4.04 Animals: Except as hereinafter provided, no animals, livestock or poultry of any kind shall be raised, bred or kept on any lot in the Development other than dogs, cats or other household pets, provided that the same are not kept, bred or maintained for commercial purposes. No more than two (2) adult dogs will be allowed per lot. The same shall not be allowed to run at large and must be kept and maintained upon the property of the owner thereof. Idaho Code allows for the destruction of dogs if chasing cattle or livestock.

Horses, llamas, cows, steers or other "large" animals may be kept and maintained on any lot; provided no more than a maximum total of four (4) such "large" animals and six (6) "small" non-domesticated animals (e.g., goats or sheep) may be kept and maintained on any lots under 5.0 acres in size. Lot owners may exchange 1 large for 3 small animals with a maximum of nine (9) small animals.

For each additional acre over 5.0 acres, one (1) large or three (3) small animals may be added per acre. A maximum of seven (7) large or fifteen (15) small animals is allowed on any lot over eight (8) acres in size. (Lots 31 through 39 shall use the under 6.0 acre guidelines).

Special arrangements may be made for one or two lot owners to provide horse boarding for members of the association. Approval from the Architectural Control Committee shall be required for any variations from these guidelines.

These restrictions on animals shall not apply to lots owned by Declarant or Declarant's successors or to lots otherwise owned which are placed under Declarant's management.

4.05 Garbage, Refuse Disposal and Storage of Materials

A. No parcel shall be used or maintained as a dumping ground for rubbish, trash, junk or other waste materials. All such waste of this nature must be kept in sanitary containers out of sight of the street and secure from access by

domestic or wild animals and must be removed from the parcel at least once each week. All equipment for the storage or disposal of such waste material shall be maintained in a clean and sanitary condition at all times.

B. All snowmobiles, extra vehicles, boats, boat trailers, travel trailers, camper trailer, motor homes, automotive campers or any other similar property stored on any lot shall be stored on the rear portion of such lot, and, if such storage is intended to be of a permanent nature, said property shall be stored in an enclosed building of permanent design.

C. No building materials of any kind shall be placed or stored upon any lot until the owner thereof is ready and able to commence construction, and then such materials shall be placed and kept neatly within the property lines of such lot.

D. No burning of any household garbage, trash or other noxious refuse shall be permitted on any lot unless in a contained structure with spark eliminator (Note: extreme caution during fire season). Any other burning shall take place only with proper notification to the New Meadows Rural Fire Department and any other agency or authority with jurisdiction. The policies, practices and instructions of such entity shall be strictly followed.

4.06 Nuisances: Discharge of firearms is strictly prohibited and no one shall perform in said community any activity which is noxious or offensive or an annoyance or nuisance to the owner of any lot, or involves the pollution of the earth or water of, or the air over, any part of the Development, or creates noxious, offensive, annoying, or dangerous odors or noises or visual or tactile conditions, or creates or leaves a residue of non-degradable substances.

4.07 All Terrain Vehicles: Except as associated with agricultural activities, all terrain vehicles, snow machines, motorcycles and other similar motorized vehicles may be operated within the Subdivision only for direct ingress and egress from the owner's lot to areas outside of the Subdivision, and must obey posted speed limits and be courteous to horseback riders. Whether a violation of this sub-paragraph has occurred shall be determined by the Board or the Architectural Control Committee.

4.08 Prohibited Lot Uses:

A. There shall be no mining, smelting or milling of ores or similar mineral operations within the Community.

B. No outdoor privy or any common cesspool shall be installed on any lot at any time.

C. Nothing shall be done or kept on any lot by any person which will increase the rate of insurance on any other lot or which will result in the cancellation of any insurance or which constitutes a violation of any law.

D. No excavation shall be made on any parcel except as is necessary for the erection of approved structures, in which case the same shall be properly filled within thirty (30) days of the completion of the underground work.

4.09 Utilities: The Declarant shall provide underground electrical power service to the Community as a whole. The purchaser and owner of each parcel agrees to use the service so provided. Private electrical generating systems shall not be permitted for domestic electrical service, except as a backup system in case of primary electrical service failure. Solar panels are allowed but need to be approved by the Architectural Control Committee. All electrical power lines, telephone lines and other utility service lines shall be underground from each individual parcel line to the point of use on each parcel. Overhead lines and utility poles shall not be permitted, except during the construction phase.

4.10 Weed Control: All lot owners shall conform to the county ordinances and state laws relating to noxious weed control and if they fail to do so the Association or Architectural Committee, or their agents, shall have the right to come on the property and do what is necessary to make the property conform to such laws and ordinances at the lot owner's expense.

4.11 Signs: No signs of any kind containing more than six (6) square feet shall be displayed to the public view on any lot. The entrances to the area shall be signed in such a manner as to advise hunters and motorists of a residential community. One sign, identifying the Contractor during construction or advertising a house or lot for sale shall be permitted per lot. The sign shall not be placed more than 48" above the prevailing ground plane, nor closer than twenty (20) feet to a street or road right-of-way.

4.12 Sight Distance at Intersections: No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner lot within fifty (50) feet from the property corners.

No trees shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

4.13 Fences: No fence, wall or hedge higher than four (4) feet, six (6) inches shall be erected or maintained on said lots or any thereof, save and except, however, with the consent in writing of all adjoining lot owners, first had and obtained, a fence, wall or hedge higher than 4 1/2 feet, but in no event higher than six (6) feet in height may be

erected and maintained on any lot. Provided, however, this section is subject to the limitations set forth in Section 4.12 above.

Timber Ridge Association shall maintain all fences on the perimeter of the Subdivision. The Subdivision is surrounded by cattle ranchers. Both interior and exterior Lot owners benefit by keeping the cattle out. The steel post wire fence that borders the Payette National Forest is a "drop fence" and will be dropped for snow by November 1st and stood back up by June 1st each year.

All exterior, interior or cross fencing shall first be approved by the Architectural Control Committee.

