

July 8, 1993

TO: Lakeview Members

FROM: Merv Cederblom

SUBJECT: BYLAWS REVISIONS

Enclosed are Bylaws revisions the Executive Committee will present for adoption at the annual meeting on July 31, 1993, 4:00 PM. The old Bylaws were complicated by the fact that they were dual purpose during the development stage, had a Board of Managers involving the developers and also had officers of the association which functioned in the capacity we do now.

We believe it will be easier to understand as a Board of Directors for the Association and hopefully we have covered all the right changes.

Remember to attend the annual meeting, 4:00PM, Saturday, July 31, 1993.

MC/w  
SEE  
ARTICLE # 7 -

**BYLAWS OF LAKEVIEW AT  
TWIN LAKES OWNERS ASSOCIATION, INC.**

**ARTICLE I  
PLAN OF CONDOMINIUM OWNERSHIP**

1.1 **Name and Location.** The name of the condominium association ("Association") is LAKEVIEW AT TWIN LAKES OWNERS ASSOCIATION, INC. The principal office of the Association shall be in Kootenai County, Idaho.

1.2 **Application to Project.** The provisions of these Bylaws are applicable to the commercial condominium project known as LAKEVIEW AT TWIN LAKES, located in the Twin Lakes Village area of Kootenai County, Idaho. All present and future Owners, and their tenants, future tenants, employees, and any other person who might use the facilities of the Project in any manner, are subject to the regulations set forth in these Bylaws, in the Articles of Incorporation for the Association, and in the Declaration of Covenants, Conditions and Restrictions for the Project ("Declaration") recorded or to be recorded in the office of the Kootenai County Auditor, and applicable to the Project. The mere acquisition or rental of any Unit in the Project, or the Mere act of occupancy of any Unit will signify that these Bylaws are accepted, ratified, and will be observed.

1.3 **Meaning of Terms.** Unless otherwise specifically provided herein, the definitions contained in the Declaration are incorporated in these Bylaws by reference.

**ARTICLE 2  
MEMBERSHIP; MEETINGS AND VOTING RIGHTS**

2.1 **Class of Members.** The Association shall have two (2) classes of voting membership established according to the Articles of Incorporation. The membership structure of the Association specifically contemplates that the Declarant shall have the right to exercise full voting power with respect to both completed but unsold Units and Units which are merely contemplated by the Declaration or the Survey/Plan. However, membership rights with respect to uncompleted units (as well as the Declarant's rights to begin construction the new Units) shall terminate automatically on the seventh anniversary of the recordation of the Declaration.

2.2 **Voting Requirements.** Except when otherwise expressly provided in the Declaration, the Articles or these bylaws, any action by the association which must have the approval of the Association membership before being undertaken shall require the vote or written assent of the prescribed percentage of the total voting power of the Association (Both classes combined). Except on matters specifically provided for in the Declaration, the Articles, or these Bylaws, the vote of the majority of a quorum present at any meeting (in person or by proxy) shall constitute the vote of the Members.

2.3 Quorum. The presence in person or by proxy of at least thirty percent (30%) of the total voting power of the Association shall constitute a quorum. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

2.4 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. All proxies shall be valid only for the meeting for which the proxies are given (including any reconvened meeting in the event of any adjournment), unless provided otherwise in the proxy (but in no event for a period exceeding eleven (11) months from date of execution). Every proxy shall be revocable and shall automatically cease upon receipt of notice by the Secretary of the Association or the death or judicially declared incompetence of such member.

2.5 Annual Meetings. Regular annual meetings of the members of the Association shall be held during July or August of each year.

2.6 Special Meetings. A special meeting of Members of the Association may be called by the President or by the Board (upon the vote for such a meeting by a majority of a quorum of the Board). A special meeting shall be called by the Board upon receipt of a written request therefore signed by Members representing not less than twenty-five percent (25%) of the total voting power of the Association or by Members representing not less than fifteen percent (15%) of the voting power residing in Members other than Declarant.

2.7 Notice and Location of Meetings. At the direction of the President, the Secretary, or the officers, or persons calling a meeting, written notice of regular and special meetings shall be given to all Members in the manner specified for notices under these Bylaws. Such notice shall specify the day, hour, and place of the business to be undertaken, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except in the case of an emergency, at least ten (10) day's notice (not more than fifty (50) day's notice) of any meeting shall be provided prior to the meeting. Meetings of the Association shall be held within the Project or at a meeting place as close thereto as possible. Notice shall also be delivered to any institutional lender filing a written request for notice with the Association, and any such lender shall be permitted to designate a representative to attend all such meetings.

2.8 Adjournment. In the absence of a quorum at a Member's meeting, a majority of those present in person, or by proxy, may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for such a reconvened meeting shall be ten percent (10%) of the total voting power of the Association.

2.9 Action Wirhout Meeting. Any action which may be taken at a meeting of the members may be taken without a meeting if a consent, in writing, setting forth the action so taken, is signed by all members entitled to vote thereon. Such consent shall have the same force and effect as a unanimous vote.

2.10 Rules at Meetings. Except as otherwise provided in these Bylaws, the Articles, or the Declaration, all meetings of the Members shall be governed by Robert Revised rules of Order.

### ARTICLE 3 BOARD OF DIRECTORS

3.1 Number and Term of Directors. The Board of Directors shall consist of the officers, each of whom shall be a Unit Owner. The election of officers shall take place at the annual meeting of the members.

3.2 Enumeration and Term. The officers of this Association shall be a President, Vice President, Secretary, and Treasurer, and such other officers as the Board may, from time to time, by resolution create. The officers shall be elected annually and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

3.3 Resignation and Removal. Any officer may be removed from office by a majority of the Board at any time with, or without, cause. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

3.4 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

3.5 Multiple Offices. Any two or more offices may be held by the same person, except the offices of President and Secretary.

3.6 Duties. The duties of the officers are as follow:

3.6.1 President. The President shall preside at all meetings of the Association and the Board of Managers; shall see that orders and resolutions of the Board are carried out; shall sign all leases, deeds, and other written instruments and shall co-sign all checks (unless the authority to sign checks in the ordinary course of Association business has been delegated to a management company) and promissory notes.

3.6.2 Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

3.6.3. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

3.6.4 Treasurer. The Treasurer shall receive and deposit, in appropriate bank accounts, all monies of the Association and shall disburse such funds as directed by resolution of the Board of Managers; shall co-sign all checks and promissory notes of the Association; and shall keep property books of account and prepare, or have prepared, financial statements and tax returns as required in these Bylaws. The duty of the Treasurer to receive and deposit funds and to sign checks in the ordinary course of Association business may be delegated to a management company as provided in these Bylaws.

#### ARTICLE 4 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board shall have the powers and duties necessary for the administration of the affairs of the Association. Without limitation on the generality of the foregoing powers or duties, the Board shall be vested with, and responsible for, the following powers and duties:

4.1 To select, appoint, supervise, and remove all officers, agents and employees of the Association; to prescribe which powers and duties for them as may be consistent with law, and with the Articles, and Declaration and these Bylaws; and to require from them security for faithful service when deemed advisable by the Board;

4.2 To enforce the applicable provisions of the Declaration, Articles, these Bylaws, and other instruments relating to the ownership, management, and control of the Project.

4.3 To adopt and publish rules and regulations governing the use of any Common Area and facilities, and the personal conduct of the Members and their tenants, guests, and invitees thereon, and to establish procedures and penalties for the infraction thereof, subject to approval of the membership;

4.4 To pay all taxes and assessments which are, or could become, a lien on any Common Area or a portion thereof;

4.5 To contract for casualty, liability, and other insurance on behalf of the Association as required or permitted in the Declaration;

4.6 To cause the Common Area to be maintained and to contract for goods and/or services for any Common Area or for the Association;

4.7 To delegate its powers to the committees, offices, or employees of the Association, or to a management company pursuant to a written contract, as expressly authorized by the Articles, Declaration, and these Bylaws;

4.8 To keep complete and accurate books and records of the receipts and expenditures of the Association as required in these Bylaws in accordance with good accounting procedures; to provide for independent audits as required by law and these Bylaws;

4.9 To initiate and execute disciplinary proceedings against Members of the Association for violations of the provisions of the Articles, Declaration, these Bylaws and such rules as may be promulgated by the Board, in accordance with procedures set forth in these Bylaws;

4.10 To borrow money and incur indebtedness for purposes of the Association, and to cause to be executed and delivered therefore, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities therefor, subject to the approval requirement of the Articles, these Bylaws, or the law;

4.11 To fix and collect regular and special Assessments according to the Declaration and these Bylaws, and, if deemed appropriate, in the Board's discretion, to record a Notice of Assessment Lien and foreclose the lien against any Unit of which an assessment is not paid within thirty (30) days after the due date, or bring an action at law against the Owner personally obligated to pay such Assessment;

4.12 To prepare and file annual tax returns with the federal government and to take such elections as may be necessary to reduce or eliminate the tax liability of the Association;

4.13 To exercise all rights of membership (on behalf of, and pursuant to the direction of the Members of this Association) in the Twin Lakes Property Association, Inc.

## ARTICLE 5 DISCIPLINE OF MEMBER; SUSPENSION OF RIGHTS

The Association shall have no power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his individually owned Unit on account of a failure by the Owner to comply with provisions of the Declaration, Articles, these Bylaws, or of duly enacted rules of operation for any Common Area and facilities, except where the loss or forfeiture is the result of the judgement of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay Assessment levied by the Association. Notwithstanding the foregoing, the Board shall have the power to impose monetary penalties, temporary suspensions of an Owner's rights as a member of the Association or other appropriate discipline for failure to comply with the Declaration, private discipline for failure to comply with the Declaration, Articles, these Bylaws or duly enacted rules; provided that the accused shall be given notice, and the opportunity to be heard by the Board with respect to the alleged violation before a decision to impose discipline is reached. In the case in which monetary penalties are to be imposed, such penalties shall include actual attorney's fees and all costs in connection with the collection of such penalties.

ARTICLE 6  
BUDGETS, FINANCIAL STATEMENTS, BOOKS, AND RECORDS

6.1 Budgets and Financial Statements. Financial statements and pro forma operating budgets for the Association shall be regularly prepared (at least annually) and copies shall be distributed to each member of the Association. All books and records shall be audited at least annually by an independent auditor.

6.2 Fiscal Year. The fiscal year of the Association shall be a designated by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

6.3 Inspection of Association's Books and Records. The membership register, books of account, vouchers authorizing payments, minutes of meetings of the members, of the Board, and of committees of the Board of the Association, and copies of the current Declaration, Articles, Bylaws, and Rules and Regulations for the Project shall be made available for inspection and copying by any Member of the Association, by any holder, insurer, or guarantor of a first mortgage on any Unit, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place within or near the Project as the Board shall prescribe. Such inspection may take place on weekdays during normal business hours, following at least forty-eight (48) hours' written notice to the Board by the Member desiring to make the inspection. Any Member desiring copies of any document shall pay the reasonable cost of reproduction. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents.

6.4 Statement of Account. Upon ten (10) days' notice to the Board and payment of a reasonable fee, any unity Owner shall be furnished a statement of his account setting forth the amount of any unpaid Assessments or other charges due and owing from such Owner.

ARTICLE 7  
AMENDMENT OF BYLAWS

These Bylaws may be amended at any time and in any manner by resolution approved by a majority of the Board of Directors, subject to repeal or change by action of a majority of the voting power of the Members, provided any such amendment shall not be inconsistent with the Articles, the Declaration, or the law.

ARTICLE 8  
MISCELLANEOUS PROVISIONS

8.1 Regulations. All Owners, tenants, and their employees, and any other person that might use the facilities of the Project in any manner, are subject to the regulations set forth in these Bylaws and in the Project Documents and to all reasonable rules enacted pursuant to the Declaration. Aquisition, rental, or occupancy of any Unit shall constitute acceptance and ratification of the provisions of all such rules and regulations.

