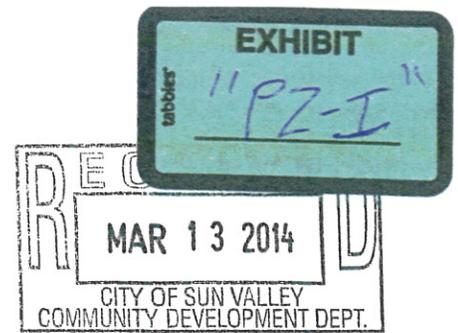


DRAFT 3-12-14
DEVELOPMENT AGREEMENT



THIS DEVELOPMENT AGREEMENT (hereinafter "Agreement") is entered into this ___ day of _____, 2014, by and between the **CITY OF SUN VALLEY, IDAHO**, a municipal corporation ("City") and **EVERGREEN VENTURES, LLC**, an Idaho limited liability company ("EVERGREEN").

RECITALS:

A. EVERGREEN is the owner of the Lane Meadows parcel, consisting of two lots totaling approximately 7.16 acres on the east side of Highway 75, Blaine County, Idaho ("Property") described more particularly in EVERGREEN's Applications for Annexation, Comprehensive Plan Map Amendment, Zoning Map Amendment, Master Plan and Planned Unit Development Conditional Use and Subdivision Preliminary Plat (collectively "Applications").

B. EVERGREEN's Applications have been submitted seeking approval of Annexation and subdivision of the Property pursuant to a site-specific plan for ten (10) residential lots ("Project").

C. In connection with the Project, EVERGREEN and the City, pursuant to the provisions of Idaho Code § 67-6511(A) and § 9-5B-4 of the Sun Valley City Code, desire, as a condition of the approval of the pending Applications, to enter into this Development Agreement, and to herein further set forth the manner in which the Project shall be developed and completed.

AGREEMENT

NOW, THEREFORE, in consideration of the City's approval of the Applications and the mutual covenants and conditions hereinafter set forth, the parties hereto agree as follows:

1. Project Design Plan. EVERGREEN has presented the City with certain documents, maps and drawings which are attached to the Applications, and which collectively comprise, and are hereinafter referred to, as the "Project Design Plan." EVERGREEN agrees that the Project Design Plan, with such amendments thereto as specifically approved by the City Council, shall govern the use and development of the Project, and that the Project shall be consistent with the Project Design Plan as approved by the City. By this Agreement, EVERGREEN agrees to be bound by the Project Design Plan, and not to deviate therefrom without the prior written consent of the City. There shall be no further subdivision of any residential lot and no additional residential lots shall be added.

2. Use of Property. The Property shall be used for not more than ten (10) residential lots in the RS-1 Zoning District (“District”) and associated easements, a private roadway and common area.

3. Standards. The standards, processes and information contained in Title 9 of the Sun Valley Municipal Code (“Code”) shall apply to the development of the Project, with the exception of the following:

A. Defined Building Zones

The Project incorporates defined “Building Zones” on each lot which will be identified on the approved Plat and within which all Structures, as defined in Section 9-1C-1 of the Code, constructed on said lot must fit, with the exception of driveways, walkways, fencing, and retaining walls or other structures less than thirty inches (30”) in height. The Building Zones are designed to provide more certainty and easier interpretation than the Building Envelope requirements of Section 9-2A-3.I of the Code.

B. Building Size Limitations

The total net usable floor area of interior living space on any Lot, inclusive of any primary dwelling and any accessory dwelling, shall not exceed Four Thousand Two Hundred and Fifty (4,250) square feet, exclusive of basement and garage space. In addition, the highest point on any roof of a structure in the Project shall not exceed thirty (30) feet in height from finish grade, with the exception of chimneys and solar panels. All structures on Lots 6 and 7 of the Project shall be limited to one (1) story, with the highest point on the roof not to exceed twenty-two (22) feet in height from finish grade, with the exception of chimneys and solar panels.

C. Private Roadway and Common Open Space

The Project incorporates a private roadway on a right of way which is sixty (60) feet in width, inclusive of Parcel A and the adjacent fifteen (15) foot wide right of way/public utility/snow storage easements on the front of each lot and within Parcel B. The roadway section, as shown on the Project Design Plan, incorporates a “drive-able” twenty-six foot (26’) wide surface as follows: twenty feet (20’) of asphalt, plus either (i) a six foot compacted shoulder, three feet on either side of the roadway or (ii) a six foot wide concrete sidewalk with roll-up curb. The roadway will be constructed to these standards and has been approved by the Fire Chief. The Project also incorporates private common open space on Parcel B which is included pursuant to Section 9-4A-5-C.2 of the Code. Both Parcel A and Parcel B will be owned and maintained in perpetuity by the Homeowner’s Association created consistent with a Declaration of Covenants, Conditions and Restrictions.

D. Pedestrian Connectivity

The Project incorporates a pedestrian sidewalk within the ITD right of way to provide connectivity to Elkhorn Road and access to the Wood River Trail System.

4. Infrastructure. All infrastructure required to be incorporated into the Project by Evergreen will be installed in a single phase prior to the recording of the final plat.