4.14 Goose Creek Canal/Campbell Ditch, Lots - 2, 3, 10, 11, 47, 48: The Goose Creek Canal/Campbell Ditch has been a long standing irrigation canal for many ranches in the Meadows Valley. Adjoining lots and the Timber Ridge Subdivision have no water rights to the canal. A fifty foot (50') easement as shown on the plat, is for periodic maintenance to clean the canal. A backhoe or cat will scrape the silt and debris from the bottom of the canal and either deposit along the bank or haul off to an off-site location. Lot No. 3 shall maintain an entrance gate and twenty-foot (20') easement from Wallace Lane to the canal as shown on the plat. Fences shall be installed a minimum of twenty feet (20') from the top edge of the canal's bank on the west side (Lots 2, 3 and 10) and ten feet (10') from the top edge of the canal's bank on the east side (Lots 2, 11, 47 and 48). No Lots may build any permanent bridge or structure across the canal. Lot No. 2 may build a removable footbridge for people or animals only, upon prior approval from the Architectural Control Committee. Any Lot owners who have animals must first fence off their property so as no animals can enter or cross the canal.

4.15 Drainage: There shall be no interference with the established drainage pattern over any portion of the Property, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Committee. For the purposes hereof, "established" drainage is defined as the system of drainage, whether natural or otherwise, which exists at the time the overall grading of any portion of the Property is completed by Declarant, or that drainage which is shown on any plans approved by the Architectural Committee.

4.16 Irrigation Easements: All irrigation easements as shown on the plat of record are subject to periodic maintenance. Headgates, culverts and points of diversion may be installed only with prior approval from the Architectural Committee, or the Timber Ridge Water Master.

Fences that cross through an irrigation easement shall have a minimum ten foot (10') access gate installed. Access to irrigation easements shall be limited to those Lot owners who have a point of diversion or headgate on another Lot that directly controls their water and/or an appointed Water Master.

4.17 Parking: Parking shall be accommodated on Lots with no Owner parking of vehicles allowed on private or public streets. The improvements on each Lot shall provide at least a two-car garage.

4.18 Exemption of Declarant: Nothing contained herein shall limit the right of Declarant to complete excavation, grading and construction of improvements to and on any portion of the Property owned by Declarant or to construct such additional improvements as Declarant deems advisable in the course of development of the Property, so long as any Lot in the Property remains unsold. Such right shall include, but shall not be limited to, erecting, constructing, and maintaining on the Property, such structures and displays as may be reasonably necessary for the conduct of Declarant's business of completing the work and disposing of the same by sale, lease or otherwise. Declarant shall have the right at any time prior to acquisition of title to a Lot by a purchaser from Declarant to grant, establish and/or reserve on that Lot additional licenses, reservations and rights-of-way to Declarant, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property. Declarant may use any structures owned by Declarant on the Property as model home complexes or real estate sales or leasing offices. Declarant need not seek or obtain Architectural Committee approval of any improvement constructed or placed by Declarant or an affiliate of Declarant on any portion of the Property owned by Declarant or an affiliate of Declarant. The rights of Declarant hereunder may be assigned by Declarant to any successor in interest in connection with Declarant's interest in any portion of the Property by an express written assignment recorded in the Office of the Adams County Recorder.

4.19 Wetlands: The designated wetlands within the Subdivision shall be treated and managed in accord with regulations of the United States Army Corp of Engineers. No construction other than fences will be allowed in wetlands areas except construction which is approved by the U.S. Army Corp of Engineers.

4.20 Tree Cutting: Any Owners who plan to commercially harvest timber on their lot(s) shall be required to follow the Timber Ridge Forest Management Plan dated June 23, 1995. The cutting of any live trees more than six (6) inches in diameter shall require the prior approval from the Architectural Control Committee.

ARTICLE V

TIMBER RIDGE PROPERTY OWNERS' ASSOCIATION

5.01 Organization: The Timber Ridge Property Owners' Association (Association) shall be initially organized by Declarant as an Idaho, non-profit corporation. The Association is charged with the duties and vested with the powers prescribed by law and set forth in the Articles, By-Laws, and this Declaration. Neither the Articles nor By-Laws shall, for any reason, be amended or otherwise changed so as to be inconsistent with this Declaration. In the event that there should exist any ambiguity in any provision of the

Articles or By-Laws, then such provision shall be construed, to the extent possible, so that such provision shall be interpreted so as to be consistent with the provisions of this Declaration.

5.02 Membership: Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the fee ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership. Transfer of a Lot shall automatically transfer membership in the Association.

5.03 Voting Rights: The Association shall have one (1) class of voting members, which shall consist of all Owners, who shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be entitled to all rights and privileges of membership. The vote for such Lot shall be exercised as its Owners collectively determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

5.04 No Fractional Votes; No Severance of Voting Rights: Fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes should be cast shall lose their right to vote on the matter being put to a vote. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that such Owner was acting with authority and consent of all joint Owners of the Lot(s) from which the vote derived. The right to vote may not be severed or separated from the ownership of the Lot to which it is appurtenant, except that any Owner may give a revocable proxy, or may assign such Owner's right to vote to a lessee, mortgagee, beneficiary or contract purchaser of the Lot concerned, for the term of the lease, mortgage, deed of trust or contract. Any sale, transfer or conveyance of such Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the Owner, subject to any assignment of the right to vote to a lessee, mortgage, or beneficiary as provided herein.

5.05 Board of Directors and Officers: The affairs of the Association shall be conducted and managed by the Board of Directors ("Board") and such officers as the Board may elect or appoint, in accordance with the Articles and By-Laws, as the same may be amended from time to time. The Board of the Association shall be elected in accordance with the provisions set forth in the Association By-Laws.

5.06 Powers and Duties of Association:

A. Powers: The Association shall have all the powers of a corporation organized under the non-profit corporation laws of the State of Idaho subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws, and Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under Idaho law and under this Declaration, and the

Articles and By-Laws, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Association's affairs and the performance of the other responsibilities herein assigned, including, without limitation:

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

(2) Right of Enforcement: The power and authority from time to time in its own name, on its own behalf, or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or the Articles or the By-Laws, including the Association Rules adopted pursuant to this Declaration, and to enforce by injunction or otherwise, all provisions hereof.

(3) Delegation of Powers: The authority to delegate its powers and duties to committees, officers, employees, or to any person, firm or corporation. Neither the Association nor the members of its Board shall be liable for any omission or improper exercise by any person or entity of any such duty or power so delegated.

(4) Association Rules: The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the Association deems reasonable. Provided, however, that any Association Rules shall apply equally to all Owners and shall not be inconsistent with this Declaration, the Articles or By-Laws. 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 they were set forth in and were a part of this Declaration. In the event of any conflict between such Association Rules and any provisions of this Declaration, or the Articles or By-Laws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the By-Laws to the extent of any such inconsistency.