8.2 Compensation and Indemnity of Officers. No officer shall receive any compensation for services rendered for, or on behalf, of the Association, except reimbursement for actual sums spent on behalf of the Association, to the extent authorized by the Board. To the maximum extent permitted by the Idaho Nonprofit Corporation Act, each officer shall be indemnified by the by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being, or having been, an officer of the Association, except in cases of fraud, gross negligence, or bad faith of the officer in the performance of his duties.

8.3 Committees. The Board may appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose; provided, however that the power and authority of any such committees shall be limited according to the Idaho Nonprofit Corporation Act.

8.4 Notice. Any notice permitted or required to be given by the Project Documents may be delivered either personally, or by mail, or as otherwise specifically provided in the Project Documents. If delivery is by mail, it shall be deemed to have been given seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, return receipt requested, address to each person at the current address given by such person to the Secretary of the Association, or addressed to the Unit of such person if no address has been given to the Secretary; provided; however, that notice of regular, or special meetings, of members of the Board may be mailed without request for a return receipt.



**GABRIEL**

DANIEL J. ENGLISH SP I 2053246000  
KOOTENAI CO. RECORDER Page 1 of 5  
BBB Date 09/01/2006 Time 13:18:45  
REC-REQ OF LUKINS AND ANNIS  
RECORDING FEE: 15.00  
2053246000 SC 3

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DOCK OWNERSHIP

**SECOND AMENDMENT TO DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS**

**LAKEVIEW AT TWIN LAKES CONDOMINIUM**

**KOOTENAI COUNTY, IDAHO**

This Second Amendment is adopted and shall be deemed effective as of the recordation of this instrument, and pertains to that certain Declaration of Covenants, Conditions, and Restrictions recorded November 17, 1986, as Instrument No.1065427, Records of Kootenai County, Idaho, as previously amended by a First Amendment to Declaration of Covenants, Conditions, and Restrictions recorded November 7, 2005, as Instrument No.1994011, Records of Kootenai County, Idaho (collectively the "Declaration"), which Declaration governs that certain condominium subdivision project located within Twin Lakes Village, in Kootenai County, Idaho, known as "Lakeview at Twin Lakes" (the "Project"). The Project is more particularly described in the Survey Map and Condominium Plan filed for record as Instrument Number 1065426, records of Kootenai County, Idaho.

This Amendment has been adopted by the vote of the membership in the Lakeview at Twin Lakes Owners Association, Inc. (the "Association"), which Association manages the Project, at a meeting held for such purpose on July 8, 2006.

Section 3.4 of the Declaration shall be amended by the addition of the following paragraph:

"In addition to the vehicle parking spaces and the balcony and patio elements described above, the Board shall have the power and authority to permit the construction of one or more private and/or community docks along the lakeshore adjacent to the Project boundary (collectively referred to as the "Docks" in this Section), which shall be deemed Limited Common Area appurtenant to such Units as may be designated by the Board from time to time. However, the construction, use, repair, operation, and maintenance of the Docks shall be subject to the following terms sand conditions:

1. Docks shall only be constructed following approval by the Board or the Architectural Control Committee pursuant to the requirements of Article 4, below;
2. Docks shall only be constructed pursuant to valid permits issued by the Idaho Department of Lands and the US Army Corps of Engineers, as applicable, with all effort and expense of the permitting

## DOCK OWNERSHIP

process being borne by the Owners wishing to acquire rights in the Docks as Limited Common Area (the "Dock Users");

3. Prior to construction of any Docks, the Dock Users shall submit to the Board the list of the Dock Users and the specific allocation of the individual slips (the "Slips") to the Units of the Dock Users. The Board shall, at all times, keep a record of such allocation. Once the allocation shall be submitted, the Slips shall be deemed Limited Common Area appurtenant to those Units, with the allocation being permanent unless re-allocated by consent of the Board, provided that each Slip shall, at all times, be appurtenant only to a Unit or Unit(s) in the Project. That is, no Slip or other rights in the Docks shall be assigned to or used by any third party not being the Owner or occupant of a Unit in the Project.

4. The Docks shall be maintained as Limited Common Area by the Dock Users, as they may agree among themselves, according to Section 5.2, below. However, the Board shall have the right, pursuant to Section 5.1, below, to provide maintenance if not adequately provided by the Dock Users, in which case the cost thereof shall be specially assessed against all Dock Users and their respective Units. If the assessment shall not be timely paid, the Board shall have the power and authority to lien such Units and pursue all remedies available to the Board for nonpayment of Assessments. The Board shall allocate the cost of such maintenance equally to all such Units, without regard to the actual responsibility of the Dock Users according to their separate agreement; and

5. Any portion of insurance premiums or other costs incurred on account of the Docks shall be borne only by the Dock Users, and such costs shall be included as a portion of the Assessments levied against such Dock Users and their Units."

Except as modified by this Second Amendment, the Declaration shall remain in full force and effect.

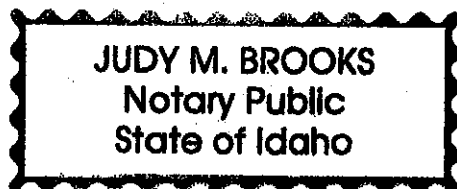
DATED August 8, 2006.

**A CERTIFICATE OF ADOPTION OF THIS SECOND AMENDMENT IS SET FORTH  
ON THE FOLLOWING PAGE.**

STATE OF Idaho )  
County of Kootenai ) : ss

On this 8<sup>th</sup> day of August, 2006, before me, Judy Brooks, a notary public for the State of Idaho, personally appeared RALPH WARD, known to me to be the person who executed the foregoing instrument, and acknowledged that he executed the same.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.

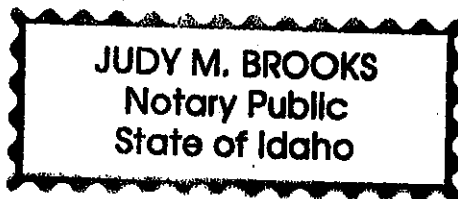


Judy M Brooks  
Notary Public  
Residing at: Athol, Idaho 83801  
My commission expires: 4/5/08

STATE OF Idaho )  
County of Kootenai ) : ss

On this 8<sup>th</sup> day of August, 2006, before me, Judy Brooks, a notary public for the State of Idaho, personally appeared JAMES V. BAYLEY, known to me to be the person who executed the foregoing instrument, and acknowledged that he executed the same.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.

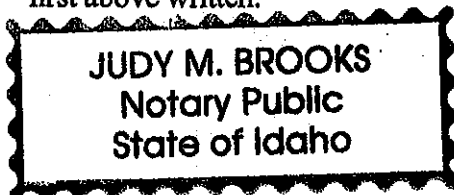


Judy M Brooks  
Notary Public  
Residing at: Athol, Id 83801  
My commission expires: 4/5/08

STATE OF Idaho )  
County of Kootenai ) : ss

On this 8<sup>th</sup> day of August, 2006, before me, Judy Brooks, a notary public for the State of Idaho, personally appeared PATTY A. GARBRICK, known to me to be the person who executed the foregoing instrument, and acknowledged that she executed the same.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.

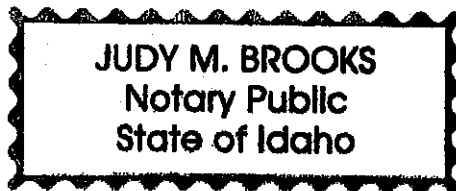


Judy M Brooks  
Notary Public  
Residing at: Arhol, Id 83801  
My commission expires: 4/5/08

STATE OF Idaho )  
County of Kootenai ) : ss

On this 8<sup>th</sup> day of August, 2006, before me, Judy Brooks, a notary public for the State of Idaho, personally appeared THOMAS E. GILROY, known to me to be the person who executed the foregoing instrument, and acknowledged that he executed the same.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.



Judy M Brooks  
Notary Public  
Residing at: Arhol, Idaho  
My commission expires: 4/5/08

PROPOSED 12 SLIP BOAT DOCK

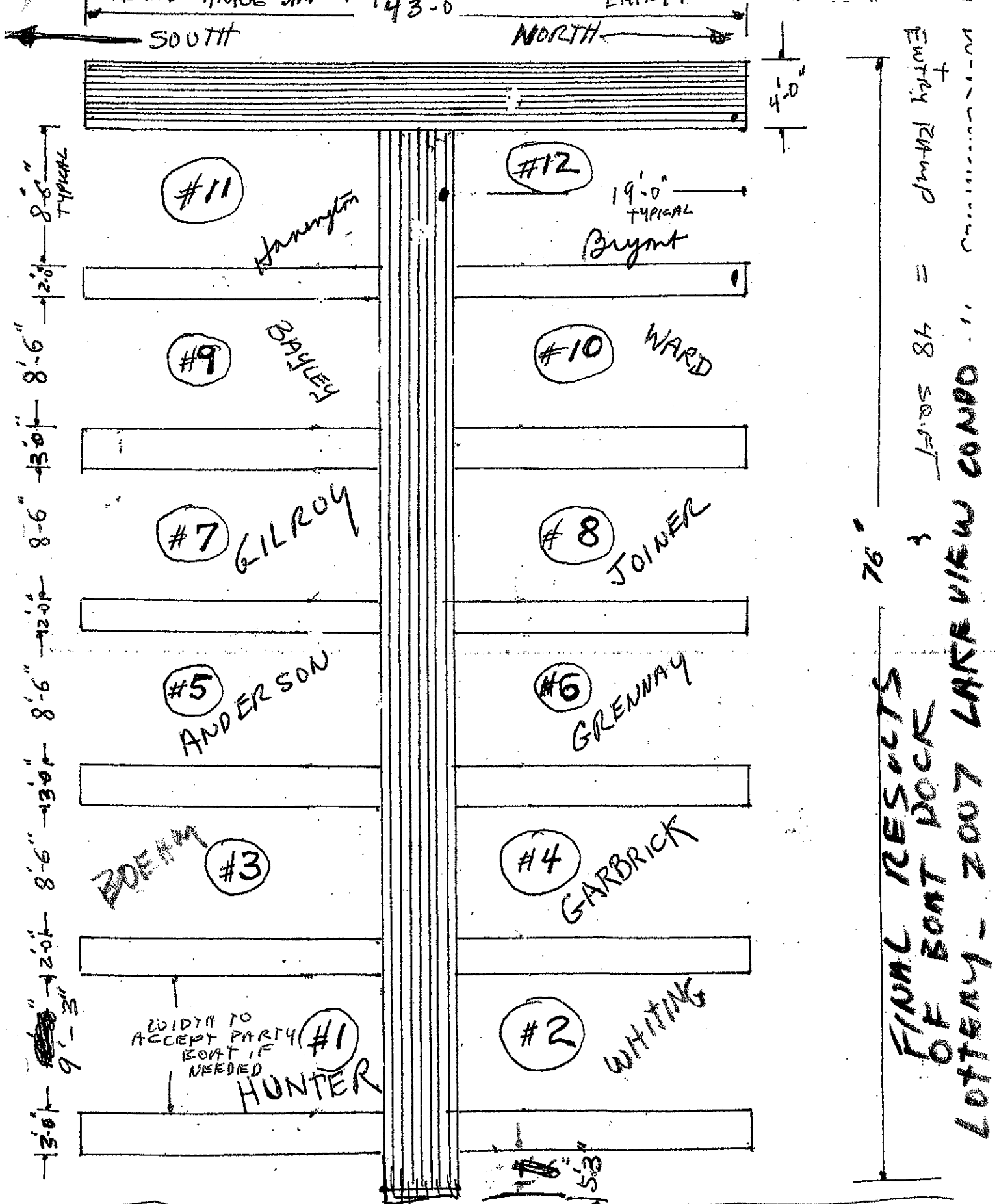
LAKEVIEW CONDO ASSOC., TWIN LAKES VILLAGE

SCALE: 1/8" = 1'-0"

6/1/2006

REVISED 7/10/06 Jim Bayley 43'-0"

CENTER SPAN "A" 5' X 72' = 360 SQ FT  
END SPAN "B" 4' X 43' = 172 " "  
C SECTIONS 2' X 19' = 38 228 " "  
D SECTIONS 3' X 19' = 57 342 " "  
ENTRY PLATFORM 3' X 16' = 48 " "





## CERTIFICATE OF ADOPTION

The undersigned, being all the Directors of the Lakeview at Twin Lakes Owners Association, Inc. (the "Association"), do hereby certify as follows:

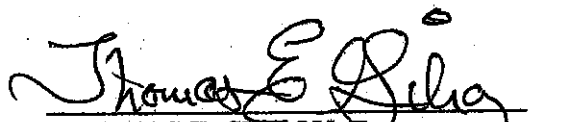
1. That they are all the current Directors and Officers of the Association.
2. That at a meeting of the membership of the Association, duly noticed and called in compliance with the Bylaws, and attended by a quorum of the membership, held on July 8, 2006, a vote was taken, by which the foregoing amendment to the Declaration was formally adopted unanimously.

