128459

ARTICLES OF INCORPORATION

OF

SUN VALLEY RESIDENTIAL ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS; That we, the undersigned, being natural persons of full age and citizens of the United States, in order to form a corporation for the purposes and objectives hereinafter stated, under and pursuant to the provisions of the general corporation laws of the State of Idaho, and more particularly Chapter 10 of Title 30, Idaho Code, and the acts amendatory thereof and supplemental thereto, do hereby associate ourselves together with such other persons as may associate themselves and their successors, for the purpose of incorporation, and do hereby certify as follows:

ARTICLE I.

The name of the corporation is SUN VALLEY RESIDENTIAL ASSOCIATION, INC.

ARTICLE II.

Without limiting the general powers of the corporation the purposes and objectives for which it is formed are as follows:

A. To form an association under Chapter 10 of Title 30, Idaho Code, for the purpose of receiving and accepting grants of right, title and interest of real property transferred to it subject to such functions and obligations as may be imposed thereon and contemplated therefor under protective covenants and restrictions prescribed by the Janss Corporation or its authorized designee pursuant to the establishment of a general plan for the integrated development, improvement, maintenance and protection of such portions of said real property as the Janss Corporation or its authorized designee may from time to time designate as being subject thereto.

B. To form an association under Chapter 10 of Title 30, Idaho Code, for the purpose of being required to receive and accept, and which it hereby obligates itself to receive and accept, grants of right, title and interest of real property transferred to it, to maintain and preserve the streets, lanes, right-of-ways, easements, and common areas of said real property, including shrubs and trees located thereon, and to assume the functions and obligations imposed on said real property and contemplated therefor under the protective restrictions and covenants set forth in that certain Declaration of Covenants filed on even date of the recording of these Articles of Incorporation in the County of Blaine, State of Idaho, by the Janss Corporation, and to assume similar functions subject to similar obligations under any supplemental declarations hereinafter filed by the Janss Corporation or its authorized designee with respect to real property now or hereinafter subject to this or any subsequent declaration.

C. To form an association under Chapter 10 of Title 30, Idaho Code, with all the powers and privileges that inure to such associations under the corporation laws of the State of Idaho

State of Idaho

GREAT SEAL OF THE STATE OF IDAHO

ESTO PERPETUA

Department of State

CERTIFICATE OF INCORPORATION

LOUIS E. CLAPP
~~ARNOLD WILLIAMS~~, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho do hereby certify that the original of the articles of incorporation of SUN VALLEY RESIDENTIAL ASSOCIATION, INC.

was filed in the office of the Secretary of State on the Fifteenth day of December A.D. One Thousand Nine Hundred Sixty-six and will be duly recorded on ~~Film No.~~ Microfilm of Record of Domestic Corporations, of the State of Idaho, and that the said articles contain the statement of facts required by Section 30-103, Idaho Code.

I FURTHER CERTIFY, That the persons executing the articles and their associates and successors are hereby constituted a corporation, by the name hereinbefore stated, for Perpetual existence from the date hereof, with its registered office in this State located at Sun Valley in the County of Blaine

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this 15th day of December, A.D., 1966.

Secretary of State.

Domestic

provided that, nevertheless, no power hereunder granted or given shall allow any member, Director or Officer to organize or conduct the corporation for the purpose, either directly or indirectly, of fixing prices or regulating the production of any article of commerce or of any produce of the soil for consumption by the people, and that no power hereunder granted or given shall allow any member, Director or Officer to carry on any propaganda or otherwise attempt to influence legislation, which acts are all expressly declared to be ultra vires and contrary to the purposes and objectives for which the corporation is formed.

D. To form an association under Chapter 10 of Title 30, Idaho Code, where the rights, privileges, burden, responsibilities and interests of all members shall be based upon the ownership of each lot, dwelling unit, or other property area designated for membership in that certain Declaration of Covenants filed on even date of the recording of these Articles of Incorporation in the County of Blaine, State of Idaho, by the Janss Corporation or in such supplemental declarations of protective covenants and restrictions as the Janss Corporation or its authorized designee may hereinafter file, and whereby the owner thereof shall automatically become a member of the association solely by virtue of such ownership and shall automatically have and benefit from all rights and privileges and shall automatically be subject to all burdens and responsibilities attributable to such ownership.

ARTICLE III.

The corporation shall have general powers to do all acts as are necessary or convenient to achieve the purposes and objectives for which it is formed as set forth in these Articles of Incorporation to the same extent and as fully as any natural person could or might do and as are not forbidden by law or by these Articles of Incorporation, and without limiting the nature of the general powers of the corporation it shall have full powers and authority to act as follows:

A. To receive and accept and to be obligated to receive and accept grants of right, title and interest of real property transferred to it, to maintain and preserve the streets, lanes, right-of-ways, easements, and common areas of said real property, including shrubs and trees located thereon, and to assume the functions and obligations imposed on said real property and contemplated therefor under the protective restrictions and covenants set forth in that certain Declaration of Covenants filed on even date of the recording of these Articles of Incorporation in the County of Blaine, State of Idaho, by the Janss Corporation, and to assume similar functions subject to similar obligations under any supplemental declarations hereinafter filed by the Janss Corporation or its authorized designee to real property now or hereinafter subject to this or any subsequent declarationn.

B. To prosecute any action at law or in equity against any person or persons who violate or attempt to violate the protective restrictions and covenants set forth in that Certain Declaration of Covenants filed on even date of the recording of these Articles of Incorporation in the County of Blaine, State of Idaho, by the Janss Corporation or in such supplemental declarations of protective covenants and restrictions as the Janss Corporation or its authorized designee may hereinafter file, and to either prevent violations of said protective restrictions and covenants or recover damages sustained by reason of such violations, and further to do all acts as are necessary or convenient to carry out the provisions of said protective restrictions and covenants; nevertheless, except in strict compliance with the provisions of said protective restrictions and covenants it shall not have power and authority to assign, convey, grant, release, quitclaim or in any way modify the right, title and interest of any real property subject thereto, any other statement in these Articles of Incorporation of its powers and authority notwithstanding.

C. To receive and accept, to take and to hold, directly or indirectly, by bequest, devise, gift, purchase or lease either absolutely or in trust any real or personal property without limitation as to amount or value for any of the purposes and objectives set forth in these Articles of Incorporation.

D. For any of the purposes and objectives set forth in these Articles of Incorporation to borrow money, draw, make, accept, endorse, transfer, assign, execute and issue bonds, debentures, notes and other evidence of indebtedness.

E. For any of the purposes and objectives set forth in these Articles of Incorporation to assign, deliver, convey, mortgage or pledge any real or personal property without limitation as to amount or value to secure any indebtedness incurred or contract entered into.

F. To buy, sell, trade and deal in every nature of stocks, bonds, securities, commodities, and contracts for the future delivery of commodities, on margin or otherwise, and in connection therewith to borrow money on and to pledge any and all said stocks, bonds, securities, commodities, and contracts for the future delivery of commodities for any of the purposes and objectives set forth in these Articles of Incorporation.

G. To invest and reinvest its principal and to manage and expend said principal and the income derived therefrom in the manner which in the judgment of the Board of Directors will best promote the purposes and objectives set forth in these Articles of Incorporation, said power to invest and reinvest shall not be subject to the trust principal prohibiting the mingling of assets from various donor's gifts for investment purposes whether such gifts are absolute or in trust, and the members of the Board of Directors in the management of said principal shall not be held to a higher fiduciary standard of care than that applicable to members of the Board of Directors of a general corporation of the State of Idaho.

H. To make, perform and carry out any contracts made or obligations incurred of any kind or description for any lawful purpose without limit as to nature or amount with any person, firm, association or corporation, whether public or private, or with any government agency for any of the purposes and objectives set forth in these Articles of Incorporation.

I. To maintain one or more offices to accomplish and achieve all or any part of the purposes and objectives set forth in these Articles of Incorporation.

J. To do all and everything which in the judgment of the Board of Directors is necessary, convenient, suitable or proper and which is or shall hereafter be authorized by law to accomplish and achieve all or any of the purposes and objectives set forth in these Articles of Incorporation and for its protection or benefit to the same extent and as fully as any natural person, principal, agent, contractor, trustee or otherwise, acting alone or in connection with any other person, firm, association or corporation could or might do and as not forbidden by law or by these Articles of Incorporation.

K. To have and to exercise any and all powers and authority under and pursuant to the provisions of the general corporation laws of the State of Idaho, and more particularly Chapter 10 of Title 30, Idaho Code, and the acts amendatory thereof, supplemental thereto and substituted therefor.

Paragraphs A through K of Article III of these Articles of Incorporation are to be construed and interpreted as specifying purposes and objectives as well as general powers and authority of the corporation, and it is hereby expressly provided that said specification of purposes and objectives as well as general powers and authority shall not be construed and interpreted to in any manner restrict or limit the lawful exercise of the full general powers and authority of the corporation under and pursuant to the provisions of the general corporation laws of the State of Idaho, and more particularly Chapter 10 of Title 30, Idaho Code, and the acts amendatory thereof, supplemental thereto and substituted therefor. The specification of purposes and objectives as well as general powers and authority of the corporation set forth in Paragraphs A through K of Article III of these Articles of Incorporation shall not, except as otherwise expressly provided, be limited or restricted in any way by reference therein or by inference to be drawn from the provision or terms of any other paragraph, subparagraph or clause of these Articles of Incorporation.

ARTICLE IV.

In no event shall any income or assets of the corporation be distributed to or inure to the benefit of any member, director or officer hereof, either directly or indirectly, other than as bona fide expenses in carrying out the instructions and directions of the Board of Directors and the officers in order to accomplish and achieve the purposes and objectives of the corporation.

ARTICLE V.

The corporation shall have perpetual existence.

ARTICLE VI.

The location and post office of the registered office of the corporation shall be the Village of Sun Valley, County of Blaine, State of Idaho.

ARTICLE VII.

The corporation shall not issue any capital stock, but shall issue membership certificates to each member hereof under the terms and conditions hereinafter set forth, which certificate shall entitle each member to exercise five (5) votes on all matters upon which each member shall be required or permitted to vote. One membership certificate shall be issued to the owner of each lot, dwelling unit, or other property area designated for membership in that certain Declaration of Covenants filed on even date of the recording of these Articles of Incorporation in the County of Blaine, State of Idaho, by the Janss Corporation or in such supplemental declarations of protective covenants and restrictions as the Janss Corporation may hereinafter file, and whereby the owner thereof shall automatically become a member of the association solely by virtue of such ownership and shall automatically have and benefit from all rights and privileges and shall automatically be subject to all burdens and responsibilities attributable to such ownership, and as shall be more particularly set forth in the By-Laws of the corporation. Membership in the association is and shall always be appurtenant to such ownership and shall automatically pass with the transfer of title of such lot, dwelling unit, or other property area designated for membership in the association. Any member of the association may cast all or part of his five (5) votes by giving a proxy.

ARTICLE VIII.

The names and post office addresses of the incorporators and the membership of each in the association are indicated as follows:

Judy Campbell, Box 1368
Boise, Idaho
1 membership certificate

Lorna Costello, Box 1368
Boise, Idaho
1 membership certificate

Ellen C. Moore, Box 1368
Boise, Idaho
1 membership certificate

Rosalie Josephson, Box 1368
Boise, Idaho
1 membership certificate

Shirley Piechura, Box 1368
Boise, Idaho
1 membership certificate

ARTICLE IX.

The private property of any member of the association shall not be subject to the payment of corporate debts to any extent whatsoever, and the membership certificates shall not be subject to assessment for any purposes of paying expenses, conducting business or paying debts of the corporation.

ARTICLE X.

The number of directors of the corporation shall be five (5) who shall be elected in the manner specified in the By-Laws of the corporation.

ARTICLE XI.

The Board of Directors is expressly authorized to repeal and amend the By-Laws of the corporation and to adopt new By-Laws which shall be approved at the next annual meeting of the membership, and the corporation reserves the right to amend, alter, change or repeal any provisions contained in these Articles of Incorporation, in the manner now, or hereafter, prescribed by law, by a two-thirds vote of the members or at any meeting duly called for that purpose, except where the laws of the State of Idaho otherwise provide.

ARTICLE XII.

No contract or other transaction between the corporation and any other corporation and no act of the corporation shall be in any way affected or invalidated by the fact that any of the Directors of the corporation are pecuniarily or otherwise interested in or are directors or officers of such other corporation; any Director individually, or any firm of which any Director is a member, may be a party to or may be pecuniarily or otherwise interested in any contract or transaction of the corporation, provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof; and any Director of the corporation who is also a director or officer of such other corporation or who is so interested may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the corporation which shall authorize any such contract or transaction with like force and effect as if he were not a director or officer of such other corporation or not so interested.

ARTICLE XIII.

All other provisions for conducting the business and affairs of the corporation, including the voting rights, other rights and privileges and liabilities of the membership, shall be set forth in the By-Laws of the corporation.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 15th day of December, 1966.

Judy Campbell

[illegible]

Shirley Pickens

Lorna Costell

Bonnie Josephson

CONSENT OF MEMBER

of

SUN VALLEY RESIDENTIAL ASSOCIATION, INC.,

TO AMENDMENT OF ARTICLE I. OF THE ARTICLES OF INCORPORATION

* * * * * *

The undersigned, being a member of SUN VALLEY RESIDENTIAL ASSOCIATION, INC., does hereby consent to the amendment of Article I. of the Articles of Incorporation of SUN VALLEY RESIDENTIAL ASSOCIATION, INC., so as to insert the word "Area" after the word "Residential" in said Article I., thereby changing the name of said corporation to "SUN VALLEY RESIDENTIAL AREA ASSOCIATION, INC."

On the condition that the foregoing consent is given by all members of the corporation, the undersigned hereby directs and authorizes the President and Secretary of SUN VALLEY RESIDENTIAL ASSOCIATION, INC., to draw up a proper resolution in conformance with this consent to amendment and to cause proper Articles of Amendment of Articles of Incorporation to be prepared, executed and filed as provided by the laws of the State of Idaho.

DATED: This _____ day of January, 1967.

____

Member of Sun Valley Residential Association, Inc.

38005-a

ARTICLES OF
AMENDMENT OF

SUN VALLEY RESIDENTIAL
ASSOCIATION, INC.

Amdt. chg corp name to:
SUN VALLEY RESIDENTIAL AREA
ASSOCIATION, INC.

STATE OF IDAHO
DEPARTMENT OF STATE
Secretary's Office
[illegible], Idaho

Approved, filed, and admitted to the record of articles of incorporation of the State of Idaho and certificate issued

this 17th day of
January, 1967
at 3:15 o'clock P.M.