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

Owner as practicable, and any damage caused thereby shall be repaired by the Association.

(6) Duties: In addition to duties necessary and proper to carry out the powers delegated to the Association by this Declaration, and the Articles and By-Laws, without limiting the generality thereof, the Association or its agent, if any, shall have the authority and the obligation to conduct all business affairs of the Association and to perform, without limitation, each of the following duties:

(a) Insurance: Obtain insurance from reputable insurance companies authorized to do business in the State of Idaho, and maintain in effect any insurance policy the Board deems necessary or advisable, including, without limitation, directors and officers liability insurance.

(b) Rule Making: Make, establish, promulgate, amend and repeal such Association Rules as the Board shall deem advisable.

(c) Architectural Committee. Appoint and remove members of the Architectural Committee, subject to the provisions of this Declaration.

ARTICLE VI

ASSESSMENTS

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

A. Assessment Constitutes Lien: Such Assessments and charges together with interest at a rate established by the Board, costs and reasonable attorney's fees which may be incurred in collecting the same, shall be a charge on the land and shall be a continuing lien upon the lot against which each such Assessment or charge is made.

B. Assessment is Personal Obligation: Each such Assessment, together with interest at a rate established by the Board, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such property beginning with the time when the Assessment falls due. The personal obligation for delinquent Assessments shall remain such Owner's personal obligation regardless of whether he remains an Owner.

6.02 Regular Assessments: All Owners, including the Declarant, are obligated to pay Regular Assessments to the Association on a schedule of payments established by the Board.

A. Purpose of Regular Assessments: The proceeds from Regular Assessments are to be used to pay for all costs and expenses incurred by the Association, and the Architectural Control Committee, including legal and attorney's fees and other professional fees, for the conduct of their affairs.

B. Computation of Regular Assessments: The Association shall compute the amount of its Expenses on an annual basis. The initial assessment shall be One Hundred and 00/100 Dollars (\$100.00) per year, payable on or before the first day of the year, commencing in 1996, to become a lien on the lot if not paid by February 28 of the same year. Thereafter, the computation of Regular Assessments shall take place not less than thirty (30) nor more than sixty (60) days before the beginning of each fiscal year of an Association.

C. Amounts Paid by Owners: The Board can require, in its discretion or as provided in the Articles or Bylaws, payment of Regular Assessments in monthly, quarterly, semiannual or annual installments. The Regular Assessment to be paid by any particular Owner, including Declarant, for any given fiscal year shall be computed as follows:

Each Owner shall be assessed and shall pay an amount computed by multiplying the Association's total estimate of annual Expenses, including reserve fund accumulations for common area upkeep and maintenance, by the fraction produced by dividing the Lots attributable to the Owner by the total number of Lots in the Property.

6.03 Special Assessments:

A. Purpose and Procedure: In the event that the Board shall determine that its Regular Assessment for a given calendar year is or will be inadequate to meet the Expenses of the Association for any reason, including but not limited to attorney's fees and/or litigation costs, other professional fees, or for any other reason, the Board thereof shall determine the amount necessary to defray such Expenses and levy a Special Assessment which shall be computed in the same manner as Regular Assessments. No Special Assessment shall be levied without the vote or written assent of a majority of the votes of the Members of the Association, present at a properly scheduled meeting or represented by proxy. The Board shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

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

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

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

6.06 Assessment Period: Unless otherwise provided in the Articles or Bylaws, the Assessment period shall commence on January 1 of each year and terminate December 31 of the year.

6.07 Notice and Assessment Due Date: Ten (10) days prior written notice of Regular and Special Assessments shall be sent to the record Owner of every Lot subject thereto. Regular Assessment or Special Assessment shall become delinquent if not paid within twenty (20) days after the levy thereof. Payment which is delinquent shall accrue interest at eighteen percent (18%) per annum calculated the date of delinquency to and including the date full payment is received by the Association. The Association may bring an action against a delinquent Owner and/or may foreclose the lien against such Owner's Lot as more fully provided herein. Each Owner is personally liable for Assessment, together with all interest, costs and attorney's fees.

6.08 Estoppel Certificate: The Association, upon at least twenty (20) days prior written request shall execute, acknowledge and deliver to the party making such request, a statement in writing stating whether or not, to the knowledge of the Association, a particular Lot Owner is in default under the provisions of this Declaration, and further stating the dates to which any Assessments have been paid by the Owner.

6.09 Special Notice Requirements: Notwithstanding anything to the contrary contained in either the Bylaws or the Articles, written notice of any meeting called for the purpose of levying a Special Assessment, or for the purpose of obtaining a membership vote in connection with an increase in the Regular Assessment, shall be sent to all Members of an Association not less than fifteen (15) days nor more than thirty (30) days before such meeting.

ARTICLE VII

ENFORCEMENT OF ASSESSMENTS; LIENS

7.01 Right to Enforce: Each Owner is and shall be deemed to covenant and agree to pay to the Association each and every assessment provided for in this Declaration; and agrees to the enforcement of all such assessments in the manner herein specified. In the event an attorney or attorneys are employed for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. In addition to any other remedies herein or by law provided, the Board, or its authorized representative, may enforce the obligations of the Owners to pay the assessments provided for in this Declaration, and each of them, in any manner provided by law in equity, or without any limitation of the foregoing, by either or both of the following procedures:

A. Enforcement by Suit: By commencement of a suit at law against any Owner or Owners personally obligated to pay assessments, for such delinquent assessments as to which they are personally obligated. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon as provided for herein, costs of collection, court costs and reasonable attorney's fees in such amount as the Court may adjudge against the delinquent Owner. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien hereinafter provided for.

B. Enforcement by Lien: There is hereby created a claim of lien, with power of sale, on each and every Lot to secure payment to the Association of any and all assessments levied against any and all Owners, together with interest thereon as provided for in this Declaration, fines imposed for violation of these Covenants, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorney's fees. At any time after the occurrence of any delinquency in the payment of any assessment, the Board or any authorized representative thereof may make a written demand on the delinquent Owner for payment. Each delinquency shall constitute a separate basis for a demand, claim of lien or a lien, and any number of defaults may be included within a single demand or claim of lien and any demand or claim of lien or lien on account of prior delinquencies shall be deemed to include subsequent delinquencies and amounts due on account thereof. If such delinquency is not paid within ten (10) days after delivery of such demand, the Board or its duly authorized representative may thereafter elect to file and record a Notice of Delinquent Assessment on behalf of the Association against the Lot of the defaulting Owner. The amount of the assessment, plus any costs of collection, attorney's fees and interest assessed in accordance with this Declaration shall be

a lien on the Owner's Lot from and after the time the Association records the Notice of Delinquent Assessment. Such Notice shall be executed and acknowledged by any officer of the Association and shall contain substantially the following:

1. The claim of lien made pursuant to this Declaration;
2. The name of the record Owner;
3. The legal description of the Lot against which claim of lien is made;
4. The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and attorney's fees (with any proper offset allowed); AND,
5. The name and address of the trustee authorized by the Association to enforce the lien by public sale.