Dated: August 8, 2006.

  
RALPH WARD, ~~President~~

  
JAMES J. BAYLEY, ~~Vice President~~

  
PATTY A. GARBRICK, ~~Secretary~~

  
THOMAS E. GILROY, ~~Treasurer~~



*"Resort Living Year-Round"*

5416 W. Village Blvd Rathdrum, ID 83858  
(208)687-1312

Dear TLV Guests:

We would like to welcome you to Twin Lakes Village and thank you for the opportunity of serving you. The Village is the year-round home for a great many families and we at TLV are very proud to be able to offer a few of the condominiums in the village for rent. We are sure that you will enjoy the quiet atmosphere here. For these reasons, we must ask your cooperation on the following:

Due to our vigorous schedule, we must ask that you check out promptly at 11:00 a.m. If you will be leaving earlier, please notify the office.

The condominium you are staying in is privately owned, and there will be absolutely no pets or smoking allowed in the condominiums at any time and if you smoke, it must be done outside and kept contained (no cigarettes on the ground).

Your cooperation will ensure the enjoyment of the owners, renters and guests alike. If there is anything we can do to help make your stay more enjoyable, please let us know.

Parties are prohibited in the condo areas. We must strictly enforce these rules, so any violators will be requested to vacate immediately.

No noxious, illegal or offensive activities or language shall be carried on in any Lot or Unit, or in any part of the Property. Respect for others and their enjoyment of peaceful and quiet surroundings is requested. The golf course is off limits during the winter months.

#### Vehicle Speed Limits and Restrictions.

The speed limit in the village 20 miles per hour, and it strictly enforced.

Your vehicles, when parked, shall be parked in a manner which shall not interfere with access to the units of others.

No more than 1 vehicles per household is to be parked on any rented property. Exceptions must be cleared through the rental office and parked in the main parking lot by the office.

#### Garbage Disposal and General Appearance.

Areas around the unit should be kept free of trash and debris at all times, and it is the responsibility of the tenant to maintain cleanliness of his/her own unit. All garbage must be put in plastic garbage bags and put inside garbage cans. Boxes, cartons, etc. must be crushed and put in garbage cans. The Business Office can direct you to all Association's garbage areas.

If all of us keep in mind these few rules and help our neighbors observe them as the need arises, Twin Lakes Village will be more enjoyable place to visit and live.

Thank you,

Anita Bedard  
Rental Manager

## TWIN LAKES VILLAGE CONDOMINIUM ASSOCIATIONS

To all Twin Lakes Village Tenants:

Welcome to Twin Lakes Village. In order to make your period of stay here more enjoyable and comfortable we would like to explain a few things about the Village and ask that you observe rules of the Associations.

### **RULES**

#### Nuisance.

No noxious, illegal or offensive activities or language shall be carried on in any Lot or Unit, or in any part of the Property. Respect for others and their enjoyment of peaceful and quiet surroundings is requested.

#### Vehicle and Equipment Restrictions.

No trailer, camper, Mobil home, recreational vehicles, commercial vehicle, bus, truck (other than standard size pick-up truck), shall be permitted to remain upon any Lot, or within any Common Area, other than temporally (for purposes of lading and unloading of passengers or personal property). No noisy or off road, unlicensed motor vehicles shall be operated within the Village.

Approved vehicles, when parked, shall be parked in a manner which shall not interfere with access to the units of others.

No more than 1 vehicles per household is to be parked on any Association's property. Exceptions must be cleared through the rental office.

#### Animals

No animals allowed.

#### Garbage Disposal and General Appearance.

Areas around the unit should be kept free of trash and debris at all times, and it is the responsibility of the owner or tenant to maintain cleanliness of his/her own unit. All garbage must be put in plastic garbage bags and put inside garbage cans. Boxes, cartons, etc. must be crushed and put in garbage cans. The Business Office can direct you to all Association's garbage areas.

#### Vehicle Speed Limits

There isn't any street in the Village which has a speed limit higher than 25 miles per hour. When children are present, speed should be further reduced.

#### Pool Area

Renters must use the pool at the clubhouse. Please do not use unit towels for pool or beach use.

#### General

If all of us keep in mind these few rules and help our neighbors observe them as the need arises, Twin Lakes Village will be more enjoyable place to live. Thanks for your help.

Your Neighbors





## TWIN LAKES VILLAGE GOLF COURSE RULES

### POWER CARTS:

1. Use 90 degree rule on all fairways.
2. No more than 2 passengers to a cart.
3. Keep carts at least 30 feet from greens, tees and traps.
4. Use cart paths when possible.
5. Carts may not be operated by juniors.

### HAND CARTS:

Hand carts are not allowed on aprons, greens, or tees.

### BEVERAGES:

Beverages such as beer or pop are permitted only when purchased from this establishment.

### PRACTICE:

Practice is not allowed on the golf course. Practice is restricted to the driving range and putting green only.

### GOLF COURSE:

1. All play will start on hole #1. Permission from the Pro Shop is required to start on any other hole.
2. 5-somes are not allowed.
3. Please repair ball marks on greens plus a couple extras while waiting to putt.
4. Please rake bunkers and replace divots.
5. Shirts must be worn at all times.
6. Please stay out of all ponds. Wading in ponds will rupture seal and cause serious damage.
7. 18 hole rounds should be played in 4 1/2 hours or less. Please keep the pace of play flowing. Keep up with the group ahead of you. Allow faster groups to play through.
8. Children under the age of 10 are not allowed on the course unless qualified to play and are playing.

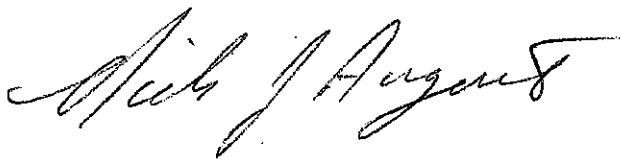
Thank you and enjoy your round!

TLV Greens Committee

After consultation with our legal counsel at Lufkins & Annis it was determined that we needed to initiate a new level of governing documents for Lakeview at Twin Lakes Owners Association, Inc. This new level is called "Rules and Regulations" and is the lowest level of controlling documents. The hierarchy of controlling documents is as follows, in descending order: Covenants, Conditions and Restrictions (CC&R's), By laws and finally, Rules and Regulations. CC&R changes can only be made by formal amendment and recordation with the County Recorder and only after a 67% approval by all of the Association members. By-laws and Rules and Regulations can be enacted and changed by the Associations Board of Directors and are always subject to issue by the Associations membership and can be changed, modified or cancelled by a simple majority vote of the membership at the annual meeting or at a specially called meeting if the issue is of that level of importance.

The following page begins our Rules and Regulations and at this time only contain those that we as a membership voted to approve at the 2004 and 2005 annual meetings. In the future these Rules and Regulations will be added to or revised by vote at future membership meetings or by the Board of Directors.

Nick August, President

A handwritten signature in cursive script, reading "Nick August". The signature is written in dark ink and is positioned below the typed name.



1065427

RECORDING REQUESTED BY  
AND WHEN RECORDED, MAIL TO:

152 725

LUKINS & ANNIS, P.S.  
Park View Tower, Suite 102  
250 Northwest Boulevard  
Coeur d'Alene, Idaho 83814

Attention: EDWARD F. WROE

DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS

LAKEVIEW AT TWIN LAKES

A CONDOMINIUM

KOOTENAI COUNTY, IDAHO

STATE OF IDAHO  
COUNTY OF KOOTENAI

BEFORE ME, the undersigned authority, on this day personally appeared

*Edward F. Wroe*

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this

*November 17, 1986*

day of *November*, 1986.

Notary Public in and for the State of Idaho

*Nancy West*

My commission expires

11/3/86

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DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS  
LAKEVIEW AT TWIN LAKES CONDOMINIUM  
KOOTENAI COUNTY, IDAHO

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("Declaration"), is made on the date hereinafter set forth, by TWIN LAKES INVESTMENTS, a general partnership, ("Declarant"), with reference to the following facts:

A. Declarant is the owner of that certain property and easement rights located in the Twin Lakes Village area of Kootenai County, Idaho, which property and easement rights are more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"). The Property is also described in the Survey Map and Condominium Plan filed for record herewith as Auditor's File No. 1065426, records of Kootenai County, Idaho. The Property is a part of the Twin Lakes Village Plat. Accordingly, in addition to the provisions of this Declaration, the Property shall be governed by the Protective Covenants of Twin Lakes Village Plat (Auditor's No. 631043, records of Kootenai County, Idaho), and owners of units in the Project shall be subject to the jurisdiction of the Twin Lakes Village Property Association, Inc.

B. Declarant desires to develop on the Property a condominium under the provisions of the Idaho Condominium Property Act (Idaho Code §§ 55-1501 et seq.), which condominium will be known as LAKEVIEW AT TWIN LAKES. The Project consists of up to six (6) duplexes, and up to four (4) four-plexes, totalling up to twenty-eight (28) residential Units of wood frame construction, along with drive-in, parking and landscaped areas.

C. The development shall be hereinafter referred to as the "Project." The Owner of each Unit shall receive title to an individual residential airspace, plus an undivided interest as tenant in common in the Common Area. Each Unit shall also have appurtenant to it certain additional rights including rights of membership in LAKEVIEW AT TWIN LAKES OWNERS ASSOCIATION, INC., a nonprofit corporation formed to manage the Project.

D. Declarant intends by this document to impose upon the Property mutually beneficial restrictions under a general plan of operation for the benefit of all of the said Units and the Owners thereof.

Declarant hereby declares that the Property and the Project shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions, and easements, all of which are for the purpose of enhancing and protecting the value and

attractiveness of the Property, and the Project, and every part thereof, in accordance with the plan for the development of the Project as residential condominiums. All of the limitations, covenants, conditions, restrictions, and easements shall constitute covenants and encumbrances which shall run with the land and shall be perpetually binding upon Declarant and its successors-in-interest and assigns, and all parties having or acquiring any right, title, or interest in or to any part of the Property or the Project.

## ARTICLE 1

### DEFINITIONS

Unless otherwise expressly provided, the following words and phrases, when used in this Declaration and in the Project Documents, shall have the following meanings:

1.1 Articles: the Articles of Incorporation of the Association as restated or amended from time to time.

1.2 Assessment: that portion of the cost of maintaining, improving, repairing, operating, insuring and managing the Project, and of complying with the Assessment and other obligations appurtenant to membership in the Twin Lakes Property Owners Association, Inc., which is to be paid by the Unit Owners as determined by the Association under this Declaration. Assessments may be designated as Regular Assessments, Extraordinary Assessments, or Special Assessments, as those terms are more specifically defined in Article 6 of this Declaration.