5. Recordation. The parties agree that the subdivision plat of the Property shall reference the existence of this Development Agreement by instrument number and recording date and incorporate this Development Agreement by reference as binding on all successors and assigns of EVERGREEN. The parties further acknowledge and agree that this Development Agreement shall be recorded by the Blaine County Recorder's Office immediately after the recordation of the final subdivision plat.

6. Amendment. EVERGREEN, without prior written approval from the City, shall not alter or amend the location of any Lot.

7. Fees and Costs. In the event either party is required to retain counsel to enforce a provision of this Agreement, or to recover damages resulting from a breach hereof, the prevailing party shall be entitled to recover from the other party all costs and reasonable attorney's fees incurred, including costs and attorney's fees incurred on appeal.

8. Notices. All notices required or provided for under this Agreement, or which may become necessary in the event of a default in any of the terms or conditions of this Agreement, shall be in writing and deemed delivered upon delivery in person or by certified mail, postage prepaid, addressed as follows:

"City":

City of Sun Valley
Community Development Director
P.O. Box 416
Sun Valley, ID 83353

"EVERGREEN":

Evergreen Ventures, LLC
Attn: Scott Thomson
PO Box 14001-363
Ketchum, ID 83340

Copy to:

Lawson Laski Clark & Pogue, PLLC
P.O. Box 3310
Ketchum, ID 83340

A party may change the address to which further notices are to be sent by notice in writing to the other party, and thereafter notices shall be addressed in transmitted to the new address.

9. Reliance by City. This Agreement is intended by EVERGREEN to be a material element of EVERGREEN's application for approval of its pending Applications for Lane Meadows. EVERGREEN agrees that the City may rely upon this Agreement in its review and consideration.

10. Non-Waiver. The failure by the City at any time to strictly enforce the provisions of this Agreement or to remedy any breach hereof by EVERGREEN, shall not constitute a waiver by the City of the covenants or conditions of this Agreement with regard to any subsequent default or breach, nor shall it be construed in any manner as an amendment of this Agreement.

11. Partial Invalidity. In the event any term, condition or provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining terms, conditions and provisions shall remain in full force and effect as written.

12. Entire Agreement. This Agreement constitutes the full and complete understanding and agreement between the parties hereto. There are no representations or warranties made by either party except those expressly made in this Agreement or in subsequent written amendments hereto.

13. Authority. Each of the persons executing this Agreement represents and warrants that he has the lawful authority and authorization to execute this Agreement for and on behalf of the entity executing this Agreement.

14. Continuing Effect. This Agreement, and all its conditions, terms, duties and obligations shall be an encumbrance on the Property, and shall be binding upon, and benefit, all present and succeeding owners of the Property or any portion of the Property.

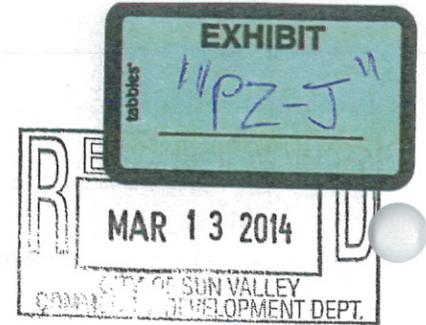
15. Construction and Interpretation. This Agreement is the product of mutual negotiation by the parties and there shall be no presumption against either party as the drafter.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

CITY OF SUN VALLEY, IDAHO
A MUNICIPAL CORPORATION

By: _____
Its:

DRAFT 3-12-2014



**DECLARATION ESTABLISHING COVENANTS
CONDITIONS AND RESTRICTIONS
FOR LANE MEADOWS**

This Declaration is made this _____ day of _____ 2014, by Evergreen Ventures, LLC (hereafter referred to as "Declarant"), with reference to the following facts:

RECITALS

A. The Declarant is the owner of all that real property described in Section 1.09, including a water right appurtenant to the property, identified by the Idaho Department of Water Resources as Water Right #37-4248; and

B. The Declarant proposes to develop said real property in accordance with the maps and plans approved under the zoning and subdivision ordinances and regulations of the City of Sun Valley, County of Blaine, and the State of Idaho; and

C. The subdivision Plat was filed in the office of the Recorder of the County of Blaine, State of Idaho as Instrument Number _____.

NOW THEREFORE, it is hereby declared that the Lots shown on the said subdivision map are held and shall be conveyed subject to the following covenants, conditions and restrictions:

ARTICLE I.

DEFINITIONS

1.01 "Association" shall mean Lane Meadows Homeowners' Association, Inc., a nonprofit corporation organized under the laws of the State of Idaho and composed of the owners of the Lots as may be annexed hereto in accordance with the provisions of this Declaration.

1.02 "Board" shall mean the Board of Directors of the Association.

1.03 "Building Zone" shall mean the area identified each numbered Lot on the Plat within which all Structures constructed on the Lot shall be contained.

1.04 "Common Area" shall refer to all area, including easements and Parcel A and Parcel B, shown on the Plat as Common Area.

1.05 "Declarant" shall mean Evergreen Ventures, LLC, an Idaho limited liability company.