Upon recordation, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such assessment was levied. Such lien shall have priority over all liens or claims created subsequent to the recordation of the Notice. Any such lien may be foreclosed by appropriate action in Court or in the manner provided by the Idaho Code for the foreclosure of a deed of trust with power of sale, or in any other manner permitted by law. The Board is hereby authorized to appoint its attorney, any officer or director of the Association, or any Title Company authorized to do business in Idaho as Trustee for the purpose of conducting such power of sale foreclosure. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Lot Owners and shall secure payment of all sums set forth in the Notice, together with all sums becoming due and payable in accordance with this Declaration after the date of recordation of said Notice. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any Lot.

Each Owner hereby expressly waives any objection to the enforcement and foreclosure of assessment liens in this manner. Upon the timely curing of any default for which a Notice was filed by the Board, the Board shall cause an officer of the Association to file and record an appropriate release of such Notice in the Office of the County Recorder of Adams County, Idaho. No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use or abandonment of his Lot. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of a Notice of Delinquent Assessment, whether judicially, by power of sale, or otherwise, until the expiration of ten (10) days after a copy of said Notice, showing the date of recordation thereof, has been mailed to the Owner of the Lot which is described in such Notice.

ARTICLE VIII

ARCHITECTURAL CONTROL

8.01 Purpose and Theme of Controls: It is the desire of the Declarant that design controls be implemented for all building improvements to insure that the overall excellence of Timber Ridge Subdivision shall be maintained throughout its development. To this end, an Architectural Control Committee (hereinafter referred to as the "Committee" will be established pursuant to Section 8.02 of this Article VIII to guide the site development and design of all structures and to aid the residential home builders to discover the opportunities and limitations of their building sites. All of the residential improvements will be encouraged to offer a diversity of types, sizes and styles of architecture and yet will be required to conform to a total visual homogeneity.

Consistent use of earth tone colors and textures, natural woods and masonry materials will be encouraged to enhance the aesthetic features of the buildings in this mountain environment.

Passive solar design will be encouraged in the buildings where solar access is feasible. Care will be taken to protect solar and visual access rights to each building site.

The discretion hereinafter invested in the Architectural Committee will be exercised towards the end that high standards of workmanship and quality of materials will be maintained throughout the Development and that all improvements will be in harmony with and complement the natural landscape, topography and flora.

8.02 Architectural Control Committee: No building, fence, wall, structure or other improvement shall be commenced, erected, altered, placed or maintained upon any lot nor shall any exterior addition to or change or alteration therein be made, until plans and specifications showing the nature, kind, shape, height, materials and location of the same have been submitted to and approved in writing by the Architectural Control Committee, which shall be composed initially of Hobart L. Alter, Hobart P. Alter and Jeffrey L. Alter. If any member of the Committee resigns or is unable to act, the remaining members shall appoint his or her successor. Pending such appointment, the remaining members shall discharge the functions of the Committee. The Committee shall be comprised of three (3) members, who shall be appointed annually by the Board. A majority of the members shall be necessary for action. Meetings may be held by telephone conference. The Committee shall designate a Chairperson. The Board may elect to act as the Committee.

8.03 Documentation Required for Architectural Approval: No structure or improvement shall be considered or approved by the Committee until the parcel owner has submitted the following information to the Committee:

- A. Two (2) sets of plans and specifications for the proposed improvements:

B. A site plan of the lot showing the location of all existing and proposed improvements, and which also identifies the location, size and type of all trees proposed to be removed;

C. Drawings showing all exterior building elevations;

D. A schedule of exterior materials and colors to be used on the proposed improvement; and,

E. The owner's proposed construction schedule.

8.04 Basis for Approval or Disapproval: The Committee shall give its approval for the requested improvement only if:

A. The owner or applicant shall have strictly complied with the requirements of Section 8.03 hereof;

B. The Committee finds that the plans and specifications conform to the requirements of Article IV of this Declaration, and furthermore that the owner or applicant is in compliance with all of the provisions and requirements of this Declaration in its entirety; and,

C. The Committee, in its sole and reasonable discretion, finds that the proposed improvement is compatible with the theme of this Development and with the purposes and intent of this Declaration as a whole as to quality of workmanship and materials, as to harmony of external design with existing structures, and as to location with respect to topography and finished grade elevations.

The Committee may waive submission of plans and specifications for approval where minor construction or a minor addition to an existing structure is involved which does not appear to materially affect the Development.

8.05 Form of Approval or Disapproval

A. All approvals given under Section 8.04 shall be in writing; provided, however, that as to any request for approval which has not been rejected within thirty (30) days from the date of submission thereof to the Committee, such approval will not be required and the provisions of this Section will be deemed to have been fully complied with.

B. In disapproving any plans and specifications or other documents the Committee shall specify, in writing, the deficiencies it has relied upon in rendering such disapproval and shall give the applicant the right and opportunity to resubmit his plans and specifications or other documents in amended form. The Committee

shall thereafter reconsider such documents as if they were being submitted for the first time.

C. One set of plans and specifications as finally approved or disapproved shall be retained by the Committee as a permanent record.

D. Nothing contained in this Section shall be deemed to relieve the owner of any parcel from complying with all of the provisions of this Declaration or with the provisions of all applicable building codes, zoning regulations, or other governmental regulations or laws governing the lands within this development

8.06 Arbitration: In the event an owner or applicant disputes the decision of the Committee, said dispute shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then in effect unless the Committee and the owner or applicant mutually agree otherwise. The arbitrators shall be governed and guided in their decision by this Declaration. If so, the award rendered by the arbitrators shall be final and shall be binding upon the parties to the same extent as if it had been rendered by a judge of a competent court. The owner or applicant shall file demand for arbitration with the committee and with the American Arbitration Association. Such demand shall be made within a reasonable time after the dispute in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings on such dispute would be barred by the applicable statute of limitations.