FEES PAID

Filing $ 10.00

Recording 2.00

Certificate 6.00

~~License Fee~~

TOTAL $ 18.00

EDSON H. DEAL
SECRETARY OF STATE
By Kayola Black
Ass't. CORPORATION CLERK

Filed by: Richards, Haga & Eberle, Attys.
711½ Bannock St., Boise, Idaho

128460

AMENDMENT TO ARTICLES OF INCORPORATION

OF

SUN VALLEY RESIDENTIAL ASSOCIATION, INC.

BE IT KNOWN, That we, the undersigned, President and Secretary, respectively, of SUN VALLEY RESIDENTIAL ASSOCIATION, INC., do hereby certify in accordance with the provisions of Section 30-146, Idaho Code, as follows:

1. That written consent to the Amendment, hereinafter set out in full, has been given by all members of the SUN VALLEY RESIDENTIAL ASSOCIATION, INC., as provided by subsection 5. of Section 30-146 of the Idaho Code. (See attached written consent form).

2. That by written consent of all members of the corporation, the following Resolution was adopted, to wit:

"BE IT RESOLVED That Article I of the Articles of Incorporation of the SUN VALLEY RESIDENTIAL ASSOCIATION, INC., be amended by inserting the word "Area" after the word "Residential", so as to change the name of this corporation, thereby amending said Article I to read as follows:

ARTICLE I.

The name of the corporation is SUN VALLEY RESIDENTIAL AREA ASSOCIATION, INC.'

"And that the President and Secretary be, and they are hereby, authorized and directed to prepare a duly certified Certificate of this Amendment of the Articles of Incorporation, and to file the same with the Secretary of State of Idaho, and at such other places as are necessary, and/or convenient."

3. We do further certify that the undersigned are authorized, and empowered and directed by the Members, through their written consent, to cause proper Articles of Amendment to Articles of Incorporation to be prepared, executed and filed as provided by the laws of the State of Idaho.

IN WITNESS WHEREOF, We, the President and Secretary of said corporation, do, on behalf of said corporation, execute the foregoing Article of Amendment to the Articles of Incorporation of SUN VALLEY RESIDENTIAL ASSOCIATION, INC., in triplicate this 16th day of January, 1967.

Harry Holmes
President

Secretary

STATE OF IDAHO)
) ss.
County of Blaine)

_______________ and _______________

being first duly sworn upon their oath, depose and say:

That they are the President and Secretary of SUN VALLEY RESIDENTIAL ASSOCIATION, INC., a corporation organized and existing under and by virtue of the laws of the State of Idaho, and are the identical persons who executed the foregoing Amendment to Articles of Incorporation of said SUN VALLEY RESIDENTIAL ASSOCIATION, INC., and that the facts set forth in said Amendment to such Articles of Incorporation are true.

____

____

SUBSCRIBED AND SWORN to before me this 16th day of January, 1967.

____
Notary Public in and for the State of
Idaho, Residing at Sun Valley

128461

BY-LAWS
OF
SUN VALLEY RESIDENTIAL AREA ASSOCIATION, INC.

ARTICLE I.
OFFICES

1. The principal location and office of the corporation shall be the Village of Sun Valley, County of Blaine, State of Idaho. The Board of Directors may in its discretion establish and maintain such other offices whenever and wherever the business of the corporation may require.

ARTICLE II.
MEMBERSHIP

1. MEMBERSHIP; TRANSFER OF MEMBERSHIP; VOTING: The corporation shall not issue any capital stock, but shall issue membership certificates to each member hereof under the terms and conditions hereinafter set forth, which certificate shall entitle each member to exercise five (5) votes on all matters upon which each member shall be required or permitted to vote.

One membership certificate shall be issued to the owner of each lot, dwelling unit, or other property area designated for membership in that certain Declaration of Covenants filed on even date of the recording of the Articles of Incorporation of the corporation in the County of Blaine, State of Idaho, by the Janss Corporation or in such supplemental declarations of protective covenants and restrictions as the Janss Corporation, or its authorized designee may hereinafter file, and whereby the owner thereof shall automatically become a member of the association solely by virtue of such ownership and shall automatically have and benefit from all rights and privileges and shall automatically be subject to all burdens and responsibilities attributable to such ownership.

Membership in the association is and shall always be appurtenant to such ownership and shall automatically pass with the transfer of title to such lot, dwelling unit, or other property area designated for membership in the association, provided however that such transfer shall not release the transferor from any obligations or liabilities incurred and incidental membership prior to such transfer. Membership shall not be assigned, transferred or encumbered in any manner except by the transfer of title to such lot, dwelling unit or other property area designated for membership in the association, provided however, that membership rights and privileges may be assigned to the holder of a mortgage or deed of trust thereon as further security for a loan secured thereby.

In the event of dispute as to membership, the ownership of such lot, dwelling unit or other property area designated for membership in the association as shown in the public records of the County of Blaine, State of Idaho, shall be determinative.

The name, names or entity under which membership appears on the books and records of the corporation shall be maintained until such time as satisfactory evidence of a change in membership is presented to the Secretary.

Members of the association may vote either in person or by proxy provided that all proxies shall be in writing, signed by the members and filed with the Secretary twenty-four (24) hours before the time appointed and scheduled for the meeting at which such vote shall be taken.

The members shall be permitted to enter into voting agreements containing such terms, provisions and for such duration as they may in their judgment deem necessary or convenient to accomplish and achieve the purposes and objectives of the association.

2. ANNUAL MEETING: The annual meeting of the members for the election of Directors and for the transaction of such other business as may properly come before the meeting shall be held at 4:00 o'clock P.M. on the first Saturday in the month of February of each year at a convenient location selected in the County of Blaine, State of Idaho. All business lawful to be transacted at any members' meeting, general or special, may be transacted at any annual members' meeting without further or special notice.

3. SPECIAL MEETINGS: Special meetings of the members may be called at any time by the Board of Directors or on the written request of twenty per cent (20%) or more of the total outstanding membership and shall be held at a convenient location selected in the County of Blaine, State of Idaho. If the Secretary shall fail, neglect or refuse to issue the call for a special meeting within ten (10) days after receipt of such request any Director or the members making such request may issue the call for such special meeting. Notice of such special meeting shall be given as provided in Section 4 of this Article.

4. NOTICE; WAIVER: Notice of any annual or special meeting shall be given to all the members in writing and shall state the date, hour and place of the meeting and generally describe the nature of the business to be transacted. Such notice shall be, at least ten (10) days prior to the date of such meeting, delivered personally or deposited in the mail, postage prepaid, addressed to the last known address of all members as shown on the books and records of the association.

In the event that a special meeting is called on the written request of twenty per cent (20%) or more of the total outstanding membership they shall notify the Secretary in writing and shall state the date, hour, place and purpose of the meeting in sufficient time to permit the Secretary to give sufficient notice to all members pursuant to the By-Laws.

Written waiver of notice signed by a member or attendance by a member or by any one or all of the co-owners holding membership shall constitute a waiver of notice of any such meeting except where attendance is for the express purpose of objecting to either the failure to receive such notice or defects contained therein.

5. QUORUM: VOTE REQUIRED: ADJOURNMENT: The presence whether in person or by proxy of fifty per cent (50%) or more of the total outstanding membership shall constitute a quorum at any meeting of the members. If a quorum is present the action of a majority of those members present whether in person or by proxy and voting shall be the act of the association. If a quorum is not present a majority of those members present whether in person or by proxy may adjourn the meeting from time to time without notice other than announcement at the meeting.

Membership certificates held in estates or in trust may be voted by the administrator, executor, guardian, trustee or conservator thereof acting in his representative capacity. A membership certificate held under a pledge may be voted by the member in whose name it stands.

6. CONDUCT OF THE MEETING. At all meetings of the members the following order of business shall be observed insofar as it is consistent with the purposes and objectives of the meeting.

a. Calling the roll to determine the membership certificates represented at the meeting.
b. Reading of notice and proof of call of meeting.
c. Reports of Officers.
d. Reports of Committees.
e. Unfinished business
f. New business
g. Election of Directors
h. Miscellaneous business.

Meetings of the members shall be conducted by the officers in order of their priority.

ARTICLE III.
BOARD OF DIRECTORS

1. GENERAL POWERS: The property, business and affairs of the corporation shall be controlled and managed by the Board of Directors.

2. NUMBER: The Board of Directors shall consist of three members. The number of Directors may be increased or decreased by amendment of these By-Laws, provided, however, that the number of Directors shall not be less than three (3) or more than ten (10) and provided further that a reduction in the number of Directors by amendment of these By-Laws shall not have the affect of reducing the term of an incumbent director.

3. QUALIFICATION: ELECTION: TERM: Directors need not be members of the association and shall be elected by the members at their annual meeting. In the annual election of Directors each member may have the right to give one candidate as many votes as the number of Directors to be elected multiplied by the number of votes he is entitled to exercise. Directors shall serve for a term of one year and shall continue in office only until their successors are duly elected and qualified.

4. REMOVAL: RESIGNATION: Any Director may be removed with or without cause by a vote of two-thirds of the members of the Board of Directors or by a majority vote of the total outstanding membership of the association at a meeting called for that purpose. Any Director may resign by submitting a written notice to the Board of Directors stating the effective date of his resignation, and acceptance of the resignation shall not be necessary to make it effective.

5. VACANCIES: Any vacancy occurring on the Board of Directors whether by removal, resignation, death, increase in the number of Directors or otherwise, shall be filled by the majority vote of the remaining qualified Directors though less than a quorum. A Director selected to fill a vacancy on the Board of Directors shall hold office until the next annual election of Directors and shall continue in office only until his successor is duly elected and qualified.

6. MEETING: There shall be a regular annual meeting of the Board of Directors immediately following the annual meeting of the members of the association. and the Board may establish regular meetings to be held at such other places and times as may be determined from time to time. After the establishment of the time and place for such regular meetings, no further notice thereof need be given. Special meetings of the Board may be called by the President or upon written request delivered to the Secretary by any two Directors.

7. NOTICES: WAIVER: Five (5) days notice of special meetings shall be given to each Director by the Secretary. Such notice may be given orally either in person or by telephone or in writing served on or mailed or telegraphed to each Director.

Written waiver of notice signed by a Director or his attendance at a meeting of the Board of Directors shall constitute a waiver of notice of any such meeting, except where attendance is for the express purpose of objecting to either the failure to receive such notice or defects contained therein.

8. QUORUM: VOTE REQUIRED: ADJOURNMENT: At any meeting of the Board of Directors one-half of the total number of qualified Directors shall constitute a quorum. If a quorum is present the action of a majority of the Directors present and voting shall be the act of the Board of Directors except as otherwise specifically required by the Certificate of Incorporation or these By-Laws. If a quorum is not present, the majority of the Directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting.

9. ACTION OF DIRECTORS WITHOUT A MEETING: Any action which is required to be taken or any other action which may be taken at a meeting of the Board of Directors may be taken without such a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof.

10. EXECUTIVE COMMITTEE OF BOARD OF DIRECTORS: The Board of Directors may by resolution create an Executive Committee composed of members of the Board. The number of members of the Executive Committee and the persons who shall be members thereof shall be determined by the Board. Unless limited by resolution of the Board of Directors the Executive Committee shall have all of the powers of the Board to manage and control the property, business and affairs of the corporation and whenever in these By-Laws or otherwise action is required to be taken or may be taken by the Board, such action may be taken by the Executive Committee and shall be deemed to have been taken by the Board of Directors. All of the provisions of these By-Laws with respect to notice of meetings, quorum at meetings, voting at meetings, waivers of notice of meeting and actions of Directors without a meeting shall be applicable to the Executive Committee.

ARTICLE IV.
OFFICERS

1. GENERAL: The executive officers of the corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, all of whom shall be elected by and serve at the pleasure of the Board of Directors.

The Board of Directors may appoint such other officers, agents, factors, and employees as it may deem necessary or desirable, all of whom shall serve at the pleasure of the Board. Any person may hold two or more positions simultaneously.

2. PRESIDENT: The President shall be the chief executive officer of the corporation. Subject to the direction of the Board of Directors he shall have the general powers and duties of supervision, management, and coordination of the affairs of the corporation usually vested in and attributed to the office of President. He shall preside at all meetings of the members of the association.

3. VICE-PRESIDENT: A Vice-President shall perform the duties and exercise the powers of the President in case of his sickness, disability, absence, death, inability or failure to act, and he shall perform such other duties, carry out such other responsibilities, and have such other authority as may be delegated to him from time to time by the President or the Board of Directors.

4. SECRETARY: The Secretary shall attend all sessions of the Board of Directors and all meetings of the members and act as the clerk thereof and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He shall be the custodian of the records and of the seal of the corporation and shall affix the corporate seal to all documents requiring the same and shall see that all notices are duly given in accordance with the provisions of these By-Laws and as required by law. He shall see that all books, records, reports and other documents of the

corporation are properly kept and filed in accordance with the provisions of these By-Laws as is required by law. And in general he shall perform all duties incident to the office of Secretary and as required by law and he shall perform such other duties, carry out such other responsibilities, and have such other authority as may be delegated to him from time to time by the President or the Board of Directors. The Board of Directors may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his sickness, disability, absence, death, inability or failure to act.

5. TREASURER: The Treasure shall have charge and custody of and be responsible for all sorts of securities of the corporation. He shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such banks and depositories as shall be designated by the Board of Directors. He shall keep books of account and records of all his transactions as Treasurer and of the financial condition of the corporation and shall submit such reports thereof as the Board of Directors may from time to time require; and in general shall perform all of the ditues incident to the office of the Treasurer and as required by law, and he shall perform such other duties, carry out such other responsibilities, and have such other authority as may be delegated to him from time to time by the President or the Board of Directors. The Board of Directors may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, sickness, disability, absence, death, inability or failure to act.

6. COMPENSATION: Officers, agents, factors and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board of Directors. Appointment of an officer, agent, factor or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent, factor, or employee.

7. DELEGATING POWERS TO OTHER OFFICERS: In case of absence of any Officer of the corporation or for any other reason that may seem sufficient the Board of Directors may delegate his duties and powers for the time being to any other Officer or to any Director.

ARTICLE V.
CONTRACTS, CONVEYANCES, CHECKS, AND MISCELLANEOUS

1. CONTRACTS: The Board of Directors may authorize any officer or agent of the corporation to enter into any contract or execute any instrument in the name of the corporation except as otherwise specifically required by the Certificate of Incorporation and by these By-Laws.

2. CONVEYANCES AND ENCUMBRANCES: Corporate property may be conveyed or encumbered by authority of the Board of Directors or the Executive Committee of the Board or such other person or persons to whom such authority may be delegated by resolution of the Board or of the Executive Committee thereof. Conveyances or encumbrances shall be by instrument executed by the President or a Vice President and by the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer or executed by such other person or persons to whom such authority may be delegated by the Board or the Executive Committee thereof.