1.3 Association: LAKEVIEW AT TWIN LAKES OWNERS ASSOCIATION, INC., an Idaho nonprofit corporation, formed by Declarant in conjunction with the creation of the condominium, the Members of which shall be the Owners of Units in the Project as provided herein. Reference herein to the "Master Association" shall be deemed to refer to the Twin Lakes Property Owners Association, Inc.

1.4 Board or Board of Managers: the governing body of the Association.

1.5 Bylaws: the Bylaws of the Association as restated or amended from time to time. The initial Bylaws shall be as adopted by the incorporating members of the Board of Managers.

1.6 Common Area: the entire Project, excluding only the individual Condominium Unit airspaces as defined herein. The Common Area includes, without limitation: land; parking and driveway areas; entrances, exits, and common stairs;



bearing walls, columns, girders, beams, supports, subfloors, unfinished floors, roofs, and foundations; reservoirs, tanks, pumps, motors, fans, compressors, ducts, flues, chutes, conduits, pipes, plumbing, wires and other utility installations (except the outlets thereof when located within a Unit) required to provide power, light, telephone, gas, water, sewage, drainage, heat, air conditioning, and other common utility service; sprinklers, sprinkler pipes, and sprinkler heads which protrude into the airspace of an Unit; all apparatus and installations existing for common use; and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use. The rights and restrictions pertaining to the use of the Common Area are further described in Article 3 of this Declaration.

1.7 Common Expenses: the actual and estimated expenses of maintenance, improvement, repair, operation, insurance and management of the Common Area, of utility services which are not metered to separate Units, of administration of the Association, and of compliance with the requirements of Twin Lakes Village Property Association, Inc., and any reasonable reserve for such purposes as determined by the Board, and all sums designated as Common Expenses by or pursuant to the Project Documents.

1.8 Condominium: an estate in real property as described in the Idaho Condominium Property Act (Idaho Code §§ 55-1501 et seq.), consisting of title to a separate residential airspace, an undivided interest in the Common Area, and all rights and easements appurtenant thereto. The ownership of each individual condominium Unit shall include (1) the appropriate airspace; (2) an undivided interest in the Common Area; (3) exclusive use of the portion of the Limited Common Area which is appurtenant to that Unit; and (5) membership in the Association.

1.9 Declarant: Twin Lakes Investments, a general partnership, and its successors-in-interest and assigns with respect to the entire Project, but shall not include independent third parties purchasing completed condominium Units.

1.10 Declaration: this Declaration of Covenants, Conditions and Restrictions, as it may be amended from time to time. References herein to the "Master Declaration" shall be deemed to refer to the Protective Covenants of Twin Lakes Village Plat (Auditor's File No. 631043, records of Kootenai County, Idaho).

1.11 Limited Common Area: those portions of the Common Area and facilities set aside for exclusive use of a Unit Owner or Owners, pursuant to Article 3 hereof.

1.12 Member: a person entitled to membership in the Association as provided herein.

1.13 Mortgage: includes a recorded mortgage, deed of trust, real estate contract, or other instrument creating a security interest in any Unit.

1.14 Mortgagee: includes a mortgagee, beneficiary or holder of a deed of trust, real estate contract vendor, or other holder of a mortgage (including Declarant or Declarant's assignee with respect to any purchase-money security interests retained by Declarant on sale of any Unit).

1.15 Mortgagor: includes a mortgagor, the trustor of a deed of trust, real estate contract vendee or other individual granting a security interest in any Unit.

1.16 Owner or Owners: the record holder or holders of title of a Unit in the Project. This shall include any person having a fee simple title to any Unit, but shall exclude persons or entities having any interest merely as security for the performance of any obligation. Further, if a Unit is sold under a recorded contract of sale to a purchaser, the purchaser, rather than the fee owner, shall be considered the "Owner".

1.17 Person: any individual or any corporation, joint venture, limited partnership, partnership, firm, association, trust, or other similar entity or organization.

1.18 Project: the entirety of the Project described by this Declaration (generally synonymous with "Property").

1.19 Project Documents: this Declaration, the Survey/Plan, and the Articles, Bylaws and rules and regulations of the Association, as each shall be restated or amended from time to time.

1.20 Property: the land described in this Declaration, together with every building, improvement or structure thereon, and every easement or right appurtenant thereto, and all personal property intended for use in connection therewith or for the use, benefit or enjoyment of the Owners.

1.21 Survey/Plan: collectively, the recorded plat or survey map showing the surface of the ground included within the Project, together with the recorded diagrammatic floor plan or plans of each building constructed or to be constructed thereon, which identifies each Unit in the Project and shows its relative location and approximate dimensions and elevations, all as required by the Idaho Condominium Property Act, as may be amended or supplemented from time to time.

1.22 Twin Lakes: collectively, all property described in the Twin Lakes Village Plat, which is governed by the Master Declaration and the Master Association.

1.23 Unit: all elements of an individual condominium, as enumerated in Paragraph 1.8 above. While the term "Unit" legally encompasses all elements of an individual condominium, the context may sometimes require the term to refer only to the air space element, legal or equitable title to which shall be vested in the Owner. In that context, the physical boundaries of the Unit (airspace) shall be the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof, and the airspace shall include both the portions of the building so described and the airspace so encompassed. Further, in the case of Units having enclosed garages, either beneath the dwelling area or in a separate structure, the airspace within such garage shall likewise be deemed part of the corresponding Unit. In interpreting this Declaration, the Survey/Plan, and deeds, the existing physical boundaries of the Unit as originally constructed or as reconstructed in lieu thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed or depicted in the Declaration, Survey/Plan or deed, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown in the Declaration, Survey/Plan or deed, and the actual boundaries of Units in the building.

END OF ARTICLE 1  
DEFINITIONS

ARTICLE 2ASSOCIATION, ADMINISTRATION, MEMBERSHIP  
AND VOTING RIGHTS2.1 Organization of Association.

The Association is or shall be incorporated under the name of LAKEVIEW AT TWIN LAKES OWNERS ASSOCIATION, INC., as a nonprofit corporation under the Idaho Nonprofit Corporation Act.

2.2 Duties and Powers.

The duties and powers of the Association are those set forth in this Declaration, and in the Articles and Bylaws (which are attached hereto as Exhibits "C" and "D", respectively), together with its general and implied powers as a nonprofit corporation, generally to do any and all things that a nonprofit corporation organized under the laws of the State of Idaho may lawfully do and which are necessary or proper in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in this Declaration, the Articles and Bylaws.

2.3 Membership.

The Owner of a Unit shall automatically, upon becoming the Owner of that Unit, be a Member of the Association, and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership shall be in accordance with the Articles and the Bylaws of the Association.

2.4 Transferred Membership.

Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Unit to which it is appurtenant, and then only to the new Owner. Any attempt to make a prohibited transfer is void. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in his name to the purchaser of his Unit, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

2.5 Classes of Membership; Voting Requirements.

The Association shall have two (2) classes of voting membership established according to the Articles. Voting requirements shall be as set forth in the Bylaws.

2.6 Membership Meetings.

Regular and special meetings of Members of the Association shall be held with the frequency, at the time and place, and in accordance with the provisions of the Bylaws of the Association.

2.7 Board of Managers.

The affairs of the Association shall be managed by a Board of Managers, which shall be established and which shall conduct regular and special meetings according to the provisions of the Bylaws of the Association.

2.8 Use of Agent.

The Board of Managers, on behalf of the Association, may contract with a professional management agent for the performance of maintenance and repair and for conducting other activities on behalf of the Association, as may be determined by the Board, subject to such limitations as may be set forth in the Bylaws.

END OF ARTICLE 2  
ASSOCIATION, ADMINISTRATION, MEMBERSHIP  
AND VOTING RIGHTS

### ARTICLE 3

#### RIGHTS IN COMMON AREA

##### 3.1 Common Area.

The Common Area shall include all of the elements set forth in Paragraph 1.6 above. Each Unit Owner shall have, as appurtenant to his Unit, a fractional undivided interest in the Common Area as set forth on Exhibit "B" attached hereto, subject to the possible adjustment based on future development under Article 14 below. Each Unit Owner shall have a nonexclusive right to use the Common Area (other than the Limited Common Area) in accordance with the purposes for which it is intended without hindering the exercise of or encroaching upon the lawful rights of any other Unit Owners, subject to rules and regulations enacted by authority of the Board as provided herein.

##### 3.2 No Separate Conveyance of Undivided Interests.

The undivided interests in the Common Area and the fee title to the respective Units conveyed therewith shall not be separated or separately conveyed. Each such undivided interest is hereby declared to be permanent in character and unalterable except by amendment of this Declaration, and shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Unit.

##### 3.3 Partition Prohibited.

Except as permitted by specific statute relating to condominium projects, the Common Area shall remain undivided as set forth above, and no Owner shall bring any action for partition or division of any part of the Common Area, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Project. Judicial partition by sale of a single Unit owned by two or more persons and division of the sale proceeds is not prohibited hereby (but physical partition of a single Unit is prohibited).

##### 3.4 Limited Common Area.

Portions of the Common Area shall be deemed "Limited Common Area," and are hereby set aside and allocated for the exclusive use of the Owners of individual Units. The rights of an individual Owner in the Limited Common Area shall consist of (1) the exclusive right to use for vehicle parking purposes, the parking space or spaces indicated on the Survey/Plan as being adjacent to his or her Unit; and (2) an exclusive right to use the balcony or patio element, as the

case may be, adjacent and appurtenant to a particular Unit, as shown on the Survey/Plan.

### 3.5 Regulation of Common Area Use.

The rights and easements of use and enjoyment of the Common Area created by this Declaration shall be subject to such rules and regulations as may be adopted by the Board of Managers. Without limiting the generality of the Board's authority to enact reasonable rules and regulations, such rights shall be subject to the following:

3.5.1 The right of the Board to suspend the rights and easements of any Member, and the persons deriving such rights and easements from any Member, for use and enjoyment of any part of the Common Area (other than areas reasonably required for access to that Member's Unit), for any period during which the payment of any Assessment against the Member and his Unit remains delinquent or during which the Member may otherwise be in breach of the Project Documents; provided, however, that any suspension for either nonpayment of any Assessment or breach of any provision in the Project Documents shall not constitute a waiver or discharge of the Member's obligation to pay Assessments or comply with the Project Documents as provided in this Declaration;

3.5.2 The right of the Board to consent to or otherwise cause the construction of additional improvements on the Common Area and to consent to or otherwise cause the alteration or removal of any existing improvements on the Common Area for the benefit of the Members of the Association;

3.5.3 The right of the Board to consent to or join in the grant or conveyance of easements, licenses or rights of way in, on or over the Common Area for utilities or other purposes not inconsistent with the intended use of the Property as a residential condominium Project;

3.5.4 The right of each Owner to the exclusive use and occupancy for the purposes designated in this Declaration of any Limited Common Area assigned to his respective Unit;

3.5.5 The rights and reservations of Declarant as set forth in this Declaration; and

3.5.6 The right of the Board to reasonably restrict access to roofs, maintenance areas and other areas of the Property.

### 3.6 Delegation of Use.

Any Member entitled to the right and easement of use and enjoyment of the Common Area may delegate such right to his tenants or subtenants who are occupying his Unit, subject to reasonable regulation by the Board. An Owner who has made such a delegation of rights shall not be entitled to the use or enjoyment of any part of the Common Area for so long as such delegation remains in effect.