1.06 "Committee" shall mean the Design Review Committee established under Article IV hereof.

1.07 "Lane Meadows Restrictions" shall mean this Master Declaration, as it may be amended from time to time, and the Lane Ranch Rules from time to time in effect.

1.08 "Lane Meadows Rules" shall mean the rules adopted by the Board or Committee pursuant to the terms hereof, as they may be amended from time to time.

1.09 "Lot" shall mean the numbered Lots shown on the Plat, whether improved or unimproved, for the Lane Meadows Subdivision.

1.10 "Owner" shall mean and refer to the record owner, including the Declarant, whether one or more persons, of the fee simple title of any of the numbered Lots above described and includes contract buyers but excludes those having such interest merely as security for the performance of an obligation.

1.11 "Plat" shall mean the Plat for LANE MEADOWS SUBDIVISION, as recorded in the Office of the Recorder of Blaine County, Idaho.

1.12 "Property" shall mean all of the land described in Exhibit A attached hereto. Property shall also include the water right appurtenant to the Property to be transferred to the Association by the Declarant.

1.13. "Structure" shall have the same meaning as that term is defined in the Development Code adopted by the City of Sun Valley, which, as of the date of this Declaration "includes buildings, signs, fences and other improvements, or any portion thereof, constructed, erected, built, installed or placed upon any real property."

1.14 "View Corridors" shall mean those areas identified on the Exhibit B attached hereto that have special restrictions as to their planting, landscaping, and maintenance.

ARTICLE II.

USE REGULATIONS AND RESTRICTIONS

2.01 (a) No use whatsoever shall be made of any Lot except its use and improvement for a single family private residence. No residence shall be used for any purpose other than single family residential purposes. No sales of wholesale and retail goods or other nonresidential use shall be conducted in any such residence, provided, however, that nothing in this Declaration shall prevent the rental of property by the Owner thereof for residential purposes, on either a short or long-term basis, subject to all the provisions of the Lane Meadows Restrictions and applicable laws. Notwithstanding the foregoing, Lots owned by Declarant or its nominee may be used as construction offices or for the purpose of selling the Lots.

(b) The floor area of any primary dwelling located on any Lot, exclusive of decks, open porches, carports and garages, shall be not less than two thousand (2,000) square

feet. The total net usable floor area of interior living space on any Lot, inclusive of a primary dwelling and any accessory dwelling, shall not exceed four thousand two hundred and fifty (4,250) square feet, exclusive of basement and garage space. No structure, as defined herein, shall be constructed outside the Building Zone for the Lot as depicted on the Plat.

(c) No more than one single family dwelling shall be erected or maintained on any one Lot together with no more than one detached outbuilding per Lot, which may contain an accessory dwelling for guests (subject to applicable zoning regulations). An outbuilding containing an accessory dwelling must be situated within the Building Zone as part of a comprehensive Lot development plan which includes a primary dwelling and which is approved by the Committee. No Lot shall be further subdivided. Notwithstanding the foregoing, two or more adjoining Lots which are under the same ownership may be combined and developed as a single Lot. Setback lines and Building Zone boundaries along the common boundary line of the combined parcels may be removed, subject to appropriate City approvals, with the written consent of the Committee, if the Committee finds and determines that any improvements to be constructed within these setback lines/Building Zone boundaries will not cause unreasonable diminution of the view from any other Lot or otherwise adversely impact other Owners. In such cases, the Committee shall designate a new Building Zone appropriate for the combined Lots. If setback lines are removed or easements changed along the common boundary lines of combined Lots, the combined Lots shall be deemed one Lot and may not thereafter be split and developed as two Lots but shall be developed as, and remain, a single Lot. Notwithstanding the foregoing, combined Lots shall be calculated as the original number of Lots for the purposes of sharing common expenses and voting on Association matters. All Structures must be erected within the designated Building Zone.

(d) All Lots shall be maintained by the Owner thereof, both prior to and after construction of improvements thereon, in an attractive manner, free of trash and other unsightly material. All improvements to any Lot shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the owner thereof, and no improvement shall be entitled to fall into disrepair. All landscaping shall be maintained in a neat, trim and orderly fashion. All garbage and recycling bins and/or collectors shall be stored indoors or in contained structures.

(e) All new landscaping and plantings shall be subject to review by the Committee unless they are part of a Landscape Plan which has been previously approved by the Committee, and shall accommodate existing vegetation wherever possible by allowing native material to co-exist within and around new plantings. Owners are encouraged to consider the arid environment of the Wood River Valley and any limitations on water usage in landscape design. The Committee shall compile a list of environmentally compatible trees and shrubs for use in landscape design, and shall also compile a list of approved landscaping materials to be used within View Corridors.

(f) No trailer or garage shall be used as a temporary or permanent residence. Architecturally designed pre-fabricated structures of high quality may be erected on a Lot if so approved by the Committee. When the erection of any structure is approved, the work thereon must be prosecuted diligently, and said structure, including all landscaping pursuant to an approved landscaping plan, must be completed within eighteen (18) months, unless an

extension is granted by the Committee upon a showing of good cause. In the event of construction of an accessory dwelling on a Lot prior to construction of a primary dwelling, construction of a primary dwelling must commence within eighteen (18) months of completion of the accessory dwelling.