3. CHECKS: All checks, drafts, notes and orders for the payment of money shall be signed by the President, a Vice President or the Treasurer or shall be signed by such other officer of the corporation and shall be thereto duly authorized by resolution of the Board of Directors.

4. FISCAL YEAR: Fiscal year or business year of the corporation shall begin on the first day of and end on the 2nd day of following.

5. SEAL: The Board of Directors may adopt a corporate seal of such design as may be appropriate.

6. RECORDS: The corporation shall maintain accurate, correct and complete books, records and accounts of its business and properties which shall all be kept at such place as is from time to time fixed and designated by the Board of Directors.

ARTICLE VI.
AMENDMENTS

1. CERTIFICATE OF INCORPORATION: Amendments may be made to the Certificate of Incorporation by a majority vote of the total outstanding membership of the association at any annual or special meeting of the membership provided that the notice of such meeting states that such amendments are to be considered, unless otherwise provided by the laws of the State of Idaho.

2. BY-LAWS: These By-Laws may be amended, altered, or repealed from time to time by a two-thirds vote of the Board of Directors or by a two-thirds vote of the total outstanding membership of the association at any annual or special meeting provided that the notice of such meeting states that such amendment, alteration or repeal is to be considered.

APPROVED AND ADOPTED this ____ day of ____________, 19__, by the undersigned members of the initial Board of Directors of the corporation.

______________________	______________________
______________________	______________________
______________________	______________________
______________________	______________________
______________________	______________________

Together being all the members of the initial Board of Directors.

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APPROVED AND ADOPTED this ____ day of ____________, 19__, by the undersigned members of the initial Board of Directors of the corporation.

____________________	____________________
____________________	____________________
____________________	____________________
____________________	____________________
____________________	____________________

Together being all the members of the initial Board of Directors.

STATE OF IDAHO)
: ss.
County of Ada)

On this 15th day of December, 1966, before me, the undersigned, a Notary Public in and for said State, personally appeared JUDY CAMPBELL, ELLEN C. MOORE, SHIRLEY PIECHURA, LORNA COSTELLO, and ROSALIE JOSEPHSON, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same, and that they were persons over the age of twenty-one years and citizens of the United States of America.

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

Notary Public for Idaho
Residing at Boise, Idaho

No. 38005

Articles of Incorporation

of

SUN VALLEY RESIDENTIAL ASSOCIATION, INC.

Place of business Sun Valley
Existence Perpetual
Capital stock NONE

STATE OF IDAHO
Department of State
Boise, Idaho

Approved, filed and admitted to the records Articles of Incorporation of the State of Idaho and certificate issued this 15th day of December 1966 at 11:10 o'clock A. M.

FEES PAID

Filing	$ 15.00
Recording	8.00
TOTAL	$ 23.00

LOUIS E. CLAPP
Secretary of State

By Ramda Black
Asst. Corporation Clerk

Filed by: Richards, Haga,
Eberle, Attys., 711½ Bannock St.
Boise, Idaho

State of Idaho

Department of State

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

I, ~~ARNOLD WILLIAMS~~ EDSON H. DEAL, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that the

SUN VALLEY RESIDENTIAL ASSOCIATION, INC.

a corporation organized and existing under and by virtue of the laws of the State of Idaho, filed in this office on the 17th day of January 1967, original articles of amendment, as provided by Sections, 30-146 & 30-147, Idaho Code, change the corporate name to: SUN VALLEY RESIDENTIAL AREA ASSOCIATION, INC.

and that the said articles of amendment contain the statement of facts required by law, and ~~are~~ will be recorded on ~~Film No.~~ microfilm of Record of Domestic Corporations of the State of Idaho.

I THEREFORE FURTHER CERTIFY, That the Articles of Incorporation have been amended accordingly.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this 17th day of January, A. D., 1967.

Secretary of State

SUN VALLEY
RESIDENTIAL AREA
DECLARATION OF PROTECTIVE COVENANTS

128463

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This Declaration is made this ______ day of ______________, 1969, by JANSS CORPORATION, a Delaware Corporation.

When used hereinafter, the term Janss shall mean Janss Corporation and any successor in interest to Janss by merger or consolidation and any successor to all or any particular interest under this Declaration under an instrument of assignment or conveyance specifically designating the assignee or grantee as such successor in interest to Janss under this Declaration.

I. GENERAL PURPOSES

1.1 General Purposes: This Declaration is executed to establish and maintain as part of a general plan any property now or hereafter subject hereto as part of a scenic and pastoral mountain residential area of the highest possible quality and value; to enhance and protect its value, desirability and attractiveness; to preserve, as near as may be, the natural beauty and view and the natural and unspoiled state of such property; and to provide seclusion and a pleasant environment to persons acquiring title to such propery.

II. PROPERTY SUBJECT TO DECLARATION

2.1 Property Covered: Real property located in Blaine County, Idaho, which is then owned by Janss, and only if then owned by Janss, may at any time be made subject in whole or in part to this Declaration by the recording in the records of Blaine County, Idaho, of an instrument (hereinafter called Supplemental Declaration) executed by Janss, describing the property and referring to this Declaration. Such Supplemental Declaration may create additional or different land classifications and may contain additional or different provisions, covenants, restrictions and conditions applicable to the property described in the Supplemental Declaration but, except as otherwise specified in the Supplemental Declaration, such property shall be entitled to all the benefits and be subject to all the provisions, covenants, restrictions and conditions contained in this Declaration upon recording of such Supplemental Declaration. In the event of conflict between this Declaration and any Supplemental Declaration, the terms of the Supplemental Declaration shall prevail as to the particular property described therein.

III. LAND CLASSIFICATION AND DEFINITIONS

3.1 Lots: As used herein, a Lot shall be any lot or tract described in a recorded instrument or shown on a recorded plat which is not otherwise identified on the recorded plat or in the recorded instrument or a Supplemental Declaration covering that lot as a Multiple Unit Tract or Common Area or by some other specific land classification designation.

3.2 Multiple Unit Tracts: As used herein, a Multiple Unit Tract shall be any area described in a recorded instrument or shown on a recorded plat which is clearly identified as such on the recorded plat or in the recorded instrument or a Supplemental Declaration covering that area.

3.3 Dwelling Unit: As used herein, a Dwelling Unit shall be a Multiple Unit Tract prior to construction of improvements thereon for dwelling purposes and, thereafter, each single family dwelling unit in such Multiple Unit Tract.

3.4 Common Area: As used herein, a Common Area shall be any area described in a recorded instrument or shown on a recorded plat which is clearly identified as such on the recorded plat or in the recorded instrument or a Supplemental Declaration covering the area. A Lot or other parcel of property may be changed to Common Area by Janss by declaration recorded prior to conveyance of the parcel by Janss.

3.5 Greenbelt Area: As used herein, a Greenbelt Area shall be any portion of any Lot, Multiple Unit Tract, Common Area or other property designated on a recorded plat or in a recorded instrument or a Supplemental Declaration covering said property as a Greenbelt Area.

3.6 Property: As used herein, Property shall mean any and all property which is now or may hereafter be subject to this Declaration, including Lots, Multiple Unit Tracts, Common Areas and any other property under any other land classification, and including public or private streets and roads and any private or public easements or ways and including any and all improvements on any of the foregoing.

IV. LAND USE AND BUILDING RESTRICTIONS

4.1 Lot Restrictions: Each Lot shall be used exclusively for residential living purposes and such purposes as are customarily incident thereto. Unless otherwise specified on a recorded plat or in a Supplemental Declaration covering the Lot: No Lot shall be improved except with a dwelling or residence structure or complex designed to accommodate no more than a single family and its servants and occasional guests plus such other improvements and structures as are necessary or customarily incident to a single family residence; No guest house or guest area of a structure shall have its own kitchen facilities; The dwelling or residence structure or complex shall have a minimum living floor area of the number of square feet, exclusive of garages, porches, patios and accessory structures, shown on the recorded plat or specified in a Supplemental Declaration covering the Lots; No structure or above-ground improvements shall be permitted on any Lot which are detached or separated from the principal structure unless located within a reasonably compact area adjacent to the principal structure and unless designed as a single visual element, connected or related visually with the principal structure by fencing or other architectural features; No dwelling or residence structure and no other structure or above-ground improvement shall rise more than the number of stories or number of feet, measured in either case, from the highest grade level adjoining the structure, shown on the recorded plat or specified in a Supplemental Declaration covering the Lot, and all above-ground improvements, except landscaping and necessary crossings by access drives, bridges or paths, shall be set back at least the distance from the boundaries of the Lot established by setback lines shown on the recorded plat or specified in a Supplemental Declaration covering the Lot.

4.2 Multiple Unit Tract Restrictions: Each Multiple Unit Tract shall be used exclusively for residential living purposes and such purposes as are customarily incident thereto. Unless otherwise specified on a recorded plat or in a Supplemental Declaration covering the Multiple Unit Tract: No Multiple Unit Tract shall be improved with more than the number of principal structures containing the number of Dwelling Units which may be specified for the Tract on the recorded plat or in a Supplemental Declaration covering the Tract, plus such other improvements and structures as are necessary or customarily incident to any such principal structure; Each Dwelling Unit shall be designed to accommodate no more than a single family and its servants and occasional guests; Each Dwelling Unit within the principal structure shall have a minimum floor area of the number of square feet, exclusive of garages, porches, patios and accessory structures, specified for the Tract on the recorded plat or in a Supplemental Declaration covering the Tract; No structures or above-ground improvements shall be permitted on any Multiple Unit Tract which are detached or separated from a principal structure unless located within a reasonably compact area adjacent to a principal structure and unless designed as a single visual element, connected or related visually with the principal structure by fencing or other architectural features; No principal structure and no accessory structure or other above-ground improvement shall rise more than the number of stories or more than the number of feet, measured in either case, from the highest grade level adjoining the structure, which may be specified for the Tract on the recorded plat or in a Supplemental Declaration covering the Tract; and All above-ground improvements, except landscaping and necessary crossings by access driveways, bridges or paths, shall be set back at least the distance from the boundaries of the Multiple Unit Tract established by setback lines shown on the recorded plat or specified in the Supplemental Declaration covering the Multiple Unit Tract.

4.3 Common Area Restrictions: Common Areas shall be kept exclusively as a scenic or natural open area although portions of the Common Area, not extensive in proportion to the total area of the Common Area, may be developed for non-profit recreation and leisure-time activities and portions thereof may be developed as may be reasonably necessary for installation of below-surface utilities, as may be necessary or desirable to provide or improve access to or from or to enhance the use and enjoyment of any Property, or as may be necessary or desirable to protect, support or preserve any Property. Janss shall have the right to develop at Janss' expense any Common Area as provided above while it owns the same and for three years after conveyance of such Common Area by Janss to the Association or to an appropriate government authority. Common Areas shall at all times be held by Janss or, upon conveyance thereof by Janss to the Association, by the Association, or, with the consent of Janss by an appropriate governmental authority, including a park or recreation district, which is existing and willing to accept and maintain the same. Until and unless conveyed to a governmental authority, Common Areas shall be maintained by the Association and shall be held by Janss or the Association for the exclusive use of owners of Property, their invitees and guests, although Janss, or, upon conveyance thereof to the Assocation, the Association, may at any time and from time to time limit or restrict use of all or portions of any Common Area to certain uses and/or to certain persons or classes of persons, may prescribe rules and regulations governing use of Common Areas and may, if some owners wish to use and develop a portion of Common Areas for recreation facilities and are willing to pay the cost of developing and maintaining the same, permit such development on such terms and conditions as may be deemed advisable.

4.4 Greenbelt Area Restrictions: Any portion of a Lot, Multiple Unit Tract or Common Area or other Property designated as a Greenbelt Area shall be preserved and maintained at all times as near as may be in its natural state and no above-ground improvements except necessary crossings by access driveways, bridges or paths, shall be permitted therein or thereon. If all of any Lot, Multiple Unit Tract, Common Area or other Property is designated as Greenbelt Area, such Property shall be preserved and maintained as near as may be in its natural state except for the portions thereof actually occupied by such principal structures and accessory structures as may be otherwise permitted and such improvements and structures as are necessary or customarily incident thereto.

4.5 Subdivision of Property: No Lot, Multiple Unit Tract, Common Area or other property area created under any Supplemental Declaration may be divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership, except Multiple Unit Tracts may be divided and sold or conveyed in condominium ownership as recognized under the Condominium Property Act of Idaho. Notwithstanding the foregoing, adjoining property owners may sell or purchase adjoining property to accomplish relocation of the boundary line between such properties if such sale and purchase will not cause or result in a violation of any setback, building or other restriction herein contained. In such cases, the new property line thus established shall be deemed the new boundary line between the respective properties but no setback lines, easements or land classifications established for such properties shall be shifted by reason of the change of boundary lines.

4.6 Combining Parcels: Two or more adjoining Lots, Multiple Unit Tracts or other parcels of Property of the same land classification which are under the same ownership may be combined and developed as one parcel. Setback lines along the common boundary line of the combined parcels may be removed with the written consent of the Design Committee if the Design Committee finds and determines that any improvements to be constructed within these setback lines will not cause unreasonable diminution of the view from other property. If setback lines are removed or easements changed along the common boundary line of combined parcels, the combined parcels shall be deemed one parcel and may not thereafter be split and developed as two parcels.

4.7 No Business or Commercial Activity: Unless specifically permitted in a Supplemental Declaration, no Property shall be used at any time for business or commercial activity, provided, however, that Janss or its nominee may use any Property for model homes or real estate sales offices. The rental of Property for residential living purposes to transients is not considered a business or commercial activity.

4.8 Occupancy Limitations: No dwelling or residence on any Lot and no Dwelling Unit in any structure on a Multiple Unit Tract or other property area created under any Supplemental Declaration shall be used for living purposes by more persons that it was designed to accommodate comfortably. No portion of any Property shall be used as a residence or for living purposes by any person other than the dwelling or residence on a Lot or a Dwelling Unit in any structure constructed on a Multiple Unit Tract or the permitted residential structures on any other Property.

4.9 Maintenance of Property: All Property, including Common Areas, and all improvements on any Property shall be kept and maintained by the owner thereof in clean, safe, attractive and sightly condition and in good repair. Common Areas shall be maintained by the Association notwithstanding the fact that the Common Area may not have been conveyed to the Association by Janss.

4.10 No Noxious or Offensive Activity: No noxious or offensive activity shall be carried on upon any Property nor shall anything be done or placed on any Property which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others.

4.11 No Hazardous Activities: No activities shall be conducted on any Property and no improvements constructed on any Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Property; and no open fires shall be lighted or permitted on any Property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace or except such campfires or picnic fires in portions of Common Areas designated for such use by Janss or by the Association or except such controlled and attended fires required for clearing or maintenance of land.