8.07 Proceeding with Work: Upon receipt of approval from the Committee pursuant to Section 8.05 above, the owner shall, as soon as practicable, satisfy all the conditions thereof and diligently proceed with the commencement and completion of all construction, reconstruction, refinishing, alterations and excavations authorized by such approval, said commencement to be in all cases within one (1) year from the date of such approval. If the owner shall fail to comply with this Section, the approval given pursuant to Section 8.05 shall be deemed revoked, unless the Committee upon written request of the owner made prior to the expiration of said one (1) year period extends the time for such commencement. No such extensions shall be granted except upon a finding by the Committee that there has been no change in the circumstances upon which the original approval was granted.

8.08 Completion of Construction: The owner shall complete the construction authorized by the approval given in Section 8.05 within two (2) years after commencing construction thereof, except, and only for so long, as such completion is rendered impossible or would result in great hardship to the owner due to strikes, fires, acts of God, unusual wintertime conditions, actual inability of the owner to procure deliveries of necessary material, or by other forces or persons beyond the control of the owner to prevent. Financial inability of the owner or his contractor to secure labor or materials or to discharge liens or attachments shall not be deemed a cause beyond his control.

8.09 Failure to Complete Work: Any construction which is not completed in a good and workmanlike manner, or in substantial conformity to the plans and specifications approved for it by the Committee, within the time limits provided by this Article, and where such failure is not excused by the provisions hereof, shall be deemed a nuisance, and the Committee shall have the right to enter upon the premises and to have such incomplete construction removed or to carry such construction forward to completion, and the costs and expenses incurred in such removal or completion shall constitute a lien upon the property under the Mechanic's Lien Law of the State of Idaho, such lien to attach as of the time of the commencement of the work involved in removing or completing the incomplete construction. Such lien may be enforced in the same manner as provided for the enforcement of mechanic's liens.

ARTICLE IX

ENFORCEMENT

9.01 Persons Entitled to Enforce: The provisions of this Declaration may be enforced by any of the following persons or entities in accordance with the procedures outlined herein:

- A. The Declarant, its successors and assigns;
- B. The Board;
- C. The Committee; and,

D. The owner or owners of any lot adversely affected, but only after each of the aforementioned persons or entities has been given demand to take enforcement action and has failed to do so, may prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any covenant, conditions, or restriction and either to prevent him or her or them from so doing to recover damages or other relief for such violation.

9.02 Methods of Enforcement: Any owner or other persons found or alleged to be in violation of any of the provisions of this Declaration shall be given fifteen (15) days written notice of the nature of the violation and opportunity to correct same. Upon failure of such owner to correct the violation within said fifteen (15) day period, or such further time as may be granted by the entity giving such notice of violation, these covenants may be enforced by any or all of the following means:

- A. Arbitration, if agreed upon by the parties, under the guidelines set forth in paragraph 8.06 above;

B. Legal or equitable action for damages, injunction, abatement, specific performance, foreclosure, rescission or cancellation of any contracts of an executory nature;

C. Eviction for trespass by police action;

D. Action by the Board or the Committee, their agent or employees, to restore the portion of the affected property to the condition in which it is required to be kept by this Declaration; and/or,

E. Levy of fines against the Owner in the amount of \$25.00 per day during which the violation continues.

9.03 Fees and Costs: Any person or association entitled to enforce any of the terms hereof, by any of the means contained herein, who obtains a decree from any court or arbitrator enforcing any of the provisions hereof, or who otherwise prevails in pursuit of its claim, shall be entitled to reasonable attorney's fees and costs incurred in remedying or abating the violation hereof, including fees incurred prior to litigation or arbitration and on appeal.

9.04 Non-Liability for Enforcement of Non-Enforcement: Neither the Board, Committee, nor property owners shall be liable to any person under any of these covenants for failure to enforce any of them, for personal injury, loss of life, damage to property, economic detriment, or for any other loss caused either by their enforcement or non-enforcement. Failure to enforce any of the covenants contained herein shall in no event be deemed a waiver of the right to do thereafter.

ARTICLE X

GENERAL PROVISIONS

10.01 Binding Effect: The various restrictive measures and provisions of these covenants and restrictions are declared to constitute mutual equitable servitudes for the protection and benefit of each parcel in the Community and of the owners thereof and for the benefit of the Community as a whole. Each grantee of a conveyance or purchaser under a contract of sale, by accepting a deed or contract of sale, accepts such subject to all of the covenants, conditions and restrictions set forth in this Declaration and specifically agrees to be bound by each and all of them. Furthermore, each such person acknowledges that the area surrounding the property is rural in character and that its present and future uses do and may include farming (including aerial spraying), ranching, logging, hunting, fishing, and generally all kinds of outdoor activity, including use of trail or ATV vehicles.

10.02 Term and Amendment of Declaration: The covenants, conditions and restrictions of this Declaration shall run with and bind the land for a term of forty (40)

years from the date this Declaration is recorded, after which time, they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument approved by not less than two-thirds of the total votes of the membership of the Association which are eligible to be cast and which are present at a properly scheduled meeting or cast by proxy.

10.03 Effect of Security Interest: None of the provisions of this Declaration shall in any way reduce the security or defeat or render invalid the lien of any mortgage or the title held under any deed of trust now or hereafter replaced on any part of the Community. If, however, any portion of the said property is sold under foreclosure of any mortgage or deed of trust or the power of sale therein, the party acquiring title at such foreclosure or sale and his successors shall hold all property so acquired subject to all of the terms and conditions hereof.

10.04 Severability: Invalidation of any one or more of the covenants, conditions and restrictions contained herein by judgment or otherwise shall in no way affect the validity of any of the other provisions, which shall remain full force and effect.

10.05 Application of Declaration: The provisions of this Declaration shall apply to all parts of the Community, where applicable, and not to just the parcels, and shall further apply to all persons (not just the owner) of any part of the Community property. It shall be the responsibility of the owners of the subject parcels within the Community to make sure that their tenants, if any, are fully aware of and abide by all of the conditions set forth in this Declaration at all times.

10.06 Non-Discrimination: No owner, or his broker or any other agent advertising his property for rent or sale, shall make any reference to, or discriminate on the basis of color, race or religion; not in renting or selling shall he inquire into, or discriminate or refuse to negotiate, or offer different terms, on the basis of color, race or religion of the prospective tenant or buyer.