### 3.7 Damage by Member.

Each Member shall be liable to the Association for any damage to the Common Area not fully reimbursed to the Association by insurance, if the damage is sustained because of the negligence, willful misconduct or unauthorized or improper installation or maintenance of any improvement by the Member, or by any guest, tenant, employee or invitee of the Member. However, the Association, acting through the Board, reserves the right to determine whether any claim shall be made upon the insurance maintained by the Association, and the Association further reserves the right to levy a Special Assessment equal to the increase, if any, in insurance premiums directly attributable to the damage caused by the Member or the person for whom the Member may be liable as described above. The cost of correcting the damage to the extent not reimbursed to the Association by insurance shall be a Special Assessment against the Unit and may be enforced as provided hereby for the enforcement of other Assessments.

END OF ARTICLE 3  
RIGHTS IN COMMON AREA



## ARTICLE 4

### ARCHITECTURAL CONTROL

#### 4.1 Prohibition of Alteration and Improvement.

Subject to the exemption of Declarant hereunder, no building, sign, fence, wall, obstruction, awning, improvement, or structure of any kind, which would be visible from the Common Area or any other area outside of any Unit itself, shall be commenced, erected, painted or maintained upon the Property, nor shall any alteration or improvement of any kind be made thereto unless and until the same has been approved in writing by the Board or by an Architectural Control Committee (the "Committee") appointed by Declarant and/or the Board as provided in this Article.

#### 4.2 Plans and Approval.

Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements or alterations, shall be submitted to the Board or Committee for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to rebuild in accordance with Declarant's original plans and specifications, or to rebuild in accordance with plans and specifications previously approved by the Board or Committee.

The Board or Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Article and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Board or Committee. Any application submitted to the Board or Committee pursuant to this Article shall be deemed approved, unless written disapproval or a request for additional information or materials by the Board or Committee shall have been transmitted to the applicant within forty-five (45) days after the date of receipt by the Board or Committee of all required materials.

#### 4.3 Architectural Control Committee.

The number, appointment and term of members of the Committee shall be governed by the following:

4.3.1 If a Committee is appointed, there shall be not less than three (3) nor more than five (5) members of the Committee, as determined by the Board. Unless and until

a Committee is appointed, the functions of the Committee shall be undertaken by the Board.

4.3.2 Declarant may appoint all of the original members of the Committee and all replacements until the first anniversary of the recordation of this Declaration. Thereafter, Declarant reserves to itself the power to appoint a majority of the members of the Committee, until ninety percent (90%) of all Units in the Project have been sold or until the third anniversary of the recordation of this Declaration, whichever first occurs. Committee members appointed by the Declarant need not be Members of the Association.

4.3.3 The Board shall appoint all members of the Committee which are not appointed by the Declarant. Committee members appointed by the Board shall be from the membership of the Association.

The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder. Neither the Committee nor any member of the Committee shall be liable in damages or otherwise for decisions made in good faith pursuant to the authority granted in this Article.

END OF ARTICLE 4  
ARCHITECTURAL CONTROL

## ARTICLE 5

### REPAIR AND MAINTENANCE

#### 5.1 Repair and Maintenance Rights and Duties of Association.

Subject to provisions in this Declaration pertaining to eminent domain and destruction of improvements, the Association shall paint, maintain, repair and replace the Common Area and facilities thereon, or shall contract for such maintenance, repair and replacement to assure maintenance of the Common Area and facilities thereon in good condition, reasonable wear and tear excepted. However, the Association shall not be responsible for or obligated to perform those items of maintenance, repair or improvement of the Units or any Limited Common Area, the maintenance of which is the responsibility of the Owners as provided in Paragraph 5.2 below. In the event an Owner fails to maintain his Unit or Limited Common Area as provided herein in a manner which the Board deems necessary to preserve the appearance and value of the Property, the Board may notify the Owner of the work required and request it be done within sixty (60) days from the giving of such notice. In the event the Owner fails to carry out such maintenance within such period, the Board may cause such work to be done and may specially assess the cost thereof to such Owner, and, if necessary, lien his Unit for the amount thereof.

The obligation of the Association to maintain the Common Area shall include the obligation to provide normal maintenance with respect to parking and driveway areas and carports. However, as several Units shall not have carports, the reasonable expense of carport maintenance shall be allocated to those Units to which the carports are appurtenant, and such share of the expense shall be collected as a Special Assessment.

For the purpose of performing the maintenance, repair or replacement of the Common Area and facilities thereon as authorized by this Article, or for purposes of making emergency repairs necessary to prevent damage to the Common Area or to other Units, or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Board (and its agents and employees) shall have an irrevocable easement over and onto all portions of the Common Area, and shall also have the irrevocable right, after reasonable notice to the Owner, and at reasonable hours, to enter any Unit.

#### 5.2 Repair and Maintenance Rights and Duties of Owners.

Except for those portions of the Project which the Association is required or elects to maintain and repair,

each Unit Owner shall, at his sole cost and expense, maintain and repair his Unit and any Limited Common Area appurtenant to his Unit, keeping the same in good condition. Additionally, each Owner shall maintain, repair and replace as necessary, all doors and windows (and appurtenant hardware) to his Unit, and any separate air conditioning, water heating, or other utility Unit or equipment which services only his Unit. Each Owner shall have the exclusive right to paint, plaster, panel, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding the airspace element of his Unit, and the interior thereof.

END OF ARTICLE 5  
REPAIR AND MAINTENANCE

ARTICLE 6ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS6.1 Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Unit owned within the Project, hereby covenants, and each Owner of any Unit 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 Association the following Assessments, which shall be established and collected as provided herein:

6.1.1 Regular Assessments;6.1.2 Extraordinary Assessments; and6.1.3 Special Assessments.

All Assessments, together with interest, costs, penalties and actual attorneys' fees, shall be a charge and a continuing lien upon the Unit against which each Assessment is made, the lien to become effective upon recordation of a Notice of Assessment Lien by the Board as required by law (and limited in duration as provided by law). Each such Assessment, together with interest, costs, penalties and actual attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Unit at the time when the Assessment fell due. No Owner of a Unit may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Area or by the abandonment of his Unit.

6.2 Purpose of Assessments.

The Assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of all the Owners of Units in the entire Project for the improvement and maintenance of the Common Area for the common good of the Project. The Regular Assessments shall include an adequate reserve fund for maintenance, repair and replacement of those portions of the Common Area which must be replaced on a periodic basis.

6.3 Regular Assessments.

Until the end of the Association's fiscal year immediately following the closing of the sale of the first Unit in the Project, the annual maximum Regular Assessment per Unit shall be such amount as is set forth in the Project budget prepared by Declarant, payable in installments as determined by the Board. Each Unit's share for the first fiscal year shall be prorated based on the number of months remaining in



that fiscal year. Thereafter, the Board shall determine and fix the amount of the maximum annual Regular Assessment against each Unit at least sixty (60) days in advance of the start of each fiscal year; provided, however, that the maximum annual Regular Assessment may not be increased by more than twenty percent (20%) above the maximum annual Regular Assessment for the immediately preceding fiscal year, without the vote or written assent of a majority of the voting power of the Association.

#### 6.4 Extraordinary Assessments.

In addition to the Regular Assessments authorized above, the Board may levy, in any fiscal year, an Extraordinary 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 of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or to defray any unanticipated or underestimated Regular Assessment; provided, however, that the aggregate Extraordinary Assessments for any fiscal year shall not exceed five percent (5%) of the budgeted gross expenses of the Association (excluding reserves) for that fiscal year, without the vote or written assent of a majority of the voting power of the Association.

#### 6.5 Special Assessments.

In addition to the Regular and Extraordinary Assessments authorized above, the Board may levy Special Assessments (without limitation as to amount or frequency) against an individual Unit and its Owner to reimburse the Association for costs incurred in bringing that Owner and his Unit into compliance with the provisions of the Project Documents, including interest, penalties, actual attorneys' fees and costs.

#### 6.6 Allocation of Assessments; Limited Exemption of Declarant.

Each Unit which has been completed and is available for occupancy, including completed Units owned by Declarant, shall bear such fractional share of each aggregate Regular and Extraordinary Assessment as corresponds to the fractional undivided interest in the Common Area appurtenant to that Unit (such interest being set forth on Exhibit "B" attached hereto). Until all construction has been completed, such undivided interest shall be adjusted to reflect an actual percentage of those Units which have been completed. As the construction of new Units is completed, each such new Unit shall pay the appropriate share of all Regular and Extraordinary Assessments as the previously completed Units, with no adjustment in any Unit's Assessment obligation being required until Assessments are determined for the following fiscal year.

Notwithstanding the foregoing, Declarant shall be exempted from the payment of that portion of any Assessment which is for the purpose of defraying expenses directly attributable to the actual occupancy of any Unit owned by Declarant, which is not actually occupied. This exemption shall include, but shall not necessarily be limited to that portion of any Assessment attributable to utility services include portions of Assessments attributable to maintenance and insurance of the Common Area (and reserves therefor).

6.7 Date of Commencement of Assessment; Due Dates.

The Regular Assessments provided for herein shall commence as to all completed Units in the Project on the first day of the month following closing of the sale of the first Unit in the Project. Regular Assessments shall commence with respect to newly completed Units on the first day of the first full calendar month following the date on which each such new Unit is completed and available for occupancy. Due dates of Assessments shall be the first day of every calendar month. No notice of such Assessment shall be required other than an annual notice setting forth the amount and frequency of the Assessment for the following year.

Notwithstanding the foregoing, Declarant shall have the right to defer, for up to one (2) years from the date of recordation of this Declaration, the commencement of that portion of Declarant's Regular Assessment obligation which pertains to maintenance and repair of the Common Area. This deferral shall be available only so long as Declarant shall perform or subsidize all actual Common Area maintenance and repair to the extent such maintenance and repair is not covered by Assessments against Units not owned by the Declarant.

6.8 Transfer of Unit by Sale or Foreclosure.

The sale or transfer of any Unit shall not affect any Assessment lien, or relieve the Unit from any liability therefor, whether the lien pertains to payments becoming due prior or subsequent to such sale or transfer. Notwithstanding the foregoing, the sale or transfer of any Unit pursuant to foreclosure or by deed in lieu of foreclosure of a recorded first mortgage given in good faith and for value shall extinguish the lien of all such Assessments as to payments which became due prior to such sale or transfer. Sale or transfer pursuant to mortgage foreclosure shall not, however, affect the personal liability of the Owner for unpaid Assessments. Any Assessments for which the liens are extinguished pursuant to this Paragraph shall be deemed to be Common Expenses collectible from all of the Units including the Unit for which the lien was extinguished. In a voluntary conveyance of a Unit, the grantee of the same shall be jointly and severally liable with the grantor for all unpaid

Assessments by the Association against the latter for his share of the Common Expenses (and for his obligation for individual Special Assessments) up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Board, setting forth the amount of the unpaid Assessments due the Association, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid Assessments made by the Association against the grantor in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any such Assessment becoming due after the date of any such statement.