4.12 No Unsightliness: No unsightliness shall be permitted on any Property. Without limiting the generality of the foregoing, all unsightly structures, facilities, equipment, objects and conditions shall be enclosed within an approved structure or appropriately screened from view; Trailers, mobile homes, trucks other than pickups, boats, tractors, vehicles other than automobiles, campers not on a truck, snow removal equipment and garden or maintenance equipment shall be kept at all times, except when in actual use, in an enclosed structure or screened from view; Refuse, garbage and trash shall be kept at all times in a covered, noiseless container and any such container shall be kept within an enclosed structure or appropriately screened from view; Service areas, storage piles, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view; Pipes for water, gas, sewer, drainage or other purposes and wires, poles, antenna and other facilities for the transmission or reception of audio or visual signals or electricity, and utility meters or other utility facilities and gas, oil, water or other tanks, and sewage disposal systems or devices shall be kept and maintained within an enclosed structure or below the surface of the ground; and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any Property. Notwithstanding the foregoing, if at the time of the occupancy of any approved structure, connections to a nearby undergound electricity line, telephone line or television cable is not available, then temporary poles or wires for electricity, telephone or television antenna, as the case may be, may be installed to a reasonably necessary height provided that they shall be promptly removed at the expense of the owner after the availability of connections to nearby underground lines or cables, and, at any time, a television antenna to receive a signal from a booster or translator, no larger or more conspicuous than is necessary, may be installed.

4.13 No Annoying Lights, Sounds or Odors: No light shall be emitted from any Property which is unreasonably bright or causes unreasonable glare; No sound shall be emitted on any Property which is unreasonably loud or annoying; and No odor shall be emitted on any Property which is noxious or offensive to others.

4.14 No Temporary Structures: No tent or shack or other temporary building, improvement or structure shall be placed upon any Property.

4.15 Restriction on Animals: No animals, birds, insects or livestock shall be kept on any Property except domesticated dogs, cats or other household pets which do not unreasonably bother or constitute a nuisance to others and except horses on such portions of Common Areas, roads and other public ways or easements as may be designated for such use from time to time by Janss and except for such numbers of horses or livestock on a particular Lot, or Multiple Unit Tract or other Property as may be specifically designated for such Property on a recorded plat or the recorded instrument or Supplemental Declaration covering such Lot.

4.16 Restriction on Signs: No signs or advertising devices of any nature shall be erected or maintained on any Property except as necessary to identify the ownership of the Property and its address; or to show the Property is for sale or for rent; or as may be necessary or desirable to give direction, advise of rules and regulations, or caution or warn of danger; and such signs as may be otherwise required by law. Any signs which are permitted under the foregoing restrictions shall be erected or maintained on Property only with the prior written approval of the Design Committee which approval shall be given only if such signs shall be of attractive design in keeping with the scenic and rustic nature of the Property and shall be as small in size as is reasonably possible and shall be placed or located as directed or approved by the Design Committee.

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

4.18 No Cesspools or Septic Tanks: No cesspools or septic tanks shall be permitted on any Property. Any other type of sewage disposal system shall be installed only after approval by the Design Committee and any governmental health authority having jurisdiction.

4.19 Other Restrictions for Additional Areas: Janss, by any Supplemental Declaration may impose other restrictions or alter these restrictions as to the Property covered by the Supplemental Declaration.

4.20 Construction Period Exception: During the course of actual construction of any permitted structures or improvements, the restrictions contained in this Declaration or in any Supplemental Declaration shall be deemed waived to the extent necessary to permit such construction and provided that, during the course of such construction, nothing is done which will result in a violation of these restrictions upon completion of construction.

4.21 Vari inces by Design Committee: The Design Committee may authorize variances from compli ince with any of the terms or provisions of this Declaration or any Supplemental Declaration when circumstances such as topography, natural obstructions or hardship may require. Such variances must be evidenced in writing. If such variances are granted, no violation of the provisions, covenants, restrictions and conditions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or of any Supplemental Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance.

V. REQUIRED APPROVAL OF ALL CHANGES TO PROPERTY

5.1 Approval of All Changes to Property Required: No changes in the existing state of any Property shall be made or permitted, except by Janss, without the prior written approval of the Design Committee. Changes in the existing state of Property shall include, without limitation, the construction of any building, structure or other improvement including utility facilities; The excavation, filling or similar disturbance of the surface of land including, without limitation, change of grade, stream bed, ground level or drainage pattern; The clearing, marring, defacing or damaging of trees, shrubs or other growing things; The landscaping or planting of trees, shrubs, lawns or plans; or Any change or alteration, including without limitation, any change of color, texture or exterior appearance of any previously approved change in the existing state of Property.

5.2 Design Committee Criteria for Approval: The Design Committee shall have complete discretion to approve or disapprove any change in the existing state of Property but shall exercise such discretion with the following objectives in mind among others: To carry out the general purposes expressed in this Declaration; To prevent violation of any specific provision of this Declaration or any Supplemental Declaration; To prevent any change which would be unsafe or hazardous to any persons or property; To minimize obstruction or diminution of the view of others; To preserve visual continuity of the area and to prevent a marked or unnecessary transition between improved and unimproved areas and any sharp definition of boundaries of property ownership; To assure that any change will be of good and attractive design and in harmony with the rustic and natural setting of the area and will serve to preserve and enhance existing features of natural beauty; To assure that materials and workmanship for all improvements are of high quality comparable to other improvements in the area; and To assure that any change will require as little maintenance as possible so as to assure a better appearing area under all conditions.

5.3 Conditions Precedent to Approval: Prior to expenditures of any substantial time or funds in the planning of any proposed change in the existing state of Property, the owner of Property, other than Janss, shall advise the Design Committee in writing of the general nature of the proposed change; shall, if requested by the Design Committee, meet with a member or members of the Design Committee to discuss the proposed change; shall read or become familiar with any guides or guidelines which may have been prepared or formulated by the Design Committee; and shall, if requested by the Design Committee, furnish the Design Committee with preliminary plans and specifications for comment and review. After the nature and scope of a proposed change in the existing state of Property is determined and prior to the commencement of work to accomplish such change, the Design Committee shall be furnished in duplicate, by the property owners, other than Janss, with a complete and full description of the proposed change in writing and with a plot plan covering the particular Lot, Multiple Unit Tract, Common Area or other Property, drawn to such scale as may be reasonably required by the Design Committee, showing all boundaries, showing existing and proposed contour lines and elevations at reasonably detailed intervals, showing all existing and proposed improvements, showing the existing and proposed drainage pattern, showing the existing and proposed utility and sanitation facilities and showing the existing or proposed substantial trees or shrubs. There shall also be furnished to the Design Committee any and all further information with respect to the existing state of the Property or the proposed change in the existing state of Property which the Design Committee may reasonably require to permit it to make an informed decision on whether or not to grant approval to the change. If the drainage pattern of any Property will be affected by any change, the Design Committee may require submission of a report on the effect by a qualified engineer or geologist. With respect to all buildings and other structures, the Design Committee may require submission, in duplicate, of floor plans, elevation drawings, and final working drawings, all drawn to such scale as may be reasonably required by the Design Committee; descriptions of exterior materials and colors and samples of the same; and final construction specifications. Where buildings or structures or other improvements which reasonably require plans and specifications are proposed to be constructed or built, the Design Committee may require that the plans and specifications be prepared by a practicing licensed architect and a fee of $100 shall be paid to the Association to cover costs and expenses or review; $75 of the fee may be waived by the Design Committee in its discretion if the plans and specifications furnished are prepared by a practicing licensed architect. Prior to giving approval to a proposed change in the existing state of Property, at least one member of the Design Committee shall physically inspect the Property. No proposed change in the existing state of Property shall be deemed to have been approved by the Design Committee unless its approval is in writing executed by at least two members of the Design Committee provided that approval shall be deemed given if the Design Committee fails to approve or disapprove a proposed change or to make additional requirements or request additional information within 45 days after a full and complete description of the proposed change has been furnished in writing to the Design Committee with a written and specific request for approval.

5.4 Prosecution of Work After Approval: After approval by the Design Committee of any proposed change in the existing state of Property, the proposed change shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed change and any plans and specifications therefor given to the Design Committee. Failure to accomplish the change within one year after the date of approval (subject to strikes and acts of God) or to complete the proposed change strictly in accordance with the description thereof and plans and specifications therefor shall operate to automatically revoke the approval of the proposed change and, upon demand by the Design Committee, the Property shall be restored as nearly as possible to its state existing prior to any work in connection with the proposed change. The Design Committee and its duly appointed agents may enter upon any Property at any reasonable time or times to inspect the progress or status of any changes in the existing state of Property being made or which may have been made. The Design Committee shall have the right and authority to record a notice to show that any particular change in the existing state of Property has not been approved or that any approval given has been automatically revoked.

VI. DESIGN COMMITTEE

6.1 Design Committee Members: The Design Committee shall consist of three members. At least one member shall be a licensed architect or landscape architect who shall be designated specifically as the Architect Member. There may be designated one or more alternate members for each regular member of the Design Committee who shall be authorized to act in the place and stead of the member for whom they are an alternate in the event of his absence or inability to act. Members and alternate members of the Design Committee shall be appointed by and shall serve at the pleasure of Janss, provided that, at any time, Janss may assign the right to appoint and remove one or more members and alternate members of the Design Committee to the Association. Janss or, after assignment of the right to appoint and remove a majority of the members and alternate members to the Association, then the Association, shall promptly furnish the names and addresses of the current members and alternate members of the Design Committee to any interested person and the name and address to which all notices and communications to the Design Committee should be directed. The Association shall be obligated to pay reasonable compensation to members and alternate members for actual services rendered and to reimburse them for actual and reasonable expenses incurred.

6.2 Action by Design Committee: The vote or written consent of any two members shall constitute action of the Design Committee, provided, however, that approval of plans, drawings and specifications by the Design Committee shall require the vote or written consent of the Architect Member and at least one other member. The Design Committee shall report in writing all approvals and disapprovals of changes in the existing state of Property to Janss or to the Association whichever then has the right to appoint and remove members and Janss or the Association, as the case may be, shall keep a permanent record of all such reported action. Janss or the Association, as the case may be, shall, upon written request of any interested person, furnish a certificate with respect to approval or disapproval by the Design Committee of any change in the existing state of Property and any person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

6.3 Limitation on Liability of Design Committee: Neither the Design Committee nor any member thereof shall be liable to any party for any action or for any failure to act under or pursuant to the provisions of this Declaration provided only that the Design Committee or any such member shall have proceeded hereunder in good faith and without malice.

HOMEOWNERS ASSOCIATION

7.1 Sun Valley Residential Association: Sun Valley Residential Association, Inc. (herein called the Association) has been incorporated as an Idaho corporation not for profit under a Certificate of Incorporation of even date herewith. The purposes and powers of the Association and the rights and obligations inherent in membership are set forth in its Certificate of Incorporation and the provisions of this Declaration with respect thereto are for general descriptive purposes only. The Association is and shall be obligated to accept title to and maintain Common Areas and roads and streets and to assume the functions and obligations imposed on it or contemplated for it under this Declaration and any similar functions and obligations under any Supplemental Declaration with respect to property now or hereafter subject to this Declaration.

7.2 Membership: There is and shall be one membership in the Association for each Lot, Dwelling Unit and each other property area designated for membership under any Supplemental Declaration. The owner or owners of each such Lot, Dwelling Unit or other property area automatically become the owner or owners of the membership for that Lot, Dwelling Unit or other property area and automatically have the benefits and are automatically subject to the burdens attributable to such membership. Each membership is and shall always be appurtenant to the title to a particular Lot, Dwelling Unit or other property area and shall automatically pass with transfer of title to the same. Each membership is entitled to one vote in matters submitted to a vote of the membership of the Association.

7.3 Board of Directors: Janss has and shall have the power and authority to designate three out of five (or at least 60%) of the members of the Board of Directors of the Association until the first annual meeting of members and for five years thereafter, the power and authority to designate two out of five (or at least 40%) of the members of the Board for the following five years; and the power and authority to designate at least one member of the Board of the Association for the following ten years. Members of the Board of the Association other than those designated by Janss shall be elected by cumulative voting of the membership of the Association, including Janss to the extent of its ownership of Lots, Dwelling Units or other property areas.

7.4 Assessments: The Association has and shall have the power to levy assessments against each membership to cover its actual and estimated costs and expenses of performing its functions and obligations under this Declaration and any Supplemental Declaration. Assessments must be levied pro rata on a basis of the valuation for assessment by the County Assessor of Blaine County, Idaho, for the proceding year of each Lot, Dwelling Unit or other property area, exclusive of the value of improvements thereon. The assessment levied against each membership is and shall constitute a personal debt of the owner or owners of the membership.

7.5 Lien for Unpaid Assessments: If the owner or owners of any membership shall fail to pay any assessment levied by the Association, the Association shall have a lien from and after the time a notice of such failure to pay is recorded in the office of the County Clerk and Recorder of Blaine County, Idaho, against the property to which such membership is appurtenant for the amount due and not paid, plus interest from the date payment was due at the rate of 8% per annum, plus all costs and expenses of collecting the unpaid amount, including reasonable attorney's fees. The lien may be foreclosed by the Association in the manner for foreclosure of mortgages or deeds of trust in the State of Idaho.

VIII. MISCELLANEOUS PROVISIONS

8.1 Duration of Declaration: The provisions of this Declaration and of any Supplemental Declaration, including all restriction, covenants and conditions contained therein, shall continue and remain in full force and effect for a period of twenty-one (21) years following the death of the survivor of the now living children of R. L. Herberg, Brian Corbell and Victor H. Palmieri, or until the year 2000 A.D., whichever first occurs; provided, however, that, unless at least one year prior to the expiration of this Declaration and any Supplemental Declaration, there is recorded an instrument directing the termination hereof, signed by the owners of not less than two-thirds in area of the privately owned Property, excluding Common Areas, included under this Declaration. This Declaration and any Supplemental Declaration shall continue automatically for an additional period of ten (10) years and thereafter for successive periods of ten (10) years unless, at least one year prior to the expiration of any such extended period of duration, this Declaration and any Supplemental Declaration is terminated by recorded instrument directing termination signed by owners of not less than two-thirds in area of the privately owned Property, excluding Common Areas, as aforesaid.

8.2 Amendment: At any time while this Declaration and any Supplemental Declaration is in force and effect, it may be amended or repealed, with the written consent of Janss, by the recording of a written instrument specifying the amendment or the repeal executed by Janss and by the owners of not less than three-quarters in area of the privately owned Property, excluding Common Areas, included under this Declaration.

8.3 Enforcement: The provisions, covenants, restrictions and conditions contained in this Declaration or any Supplemental Declaration may be enforced at any time by the owner or owners of any property subject hereto, by the Association, or notwithstanding the fact that it may no longer hold title to any property subject hereto, by Janss.