10.07 Variances: The Architectural Committee may authorize variances from compliance with any of the architectural provisions of this Declaration, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be evidenced in writing, must be signed by at least two (2) members of the Architectural Committee, and shall become effective upon recordation in the office of the County Recorder of Adams County. If such variances are granted, no violation of the covenants, conditions or restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Lot and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and

INSTRUMENT NO. 88534

State of Idaho)
County of Adams) ss.

Filed for record at the request of
Hobie Alter

26 min. past 11 o'clock A.M.
the 22nd day of August, 19 95

MICHAEL FISK, RECORDER
by Peggy Fisk
Deputy

Fee \$ 78.00

Return to: Hobie Alter
Box 2032
McCall, ID 83638

INSTRUMENT NO 88534

regulations affecting such Owner's use of the Lot, including but not limited to zoning ordinances or requirements imposed by any governmental or municipal authority.

IN WITNESS WHEREOF, said Declarant has executed this Declaration on this 21st day of August, 1995.

H.P.J. PARTNERS, a California Limited Partnership

By: [Signature]
HOBART L. ALTER, General Partner

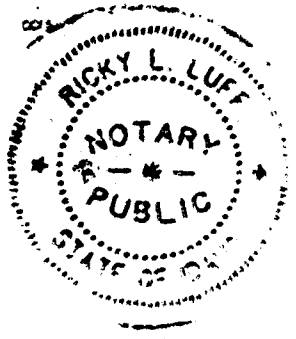
By: [Signature]
HOBART P. ALTER, Attorney-in-Fact for HOBART L. ALTER

STATE OF IDAHO.)
County of Valley) (ss.)

On this 21st day of August, 1995, before me, Ricky L. Luff, a Notary Public in and for said State, personally appeared HOBART P. ALTER, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he subscribed the name of HOBART L. ALTER thereto as principal and his own name as attorney-in-fact.

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

[Signature]
NOTARY PUBLIC FOR IDAHO
Residing at: New Market, Md
My Commission Expires: 4/11/2000



**BYLAWS
OF
TIMBER RIDGE PROPERTY OWNERS' ASSOCIATION, INC.
An Idaho Nonprofit Corporation**

ARTICLE I - OFFICES

Section 1: Principal Office: The principal office of Timber Ridge Property Owners' Association, an Idaho nonprofit corporation (the "Corporation"), shall be located at 122 Mission Street, McCall, Idaho, 83638. The Corporation may have such other offices as the Board of Directors may designate or as the business of the Corporation may require from time to time.

Section 2: Registered Office: The registered office of the Corporation to be maintained in the State of Idaho shall be located at 122 Mission Street, McCall, Idaho, 83638, with a mailing address of 502 N. 3rd, Suite No. 228, McCall, Idaho, 83638, and may be changed from time to time by the Board of Directors.

ARTICLE II - MEMBERSHIP AND VOTING RIGHTS

Section 1: Organization: The Corporation is organized as an Idaho corporation under the Idaho Nonprofit Corporation Law. The Corporation is charged with the duties and vested with the powers prescribed by law and set forth in the Articles, and the Declaration of Covenants, Conditions and Restrictions for Timber Ridge Subdivision (hereinafter "Declaration"), recorded at the office of the Adams County Recorder. Neither the Articles nor these Bylaws shall, for any reason, be amended or otherwise changed so as to be inconsistent with the Declaration. In the event that there should exist any ambiguity in any provision of the Articles or these Bylaws, then such provision shall be construed, to the extent possible, so that such provision shall be interpreted to be consistent with the provisions of the Declaration.

Section 2: Membership: Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot of Timber Ridge Subdivision, shall be a Member of the Corporation. Membership shall be appurtenant to and may not be separated from the fee ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership. Transfer of a Lot shall automatically transfer membership in the Corporation.

Section 3: Voting Rights: The Corporation shall have one (1) class of voting members consisting of all Owners, each of whom shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be entitled to all rights and privileges of membership. The vote for such Lot shall be exercised as its Owners collectively determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 4: Suspension of Voting Rights: No member shall be entitled to vote or be counted for purposes of a quorum unless they are then current in the payment of assessments, whether Regular or Special, which have been levied by the Association.

ARTICLE III - MEETINGS

Section 1: Annual Meetings: An annual meeting of the members shall be held during the month of July in each year beginning in the year 1996, with the exact date, time and place of meeting to be established by the Board of Directors, for the purpose of electing directors, and for the transaction of such other business as may come before the meeting.

Section 2: Special Meetings: Special meetings of the members may be called by the Board of Directors or on the request of not fewer than ten percent (10%) of the Members of the Corporation.

Section 3: Place of Meetings: The Board of Directors may designate any place, within Valley or Adams County, Idaho, as the place of meeting for any annual meeting or for any special meeting of the members. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the principal office of the Corporation in the State of Idaho.

Section 4: Notice of Meeting: Written notice stating the place, day and hour of any meeting of members shall be delivered either personally or by mail to each member, not less than fifteen (15) days before the date of the meeting.

Section 5: Waiver of Notice: Whenever any notice is required to be given to any member under the provisions of the Idaho Nonprofit Corporation Act as set forth in Title 30, Chapter 3, Idaho Code (the "Act") or under the provisions of the Articles of Incorporation of the Corporation (the "Articles") or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 6: Officers of the Members' Meeting: The presiding officer at members' meetings shall be the President of the Corporation or, in the absence of the President, the Vice President or, in the absence of both the President and Vice President, a chairman elected by the members present at the meeting. The Secretary of the Corporation or, in the absence of the Secretary, any person appointed by the presiding officer of the meeting, shall act as Secretary of a members' meeting.

Section 7: Quorum and Voting Requirements: One-third (1/3) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members. The members present at a duly organized and conveyed meeting where a quorum has been present can continue to business as a quorum until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. If a quorum is present, the affirmative vote of the majority of the members represented at the

meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number is required by the Act, the Articles, or the Bylaws.

Section 8: Proxies: A member may vote either in person or by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution. Every proxy shall be revocable at the pleasure of the member who executed it.

Section 9: Action by Members Without a Meeting: Any action required or permitted to be taken at a meeting of the members of the Corporation may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of members, and may be stated as such in any articles or documents filed with the Idaho Secretary of State under the Act.

ARTICLE IV - DIRECTORS

Section 1: General Powers and Standard of Care: All corporate powers shall be exercised by or under authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors, except as may be otherwise provided in the Act or the Articles.