(i) All fencing must be post and rail, with a maximum height of forty-eight (48) inches and the minimum height of the lowest rail no less than twelve (12) inches and comply with all requirements of the State of Idaho Department of Fish and Game. No perimeter fencing shall be allowed, and fencing shall be limited to that reasonably necessary for the containment of domestic animals and small children. The owner of Lot 6 may place appropriate privacy fencing around a private pool. Electric fences shall be encouraged by the Committee. The white wood fence surrounding the exterior boundaries of the Subdivision shall be considered Common Area and maintained by the Association. No additional railings or mesh may be placed upon or incorporated into this fence.

(j) No trailer, boat or camper shall be kept on a lot except within an enclosed building. Trailers, boats or campers no longer than 15' may be kept on a Lot during summer months, if properly screened from public view from outside the Lot, such screening shall be approved of by the Committee.

(k) With the exception of standard size "For Sale" or "For Rent" signs (which shall not be larger than 20" by 26"), no sign of any kind shall be displayed to the public view on any Lot except as permitted by the Committee.

(l) Should delivery conditions or regulations dictate that there be free standing newspaper receptacles or mail boxes, the type of box and/or cluster arrangement shall be determined and/or approved by the Committee and rules for maintenance established by the Association.

(m) No Lot shall be used or maintained as a dumping ground for rubbish, machinery, equipment or motor vehicles. Trash, garbage or other waste shall not be kept except in sanitary containers. All trash cans, garbage containers or other equipment for temporary storage and disposal of such material shall be kept in a clean and sanitary condition and shall not be exposed to public view.

(n) No trees, hedges or shrub plantings shall be permitted within the private roadway right of way.

(o) No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. All Lots and improvements thereon shall be kept and maintained by the Owner thereof in a clean, safe, attractive and sightly condition and repair.

(p) Easements for installation and maintenance of utilities are reserved as shown on the Plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities. The easement area of each Lot and all improvements in it shall be

maintained continuously by the Owner of the Lot, except for those improvements for which the Association, a public authority or utility company is expressly responsible.

(q) No vehicle repairs shall be permitted on any streets or driveways, except minor emergency repairs.

(r) No commercial or industrial trucks (with the exception of standard pickups or vans), trailers or vehicles shall be stored on any Lot or on any of the streets fronting on any Lot except within the garage or in conjunction with construction of any improvements on such Lot.

(s) No horses or other farm animals or livestock may be kept on any Lot. Dogs, when outside, must be at all times in an enclosed yard, kennel, leashed, or under the Owner's supervision. Any household pet may be subject to expulsion from the Property upon complaint of five (5) or more Association members, and upon a reasonable finding by the Association Board that said animal has created a nuisance or represents a threat to public safety.

(t) All utilities upon any Lot for the transmission of utilities, telephone service, the reception or audio or visual signals or electricity, and all pipes for water, gas, sewer, drainage, or other utility purposes, shall be installed and maintained below the surface of the ground. Solar panels may be approved by the Committee in a size and location of its discretion, but solar panels attached to roof surfaces, reasonably flush with said surface, or mounted on the ground and screened from view should be allowed by the Committee.

(u) No activities shall be conducted on any Lot and no improvements constructed thereon 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 Lot. No open fires shall be lighted or permitted on any Lot, except while under the direct supervision, control and surveillance of the Lot owner; provided, however, burning trash, garbage and other refuse is prohibited.

ARTICLE III.

TITLE TO COMMON AREA

3.01 The title and fee to all lands platted as roads as shown on the Plat shall be transferred to the Association upon recordation of the final Plat and creation of the Association, and the Association shall thereafter be responsible for the maintenance and repair of said roads. The title and fee to other Common Area shall be transferred to the Association upon recording of the final Plat and creation of the Association.

3.02 All operational, maintenance and improvement expenses connected with the Common Area shall be shared on an equal basis by the members of the Association. Each Lot owner's share of Common Area expenses shall be computed by the total number of Lots in the subdivision, divided by the number of Lots owned by the Owner. Lots combined pursuant to Section 2.01(c) shall be calculated using the number of Lots prior to any combination.

Notwithstanding the foregoing, the Declarant may install, at its own expense, an appropriate refuse and yard waste receptacle within the Common Area.

3.03 The Association may create reasonable rules and regulations relating to the use of the Common Area by Owners, which shall be known as the Lane Meadows Rules.

3.04 Exhibit B shows the location of View Corridors. View Corridors shall be subject to the following special rules: (1) only plants and landscaping specifically listed by the Committee shall be allowed within a designated View Corridor; (2) no structure of any kind shall be allowed within a designated View Corridor; and (3) View Corridors cannot be removed or modified without the express permission of an Owner of the Lot that benefits from said View Corridor. Additional View Corridor restrictions are listed on Exhibit B.

ARTICLE IV.

DESIGN CONTROL

4.01 The Design Review Committee shall be composed of three (3) persons as may be appointed by the Association. A majority of the Committee may designate a representative to act for it. In the event of death or resignation of any member of the Committee, the remaining members shall have full authority to designate a successor.