8.4 Remedies: The covenants, restrictions and conditions contained in this Declaration or any Supplemental Declaration shall be enforceable by proceeding for prohibitive or mandatory injunction. Damages shall not be deemed an adequate remedy for breach or violation but, in an appropriate case, punitive damages may be awarded. In any action to enforce any such covenant, restriction or condition, the party or parties successful in the action shall be awarded costs including reasonable attorney's fees.

8.5 Additional Remedy: In addition to the remedies stated above, the Association or Janss, upon violation or breach of any covenant, restriction or condition contained in this Declaration or any Supplemental Declaration, may enter upon any Property where such violation or breach exists and may abate or remove the thing or condition causing the violation or breach or may otherwise cure the violation or breach. The costs incurred shall be billed to and paid by the owner or owners of the Property. If the owner or owners of any Property fail, after demand, to pay such costs then the Association or Janss, whichever incurred such costs, shall have a lien, from and after the time a notice of such failure to pay is recorded in the records of Blaine County, Idaho, against the Property of such owner or owners for the amount due and not paid, plus interest from the date of demand for payment at the rate of 8% per annum, plus all costs and expenses of collecting the unpaid amount, including reasonable attorney's fees. The lien may be foreclosed in the manner for foreclosure of mortgages or deeds of trust in the State of Idaho.

8.6 Remedy of Janss: With respect to Janss' right of enforcement, all of the covenants and restrictions in this Declaration or in any Supplemental Declaration are also conditions subsequent. In addition to the remedies stated above, if, with respect to any Property, there is a breach of, or failure to comply with, any of the covenants, restrictions or conditions contained in this Declaration or any Supplemental Declaration, then Janss shall have the right, immediately or at any time during the continuation of such breach or failure, to re-enter and take possession of the above-described Property and, upon the exercise of this right of re-entry, title to said Property shall thereupon vest in Janss. If court proceedings are required to enforce the rights of Janss, Janss shall be entitled to recover its costs including reasonable attorney's fees. The right of re-entry and for revesting of title provided under this Section shall be subject to the provisions of Section 8.7 of this Declaration entitled Protection of Encumbrancer.

8.7 Protection of Encumbrancer: No violation or breach of any restriction, covenant or condition contained in this Declaration or any Supplemental Declaration and no action to enforce the same shall defeat, render invalid or impair the lien of any mortgage or deed of trust taken in good faith and for value or the title or interest of the holder thereof or the title acquired by any purchaser upon foreclosure of any such mortgage or deed of trust. Any such purchaser shall, however, take subject to this Declaration and any Supplemental Declaration, except only that violations or breaches which occurred prior to such foreclosure shall not be deemed breaches or violations hereof.

8.8 Paragraph Headings: The paragraph headings in this instrument are for convenience only and shall not be considered in construing the restrictions, covenants and conditions herein contained.

8.9 No Waiver: Failure to enforce any restriction, covenant or condition in this Declaration or any Supplemental Declaration shall not operate as a waiver of any such restriction, covenant or condition or of any other restriction, covenant or condition.

8.10 Benefits of Declaration: This Declaration and any Supplemental Declaration is made for the benefit of Janss and of all Property now or hereafter subject to this Declaration and of the owners thereof.

8.11 Binding Effect of Declaration: The covenants, restrictions and conditions contained in this Declaration or any Supplemental Declaration shall be deemed conditions as well as covenants and restrictions and shall run with the land and be binding on all parties acquiring any right, title or interest in Property now or hereafter subject to this Declaration.

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

JANSS CORPORATION

By______________________________
____________President

By______________________________
____________Secretary

STATE OF IDAHO)
) ss.
COUNTY OF BLAINE)

On________________ before me, the undersigned, a Notary Public in and for said State, personally appeared ____________________________, known to me to be the ________________ President, and ____________________, known to me to be the ________________ Secretary of Janss Corporation, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS by hand and official seal.

____
Notary Public in and for said
County and State

SUN VALLEY TITLE CO.
P. O. DRAWER 2365
KETCHUM, IDAHO 83340
(208) 726-9341

#150767

ASSIGNMENT AND DESIGNATION

Pursuant to the provisions of the Sun Valley Residential Area Declaration of Protective Covenants dated December 15, 1966 and recorded November 27, 1967, in the Blaine County, Idaho, Real Estate Records as instrument number 128463 JANSS CORPORATION, a Delaware corporation, hereby assigns to SUN VALLEY COMPANY INC., an Idaho corporation, all interest of Janss Corporation under said Declaration and designates Sun Valley Company Inc. as successor in interest to Janss Corporation under said Declaration.

Sun Valley Company Inc. hereby accepts said assignment and designation.

Dated: SEPT. 30, 1968, as of March 20, 1968.

JANSS CORPORATION

Attest:

Fred P. Wilson
Secretary

Joseph G. Leggett
Vice-President

SUN VALLEY COMPANY INC.

Attest:

Scott Lee
Secretary

Harry Holmes
President

STATE OF CALIFORNIA)
) ss.
COUNTY OF VENTURA)

On this 5th day of September, 1968, before me, the undersigned, a Notary Public for Idaho, personally appeared Joseph G. Leggett, known to me to be the Vice President of Janss Corporation, the corporation that executed this instrument, and Fred P. Wilson, known to me to be the ______ Secretary of Janss Corporation, the corporation that executed this instrument, and acknowledged to me that such corporation executed the same.

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

OFFICIAL SEAL
EVELYN JANE YOUNG
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
VENTURA COUNTY

Evelyn Jane Young
Notary Public for California
Residing at Moorpark Calif
My commission expires: July 26, 1971

~~STATE OF IDAHO)~~
~~) ss.~~
~~COUNTY OF BLAINE)~~

~~On this ______ day of ______, 19__, before me, the undersigned, a Notary Public for Idaho, personally appeared ______, known to me to be the ______ President of Sun Valley Company Inc., the corporation that executed this instrument, and ______, known to me to be the ______ Secretary of Sun Valley Company Inc., the corporation that executed this instrument, and acknowledged to me that such corporation executed the same.~~

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

~~Notary Public for Idaho~~
~~Residing at~~
~~My commission expires~~

No: 130969

Assignment and Designation

Janss Corporation

to

Sun Valley Company Inc.

STATE OF IDAHO, } ss.
COUNTY OF BLAINE, }

I HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR RECORD IN MY OFFICE AT THE REQUEST OF Sun Valley Co. Inc
AT 9:25 O'CLOCK A M.
Oct 4 A.D. 1968
RECORDED IN BOOK 183 ON PAGE
OF Misc

George L. McCoy
EX-OFFICIO RECORDER

Hazel Burden
DEPUTY

.75 pd

DOC.# 131371

3-68
inc. Arts. of Inc.; #237692 & Amd. to Condo Dec.

CONDOMINIUM DECLARATION

for

THE VILLAGER CONDOMINIUMS

ARTICLE I. Recitals and Certain Definitions.

Section 1.1 The Declarant; the Real Property. Sun Valley Company Inc., an Idaho corporation (together with its successors and assigns, collectively, the "Declarant") is the owner of that certain real property located in Blaine County, Idaho, described in Exhibit A attached hereto and hereby made a part of this Declaration (the "Real Property").

Section 1.2 Intention of Declarant. Declarant intends to provide for condominium ownership of the Real Property under the Condominium Property Act of the State of Idaho.

Section 1.3 The Project. Declarant has prepared a plat or survey map of the surface of the ground of the Real Property, together with diagrammatic floor plans of the buildings and other improvements to be constructed thereon, showing elevations. Each Unit, as herein defined, is numbered consecutively on such plans. The term "Project" shall collectively mean the Real Property and all buildings and other improvements to be located on the Real Property.

Section 1.4 Type of Ownership. This condominium project will provide a means for ownership in fee simple of separate interests in units and for co-ownership with others, as tenants in common, of Common Area, as herein defined.

ARTICLE II. Additional Definitions.

The following terms shall have the following meanings when used herein unless the context otherwise requires.

Section 2.1 Building. "Building" means one of the buildings to be constructed on the Real Property pursuant to this Declaration.

Section 2.2 Unit "Unit" means the separate interest in a condominium, as bounded by the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof and the interior surfaces of built-in fire places as shown and numbered on the Condominium Map to be filed for record, together with all fixtures and improvements therein contained. Notwithstanding such markings, the following are not part of a Unit: bearing walls, floors and roofs (except for the interior surface thereof, if a perimeter wall, floor or ceiling), foundations, shafts, central heating, central refrigeration and central air conditioning equipment, reservoirs, tanks, pumps and other services used by more than one Unit, pipes, vents, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the Unit. The interior surfaces of a perimeter window or door means the points at which such surfaces are located when such windows or doors are closed; the physical windows and doors themselves are part of the Common Area, as herein defined. Each Unit also includes the interior of any storage areas which are shown on the Condominium Map as belonging to such Unit, bounded as described herein for the other portions of the Unit. In the case of combination of two or more adjoining Units, those portions of partition walls between Units which are from time to time used as door openings between such Units shall be deemed to be divided in half longitudinally, parallel to the partition wall, and each half shall constitute part of the Unit which it adjoins.

Section 2.3 Common Area. "Common Area" means the entire Project excepting all Units.

Section 2.4 Limited Common Area. "Limited Common Area" means that Common Area designated herein for exclusive use by owners of particular condominiums, as those terms are herein defined.

Section 2.5 General Common Area. "General Common Area" means all Common Area excepting all Limited Common Area.

Section 2.6 Condominium. "Condominium" means a separate interest in a Unit together with an undivided interest in common in the Common Area (expressed as a percentage of the entire ownership interest in the Common Area) as set forth in Exhibit B attached hereto and by this reference made a part hereof.

2.7 Owner. "Owner" means any person or entity, including Declarant, at any time owning a Condominium; the term "Owner" shall not refer to any Mortgagee, as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 2.8 Mortgage. "Mortgage" means any mortgage, deed of trust, or other security instrument by which a Condominium or any part thereof is encumbered.

Section 2.9 Mortgagee. "Mortgagee" means any person named as the mortgagee, or beneficiary, under any Mortgage under which the interest of any Owner is encumbered.

Section 2.10 Association. "Association" means The Villager Condominium Association, Inc., an Idaho corporation, not for profit, its successors and assigns, to be organized as provided herein.

Section 2.11 Condominium Map. "Condominium Map" means a plat or survey map of the surface of the ground of the Real Property showing a survey and legal description thereof, the location of each Building with respect to the boundaries of the Real Property, together with diagrammatic floor plans of the Buildings showing the boundaries of each Unit within each Building, including horizontal and vertical locations and dimensions of all boundaries of each Unit, Unit numbers identifying the Units, together with such other information as may be included thereon in the discretion of the Declarant.

ARTICLE III. Statement of Intention and Purpose.

Declarant hereby declares that the Project and every part thereof is held and shall be held, conveyed, devised, leased, rented, encumbered, used, occupied and improved and otherwise affected in any manner subject to the provisions of this Declaration, each and all of which provisions are hereby declared to be in furtherance of the general plan and scheme of condominium ownership referred to in Article I and are further declared to be for the benefit of the Project and every part thereof and for the benefit of each Owner. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes as the case may be, and shall constitute benefits and burdens to the Declarant and its assigns and to all persons hereafter acquiring or owning any interest in the Project, however such interest may be obtained.

ARTICLE IV. Preparation and Filing of the Condominium Map.

Section 4.1 When Completed. The Condominium Map shall be completed only after the Project has been substantially completed so that all points to be located thereon will reflect the true location of each Unit and of the Common Area, as built.

Section 4.2 Recording. The Condominium Map shall be filed for record in the Records of Blaine County, Idaho.

ARTICLE V. Nature and Incidents of Condominium Ownership.

Section 5.1 Estates of an Owner. The Project is hereby divided into Condominiums, each consisting of a separate interest in a Unit and an undivided interest in common in the Common Area in accordance with the attached Exhibit B setting forth the Common Area appurtenant to each Unit. The percentage of ownership interest in the Common Area which is to be allocated to each Unit for purposes of tax assessment under Section 55-1514 of the Idaho Code and for purposes of liability as provided by Section 15-1515 of such Code shall be the same as set forth in Exhibit B.

Such undivided interests in the Common Area are hereby declared to be appurtenant to the respective Units.

Section 5.2 Limited Common Area. "Limited Common Area" shall consist of: balconies; porches; automobile parking spaces, structures and garages; and heating, refrigeration and air conditioning equipment located in the crawl space between the foundations and each Unit. The balcony or balconies and the porch or porches adjoining the Unit and the automobile parking space, structure or garage identified on the Condominium Map with the same number or other designation by which the Unit is identified on the Condominium Map and the heating, refrigeration and air conditioning equipment, as above set forth, shall be used in connection with such Unit to the exclusion of the use thereof by the other Owners of Common Area except by invitation.

Section 5.3 Right to Combine Units. Declarant reserves the right to combine physically the area or space of one Unit with the area or space of one or more adjoining Units on the same floor of a Building. Such combination shall not prevent separate ownership of such Condominiums in the future.

Section 5.4 Title. Title to a Condominium may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Idaho, including, but without limitation, joint tenancy or tenancy in common.

Section 5.5 Inseparability. No part of a Condominium or of the legal rights comprising ownership of a Condominium may be separated from any other part thereof during the period of Condominium ownership prescribed herein, so that each Unit and the undivided interest in the Common Area appurtenant to such Unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Condominium or any part thereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Condominium together with all appurtenant rights created by law or by this Declaration.

Section 5.6 Partition not Permitted. The Common Area shall be owned in common by all the owners of Condominiums, and no owner may bring any action for partition thereof.

Section 5.7 Owner's Rights to Common Area. Subject to the limitations contained in this Declaration, each Owner shall have the nonexclusive right to use and enjoy the General Common Area, and shall have the exclusive right to use and enjoy the Limited Common Area designated herein for exclusive use by such Owner.

Section 5.8 Taxes and Assessments. Each owner shall execute such instruments and take such actions as may reasonably be specified by the Association to obtain separate real property tax assessments of the interest of each Owner in each Condominium. If any taxes or special district or other assessments may, in the opinion of the Association, nevertheless be a lien on the Project or any part thereof, the Association shall pay the same and assess the same to the Owner or Owners responsible therefor. Each Owner shall pay the taxes or assessments assessed against his Condominium, or interest therein, or his interest in the Common Area, or any part of any or all of the foregoing. Each Owner shall pay all taxes, rates, impositions and assessments levied against the Project or any part of the Common Area in proportion to his interest in the Common Area, such payment to be made to the Association at least thirty (30) days prior to the delinquency of such tax or assessment. Each such unpaid tax or assessment shall bear interest at the rate of eight per cent (8%) per annum from and after the time the same becomes payable by each Owner and shall be secured by the lien created by Section 10.6 hereof.

Section 5.9 Owner's Rights with Respect to Interiors. Each Owner shall have the exclusive right to paint, repaint, tile, was, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, and doors forming the boundaries of his Unit and all walls, ceilings, floors and doors within such boundaries.