Section 2: Number, Tenure and Qualifications: The initial number of directors shall be three (3). The Board may be expanded to five (5) upon the majority vote of the members present or represented by proxy at a properly scheduled membership meeting at which a quorum is present.

Directors shall be elected for staggered three-year terms. Each director shall hold office until the end of the term or until a successor shall be elected and qualified. Directors shall be elected when necessary at the annual meeting of the membership by a majority vote of the voting members present. Directors need not be members of the Corporation. The initial Board of Directors shall determine by lot the initial term of each director so that one Director shall have a one-year term, one Director shall have a two-year term, and one Director shall have a three-year term.

Section 3: Vacancies: Any vacancy occurring on the Board of Directors and any directorship to be filled by reason of any increase in the number of directors shall be filled by the Board of Directors. Directors elected to fill a vacancy shall be elected for the unexpired term of their predecessor in office.

Section 4: Removal of Directors: Any director may be removed from office for cause by a two-third (2/3) majority vote of the total directors. A director may be removed from office after two (2) unexcused absences within any twelve-month period of any Board meeting.

Section 5: Regular Meetings: A regular annual meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately following the annual meeting of members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board.

Section 6: Special Meeting: Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. The person or persons authorized to call special meetings of the Board may designate any place in Valley or Adams County, Idaho, as the place for holding any special meeting of the Board called by them.

Section 7: Notices: Notice of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the Corporation. The attendance of a director at any meeting shall indicate that such director received notice of such meeting. The purpose of any special meeting of the Board shall be specified in the notice or waiver of notice of such meeting.

Section 8: Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if fewer than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting without further notice. Once a quorum is established, it shall remain for the duration of the meeting. Any Board meeting may be conducted by telephone conference.

Section 9: Manner of Acting: The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless otherwise provided by law or by these Bylaws.

Section 10: Informal Action: Any action required to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action as taken shall be signed by a majority of the directors.

Section 11: Open Meetings: It is the intent of the Corporation to conduct its business in open sessions whenever possible. However, in those circumstances where the Board is discussing or acting upon strategy with respect to litigation, implementation of security systems, purchase of property, interviews with prospective employees, and discussion of personnel matters, the meeting may be closed.

On any other matter which the Board feels must be dealt with in a confidential manner, the Board may close its meeting to the members of the Corporation and the general public. An affirmative two-thirds (2/3) vote of the Board members present is necessary to close the meeting.

Section 12: Compensation: The officers and directors shall serve without compensation, but reasonable expenses incurred may be reimbursed when expended for an in the interest of the Corporation and approved by the Board of Directors in advance.

Section 13: Director Conflicts of Interest: No contract or other transaction between the Corporation and one or more of its Directors or any other corporation, firm, association, or entity in which one or more of its directors are Directors or officers or are financially interest, shall be either void or voidable because of such relationship or interest or because such Director or Directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because such Director's or Directors' votes are counted for such purposes if:

(a) The fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the vote or consent of such interested Directors; or

(b) The fact of such relationship or interest is disclosed or known to the members entitled to vote and they authorize, approve, or ratify such contract or transaction by vote or written consent, in which vote or consent such interested Directors may participate to the extent that they are also members; or

(c) The contract or transaction is fair and reasonable to the Corporation and the fact of such relationship or interest is fully and fairly disclosed or known to the Corporation.

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorized, approves, or ratifies such contract or transaction.

Section 14: Loans to Directors: The Corporation shall not lend money to or use its credit to assist its Directors or officers.

ARTICLE V - OFFICERS

Section 1: Number and Title: The officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect one or more assistant secretaries or one or more assistant Treasurers as it may be felt desirable. Any two or more offices may be held by the same person, except the office of President and the office of Secretary.

Section 2: Election and Term of Office: The officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall

be held as soon as possible. Each officer shall hold office until their successor shall be duly elected and qualified.

Section 3: Vacancies: Vacancies may be filled or a new office created and filled at any meeting of the Board.

Section 4: Removal: Any officer elected or appointed by the Board of Directors may be removed by an affirmative vote of two-thirds (2/3) of the total Board whenever, in its judgment, the best interest of the corporation would be served thereby.

Section 5: President: The President shall preside at all meetings of the Board of Directors and the general membership. He may sign with the Secretary, or any other proper officer of the corporation authorized by the Board of Directors, any deed, mortgage, bond, contract, or other instrument which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated to some other officer or agent of the Corporation. In general, she shall perform all duties incident to the office of President and such other duties which shall be prescribed by the Board of Directors from time to time.

Section 6: Vice President: In the absence of the President or in the event of the President's inability or refusal to act, the Vice President (or in the event there shall be more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform other duties as from time to time may be assigned by the President or the Board of Directors.

Section 7: Secretary: The Secretary shall keep the permanent minutes of the meetings of the Board of Directors in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law; be custodian of the corporate records and corporate seal; keep a register of the name and post office address of each corporate member, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or the Board of Directors.

Section 8: Treasurer: The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; the Treasurer shall assure that the bookkeeper receive and give receipts for money due and payable to the Corporation from any source whatsoever and deposit all monies in the name of the Corporation in such bank or other financial institution as shall be selected by the Board of Directors, and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors. The Treasurer and executive director shall, with the appropriate standing committee, prepare an annual operating budget showing income and expenses to be presented to the Board for approval at the annual regular meeting of the Board of Directors.

ARTICLE VI - COMMITTEES

Section 1: Architectural Committee: At such time as permitted by the Declarations, the Board of Directors shall appoint three (3) individuals to serve on the Architectural Committee.

The duties, responsibilities and authority of the Architectural Committee shall be as set forth in the Declarations and as may be stated in writing and adopted by Resolution of the Board of Directors.

By written resolution, the Board of Directors may establish a hearing procedure to implement the non-compliance review provisions of Article VIII of the Declarations.

Section 2: Other Standing Committees: The Board of Directors may establish such additional committees as are necessary and appropriate to carry out the business of the Corporation. Each committee shall have the duties and responsibilities delegated to it by the Board of Directors.

Section 3: Duties: The duties, responsibilities, authority and composition of all standing committees and ad hoc committees shall be stated in writing and adopted by resolution of the Board of Directors.

Section 4: Term of Office: All committee members shall serve until the first annual meeting following their appointment or until their successors have been appointed.