4.02 The vote or written consent of any two members shall constitute action of the Committee. The Committee shall report in writing all approvals and disapprovals of changes in the existing state of the Property to the Association.

4.03 No changes in the existing state of any of the Property shall be made or permitted without the prior written approval of the Committee. Changes in the existing state of the Property shall include, without limitation, fences, the construction of any building, structure or other improvement, including utility facilities; the excavation, filling or similar disturbance of the surface of the land including, without limitation, change of grade, stream bed, ground level or drainage pattern, the clearing, marring, defacing or damaging of significant trees, shrubs, or other growing things; the landscaping texture or exterior appearance of any previously approved change in the existing state of the Property. Notwithstanding the foregoing, approval of the Committee shall not relieve an Owner of its obligation to obtain appropriate approvals from local, state and/or federal agencies with respect to the proposed change if required.

4.04 The Committee shall have complete discretion to approve or disapprove any change in the existing state of the Property and shall exercise such discretion with the following objectives in mind: 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 natural setting of the area and will serve to preserve and enhance existing features of natural beauty; to assure that

material and workmanship for all improvements are of high quality sufficiently comparable to other improvements in the area; that improvements and landscape is reasonably environmentally conscious, to balance the ability of owners to exercise control over their land according to their aesthetic desires and lifestyle needs and the needs of the subdivision to have a harmonious design aesthetic; and to minimize maintenance and assure a better appearing area under all conditions.

4.05 Prior to expenditures of any substantial time or funds in the planning of any proposed change in the existing state of the Property, the Owner of a Lot shall advise the Design Committee in writing of the general nature of the proposed change; shall, if requested by the Committee, meet with a member or members of the 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 Committee; and shall, if requested by the Committee, furnish the Committee with preliminary plans and specifications for comment and review.

4.06 After the nature and scope of a proposed change in the existing state of the Property is determined and prior to the commencement of work to accomplish such change:

(a) With respect to all changes other than buildings and Structures, the Committee may, in its discretion, authorize the proposed change without obtaining additional information, or may require the Owner to furnish the Committee with two (2) copies of a complete and full description of the proposed change in writing and with drawings, drawn to such scale as may be reasonably required by the 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, showing the existing or proposed substantial trees and shrubs. There shall also be furnished to the Committee any and all further information with respect to the existing state of the Lot which the Committee may reasonably require, to permit it to make an informed decision on whether or not to grant approval of the change. Approvals of changes pursuant to this section must be made in writing by at least one (1) member of the Committee. Notwithstanding the foregoing, Committee approval shall not be required for the planting or removal of insubstantial trees and shrubs, except within View Corridors.

(b) With respect to all buildings and other Structures, and other changes for which the Committee, in its discretion, deems necessary, the Committee shall require, in addition to descriptions required in Section 4.06(a), submission in duplicate, of floor plans, elevation drawings from four (4) sides, all drawn to such scale as may be reasonably required by the Committee; descriptions of exterior materials and colors and, if deemed appropriate by the Committee, samples of the same; final construction specifications; and a landscaping plan showing existing and proposed substantial trees and shrubs, and all plants located with a View Corridor. Where buildings or Structures, other improvements, or changes to existing landscaping which reasonably require plans and specifications are proposed to be constructed or built, a reasonable fee, as shall be determined from time to time by the Association and published by the Committee, shall be paid to the Association to cover costs and expenses of review, including the reasonable time and expenditures of Committee members, particularly professionals in applicable design professions. Prior to giving approval to a proposed change

in the existing state of a Lot, at least one (1) member of the Committee shall physically inspect the Lot. No proposed building or Structure shall be deemed to have been approved by the Committee unless its approval is in writing executed by at least two (2) members of the Committee; provided, that approval shall be deemed given if the Committee fails to approve or disapprove of a proposed change or to make additional requirements or request additional information within twenty-one (21) days after a full and complete description of the proposed change and all additional instruments, documents and plans have been furnished in writing to the Committee with a written and specific request for approval.

4.07 After approval by the Committee of any proposed change in the existing state of the 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 provided to the Committee. Failure to accomplish the change strictly in accordance with the description thereof and plans and specifications therefor within eighteen (18) months of the date of Committee approval, unless an extension is granted by the Committee upon a showing of good cause, shall operate to automatically revoke the approval of the proposed change, and, upon demand by the Committee, the Lot shall be restored as nearly as possible to its state existing prior to any work in connection with the proposed change. The Committee and its duly appointed agents may enter upon any Lot at any reasonable time or times to inspect the progress or status of any changes in the existing state of a Lot being made or which may have been made. The Committee shall have the right and authority to record a notice to show that any particular change in the existing state of a Lot has not been approved or that any approval given has been automatically revoked.

4.08 The Declarant shall be exempt from the rules relating to the Committee, except as they pertain to Building Zones, View Corridors, and other general subdivision regulations.

4.09 Nothing in this Article IV shall be construed to relieve an Owner from the obligation to obtain all governmental approvals, permits, etc. for improving a Lot, including submitting their plans and gaining approval from any applicable municipal design review process.