Section 5.10 Easements for Encroachments. If any part of the Common Area encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Area, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachment shall not be considered to be encumbrances either on the Common Area or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part hereof.

Section 5.11 Easements of Access for Repair, Maintenance and Emergencies. The Common Area is or may be located within the Units or may be conveniently accessibly only through the Units. The Owners of other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Area located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Area or to another Unit or Units. The Association shall also have such right independent of any agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the Common Area or as a result of emergency repairs within another Unit at the instance of the Association or of Owners shall be an expense of all of the Owners; provided, however, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all of such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Association by assessment pursuant to Article X, below.

Section 5.12 Owner's Right to Ingress and Egress and Support. Each Owner shall have the right to ingress and egress over, upon and across the Common Area necessary for access to his Unit and the Limited Common Area and shall have the right to the horizontal and lateral support of his Unit, and such rights shall be appurtenant to and pass with the title to each Condominium.

Section 5.13 Association's Right to Use of Common Area. The Association shall have a nonexclusive easement to make such use of the Common Area as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain in the General Common Area maintenance and storage facilities for use by the Association.

Section 5.14 Declarant's Rights Incident to Construction. Declarant, and persons it shall select, shall have the right to ingress and egress over, upon and across the Common Area, the right to store materials thereon and to make such other use thereof as may be reasonably necessary incident to construction and complete development of this Project.

Section 5.15 Easements Deemed Created. All conveyances of Condominiums hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as shall give effect to Section 5.10, 5.11, 5.12, 5.13 and 5.14 above, even though no specific reference to such easements or to those Sections appears in any such conveyance.

ARTICLE VI. Description of a Condominium

Every contract for the sale of a condominium written prior to the filing for record of the Condominium Map may legally describe a Condominium by its identifying Unit number and the undivided interest in and to the Common Area appurtenant thereto, followed by the words "The Villager Condominiums" with reference to diagrammatic floor plans of each of the Buildings comprising the initial Project, showing elevations, the identifying Unit numbers and the respective locations to be occupied by the Buildings. Upon the filing of the Condominium Map for record in Blaine County, Idaho, such descriptions shall conclusively be presumed to relate to the corresponding Units reflected thereon, notwithstanding any variance between such diagrammatic floor plans and the Condominium Map.

After the Condominium Map shall have been filed for record in Blaine County, Idaho, every contract for the sale of a Condominium and every other instrument affecting title to a Condominium may describe that Condominium by the number shown on the Condominium Map with the appropriate reference to the Condominium Map and to this Declaration, as each shall appear on the records of the County Clerk and Recorder of Blaine County, Idaho, in the following fashion:

> Condominium Unit __________ as shown on the Condominium Map for The Villager Condominiums appearing in the Records of Blaine County, Idaho, Instrument No. __________ and as defined and described in that Condominium Declaration for The Villager Condominiums recorded in the Records of Blaine County, Idaho, as Instrument No. __________.

Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Area, and to incorporate all the rights incident to ownership of a Condominium and all the limitations on such ownership as described in this Declaration.

ARTICLE VII. Mechanic's Lien Rights.

Subsequent to the completion of the Project, no labor performed or materials furnished for use in connection with any Unit with the consent or at the request of an Owner or his agent or subcontractor shall create any right to file a statement of mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Area except as to the undivided interests therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners from and against liability or loss arising from the claim of any lien against the Condominium, or any part thereof, of any other Owner for labor performed or for materials furnished in work on the first Owner's Unit. At the written request of any Owner the Association shall enforce such indemnity by collecting from the Owner of the Unit on which the labor was performed and materials furnished the amount necessary to discharge any such lien, including all costs incidental thereto, and obtaining discharge of the lien. Such collection shall be made by a special assessment pursuant to Section 10.5.

ARTICLE VIII. The Association.

Section 8.1 Membership. The Articles of Incorporation and the By-Laws of the Association are attached hereto as Exhibit C and hereby made a part of this Declaration. Every Owner shall be entitled and required to be a member of the Association. If title to a Condominium is held by more than one person, the membership related to that Condominium shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the Condominium is held. An Owner shall be entitled to one membership for each Condominium owned by him. No person or entity other than an Owner may be a member of the Association, and the Articles of Incorporation or By-Laws of the Association shall so state and shall in addition state that the memberships in the Association may not be transferred except in connection with the transfer of a Condominium. Provided, however, that the rights of membership may be assigned to a Mortgagee as further security for a loan secured by a lien on a Condominium.

Section 8.2 Voting Rights. The total number of votes which may be cast by all members of the Association shall be set forth in the Articles of Incorporation and By-Laws of the Association, attached hereto as Exhibit C, and each Owner shall be entitled to vote the same percentage of the total number of votes of the Association as such Owner's percentage interest in the Common Area as set forth in Exhibit B attached hereto.

Section 8.3 Transfer. Except as otherwise expressly stated herein, any of the rights, interests and obligations of the Association set forth herein or reserved herein may be transferred or assigned to any other person or entity; provided, however, that no such transfer or assignment shall relieve the Association of any of the obligations set forth herein. Any such transfer or assignment shall not revoke or change any of the rights or obligations of any Owners as set forth herein.

Section 8.4 Amplification. The provisions of this Article are to be amplified by the Articles of Incorporation of the Association and by the By-Laws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth herein.

ARTICLE IX. Certain Rights and Obligations of the Association

Section 9.1 The Management Body. The Association is hereby designated to be the "Management Body" as provided in Section 15-1503 and 15-1506 of the Idaho Code and shall administer the Project in accordance with the Condominium Property Act of such Code, the Articles of Incorporation, and By-Laws of the Association and the provisions of this Declaration.

Section 9.2 The Common Area. The Association, subject to the rights of the Owners set forth in Article V hereof, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair; provided, however, that each Owner of a Condiminium Unit shall keep the Limited Common Area designated for use in connection with his Unit in a clean, sanitary and attractive condition, and shall maintain and repair the heating, refrigeration and air conditioning equipment servicing his Unit exclusively. The Association shall be responsible for the maintenance and repair of exterior surfaces of Buildings and improvements located on the Project, including, without limitation, the painting of the same as often as necessary, the replacement of trim and caulking, the maintenance and repair of roofs, the maintenance and repair of utility lines and all other improvements or materials located within or used in connection with the Common Area. The cost of such management, maintenance and repair shall be borne as provided in Article X.

The Association shall have the right to grant easements for utility purposes over, upon, under or through any portion of the Common Area, and each Owner hereby irrevocably appoints this Association as attorney in fact for such purpose.

Section 9.3 Miscellaneous Services. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Association may arrange with others to furnish water, sewer, and trash collection services to each Unit.

Section 9.4 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Area. Such interest shall not be transferable except with the transfer of a Condominium. A transfer of a Condominium shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Condominium under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Condominium.

Section 9.5 Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Units and of the Common Area, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Association may suspend any Owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owner under this Declaration. The Association may also take judicial action against any Owner to enforce compliance with such rules, regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

Section 9.6 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE X Assessments.

Section 10.1 Agreement to Pay Assessment. Declarant, for each Condominium owned by it within the Project, and for and as the owner of the Project and every part thereof, hereby covenants, and each Owner of any Condominium by the acceptance of a deed therefor, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association annual assessments made by the Association for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

Section 10.2 Amount of Total Annual Assessments. The total annual assessments against all Condominiums shall be based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Area or furnishing water, sewer, and trash collection services to each Unit, which estimates may include, among other things, expenses of management; taxes and special assessments, until the Condominiums are separately assessed as provided herein; premiums for all insurance which the Association is required or permitted to maintain pursuant hereto; landscaping and care of grounds; common lighting and heating; water charges; trash collection; sewer service charges; repairs and maintenance; wages for Association employees; legal and accounting fees; any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of the owners under or by reason of this Declaration.

Section 10.3 Apportionment of Annual Assessments. Expenses attributable to the Common Area and to the Project as a whole shall be apportioned among all Owners in proportion to the interest in the Common Area owned by each.

Section 10.4 Notice of Annual Assessments and Time for Payment Thereof. Annual assessments shall be made on a May 1 through April 30 fiscal year basis. The Association shall give written notice to each Owner as to the amount of the annual assessment with respect to his Condominium on or before May 1 for each year for the fiscal year commencing on such date. Such assessments shall be due and payable on July 1 each year. Provided, however, that the first annual assessment shall be for the balance of the fiscal year remaining after the date fixed by the Association as the date of commencement of the Project. Such assessment shall be due and payable within thirty days after written notice of the amount thereof shall have been given to the respective Owner of a Condominium. Each annual assessment shall bear interest at the rate of eight per cent (8%) per annum from the date it becomes due and payable if not paid within thirty days after such date. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Condominium for such assessment, but the date when payment shall become due in such a case shall be deferred to a date thirty days after such notice shall have been given.

Section 10.5 Special Assessments for Capital Improvements. In addition to the annual assessments authorized by this Article, the Association may levy in any assessment year a special assessment, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expense incurred or to be incurred as provided in this Declaration. This section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof which shall make specific reference to this Article. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to the number of Condominiums owned by each. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty days after such notice shall have been given. A special assessment shall bear interest at the rate of eight per cent (8%) per annum from the date it becomes due and payable if not paid within 30 days after such date.

Section 10.6 Lien for Assessments. All sums assessed to any Condominium pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such

Condominium in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Condominium, except only for: (a) valid tax and special assessment liens on the Condominium in favor of any governmental assessing authority; and (b) a lien for all sums unpaid on a first Mortgage, or on any Mortgage to Declarant, duly recorded in Blaine County, Idaho real estate records, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens on any Condominium after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior liens to future liens for assessments as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Condominium and a description of the Condominium. Such a notice shall be signed by the Association and may be recorded in the office of the County Clerk and Recorder of Blaine County, Idaho. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which deeds of trust on real property may be foreclosed in Idaho. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all reasonable attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Condominium which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

A release of notice of lien shall be executed by the Association and recorded in the Blaine County, Idaho real estate records, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a lien on a Condominium may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall report to any encumbrancer of a Condominium any unpaid assessments remaining unpaid for longer than ninety days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Association written notice of such encumbrance.

Section 10.7 Personal Obligation of Owner. The amount of any annual or special assessment against any Condominium shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any of the Common Area or by abandonment of his Condominium.

Section 10.8 Statement of Account. Upon payment of a reasonable fee not to exceed $15 and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Condominium, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Condominium, the amount of the current yearly assessment and the date that such assessment becomes or became due, credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the twenty-day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten days, and the purchaser subsequently acquires the Condominium.

Section 10.9 Personal Liability of Purchaser for Assessments. Subject to the provisions of Section 10.8, a purchaser of a Condominium shall be jointly and severally liable with the seller for all unpaid assessments against the Condominium up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

ARTICLE XI. Use of Condominium Units.

Section 11.1 Residential. Each Condominium shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. Lease or rental of a Condominium for lodging or residential purposes shall not be considered to be a violation of this covenant.

Section 11.2 Use of Common Area. There shall be no obstruction of the Common Area, nor shall anything be stored on any part of the Common Area without the prior written consent of the Association. Nothing shall be altered on, constructed in, or removed from, the Common Area except upon the prior written consent of the Association.

Section 11.3 Prohibition of Damage and Certain Activities. Nothing shall be done or kept in any Unit or in the Common Area or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase the rate of the insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Area or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Area or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Area or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

Section 11.4 Animals. The Association may by rules or regulations prohibit or limit the raising, breeding, or keeping of animals, livestock, or poultry in any Unit or on the Common Area or any part thereof.

Section 11.5 Rules and Regulations. No Owner shall violate the rules and regulations for the use of the Units and of the Common Area as adopted from time to time by the Association.

Section 11.6 Maintenance of Interiors. Each Owner shall keep the interior of his Unit, including, without limitation, interior walls, windows, glass, ceilings, floors and permanent fixtures and appurtenances thereto, in a clean, sanitary and attractive condition, and good state of repair, and shall keep the Limited Common Area designated for use in connection with his Unit in clean, sanitary and attractive condition, and shall keep the heating, refrigeration and air conditioning equipment serving his Unit exclusively in a good state of maintenance and repair.

Section 11.7 Structural Alterations. No structural alterations to any Unit shall be made, and no plumbing, electrical or similar work within the Common Area shall be done, by any Owner without the prior written consent of the Association, except the repair or maintenance of heating, refrigeration and air conditioning equipment servicing the Owner's Unit exclusively, all of which shall be done by Owner without the prior consent of the Association.

ARTICLE XII. Insurance.

Section 12.1 Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Idaho. The provisions of this Article shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

(a) Casualty Insurance. The Association shall obtain insurance on the Project in such amounts as shall provide for full replacement thereof in the event of damage or destruction from the casualty against which such insurance is obtained, all in the manner in which a corporation owning similar multiple family residential buildings in the vicinity of the Project would, in the exercise of prudent business judgment, obtain such insurance. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, war risk insurance if available and if deemed appropriate by the Association, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice.

(b) Public Liability and Property Damage Insurance. The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Project.

(c) Workmen's Compensation and Employer's Liability Insurance. The Association shall purchase workmen's compensation and employer's liability insurance and all other similar insurance in respect of employees of the Association in the amounts and in the forms now or hereafter required by law.

(d) Fidelity Insurance. The Association shall purchase, in such amounts and in such forms as it shall deem appropriate, coverage against dishonesty of employees, destruction or disappearance of money or securities, and forgery.

(e) Other. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project, including any personal property of the Association located thereon.

Section 12.2 Personal Property Casualty Insurance. The Association may in its discretion obtain insurance on the personal property and furnishings initially placed in the Units of Owners by Declarant upon completion of construction of the Project in such amounts as shall provide for the full replacement thereof in the event of damage or destruction from casualties against which such insurance is obtained.

Section 12.3 Form. Casualty insurance shall be carried in a form or forms naming the Association the insured, as trustee for the Owners, which policy or policies shall specify the interest of each Condominium Owner (Owner's name, Unit number, the appurtenant undivided interest in the Common Area), and which policy or policies shall provide a standard, noncontributory mortgagee clause in favor of each first Mortgagee which from time to time shall give notice to the Association of such first Mortgage. Each policy also shall provide that it cannot be cancelled by either the insured or the insurance company until after ten days' prior written notice is first given to each Owner and to each first Mortgagee. The Association shall furnish to each Owner and to Declarant a true copy of such policy together with a certificate identifying the interest of the Owner. All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of breach of warranty, act, omission, negligence or noncompliance with any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy. All policies of insurance shall provide further that the insurance under any such policy as to the interest of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Public liability and property damage insurance shall name the Association the insured, as trustee for the Owners, and shall protect each Owner against liability for acts of the Association in connection with the ownership, operation, maintenance or other use of the Project.