#### 6.9 Enforcement of Assessment Obligation; Priorities; Discipline.

If any part of any Assessment is not paid and received by the Association or its designated agent within ten (10) days after the due date, an automatic late charge of Ten Dollars (\$10.00) shall be assessed and additional Ten Dollar (\$10.00) sums shall be assessed for each month or fraction thereof from the due date until the Assessment and all late charges are paid. Further, the Association shall have the power to sever all utility services to the delinquent Unit if the Assessment is not paid within the ten-day period, and to continue the severance until the Assessment (and related charges) shall have been paid. Each unpaid Assessment, whether Regular, Extraordinary or Special, shall constitute a lien on each respective Unit prior and superior to all other liens recorded subsequent to the recordation of the Notice of Assessment Lien, except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; (2) labor or materialmen's liens arising under Idaho law (timely and duly filed) if the legal effective date is prior to the recording of the Notice of Assessment Lien; and (3) the lien or charge of any first mortgage of record made in good faith and for value. Such lien, when delinquent, may be enforced by sale by the Association (acting through the Board), its attorney or other person authorized by this Declaration or by law to make the sale, after failure of the Owner to pay such Assessment, in accordance with the provisions of Idaho law applicable to the exercise of powers of sale in deeds of trust, or by judicial foreclosure as a mortgage, or in any other manner permitted by law. During any such foreclosure proceeding, the Owner shall be required to pay a reasonable rental for the Unit, and the foreclosing party shall be entitled to the appointment of a receiver to collect such rent. The Association, acting on behalf of the Unit Owners, shall have the power to bid for the Unit at the foreclosure sale, and to acquire and hold, lease, encumber and convey the same. The foreclosing party shall have the right to reduce or eliminate any redemption



rights of the defaulting Owner as allowed by law. Suit to recover a money judgment for unpaid Assessments, rent, interest, costs, penalties, and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may impose reasonable monetary penalties including actual attorneys' fees and costs and may temporarily suspend the Association membership rights of a Unit Owner who is in default in payment of any Assessment, after notice and hearing according to the Bylaws.

6.10 Payment of Taxes Assessed Against Common Area or Personal Property of Association.

In the event that any taxes are assessed against the Common Area, or the personal property of the Association, rather than against the Units, said taxes shall be included in the Assessments made under the provisions of this Article, and, if necessary, an Extraordinary Assessment may be levied against the Units in an amount equal to said taxes (regardless of the limitation on Extraordinary Assessments set forth in Paragraph 6.4 above), to be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

6.11 Payment of Assessments Levied by Master Association.

Assessments levied by the Master Association pursuant to the Master Declaration shall be included in the Regular Assessments levied hereunder to the extent they are capable of being anticipated. In the event that any Assessment is levied by the Master Association which has not been anticipated, an Extraordinary Assessment may be levied against the Units in an amount equal to such Unit's share of such assessment (regardless of the limitation on Extraordinary Assessments set forth in Paragraph 6.4 above).

END OF ARTICLE 6  
ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS

## ARTICLE 7

### EASEMENTS AND UTILITIES

#### 7.1 Access, Use and Maintenance Easements.

Declarant expressly reserves for the benefit of the Owners and the Association reciprocal, nonexclusive easements for access, ingress and egress over all of the Common Area, and for the use and enjoyment of all facilities thereon. Subject to the provisions of this Declaration governing use and enjoyment thereof, the easements may be used by Declarant, its successors, purchasers and all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for walkways, vehicular access and such other purposes reasonably necessary for use and enjoyment of a Unit in the Project.

Declarant also expressly reserves for the benefit of the Board of Managers and all agents, officers and employees of the Association, nonexclusive easements over the Common Area (including any Limited Common Area) and all Units as necessary to maintain and repair the Common Area, and to perform all other tasks in accordance with the provisions of this Declaration. Such easements over the Common Area shall be appurtenant to, binding upon and shall pass with the title to, every Unit conveyed, as more fully described in Paragraph 5.1 above.

#### 7.2 Encroachment and Utility Easements.

Each Unit within the Property is hereby declared to have an easement over all adjoining Units and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event any portion of the building is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Unit agree that minor encroachments over adjoining Units or Common Area shall be permitted and that there shall be a valid easement for the maintenance of said encroachments so long as they shall exist.

Declarant also expressly reserves for the benefit of itself and its successors-in-interest and assigns, including the Association, easements over and under the entire Property (together with the right to grant and transfer the same) for

the installation, repair, and maintenance of sanitary sewer, water, electric, gas, telephone, television and other utility lines and services, as may be deemed appropriate to service the Property.

7.3 Owners' Rights and Duties With Respect to Utilities.

The rights and duties of the Owners of Units within the Project with respect to utilities shall be as follows:

7.3.1 Whenever sanitary sewer, water, electric, gas, television receiving, or telephone lines or connections, heating or air conditioning conduits, ducts, flues, or other utility or service connections are located or installed within the Project, which connections, or any portion thereof, lie in or upon Units owned by other than the Owner of a Unit served by said connections, the Owners of any Unit served by said connections shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the Units or to have the utility companies enter upon the Units in or upon which said connections, or any portion thereof lie, to repair, replace and generally maintain said connections as and when necessary.

7.3.2 Whenever sanitary sewer, water, electric, gas, television receiving, or telephone lines or connections, heating or air conditioning conduits, ducts, or flues, or other utility or service connections are located or installed within the Project, which connections serve more than one Unit, the Owner of each Unit served by said connection shall be entitled to the full use and enjoyment of such portions of said connections as service his Unit.

END OF ARTICLE 7  
EASEMENTS AND UTILITIES

## ARTICLE 8

### BUSINESS AND USE RESTRICTIONS

In addition to all of the covenants contained herein, the use of the Property and each Unit therein is subject to the following:

#### 8.1 Use of Individual Units.

No Unit shall be occupied and used except for single family residential purposes by the Owners, their tenants, and social guests, and no trade or business shall be conducted therein, except according to the reservation of Declarant's rights under Article 14 below.

#### 8.2 Nuisances.

No noxious, illegal, or offensive activities shall be carried on in any Unit, or in any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners of his or her respective Unit, or which shall in any way increase the rate of insurance for the Project, or cause any insurance policy to be cancelled or to cause a refusal to renew the same, or which will impair the structural integrity of any building.

#### 8.3 Vehicle Restrictions.

No trailer, camper, mobile home, recreational vehicle, commercial vehicle, truck (other than standard size pickup truck), inoperable automobile, boat or similar equipment shall be permitted to remain upon any area within the Property, other than temporarily (for purposes of loading and unloading of passengers or personal property), unless placed or maintained within a garage, or in an area specifically designated for such purpose by the Board.

#### 8.4 Signs.

No signs shall be displayed to the public view on any Units or on any portion of the Property except such signs as are approved by the Board or committee appointed by the Board, or as are specifically allowed under the Master Declaration.

#### 8.5 Animals.

No animals or birds of any kind shall be raised, bred, or kept in any Unit, or on any portion of the Property; except that no more than two (2) usual and ordinary household pets such as dogs, cats, or birds, may be kept, provided that they are not kept, bred or maintained for any commercial

purposes, and that they are kept under reasonable control at all times. Any dog shall be kept on a leash at all times that the dog is in the Common Area. Owners shall prevent their pets from soiling all portions of the Common Area and in the event a pet does soil a portion of the Common Area, the Owner or person in control of such pet shall immediately clean up after the pet. The Board may enact reasonable rules respecting the keeping of animals within the Project and may designate certain areas in which animals may not be taken or kept.

#### 8.6 Radio and Television Antennas.

No alteration to or modification of a central radio or television antenna system or cable television system, whichever is applicable, shall be permitted, and no Owner may be permitted to construct, use, or operate his own external radio, television antenna, radar dish or other electronic antenna without the consent of the Board. No Citizens Band or other transmission shall be permitted on the Property.

#### 8.7 Clothes Lines.

No exterior clothes lines shall be erected or maintained and there shall be no outside laundering or drying of clothes.

#### 8.8 Power Equipment and Car Maintenance.

No power equipment, work shops, or car maintenance of any nature whatsoever (other than minor repairs requiring no more than twenty-four (24) hours' work) shall be permitted on the Property except with prior written approval of the Board. In deciding whether to grant approval the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception, and similar objections.

#### 8.9 Window Covers.

Curtains and drapes (with a white lining), shutters, or blinds of a neutral color may be installed as window covers, subject to the Board's absolute discretion. No window shall be covered with aluminum foil or similar material.

#### 8.10 No Warranty of Enforceability.

While Declarant has no reason to believe that any of the restrictive covenants contained in this Article 8 or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Unit in the Project in reliance on one



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or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and, by acquiring the Unit agrees to hold Declarant harmless therefrom.

END OF ARTICLE 8  
BUSINESS AND USE RESTRICTIONS

## ARTICLE 9

### INSURANCE

#### 9.1 Duty to Obtain Insurance; Types.

The Board shall cause to be obtained and maintained the following policies of insurance:

9.1.1 Hazard Insurance: A "master" or "blanket" type of hazard insurance policy, with policy limits and endorsements as deemed appropriate by the Board, protecting against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by the standard "all risk" endorsement. The policy shall name the Association (for the use and benefit of the individual Owners), as the named insured and shall contain the standard mortgage clause, naming the holders of first mortgages (and their successors and assigns) as the mortgagees.

9.1.2 Liability Insurance: A comprehensive general liability insurance policy, with policy limits and endorsements deemed appropriate by the Board, covering all Common Area, public ways and other areas that are under the supervision of the Association.

9.1.3 Fidelity Bonds: If deemed appropriate by the Board or required by any first mortgagee, blanket fidelity bonds for anyone who either handles or is responsible for funds which are held or administered by the Association, whether or not they receive compensation for such services.

#### 9.2 Lenders' Requirements.

Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and fidelity bonds meeting the insurance and bond requirements for similar projects established by lenders holding, insuring or guaranteeing first mortgages on Units constituting forty percent (40%) of the total voting power of the Association.

#### 9.3 Waiver of Claim Against Association.

As to all policies of insurance maintained by or for the benefit of the Association and the Owners, the Association and the Owners hereby waive and release all claims against one another, the Board of Managers and Declarant, to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any of said persons.

#### 9.4 Right and Duty of Owners to Insure.

It is the responsibility of each Owner to provide insurance on his personal property and upon all other property and improvements within his Unit. Nothing hereby shall preclude any Owner from carrying any public liability insurance as he deems desirable to cover his individual liability for damage to persons or property occurring inside his individual Unit or elsewhere upon the Property. Such policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association, and duplicate copies of such other policies shall be deposited with the Board upon request. If any loss intended to be covered by insurance carried by or on behalf of the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.

#### 9.5 Notice of Expiration Requirements.

If available, all of the policies of insurance maintained by the Association shall contain a provision that said policy or policies shall not be cancelled, terminated or expired by their terms, without twenty (20) days prior written notice to the Board, Declarant, Owners and their respective first mortgagees (provided that such persons shall have filed written requests with the carrier for such notice).

#### 9.6 Insurance Premiums.

Insurance premiums for any blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Board of Managers shall be a Common Expense to be included in the Regular Assessments levied by the Association and collected from the Owners. That portion of the Regular Assessments necessary for the required insurance premiums shall be separately accounted for by the Association in the reserve fund to be used solely for the payment of premiums of required insurance as such premiums become due.

#### 9.7 Trustee for Policies.

The Association, acting through its Board of Managers, is hereby appointed and shall be deemed trustee of the interests of all named insureds under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies as provided for in Paragraph 9.1 above shall be paid to the Board as Trustee. The Board shall have full power to receive and to receipt for the proceeds and to deal therewith as provided herein. Insurance proceeds shall be used by the Association for the



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repair or replacement of the property for which the insurance was carried or otherwise disposed of as provided in this Declaration. The Board is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) Directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on all the named insureds.

END OF ARTICLE 9  
INSURANCE

## ARTICLE 10

### DESTRUCTION OF IMPROVEMENTS

#### 10.1 Restoration of Property.

Except as otherwise provided in this Declaration, in the event of any destruction of any portion of the Property, the repair or replacement of which is the responsibility of the Association, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article 9 hereof for reconstruction or repair of the Property shall be used for such purpose, unless otherwise provided herein. The Board shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. The Property shall be reconstructed or rebuilt substantially in accordance with the Survey/Plan and the original construction plans if they are available, unless changes recommended by the Architectural Committee have been approved in writing by seventy-five percent (75%) of the voting power of the Owners and seventy-five percent (75%) of the first mortgagees of record. If the amount available from the proceeds of such insurance policies for such restoration and repair is at least eighty-five percent (85%) of the estimated cost of restoration and repair, it shall be presumed that the Association is authorized to levy an Extraordinary Assessment to collect the deficiency and proceed with the restoration. However, within three (3) months of the date of destruction, by the vote or written consent of not less than seventy-five percent (75%) of the voting power of the Owners, together with the approval of at least seventy-five percent (75%) of the first mortgagees of record, the Owners may determine not to levy this Special Assessment and may proceed as provided in Paragraph 10.2 below.