ARTICLE VII - DUTIES AND POWERS OF THE CORPORATE

Section 1: General Powers of the Corporation: The specific and primary purposes and powers of the Corporation and its Board of Directors are to enforce the provisions of the Declaration and the Corporation's Articles and these Bylaws, and any other instruments relating to the management and control of the Corporation. The Corporation may do any and all other acts and things that a nonprofit corporation is empowered to do, which may be necessary, convenient or desirable in the administration of its affairs for the specific and primary purposes of meeting its duties set forth in the Declaration. The Corporation, through its Board of Directors, shall have the authority to delegate its powers to committees, offices of the Corporation or its employees.

Section 2: Corporation Rules: The Board of Directors shall have the power to adopt, amend, and repeal such rules and regulations as it deems reasonable. The rules of the Corporation shall govern such matters in furtherance of the purposes of the Corporation. The rules of the Corporation may not discriminate among Owners and shall not be inconsistent with the Declaration, the Articles or Bylaws. A copy of the rules of the Corporation as they may from time to time be adopted, amended or repealed or a notice setting forth the adoption, amended or repealed or a notice setting forth the adoption, amendment or repeal of specific portions of the rules of the Corporation shall be delivered to each Owner in the same manner established in the Declaration for the delivery of

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notices. Upon completion of the notice requirements, said rules of the Corporation shall have the same force and effect as if they were set forth in and were part of the Declaration and shall be binding on the Owners and their successors in interest whether or not actually received. The rules of the Corporation, as adopted, amended or repealed, shall be available at the principal office of the Corporation to each owner. In the event of any conflict between any such rules of the Corporation and any other provision of the Declaration, or the Articles or these Bylaws, the provisions of the rules of the Corporation shall be deemed to be superseded by the provisions of the Declaration, the Articles or these Bylaws to the extent of any such conflict.

ARTICLE VIII - MISCELLANEOUS

Section 1: Indemnification: The Corporation shall indemnify any director, officer or former director or officer of the Corporation against expenses actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been a director or officer, except in relation to matters as to which he is adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the Corporation.

Section 2: Depositories: All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, savings and loan associations, trust companies, or other depositories as the Board of Directors may elect.

Section 3: Contracts: The Board of Directors may authorize any officer(s) or agent(s) of the Corporation, in addition to the officers authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 4: Checks, Drafts, Etc.: All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by such persons and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instrument shall be signed by the Treasurer or an assistant Treasurer.

Section 5: Fiscal Year: The fiscal year of the Corporation shall end on the last day of December of each year.

Section 6: Investment: Any funds of the Corporation which are not needed currently for the activities of the Corporation may, at the direction of the Board of Directors, be invested in such investments as are permitted by law.

Section 7: Non-liability of Directors, Officers, Committee Members: To the fullest extent permitted by law, neither the Board, any committees of the Corporation or

any member of such Board or committee shall be liable to any Member of the Corporation for any damage, loss or prejudice suffered or claimed on account of any decision, course of action, act, omission, error, negligence or the like, made in good faith, and while such Board, committees or persons reasonably believed to be acting within the scope of their duties.

Section 8: Books and Records: The Corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep a record giving the name and address of the members entitled to vote. All books and records of the Corporation may be inspected by any member or his agent or attorney or the general public for any proper purpose at any reasonable time.

Section 9: Dissolution:

(a) A resolution to dissolve the Corporation shall be submitted to a vote of the members.

(b) In the event of dissolution of the Corporation, the Board of Directors shall, after payment of all liabilities of the Corporation, dispose of the assets of the Corporation, exclusively for the purposes of the Corporation in such manner or to such organizations organized and operating exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) and which is organized for purposes substantially similar to that of the Corporation.

Section 10: Nondiscrimination: This Corporation is an equal opportunity employer and shall make available its services without regard to race, creed, age, sex, color, ancestry, or national origin.

Section 11: Political Activity: The Corporation shall not, in any way, use corporate funds in the furtherance of, nor engage in, any political activity for or against any candidate for public office. However, this Bylaw shall not be construed to limit the right of any official or member of this Corporation to appear before any legislative committee, to testify as to matters involving the Corporation.

Section 12: Gifts: The Board of Directors may accept, on behalf of the Corporation, any contribution, gift, bequest, or devise for the general purposes or for any special purposes of the Corporation.

Section 13: Parliamentary Procedure: All meetings of the Board of Directors and membership shall be governed by *Roberts' Rules of Order* (Current Edition), unless

contrary procedure is established by the Articles of Incorporation or these Bylaws, or by resolution of the Board of Directors.

ARTICLE IX - AMENDMENTS

These Bylaws may be altered, amended, or repealed and a new set of Bylaws adopted by a two-thirds (2/3) majority vote of the Board of Directors except that any amendment of these Bylaws which would alter, amend or modify the provisions of Article II, Section 2 or 3 herein shall require a vote of two-thirds (2/3) of the total membership. At least ten (10) days' prior written notice setting forth a proposed action and time and place of meeting shall be given to all Directors.

SECRETARY'S CERTIFICATION

This is to certify that the foregoing Bylaws have been duly adopted by the Board of Directors at a meeting held on August 18, 1995.

**H.P.J. PARTNERS, a California
Limited Partnership**

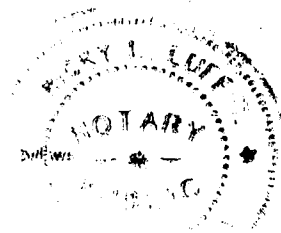
By: [Signature]
HOBART L. ALTER, General Partner

By: [Signature]
**HOBART P. ALTER, Attorney-in-Fact for
HOBART L. ALTER**

STATE OF IDAHO,)
)
) ss
County of Blaine)

On this 21st day of August, 1995, before me, Ricky L. Cook a Notary Public in and for said State, personally appeared **HOBART P. ALTER**, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he subscribed the name of **HOBART L. ALTER** thereto as principal and his own name as attorney-in-fact.

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



[Signature]
NOTARY PUBLIC FOR IDAHO
Residing at [Address]
My Commission Expires [Date]

INSTRUMENT NO. 88533

State of Idaho)
County of Adams) ss.

Filed for record at the request of

Hobie Alter

25 11 11 11 11 11 A.M.

22nd day of August 1995

DEPUTY COUNTY CLERK

Deputy

Fee \$ 30.00

Return to: Hobie Alter
Box 2032
McCall, ID 83638