Section 12.4 Owner's Responsibility. Insurance coverage on the furnishings initially placed in the Unit by Declarant, unless the Association pursuant to Section 12.2 hereof elects to arrange for such casualty insurance, and regardless of the Association election, insurance coverage against loss from theft on all personal property and insurance coverage on items of personal property placed in the Unit by Owner, and casualty and public liability insurance coverage within each individual unit and for activities of the Owner, not acting by the Association, with respect to the Common Area shall be the responsibility of the respective Owners.

Section 12.5 Insurance Proceeds. The Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained pursuant to this Article. The Association shall apportion the proceeds to the portions of the Project which have been damaged and shall determine the amount of the proceeds attributable to damage to the Common Area. To the extent that reconstruction is required herein, the proceeds shall be used for such purpose. To the extent that reconstruction is not required herein and there is a determination that the Project shall not be rebuilt, the proceeds shall be distributed to each of the Owners thereof in accordance with their respective interests therein, with joint payments being made to the Owner and the first Mortgagee where the Association has written notice of the existence of a first Mortgage. Each Owner and each Mortgagee shall be bound by the apportionments of damage and of the insurance proceeds made by the Association pursuant hereto.

Section 12.6 Owner's Own Insurance. Notwithstanding the provisions of Sections 12.1 and 12.2 hereof, each Owner may obtain insurance at his own expense providing coverage upon his Condominium, his personal property, for his personal liability, and covering such other risks as he may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Association obtains pursuant to this Article. All such insurance of the Owner's Condominium shall waive the insurance company's right of subrogation against the Association, the other Owners, and the servants, agents, guests of any of them, if such insurance can be obtained in the normal practice without additional premium charge for the waiver of rights of subrogation.

ARTICLE XIII. Casualty Damage or Destruction.

Section 13.1 Affects Title. Title to each Condominium is hereby made subject to the terms and conditions hereof, which bind the Declarant and all subsequent Owners, whether or not it be so expressed in the deed by which any Owner acquires his Condominium.

Section 13.2 Association as Agent. All of the Owners irrevocably constitute and appoint the Association their true and lawful agent in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute appointment of the attorney in fact herein provided.

Section 13.3 General Authority of Association. As attorney in fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of a Condominium Owner which may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding subparagraphs mean restoring the Project to substantially the same condition in which it existed prior to damage, with each Unit and the Common Area having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction unless the Owners and all first Mortgagees unanimously agree not to rebuild in accordance with the provisions set forth hereinafter.

In the event any Mortgagee should not agree not to rebuild, the Association shall have the option to purchase such Mortgage by payment in full of the amount secured thereby if the Owners are in unanimous agreement not to rebuild. The Association shall obtain the funds for such purpose by special assessment under Article X of this Declaration.

Section 13.4 Estimate of Costs. As soon as practicable after an event causing damage to, or destruction of, any part of the Project, the Association shall obtain estimates that it deems reliable and complete of the costs of repair or reconstruction of that part of the Project damaged or destroyed.

Section 13.5 Repair or Reconstruction. As soon as practicable after receiving these estim[illegible]ly pursue to completion the repair or reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction, as attorney in fact for the owners, and no consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction shall be in accordance with the original plans and specifications of the Project or may be in accordance with any other plans and specifications the Association may approve, provided that in such latter event the number of cubic feet and the number of square feet of any Unit may not vary by more than 5% from the number of cubic feet and the number of square feet for such Unit as originally constructed pursuant to such original plans and specifications, and the location of the Buildings shall be substantially the same as prior to damage or destruction.

Section 13.6 Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, the Association, pursuant to Section 10.5 hereof, may levy in advance a special assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Such assessment shall be allocated and collected as provided in that Section. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

Section 13.7 Disbursement of Funds for Repair or Reconstruction. The insurance proceeds held by the Association and the amounts received from the assessments provided for in Section 13.6 constitute a fund for the payment of cost of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair or reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made pursuant to the assessments the Association made under Section 13.6 of this Declaration.

Section 13.8 Decision Not to Rebuild. If all Owners and all holders of first Mortgages on Condominiums agree not to rebuild, as provided herein, the Project shall be sold and the proceeds distributed in the same manner herein provided in the event of sale of obsolete Units, as set forth in Section 14.4.

ARTICLE XIV. Obsolescence.

Section 14.1 Adoption of a Plan. The Owners representing an aggregate ownership interest of 85% or more of the Units may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction, which plan has the unanimous approval of all first Mortgagees of record at the time of the adoption of such plan. Written notice of adoption of such a plan shall be given to all Owners. Such plan shall be recorded in Blaine County, Idaho, real estate records.

Section 14.2 Payment for Renewal and Reconstruction. The expense of renewal or reconstruction shall be payable by all of the Owners as assessments against their respective Condominiums. These assessments shall be levied in advance pursuant to Section 10.5 hereof and shall be allocated and collected as provided in that Section. Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction.

Section 14.3 Dissents From the Plan. An Owner not a party to such a plan for renewal or reconstruction may give written notice of dissent to the Association within fifteen days after the recordation of such plan. The Association shall then give written advice of such dissents to all the Owners within five days after the expiration of such fifteen-day period. Within fifteen days of receipt of such notice from the Association, the Owners representing an aggregate ownership of more than 15% of the Units may cancel the plan by written instrument recorded in Blaine County, Idaho, real estate records. If the plan is not cancelled, then the Condominium of each dissenter shall be purchased according to the following procedures. If the Owner and the Association can agree on the fair market value thereof, then such sale and conveyance shall be completed within sixty days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "commencing date" from which all periods of time mentioned herein shall be measured. Within ten days following the commencing date, each party shall nominate a qualified appraiser by written nomination and shall give notice of such nomination, to the other. If either party fails to make such nomination, the appraiser nominated shall, within five days after default by the other party, appoint and associate with him another qualified appraiser. If the two appraisers designated by the parties, or selected pursuant hereto in the event of default of one party, are unable to agree, they shall appoint another qualified appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, then each appraiser previously appointed shall nominate two qualified appraisers, and from the names of the four persons so nominated one shall be drawn by lot by judge of any court of record in Idaho, and the person whose name is so drawn shall be the umpire. The nominations from among which the name of the umpire is to be drawn by lot shall be submitted within ten days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, the decision of such umpire shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within sixty days after decision of the appraisers, and the Association as attorney in fact shall disburse the proceeds first to lienors in the order of the priority of their liens and the balance remaining to the Condominium Owner. The obligation of the Association to make such purchase shall be conditioned on the fair market value of the Condominium exceeding the obligations secured by liens on such Condominium, and upon the marketability of the title of the Owner. Owner shall furnish the Association an appropriate abstract of title or commitment for title insurance evidencing marketability of his title not less than fifteen days prior to the date set for completion of the sale.

The Association, pursuant to Section 10.5 hereof, may levy a special assessment sufficient to provide funds to pay for the Condominiums of the dissenters, provided that such assessments shall not apply to any of the Owners who are among the dissenters and shall not be liens against the Condominiums of such Owners.

Section 14.4 Sale of Obsolete Units. The Owners representing an aggregate ownership interest of 85% or more of the Units may agree that the Condominiums are obsolete and that the Project should be sold. Such an agreement must have the unanimous approval of every first Mortgagee of record at the time such agreement is made. In such instance the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association the Project shall be sold by the Association as attorney in fact for all of the Owners free and clear of the provisions contained in this Declaration, the Condominium Map and the By-Laws. The sale proceeds shall be apportioned among the Owners in proportion to the respective amounts originally paid to Declarant for the purchase of the Condominium exclusive of the amounts paid for personal property, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium. Each such account shall remain in the name of the Association, and shall be further identified by the Condominium designation and the name of the Owner. From each separate account the Association, as attorney in fact, shall use and disburse the total amount of such accounts without contribution from one account to the other, first to lienors in the order of the priority of their liens and the balance remaining to each respective Owner.

Section 14.5 Distribution of Excess. In the event amounts collected pursuant to Section 14.2 are in excess of the amounts required for renewal and reconstruction, the excess shall be returned to the Owners by the Association by a distribution to each Owner in an amount proportionate to the respective amount collected from each such Owner.

ARTICLE XV. Condemnation.

Section 15.1 Consequences of Condemnation. If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply.

Section 15.2 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award", shall be payable to the Association.

Section 15.3 Complete Taking. In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to the respective amounts originally paid to Declarant for the purchase of the Condominium exclusive of the amounts paid for personal property, provided that if a standard different from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standards shall be employed to the extent it is relevant and applicable.

On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. The Association shall distribute the Condemnation Award as soon as practicable thereafter to the parties in the shares so determined, such distribution to be made by checks payable jointly to the respective Owners and their respective Mortgagees.

Section 15.4 Partial Taking. In the vent that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners as follows: (a) the total amount allocated to taking of or injury to the Common Area shall be apportioned equally amont Owners, (b) the total amount allocated to severance damages shall be apportioned to those Condominiums which were not taken or condemned, (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved, and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

Section 15.5 Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the Ownership, voting rights, and assessment ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of remaining Units for amendment of this Declaration as provided in Article XVI hereof.

Section 15.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XIII, above.

ARTICLE XVI. Revocation or Amendment to Declaration.

This Declaration shall not be revoked nor shall any of the provisions herein be amended unless the Owners representing an aggregate ownership interest of 85% or more of the Condominium and all of the holders of any recorded Mortgage covering or affecting any or all of the Condominiums consent and agree to such revocation or amendment by instruments duly recorded.

ARTICLE XVII. Period of Condominium Ownership.

The condominium ownership created by the Declaration and the Condominium Map shall continue until this Declaration is revoked in the manner provided in Article XVI of this Declaration or until terminated in the manner provided in Articles XIV (Obsolescence) or XV (Condemnation) of this Declaration.

ARTICLE XVIII. Miscellaneous.

Section 18.1 Compliance with Provisions of Declaration and By-Laws of the Association. Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation and the By-Laws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

Section 18.2 Registration of Mailing Address. Each Owner shall register his mailing address with the Association and all notices or demands intended to be served upon any Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices or demands intended to be served upon the Association shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the By-Laws of the Association. All notices or demands to be served on Mortgagees pursuant hereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association in writing. Unless the Mortgagee furnishes the Association such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Declaration. Any notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section.

Section 18.3 Transfer of Declarant's Rights. Any right or any interest reserved hereby to the Declarant may be transferred or assigned by the Declarant either separately or with one or more of such rights or interests, to any person or entity.

Section 18.4 Owner's Obligations Continue. All obligations of the Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may have leased or rented said interest as provided herein, but the Owner of a Condominium Unit shall have no obligation for expenses or other obligations accruing after he conveys such Condominium.

Section 18.5 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Section 18.6 Severability. If any of the provisions of this Declaration or any clause, paragraph, sentence, phrase or word or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

Section 18.7 Statute. The provisions of this Declaration shall be in addition and supplemental to the Condominium Property Act of the State of Idaho and to all other provisions of law.

This Declaration is executed on the _____ day of _________________, 19___.

SUN VALLEY COMPANY INC.

By_________________________________
Vice President

By_________________________________
Assistant Secretary

STATE OF)
) ss.
COUNTY OF)

On ___________________ before me, the undersigned, a Notary Public in and for said State, personally appeared ______________________________, known to me to be the ______ President, and _________________________, known to me to be the ________ Secretary of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

____
Notary Public

#131373

SUPPLEMENTAL DECLARATION OF PROTECTIVE COVENANTS
SUN VALLEY
THE VILLAGER CONDOMINIUMS

This Supplemental Declaration is made this 23rd day of November, 1968, by SUN VALLEY COMPANY INC., an Idaho corporation ("Declarant").

I. GENERAL

1.1 Master Declaration. This is a Supplemental Declaration as contemplated by that certain Sun Valley Residential Area Declaration of Protective Covenants dated December 15, 1966, and Recorded November 27, 1967, in the Records of Blaine County, Idaho, as Instrument No. 128463 (hereinafter called the Master Declaration).

1.2 Property Affected. Declarant, as owner of all of the hereinafter described property, hereby declares, for itself, its successors and assigns, that all of the hereinafter described property shall be subject to the covenants, restrictions, conditions and provisions contained in the Master Declaration except as otherwise specified in this Supplemental Declaration and shall be subject to the additional covenants, restrictions and conditions contained in this Supplemental Declaration:

All that property platted as The Villager Condominiums as shown on the plat map appearing in the Records of Blaine County, Idaho, as Instrument No. 131372.

II. PARTICULAR RESTRICTIONS

2.1 Multiple Unit Tract. The property subject to this Supplemental Declaration is a Multiple Unit Tract. Such property shall not be improved with more than 62 Dwelling Units.

2.2 Garages. Detached single-story garages as shown on the above-described plat map shall be permitted on the property subject to this Supplemental Declaration.

2.3 Height Restrictions. No structure shall rise more than two stories or more than 35 feet, measured in either case, from the highest grade level adjoining the structure.

2.4 Limitation Upon Improvements. No buildings or above-ground improvements, except landscaping and necessary crossings by access drives, bridges, or paths, shall be installed or made in or upon any portion of the property subject to this Supplemental Declaration except those areas on which Declarant has or does install or make improvements.

III. VOTING RIGHTS IN ASSOCIATION

3.1 Irrevocable Grant of Proxy. In order to insure that the principles established in Section 7.3 of the Master Declaration will be accomplished, and in view of the interest which Declarant has in the conduct of the affairs of the Association, and as a condition precedent to the sale of any property subject to this Supplemental Declaration, and in partial consideration for the sale by Declarant of property subject to this Supplemental Declaration each Owner irrevocable authorizes, constitutes and appoints Declarant its attorney in fact and proxy to exercise from the date hereof and until February 5, 1972 three out of each five votes which Owner may have as a member of the Association, and from February 5, 1972 until February 5, 1977, two out of five votes which Owner may have as a member of the Association, and from February 5, 1977 until February 5, 1987, one out of five votes which Owner may have as a member of the Association, with respect to any election of directors of the Association and with respect to any amendment of the Articles or By-Laws of the Association affecting the power of the Board of Directors or the issue of cumulative voting.

IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration the day and year first above written.

SUN VALLEY COMPANY INC.

By Harry Holmes
President

By Scott Lee
Assistant Secretary

STATE OF IDAHO)
) ss.
COUNTY OF BLAINE)

On November 23, 1968, before me, the undersigned, a Notary Public in and for said State, personally appeared Harry Holmes known to me to be the President and Scott Lee, known to me to be the Assistant Secretary of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

Patricia P. Nice
Notary Public

131549

ARTICLES OF INCORPORATION

OF

THE VILLAGER CONDOMINIUM ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, each being a natural person of full age and citizens of the United States of America, have voluntarily and do hereby associate ourselves together for the purpose of forming a corporation under the laws of the State of Idaho, Idaho Code, Title 30, Chapter 1, Section 117A. We do hereby certify, declare and adopt the following Articles of Incorporation.