#### 10.2 Sale of Property.

If the amount available from the proceeds of the insurance policies maintained by the Association is less than eighty-five percent (85%) of the cost of reconstruction, and if the Owners and mortgagees do not elect, within three (3) months of the date of destruction, to rebuild the improvements, it shall be conclusively presumed that the Owners have determined not to rebuild said improvements. In the event of a determination not to rebuild, the Association, acting through a majority of the Board, shall be authorized to have prepared, executed and recorded, as promptly as practical, a certificate stating that the holders of a majority of the voting power of all Units (based upon one (1) vote per Unit whether completed or uncompleted) may properly exercise an irrevocable Power of Attorney to sell the Project at the highest and best price obtainable, either in

its damaged condition, or after damaged structures have been razed. The net proceeds of such sale and the proceeds of any insurance carried by the Association shall be divided proportionately among the Owners, according to their respective undivided interests in the Common Area, as set forth on Exhibit "B". Notwithstanding the foregoing, the balance then due on any valid encumbrance of record shall be first paid in order of priority, before the distribution of any proceeds to an Owner whose Unit is so encumbered.

#### 10.3 Interior Damage.

With the exception of any casualty or damage insured against by the Association pursuant to Article 9 of this Declaration, restoration and repair of any damage to the interior of any individual Unit, including without limitation all fixtures, cabinets and improvements therein, together with restoration and repair of all interior paint, wall coverings and floor coverings, shall be made by and at the individual expense of the Owner of the Unit so damaged. In the event of a determination to rebuild the Property after partial or total destruction, as provided in this Article 10, such interior repair and restoration shall be completed as promptly as practical and in a lawful and workmanlike manner, in accordance with plans approved by the Architectural Committee as provided herein.

END OF ARTICLE 10  
INSURANCE

ARTICLE 11

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EMINENT DOMAIN

11.1 Awards; Repair; Restoration and Replacement.

In the event of any taking of any Unit in the Project by eminent domain (including actual condemnation or sale under threat of condemnation), the Owner of such Unit shall be entitled to receive the award for such taking (subject to the rights of any mortgagee thereof), and after acceptance thereof, he and his mortgagee(s) shall be divested of all interest in the Project if such Owner shall vacate his Unit as a result of such taking. Where other Owners are substantially affected by the taking, all Owners affected shall decide by a majority of their voting power whether to rebuild or repair the Project, or to take other action. The remaining portion of the Project shall be resurveyed, if necessary, and this Declaration shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interests of the remaining Owners in the Project. In the event of a taking by eminent domain of more than one Unit at the same time, the Board shall participate in the negotiations, and shall propose the method of division of the proceeds of condemnation, where Units are not valued separately by the condemning authority or by the court. In the event any Unit Owner disagrees with the proposed allocation, he may have the matter submitted to arbitration under the rules of the American Arbitration Association. In the event of any taking of the Common Area (not including any Unit airspace), the Board shall negotiate and be entitled to receive the award for such taking, which shall then be distributed to all Owners (subject to the rights of mortgagees) in accordance with their relative undivided interests in the entire Project (Exhibit "B").

11.3 Awards for Owners' Personal Property and Relocation Allowances.

Where all or part of the Project is taken by eminent domain, each Owner shall have the exclusive right to claim all of the award made for such Owner's personal property, and any relocation, moving expense, or other allowance of a similar nature designed to facilitate relocation.

END OF ARTICLE 11  
EMINENT DOMAIN.

## ARTICLE 12

### RIGHTS OF MORTGAGEES

In order to induce various lenders and lending agencies to participate in the financing of the sale or ownership of Units within the Project, this Article 12 is included in this Declaration. To the extent these added provisions, pertaining to the rights of such lenders and lending agencies conflict with any other provisions of this Declaration or any other of the Project Documents, these added restrictions shall control:

12.1 Notwithstanding any other provision of the Project Documents, no amendment or violation of the Project Documents shall operate to defeat or render invalid the rights of any mortgagee of a Unit made in good faith and for value, provided that after the foreclosure of any such mortgage, such Unit shall remain subject to the Project Documents.

12.2 Each first mortgagee of a mortgage encumbering any Unit, which obtains title to such Unit pursuant to judicial foreclosure or the powers provided in such mortgage, shall take title to such Unit free and clear of any claims for unpaid Assessments or charges against such Unit.

12.3 First mortgagees, upon written request, shall have the right to (1) examine the books and records of the Association during normal business hours; (2) require from the Association the submission of annual unaudited financial reports and other financial data; (3) receive written notice of all meetings of the Owners; and (4) designate, in writing, a representative to attend all such meetings.

12.4 Each Owner hereby authorizes the first mortgagee of a first mortgage on his Unit to furnish information to the Board concerning the status of the first mortgage and the loan which it secures.

12.5 Unit Owners shall have the right to amend the Project Documents in accordance with Article 13 below, subject to the rights of first mortgagees to participate in the amendment process as provided in this Paragraph. Amendments of a material nature shall be agreed to by (i) the Declarant (so long as there are two classes of voting power); (ii) Unit Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association (excluding votes residing in Declarant, so long as two classes of voting power exist); and (iii) first mortgagees representing at least fifty-one percent (51%) of the votes of Units that are subject to mortgages held by first mortgagees. A change in any of the Project Documents which would affect provisions regarding any of the following would be considered as material:

- Voting rights;
- Assessments, assessment liens, or subordination of assessment liens;
- Reserves for maintenance, repair and replacement of Common Area;
- Responsibility for maintenance and repairs;
- Reallocation of interests in the Common Area, or rights to its use;
- Boundaries of any Unit;
- Convertibility of Units into Common Area or vice versa;
- Expansion or contraction of the Project, or the addition, annexation or withdrawal of property to or from the Project;
- Insurance or fidelity bonds;
- Leasing of Units;
- Restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- Restoration or repair of the Project;
- Provisions that expressly benefit mortgage holders, insurers or guarantors.

In any case where the approval of a first mortgagee may be required for a proposed amendment of the Project Documents, such approval shall be implied by the failure of the mortgagee to submit a response to the proposal within thirty (30) days after the proposal is delivered to the mortgagee.

END OF ARTICLE 12  
RIGHTS OF MORTGAGEES

ARTICLE 13DURATION AND AMENDMENT13.1 Duration.

This Declaration shall continue in full force for a term of fifty (50) years from the date hereof, after which time the same shall be automatically extended for successive periods of ten (10) years, unless a Declaration of Termination is recorded, meeting the requirements of an amendment to this Declaration as set forth in Paragraph 13.2.

13.2 Amendment.

Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which the proposed amendment is to be considered. A resolution adopting a proposed amendment may be proposed by an Owner at a meeting of the Members of the Association. The resolution shall be adopted by the vote, in person or by proxy, or written consent of Members representing not less than sixty-seven percent (67%) of the total voting power of the Association (both classes combined).

Notwithstanding the foregoing, the following special voting provisions shall apply:

(a) Amendments of material nature shall be enacted in compliance with the provisions of Article 12 of this Declaration;

(b) The specified percentage of the voting power necessary to amend a specified provision of this Declaration shall be not less than the percentage of affirmative votes prescribed for action to be taken under any provision;

A certificate, signed and sworn to by two (2) officers of the Association, that the record Owners of the required number of Units (and the required number of first mortgages, where applicable) have either voted for or consented in writing to any amendment adopted as provided above, when recorded, shall be conclusive evidence of that fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years.

END OF ARTICLE 13  
DURATION AND AMENDMENT

## ARTICLE 14

### DECLARANT'S RIGHTS AND RESERVATIONS

#### 14.1 Exemptions from Restrictions During Construction.

Declarant is undertaking the work of development of the Project and the creation of a condominium. The completion of that work and the sale, rental, and other disposal of the Units is essential to the establishment and welfare of the Property as a residential community. In order that said work may be completed and said Property be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

- a. Prevent Declarant, its contractors, or subcontractors from doing on the Property or any Unit, whatever is reasonably necessary or advisable in connection with the completion of the work; or
- b. Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Property, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said Property as a residential community and disposing of the same by sale, lease or otherwise; or
- c. Prevent Declarant or its representatives from utilizing any completed Unit or Units in the Project owned by Declarant for a model site or sites and/or display and sales office; or
- d. Prevent Declarant from maintaining such sign or signs on any of the Property as may be necessary for the sale, lease or disposition thereof.

So long as Declarant, its successors-in-interest and assigns, owns one or more of the Units established and described in this Declaration and except as otherwise specifically provided herein, Declarant, its successors and assigns, shall be subject to the provisions of this Declaration.

In the event Declarant shall convey all of its right, title and interest in and to the Property to any third person, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such third person shall be obligated to perform all such duties and obligations of the Declarant.

14.2 Future Construction. Declarant contemplates the construction of buildings on the Project in stages, so that this Declaration shall be recorded and some Units completed



and sold prior to completion of the remaining Units. Accordingly, Declarant hereby reserves the right to commence construction of Units on the Project for up to seven (7) years following the date of recordation of this Declaration, subject only to the following restrictions:

a. The Project shall be limited to six (6) duplexes and four (4) fourplexes, totalling up to twenty-eight (28) residential Units;

b. All Units shall be substantially similar with respect to nature, architectural appearance, materials, quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation; provided that a particular building may be either a duplex or fourplex, in the discretion of the Declarant;

Any Units which shall have commenced within seven (7) years from the date of recordation of this Declaration may be completed, so long as construction is pursued in good faith and with due diligence.

During the period of construction, Declarant shall be deemed to retain all rights of ownership of Units, based upon a total of twenty-eight (28) Units, and shall be subject to all rights and obligations which pertain to completed Units (including voting rights on all issues concerning the Project, but subject to the modification of Assessment obligations as set forth in Article 6). If, at the expiration of Declarant's right to construct additional Units, less than twenty-eight (28) Units have been completed, the undivided interests in the existing Units, as reflected on Exhibit "B", shall be deemed automatically adjusted on a pro-rata basis, so that the existing Units account for one hundred percent (100%) ownership in the Common Area. Each Owner is hereby deemed to consent to such adjustment, and the Association, acting through the Board of Managers, is hereby authorized to record a supplement to this Declaration setting forth the actual undivided interests. At that time, all future rights and obligations of the Declarant with respect to unbuilt Units shall automatically terminate; provided that Declarant shall still be deemed an Owner with respect to completed but unsold Units owned by Declarant; and provided further that Declarant shall have the right to withdraw certain undeveloped property from the Project, according to the rights reserved in Paragraph 14.3 below.

14.3 Withdrawal of Undeveloped Property from the Project. Notwithstanding anything to the contrary set forth or implied in this Declaration, Declarant hereby reserves the right to withdraw from the Project a portion of the Property as described on Exhibit "A" attached hereto and incorporated

herein by this reference, being a parcel for which the development of two (2) fourplexes is presently contemplated. The withdrawal shall be achieved by the recordation of an appropriate instrument, conveying the property to be withdrawn back to Declarant or its assignee, which instrument shall be recorded, if at all, within seven (7) years from the date of recordation of this Declaration. Withdrawal shall only be allowed if Declarant shall not have substantially completed construction of residential improvements on the parcel to be withdrawn prior to recordation of the instrument of withdrawal. All expenses of withdrawal (including, without limitation, subdivision, engineering, and legal expense) shall be borne solely by Declarant.