ARTICLE V.

ESTABLISHMENT AND ORGANIZATION OF ASSOCIATION

5.01 The Lane Meadows Homeowners' Association, Inc., shall be incorporated as an Idaho not for profit corporation. The purposes and powers of the Association and the rights and obligations inherent in membership are set forth in its Articles of Incorporation, and the provisions of this Declaration with respect thereto are for general descriptive purposes only. The Association is and shall be obligated (a) to accept title to and maintain Common Areas, and (b) to assure the functions and obligations imposed on it or contemplated for it under this Declaration.

5.02 The Association shall be governed by a Board composed of three (3) Directors, all of whom shall be elected at the first annual meeting.

5.03 Regular meetings of the Association will be held at the time and in the place prescribed by the By-Laws of the Association. The first annual meeting shall be held within ninety (90) days after the closing of the sale of the Lot.

5.04 Each Owner of each Lot is subject to assessment by the Association and shall be a member of the Association. Said membership shall be appurtenant to and shall not be severed from the Lot.

5.05 The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. Class B membership shall cease and be converted to Class A membership on the occurrence of the later of any of the following events:

(a) when the total votes outstanding in the Class A membership in the Association equal the total votes outstanding in the Class B membership in said Association;

(b) the fourth anniversary of the recording of this Declaration.

5.06 All elections shall be by secret ballot. Cumulative voting procedures shall be prescribed at all elections at which more than one position on the Board is to be filled.

5.07 So long as there are two classes of membership, one (1) director shall be elected solely by the votes of the Class A members.

5.08 Regular meetings of the Directors shall be held quarterly or as deemed appropriate by the Association.

5.09 Any vote may be cast by an Owner in person or by proxy. All proxies shall be in writing, dated and signed by the Owners and filed with the Board of Directors before commencement of any meeting. No proxy shall extend beyond the specific meeting for which it was executed, and every proxy shall automatically cease upon sale by the Owners of his or their Lot or upon death or incapacity of the member executing the proxy statement.

5.10 Where the vote or written assent of the membership is required for any action contemplated herein, such action shall require the prescribed percentage of each class of voters during the time there are two classes of membership.

ARTICLE VI.

COMMON WATER RIGHTS

6.01 Declarant shall transfer all water rights for irrigation to the Association, who shall hold such rights for the benefit of the Owners.

6.02 Declarant shall construct and install a common system of water to be used for irrigation purposes (the "Water System"). Title in fee to the Water System, including all equipment and pipelines associated therewith, shall be vested in the Association, who shall be responsible for keeping the Water System in good and clean condition and keeping facilities in good repair and operating condition.

6.03 The Board shall be authorized to limit water allocated for irrigation to designated Common Area and Lot 7 should it, in its sole discretion, deem such limitation to be necessary and in the best interests of the Association.

6.04 Owners shall comply with Idaho law with respect to use of commonly held water rights in conjunction with privately held domestic water rights.

6.05 A primary component of the Water System is the well ("Well") which is located on Parcel B. Owners shall not interfere with the operation, maintenance, or use of the Well.

6.06 Lot 7 shall be entitled to irrigate from the Water System to the extent there is excess available water after the irrigation of Parcel B. Such use shall be conditioned on the Owner of Lot 7 paying its proportional share of the expenses for using and maintaining the Well and related pump. Actual costs attributable to Lot 7's use shall be assessed against Lot 7. Costs which are not able to be directly attributed to Lot 7, shall be prorated, based upon the Board's good faith determination of the proportional use of the parties. If the amount of acreage to be irrigated by the water right is reduced or diminished in the future for any reason, the amount allowed to be used by Lot 7 shall be directly reduced first. Lot 7 shall be entitled to use the Water System to fill and maintain a recreational pool, as long as said water right allows, and the Owner pays its proportional share of expenses as described above.

ARTICLE VII.

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT

7.01 Each Member of the Association shall have the right of enjoyment of the Common Area including any easements and any facilities located thereon which are appurtenant to the member's Lot, subject to the following conditions:

(a) The right of the Association, as provided in its ByLaws to suspend the rights and privileges, including voting rights of any member for any period during which an assessment (to which his interest is subject) remains unpaid and for a period not to exceed thirty (30) days for each infraction of its published rules and regulations and for the right to impose monetary penalties for violation of such rules and regulations after hearing by the Board of Directors of the Association. Any Owner shall be given ten (10) days notice of any such hearing by mail to his address as it appears on the books of the Association.

(b) The right of the Association to charge reasonable fees for the use of any facility, belonging to the Association.

(c) The right of the Association, in accordance with its Articles and ByLaws, to borrow money for the purpose of improving the Common Area and facilities.

7.02 The Association shall have the obligation at its expense to maintain in a clean and orderly manner and in a good state of repair its Common Area and all improvements located thereon and to operate in a competent and efficient manner, all facilities, if any, located in its Common Area; and in the event of damage or destruction to the improvements, to repair and restore promptly after such damage or destruction occurs, all improvements thereon. The Association shall be responsible for contracting for snow removal for Association roads and reasonable ice abatement for Association sidewalks.