ARTICLE I

The name of the corporation is: THE VILLAGER CONDOMINIUM ASSOCIATION, INC.

ARTICLE II

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

ARTICLE III

This corporation shall be a non-profit, membership corporation.

ARTICLE IV

The location and post office address of the registered office of this corporation shall be the City of Sun Valley, Blaine County, Idaho, 83353.

ARTICLE V

This corporation is formed to be a Management Body as permitted by the provisions of the Idaho Condominium Property Act, Idaho Code Title 55, Chapter 15 and its powers are and shall be consistent with the provisions of this Act.

ARTICLE VI

(A) The nature of the business and the object and purpose of this corporation shall be as follows:

(a) This corporation (hereinafter referred to as the Association) shall be the "Management Body" as defined in Section 55-1503, Idaho Code, and as provided for in the terms and conditions of that certain Condominium Declaration for The Villager Condominiums (hereinafter referred to as the "Declaration") to be executed by Sun Valley Company Inc., an Idaho corporation, which delegates and authorizes this Association to exercise certain functions as the Management Body. The Declaration shall be recorded in the Office of the County Recorder of Blaine County, State of Idaho, together with a certified copy of these Articles of Incorporation appended thereto.

(b) The Management Body shall have the power to have, exercise, and enforce all rights and privileges, and to assume, incur, perform, carry out and discharge all duties, obligations and responsibilities of a Management Body as provided for in the Idaho Condominium Property Act and in the Declaration, as such Declaration is originally executed or, if amended, as amended. The Management Body shall have the power to adopt and enforce rules and regulations covering the use of any condominium project or any area or units thereof, to levy and collect the annual and special assessments and charges against the condominiums and the members thereof and in general to assume and perform all the functions to be assumed and performed by the Management Body as provided for in the Declaration. It shall have the power to transfer, assign or delegate such duties, obligations or responsibilities to other persons or entities as permitted or provided for in the Idaho Condominium Property Act, the Declaration, or in an agreement executed by the Association with respect thereto. The Management Body shall actively foster, promote, and advance the interest of owners of condominium units within the condominium project.

(B) In addition to the foregoing, where not inconsistent with either the Idaho Condominium Property Act (Chapter 15, Title 55, Idaho Code) or Title 30, Idaho Code, the corporation shall have the following powers:

(a) The authority set forth in Title 30 of the Idaho Code relating to the organization and conduct of general business corporations.

(b) To buy, sell, acquire, hold or mortgage, or enter into security agreements, pledge, lease, assign, transfer, trade and deal in and with all kinds of personal property, goods, wares and merchandise of every kind, nature and description.

(c) To buy, sell, lease, let, mortgage, exchange or otherwise acquire or dispose of lands, lots, houses, buildings and real property, hereditaments and appurtenances of all kinds and wheresoever situated, and of any interest and rights therein, to the same extent as natural persons might or could do, and without limit as to amount.

(d) To borrow money, to draw, make, accept, enforce, transfer and execute promissory notes, debentures and other evidences of indebtedness, and for the purpose of securing any of its obligations or contracts, to convey, transfer, assign, deliver, mortgage and/or pledge all or any part of the property or assets, real or personal, at any time owned or held by this corporation.

(e) To have one or more offices to carry on all or any part of its operations and business, and to do all and everything necessary, suitable, convenient or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objects herein named, or which shall at any time appear conducive or expedient for the protection or benefit of the Association, and which now or hereafter may be authorized by law, and this to the same extent and as fully as natural persons might or could do, as principals, agents, contractors, trustees or otherwise, and either along or in connection with any firm, person, association or corporation.

(f) The foregoing clauses are to be construed both as objects and powers. As hereby expressly provided, an enumeration herein of the objects, powers and purposes shall not be held to restrict in any manner the general powers of the corporation. The corporation shall have the power to do all acts that are necessary and convenient to obtain the objects and purposes herein set forth to the same extent and as fully as any natural person could or might do, within the framework of the Idaho Condominium Property Act, these Articles of Incorporation, and the general corporation laws of the State of Idaho.

ARTICLE VII

MEMBERSHIP CERTIFICATES, VOTING POWER, AND DETERMINATION OF PROPERTY RIGHTS AND INTERESTS.

Section 1. Each member shall be entitled to receive a certificate of membership which certificate shall state the number of votes he is entitled to cast as a member of the Association.

Section 2. There shall be one membership in the corporation for each condominium in The Villager Condominiums as established in the Declaration; the total number of memberships shall be sixty-two. The members of the corporation must be and remain owners of condominiums within the project set forth in the Declaration to be recorded in Blaine County, State of Idaho, and the Association shall include all owners of condominiums within the project. If title to a condominium is held by more than one person, the membership relating to that condominium shall be shared by all such persons in the same proportionate interest and the same type of tenancy in which the title to the condominium is held.

Section 3. No person or entity other than an owner may be a member of the Association. A member shall not assign or transfer his membership certificate except in connection with the transfer or sale of a condominium. Every person or entity who is an owner of any condominium unit included in any condominium project for which the Association has been or may be designated as a Management Body shall be required to be a member of the Association and remain a member so long as such person or entity shall retain the ownership of a condominium unit. Membership in the Association is declared to be appurtento the title of the condominium unit upon which such membership is based and automatically shall pass with the sale or transfer of the title of the unit. Members shall not have pre-emptive rights to purchase other memberships in the Association or other condominium units in the project.

Section 4. The voting rights of a member of the Association shall be determined by the owner member's percentage interest in the "common area" of the condominium project described in the Declaration, as the term "common area" is defined in Section 55-1503 of the Idaho Code; therefore, the voting rights of each member owner will not in all cases be equal. The Delcaration, or an exhibit attached thereto, shall set forth the percentage interest of each member in the "common area" which interest depends upon the number and type of condominium units. The voting rights and interests of new members shall be determined in the same way as such percentage interests and rights were determined for old members.

Section 5. The total number of votes that attach to membership certificates to be exercised by members of the Association shall be 10,000 all of which votes shall be exercised by the members of the corporation from and after the date of the incorporation. Each member shall be entitled to vote the same percentage of the 10,000 votes as he is given percentage in the "common area".

ARTICLE VIII

Each member shall be liable for the payment of assessments provided for in the Declaration and for the payment and discharge of the liabilities of the corporation as provided for in the Declaration, the Idaho Condominium Property Act (Title 55, Chapter 15) and as set forth in the By-Laws of the Corporation.

ARTICLE IX

The By-Laws of this corporation may be altered, amended or new By-Laws adopted at any regular or any special meeting of the corporation called for that purpose by the affirmative vote of two-thirds (2/3) of the members present at such meeting.

ARTICLE X

For the purpose of specifying in detail the rights, responsibilities, duties and obligations of the Board of Directors, the officers, employees and agents of the corporation and the members thereof including the liability of the members for the payment of assessments, the By-Laws may incorporate by reference the provisions of the Declaration recorded in Blaine County, State of Idaho, provided that a true and correct copy of such Declaration is attached to and made a part of the By-Laws of the corporation.

ARTICLE XI

The business and affairs of the Association shall be managed and controlled by a Board of Directors. The original Board of Directors shall be three; however, the By-Laws of the Association may provide for an increase or decrease in their number, provided that the number of directors shall not be greater than nine or less than three.

ARTICLE XII

The names and post office addresses of the incorporators and membership of each are as follows:

Name	Address	Membership
J. L. Scott	5606 Plymouth, Boise, Idaho	
Donald S. Carley	1513 Claremont, Boise, Idaho	
Peter S. O'Neill	419 Highland View Drive, Boise, Idaho	
W. L. Scott	1211 Happy Drive, Boise, Idaho	
John B. Fery	718 Highland View Drive, Boise, Idaho	

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 22nd day of November, 1968.

J. L. Scott

Donald S. Carley

Peter S. O'Neill

W. L. Scott

John B. Fery

STATE OF Idaho)
) ss.
County of Ada)

On this 22ndday of November, 1968, before me, the undersigned, a Notary Public in and for said County and State, personally appeared J. L. Scott, Donald S. Carley, Peter S. O'Neill, W. L. Scott and John B. Fery

known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same.

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

Allyn Dingel
Notary Public for Idaho
Residing at Boise, Idaho

(Seal)

No. 131549

Articles of Incorporation

of

The Villager Condominium

Assn. Inc.

STATE OF IDAHO, } ss
COUNTY OF BLAINE, }

I HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR RECORD IN MY OFFICE AT THE REQUEST OF

Elam, Burke, Jeppeson + Evans

AT 9:15 O'CLOCK A. M.

Dec 16 A. D. 1968

RECORDED IN BOOK .... ON PAGE .... OF Duly Filed

George T. McCoy

EX-OFFICIO RECORDER

BY Goldie Ellinger

DEPUTY.

FEES $ 1.00 Paid

ENTERED ✓ ENTERED ON MARGIN ○
RECORDED ○ INDEXED 1st PARTY ○
COMPARED ○ INDEXED 2nd PARTY ○

Card Mailed
12-16-68

No. 205016

STATE OF IDAHO } ss
COUNTY OF BLAINE
I HEREBY CERTIFY THAT THIS INSTRU-
MENT WAS FILED FOR RECORD IN MY
OFFICE AT THE REQUEST OF Sun Valley Co.
AT 4:55 O'CLOCK P.M.
July 17 A.D. 1980
RECORDED IN BOOK ____ OF Misc
MARIE MIELILYA
EX-OFFICIO RECORDER
BY Kathy Stumph DEPUTY
FEES $ 2.00

NOTICE

Pursuant the Sun Valley Residential Area Declaration of Protective Covenants recorded as Instrument No. 128463, Officials Records of Blaine County, Idaho; and

Pursuant the Assignment of Interests from William C. Janss, President of Sun Valley Company, Inc. dated April 8, 1977 to Sun Valley Resorts, Inc, giving Sun Valley Resorts, Inc., the all power and authority previously vested in Sun Valley Company, Inc;

Sun Valley Company now hereby exercises and advertises its right to establish the "Design Review Committee" as provided in:

VI. 6.1 of the Declaration of Protective Covenants, Specific Members of the Design Committee will be assigned by written notice by R. Earl Holding, President of the Sun Valley Company and successor in interest to W.C. Janss and the Sun Valley Company, Inc.

IN WITNESS WHEREOF, the party hereto has hereunto executed this notice the day and year noted below.

SUN VALLEY COMPANY

BY: Wallace Huffman
WALLACE HUFFMAN
GENERAL MANAGER

DATE: July 8, 80

State of Idaho)
Count of Blaine) ss

On this 8 day of Jul 1980 before me, the undersigned, a Notary Public in and for said State, personally appeared Wallace Huffman known to me to be the General Manager of SUN VALLEY COMPANY, and acknowedged to me that such corporation executed the same.

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

NOTARY PUBLIC STATE OF IDAHO

Notary Public for Idaho
Residing at Sun Valley
My commission expires

#237692

VILLAGER CONDOMINIUM ASSOCIATION, INC.
AMENDMENT TO CONDOMINIUM DECLARATION

At a Special Meeting of the Membership of the Villager Condominium Association, Inc., held on Friday, March 25, 1983 at the Manager's Office, Sun Valley Lodge, Sun Valley, Blaine County, Idaho the Condominium Declaration was amended as follows:

Article V, Section 5.4 Title which originally read:

"Title to a Condominium may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Idaho, including but without limitation, joint tenancy or tenancy in common."

Shall be amended to read:

"Title to a Condominium may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Idaho; provided, however, that no condominium or unit shall be sold, transferred, held or used for timesharing, nor shall the title thereto, be held in any form intended to create timeshare interests or estates. The term "timesharing" for purposes of this Section, shall be deemed a generic term describing multiple ownership interests, leasehold estates, subleasehold estates or other possessory interests in a condominium or unit within the project whereby the owners or purchasers of said interests acquire a specific amount of time or a specific time period during which they may occupy and use the condominium or unit for a term of years, regardless of whether such interests are created by memberships, right-to-use agreements, licenses, deeds conveying tenancy's-in-common, leases, subleases, deeds or other instruments of conveyance."

Executed this 24th day of March, 1983.

Harold L. Wiseman
Harold Wiseman, Secretary-Treasurer
Representing an Aggregate Ownership
Interest of 85% or More of the
Villager Condominium Association, Inc.

STATE OF IDAHO)
) ss.
COUNTY OF BLAINE)

On this 24th day of March, 1983 before me, the undersigned a Notary Public for Idaho, personally appeared Harold Wiseman, Secretary-Treasurer, Representing an Aggregate Ownership Interest of 85% or More of the Villager Condominium Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

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

EUNICE ANN VAN EVERY
NOTARY
PUBLIC
STATE OF IDAHO

Eunice Ann Van Every
Notary Public for Idaho
Residing at Hailey
My Commission Expires Lifetime

No. 237692

STATE OF IDAHO, }ss
COUNTY OF BLAINE,
I HEREBY CERTIFY THAT THIS INSTRU-
MENT WAS FILED FOR RECORD IN MY
OFFICE AT THE REQUEST OF
Sun Valley Co.
AT 1:05 O'CLOCK P M.
April 26 A. D. 19 83
RECORDED IN BOOK .... ON PAGE
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MARIE IVIE
EX-OFFICIO RECORDER
BY Mary Sue
DEPUTY
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Amended CC + R's
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OF: Villager
Condo Assoc
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AMENDMENT TO CONDOMINIUM DECLARATION

FOR

VILLAGER CONDOMINIUMS

The Membership of the Villager Condominium Association, Inc., Sun Valley, Blaine County, Idaho, voted by ballot to AMEND their Villager Condominium Association DECLARATION, as follows:

ARTICLE IV, Section 4, ANNUAL MEETING, which originally read:

> **"An Annual Meeting of the members for the purposes of electing directors and action of such other matters as may properly come before the meeting shall be held at three o'clock p.m. on the first Saturday in each February of each year in a convenient location in the County of Blaine, State of Idaho. All business which may be lawfully transacted in any such meeting may be transacted without any further of special notice."**

shall be amended to read:

> **"An Annual Meeting of the members for the purposes of electing directors and action of such matters as may properly come before the meeting shall be held at nine o'clock a.m. on the first Friday in each August of each year in a convenient location in the County of Blaine, State of Idaho. All business which may be lawfully transacted in any such meeting may be transacted without further or special notice."**

All other provisions of the Condominium By-Laws for the Villager Condominium Association shall remain in full force and effect.

Executed this 13th day of FEBRUARY, 1998.

Richard N Francis

RICHARD N. FRANCIS,
Secretary/Treasurer
Representing an Aggregate Ownership Interest of 66 2/3 % or more of the Villager Condominium Association, Inc.

STATE OF Az
COUNTY OF Maricopa