7.03 Any member may delegate his rights of enjoyment in the Common Area and in the privileges of the Association to the members of his family who reside upon a Lot, to any of his tenants who reside thereon under a leasehold interest for a term of one week or more, and to his guests; subject, however, to the ByLaws, rules, regulation and limitations of the Association. The rights and privileges of such person are subject to suspension the same as members of the Association, as provided in paragraph (a) of Section 1 of this Article.

ARTICLE VIII.

CREATION OF ASSESSMENT LIENS

8.01 The Declarant, for each Lot owned within the Property hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the respective Association:

(a) Annual assessments or charges; and (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

8.02 The assessment levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and for the improvement and maintenance of the Common Area owned by the Association and including, but not limited to, the payment of taxes and insurance for the common properties, and repair, replacement and additions hereto and for the cost of labor, equipment, materials, management and supervision of the Common Area. The Association may retain a professional management company to manage the affairs of the Association, and if so, any expenses so related may be a portion of the assessment.

8.03 In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or

replacement to be performed on the Lots or Common Area or of a capital improvement upon the Association's Common Area, including fixtures and personal property related thereto and for the purpose of performing any unanticipated maintenance, provided that any such assessment in excess of five percent (5%) of the annual budgeted expense of the Association shall have the assent of fifty-one percent (51%) of the votes of all of the Class A members and fifty-one (51%) of all the Class B members, if any, of the Association. Such votes shall be cast in person or by proxy at a meeting duly called for this purpose as provided in Section 8.04 next following.

8.04 Written notice of any meeting of the members of the Association shall be sent to all members at their address shown in the books of the Association, by regular mail, not less than ten (10) days nor more than thirty (30) days in advance of the meeting and shall describe the nature of the business to be conducted. The presence at any meeting of the members or of proxies entitled to cast twenty-five percent (25%) of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented. Such adjournment shall be for not less than five (5) days and not more than thirty (30) days from the original meeting date. In the absence of a quorum, no other business may be conducted at any such meeting.

8.05 Annual and special assessments shall be fixed on a pro rata basis for each Lot and shall be collected by the Association on a quarterly basis. The directors of the Association shall estimate the charges required to be paid by the Association during the calendar year. The total annual assessments against all Owners shall be based upon advance estimates of cash requirements. Owners shall not be entitled to take offsets from assessment amounts for any reason.

8.06 The annual assessments provided for herein shall commence on the first day of the month following the closing of the first sale of a Lot to a purchaser.

8.07 Without written consent or a majority vote by the members of the Association residing in members, the annual assessment may not be increased more than twenty percent (20%) over that of the last preceding annual assessment, except in the first year of the Association's operation.

8.08 In addition to the foregoing, the Committee or Board, in their individual discretion, may levy a one time fee, not to exceed \$2,000.00, adjusted for inflation from the date of this Declaration, to any Owner proposing substantial improvements to their Lot, to cover excessive wear and tear on Common Areas, including the roads.

8.09 Any assessment not paid within thirty (30) days after the due date, shall bear interest from the due date at the maximum rate allowed by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot. Each of the Owners do hereby grant and appoint the Board of Directors as trustee to enforce such lien and

to foreclose such lien by private power of sale, and the authority and power to sell the Lot of such defaulting Owner, or any part thereof, to satisfy said lien, for lawful money of the United States to the highest bidder. Such lien and the right to foreclose the same shall be in addition to and not in substitution for all other rights and remedies which the Owner and the Board of Directors may have to enforce the provisions hereof.

8.10 The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. The sale or transfer of any Lot shall not affect any assessment lien. However, the sale of any Lot pursuant to a mortgage or deed of trust foreclosure shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

8.11 In addition to the remedies stated above, the Association upon violation or breach of any covenant, restriction or condition contained in this declaration, may enter upon any Lot 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 of the Lot. If the Owner of any Lot fails, after demand, to pay such costs then the Association 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 Lot of such Owner or Owners for the amount due and not paid, plus interest from the date of demand for payment at the statutory rate, plus all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees.

ARTICLE IX.

DAMAGE OR DESTRUCTION OF COMMON AREA IMPROVEMENTS

In the event of damage to or destruction of the property of the Association, or any part thereof, the Association shall repair or replace the same from the insurance proceeds payable to it by reason of such damage or destruction. If any such damage or destruction was insured against and the insurance proceeds are insufficient to cover the cost of repair or replacement of the property damaged or destroyed, the Association may make a special assessment in accordance with the provisions of this declaration, to cover the additional cost of the repair or replacement not covered by the insurance proceeds. Such special assessment is not in addition to any other regular assessments made against Owners and is subject to the rules herein relating to Special Assessments. If any damage or destruction is caused by a casualty not insured against, then the repair or reconstruction shall be accomplished in the manner provided by a written agreement approved by the Owners representing more than fifty percent (50%) of all the Lots after the plans for any repairs or reconstruction have been approved by the Association.

ARTICLE X.

LENDER'S REGULATIONS

In order that residential dwelling units erected on the Property may qualify for existing subsidized lending programs, it is declared that the following rights exist in favor of any first mortgagee, notwithstanding contrary or conflicting provisions contained herein.

10.01 The first mortgagee of any dwelling unit may, by written notice to the Association, request written notice of any default by the mortgagor of such dwelling unit in the performance of such mortgagor's obligations under this declaration within thirty (30) days. Such request shall state the name and mailing address of the mortgagee, and the official records book and page number, file number or other reference identifying such recording, and the Lot number encumbered by said mortgage, and a reference to this declaration. Each notice of default given pursuant to such request may be sent by regular mail, postage prepaid, addressed to the mortgagee at the address stated in such request. Following the elapse of two (2) years from the date of receipt of the written request last given by any mortgagee pursuant to this Article, the Association shall have no further duty to notify such mortgagee if mortgagor defaults.

10.02 Any first mortgagee who comes into possession of a dwelling unit pursuant to the remedies provided for in the mortgage, or foreclosure of the mortgage, shall be exempt from an existing right of first refusal of any party as to the purchase of such dwelling unit from the mortgagee thereof.

10.03 Unless at least seventy-five percent (75%) of the first mortgagees (based upon one (1) vote for each mortgage) of dwelling units within the subdivision have given their prior written approval, the Association shall not be entitled to:

(1) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon which are owned, directly or indirectly, by the Association for the benefit of the dwelling units in the subdivision. (The granting of easements for public utilities or for other public purposes consistent with the intended use of such subdivision shall not be deemed a transfer within the meaning of this clause);

(2) Fail to maintain fire and extended coverage on insurable Common Area on a current replacement cost basis in an amount of not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(3) Use hazard insurance proceeds for losses to any Common Area for other than the repair, replacement or reconstruction of such improvements;

10.04 First mortgagees shall have the right to examine the books and records of the Association, upon reasonable advance request in writing.

10.05 First mortgagees of dwelling units in the subdivision, may jointly or singly, pay taxes which are in default and which may or have become a charge against Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance

coverage on lapse of a policy, for such property and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

10.06 Nothing herein or in the Articles of Incorporation of the Association, or in any other instrument relating to the Property, gives any Owner of any Lot or other party priority over any rights of first mortgagees pursuant to their mortgages, in the case of distribution to such Owners of insurance proceeds or condemnation awards for losses to or a taking of common property in the subject subdivision.

10.07 The terms "mortgage", "mortgagor" and "mortgagee" as used in this Article shall include respectively, a deed of trust and the trustor and beneficiary thereunder.

ARTICLE XI.

MISCELLANEOUS PROVISIONS

11.01 The provisions hereof may be amended by a vote or the written consent of sixty-six and 67/100ths percent (66.67%) or more of each class of members. Irrespective of the provisions of this Article, the percentage of voting power to amend a specific clause herein shall prevail with relation to that specific Article.

11.02 In the event of any inconsistency between applicable law and any of these covenants or restrictions the applicable law shall govern. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no ways affect any other provisions which shall remain in full force and effect.

DATED this ____ day of _____, 2014.

Evergreen Ventures, LLC, an
Idaho limited liability company

By: Scott Thomson, co-Manager

STATE OF IDAHO)
) ss.
County of Blaine)

On this ___ day of _____, in the year of 2014, before me, a Notary Public in and for said State, personally appeared Scott Thomson, co-Manager of Evergreen Ventures, LLC, a limited liability company, the co-Manager who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he executed the same in said limited liability company name.

Notary Public for Idaho

Residing at _____

My Commission expires:

EXHIBIT - A

Legal Description of the "Property"

EXHIBIT - B

View Corridors

Those View Corridors depicted on Exhibit B-2 are meant to preserve critical views for certain Lots, and are key elements of the value for those Lots. Therefore, the following rules, in addition to the rules in the Declaration, shall apply to these View Corridors.

1. View Corridor A is meant for the benefit of all subdivision residents, in order to preserve significant cliff and mountain views, and the owner of Lot 39, Phase 2 of Lane Ranch Sub ("Lot 39"), as long as Lot 39 is owned by a related party of Declarant, including Managers, Members, and/or family members of Managers or Members, to include trusts whose trustors, trustees, and beneficiaries are members of the aforementioned class ("Related Party"). No changes to the size, shape, or location of this View Corridor may be enacted without the express written permission of all of the Owners plus the owner of Lot 39, as long as the owner shall be a Related Party to Declarant.

2. View Corridor B is meant for the benefit Lot 10. No changes to the size, shape, or location of this View Corridor may be done without the express written permission of the Owner of Lot 10.

3. The Committee shall publish, from time to time, a list of plants, shrubs, and trees that may be planted within the View Corridors. In no circumstances shall any plant, tree, or shrub be allowed to grow over 6' tall within the View Corridors.

4. No structures over 6' tall shall be allowed within the View Corridors. This shall include play structures, teepee's, sheds, or any other permanent or temporary structure.

5. All proposed landscaping and any and all improvements to any area within the View Corridors must be approved by the Committee. Any alterations to existing landscaping and improvements located within the View Corridors must be approved by the Committee. An Owner may maintain, repair, or replace in like-kind any landscaping or improvement without requiring the permission of the Committee.