Notwithstanding any such withdrawal, Declarant hereby reserves for the benefit of itself and its successors and assigns with respect to the property to be withdrawn, a perpetual, non-exclusive easement for the use of any Common Area roadway or utility system servicing the Project; provided, however, that such easement and use shall be contingent upon the entering of a contractual arrangement between the Association and the owner of the withdrawn parcel by which such owner shall be obligated to pay a fair share of all maintenance and operation expense of such roadways and utilities, and the creation of a lien right against the withdrawn parcel for purposes of enforcing such payment obligation.

By acceptance of any interest in the Project, all Owners and their mortgagees hereby make, constitute, and appoint the Declarant or the Declarant's appointed representative as their true and lawful attorney for and in their name, place, and stead, to execute and acknowledge any and all instruments pertaining to the withdrawal of such property from the Project (including, without limitation, an appropriate deed of conveyance), according to the provisions of this Paragraph 14.3. All such Owners and mortgagees hereby give and grant unto said attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they might or could do if personally present; provided, however, that this power shall not extend to the execution of any agreement for the creation of an easement or other right to use roadways and utility systems which are a part of the project.

END OF ARTICLE 14  
DECLARANT'S RIGHTS AND RESERVATIONS

## ARTICLE 15

### GENERAL PROVISIONS

#### 15.1 Enforcement.

The Association (acting through the Board), any Owner, and any governmental or quasi-governmental agency or municipality having jurisdiction over the Project shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by this Declaration, and in such action shall be entitled to recover costs and reasonable attorneys' fees as are ordered by the Court. Any such action by the Association shall be taken on behalf of two (2) or more Unit Owners, as their respective interests may appear, with respect to any cause of action relating to the Common Area or more than one Unit. Failure by any such person or entity to enforce any such provision shall in no event be deemed a waiver of the right to do so thereafter.

#### 15.2 Invalidity of Any Provision.

Should any provision of this Declaration be declared invalid or in conflict with any law of the jurisdiction where the Project is situated, the validity of all other provisions shall remain unaffected and in full force and effect.

#### 15.3 Conflict of Project Documents.

If there is any conflict among or between the Project Documents, the provisions of this Declaration shall prevail; thereafter, priority shall be given to Project Documents in the following order: Survey/Plan; Articles; Bylaws; and rules and regulations of the Association. Notwithstanding the foregoing, any provision in any of the Project Documents which is for the protection of mortgagees shall have priority over any inconsistent provision in that document or in any other Project Document.

END OF ARTICLE 15  
GENERAL PROVISIONS

The undersigned, being the Declarant herein, has executed this Declaration on October 29, 1986.

DECLARANT:

TWIN LAKES INVESTMENTS, a  
General Partnership

By: Robert A. Bonucelli  
ROBERT A. BONUCELLI

By: Charles R. Potts, Jr.  
CHARLES R. POTTS, JR.

WASHINGTON  
STATE OF IDAHO )  
County of SPokane : ss.

On this 29th day of OCTOBER, 1986, before me,  
JAMES A. BONUCELLI, a Notary Public in and for the  
State of Idaho, duly commissioned and sworn, personally  
appeared ROBERT A. BONUCELLI and CHARLES R. POTTS, JR., to  
me known to be the Partners of TWIN LAKES INVESTMENTS, the  
Partnership that executed the foregoing instrument, and  
acknowledged the said instrument to be the free and  
voluntary act and deed of said Partnership, for the uses and  
purposes therein mentioned, and on oath stated that they  
were authorized to execute the said instrument on behalf of  
said Partnership.

WITNESS my hand and official seal hereto affixed the  
day and year first above written.

James A. Bonucelli  
Notary Public for Idaho  
Residing at Polsani, Idaho  
Commission Exp. 2-10-87



152-739

CONSENT TO RECORDATION OF DECLARATION

WASHINGTON TRUST BANK, being the Beneficiary named in that certain Deed of Trust dated August 28, 1986, executed and delivered by the Declarant herein, and recorded on August 29, 1986, as Document No. 1057461, records of Kootenai County, Idaho, covering the property described in the above Declaration, hereby consents to the execution and recording of such Declaration and to all the terms and provisions thereof, and further agrees that the lien of said Deed of Trust shall be subject and subordinate to the terms and provisions of the Declaration and to the Condominium Property Act of the State of Idaho.

DATED: October 29, 1986.

WASHINGTON TRUST BANK

By:

*Robert D. French*  
Vice-President & Asst. Secretary

STATE OF IDAHO )  
 ) ss  
County of Kootenai )

On this 29th day of October, 1986, before me, the undersigned, a Notary Public in and for the State of Idaho, duly commissioned and sworn, personally appeared Robert D. French to me known to be the Vice-Pres & Asst Sec of WASHINGTON TRUST BANK, the Corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument and that the seal affixed is the corporate seal of said Corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

*Della J. Suter*  
Notary Public in and for the State  
of Idaho, residing at Spokane

CONSENT TO RECOPIATION OF DECLARATION

MEADOWHILL CORPORATION, being the <sup>Mortgagee</sup> Beneficiary named in that certain ~~Deed of Trust~~ <sup>Mortgage</sup> dated January 30, 1986, executed and delivered by the Declarant herein, and recorded on February 3, 1986, as Document No. 1034641, records of Kootenai County, Idaho, covering the property described in the above Declaration, hereby consents to the execution and recording of such Declaration and to all the terms and provisions thereof, and further agrees that the lien of said Deed of Trust shall be subject and subordinate to the terms and provisions of the Declaration and to the Condominium Property Act of the State of Idaho.

DATED: October 29, 1986.

MEADOWHILL CORPORATION

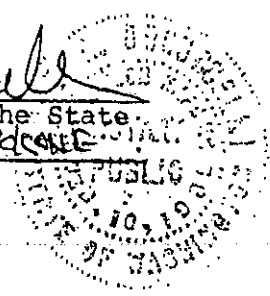
By: Robert A. Bonucelli  
ROBERT A. BONUCELLI,  
President

STATE OF ~~IDAHO~~ <sup>WASHINGTON</sup> )  
                  SPOKANE : ss.  
County of ~~Kootenai~~ )

On this 29th day of OCTOBER, 1986, before me, the undersigned, a Notary Public in and for the State of ~~Idaho~~ <sup>WASHINGTON</sup>, duly commissioned and sworn, personally appeared ROBERT A. BONUCELLI, to me known to be the President of MEADOWHILL CORPORATION, the Corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument and that the seal affixed is the corporate seal of said Corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

James A. Bonucelli  
Notary Public in and for the State  
of ~~Idaho~~ <sup>WASHINGTON</sup>, residing at SPOKANE



EFW15A/E - F10/8/86

EXHIBIT "A" TO DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
LAKEVIEW AT TWIN LAKES CONDOMINIUM

Legal Description of Property (Including Easement Rights):

Commercial Area #2 as designated and set forth on that certain plat known as Twin Lakes Village, according to the plat recorded in the office of the County Recorder, in Book "E" of Plats, at Page 151, records of Kootenai County, Idaho;

Together with a perpetual easement for encroachment purposes over and across that certain property adjacent to said Commercial Area #2 which is more particularly described as follows:

That portion of Common Area #2, as designated and set forth on that certain plat known as TWIN LAKES VILLAGE, according to the plat recorded in the office of the County Recorder, in Book "E" of Plats, at page 151, records of Kootenai County, Idaho, which lies south of the northerly boundary of the following described parcel:

Beginning at the Southeast corner of Section 8, Township 52 North, Range 4 West, B.M., Kootenai County, Idaho; thence N.  $49^{\circ}42'42''$  W., a distance of 3,266.39 feet to a point on an existing chain-link fence; thence westerly along said fence (and extension thereof) to a point on the mean high water line of Lower Twin Lake, said point being the True Point of Beginning; thence northerly along said mean high water line a distance of 259 feet; thence easterly along a line parallel to the common boundary between Common Area #2 and Commercial Lot #2 in the above-described plat, to the eastern boundary of said Common Area #2; thence southerly along said eastern boundary to the northerly right-of-way of Fir Lane; thence southwesterly along said right-of-way of Fir Lane (extended in such southwesterly direction, if necessary) to a point on the

existing chain-link fence; thence westerly along said fence to the True Point of Beginning;

Legal Description of Potential Withdrawal Property:

That portion of Commercial Area #2 as designated and set forth on that certain plat known as Twin Lakes Village, according to the plat recorded in the office of the County Recorder, in Book "E" of Plats, at Page 151, records of Kootenai County, Idaho, which is more particularly described as follows:

Beginning at the northeast corner of Commercial Area #2; thence S.  $89^{\circ}25'13''$  W., a distance of 235 feet; thence S.  $00^{\circ}24'31''$  W., a distance of 120 feet; thence N.  $89^{\circ}25'13''$  E., to a point that intersects the east property line of said Commercial Area #2; thence northeasterly along said east property line to the True Point of Beginning.

EXHIBIT "A"



EXHIBIT "B" TO DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
LAKEVIEW AT TWIN LAKES CONDOMINIUM

<u>Unit Designation</u>	<u>Percentage Interest in Common Area</u>
C-1	2.1%
C-2	2.1%
C-3	2.1%
C-4	2.1%
C-5	2.1%
C-6	2.1%
C-7	2.1%
C-8	2.3%
C-9	2.5%
C-10	2.7%
C-11	2.5%
C-12	2.7%
A-1L	6.0%
A-1U	4.4%
A-2L	5.0%
A-2U	4.4%
A-3L	4.4%
A-3U	4.4%
A-4L	4.4%
A-4U	4.4%
A-5L	4.4%
A-5U	4.4%
A-6L	4.4%
A-6U	4.4%
A-7L	4.4%
A-7U	4.4%
A-8L	4.4%
A-8U	4.4%
	<u>100.0%</u>

EXHIBIT "B"

EXHIBIT "C"

TO

DECLARATION OF

COVENANTS, CONDITIONS, AND RESTRICTIONS

LAKEVIEW AT TWIN LAKES CONDOMINIUM

ARTICLES OF INCORPORATION

OF

LAKEVIEW AT TWIN LAKES

OWNERS ASSOCIATION, INC.

10/08/86

# State of Idaho

## Department of State

### CERTIFICATE OF INCORPORATION OF

LAKEVIEW AT TWIN LAKES OWNERS ASSOCIATION, INC.

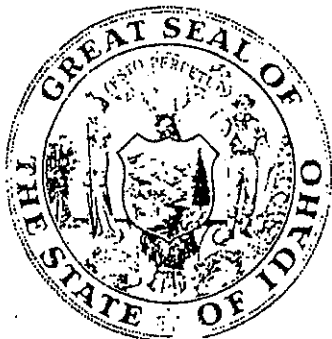
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of \_\_\_\_\_

LAKEVIEW AT TWIN LAKES OWNERS ASSOCIATION, INC.

duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated November 5, 19 86



*Pete T. Cenarrusa*  
SECRETARY OF STATE

*Julius Livingston*  
Corporation Clerk

ARTICLES OF INCORPORATION  
OF

RECEIVED  
SEC. OF STATE

LAKEVIEW AT TWIN LAKES  
OWNERS ASSOCIATION, INC.

86 NOV 5 AM 8 41

KNOW ALL MEN BY THESE PRESENTS that, ROBERT A. BONUCCELLI, SHIRLEY M. BONUCCELLI, AND CHARLES R. POTTS, JR., all being over the age of eighteen (18) years, and for the purposes of forming a corporation under the Idaho Nonprofit Corporation Act, hereby certify and adopt in duplicate the following Articles of Incorporation:

ARTICLE I  
NAME

The name of the Corporation (hereinafter called the "Association") is LAKEVIEW AT TWIN LAKES OWNERS ASSOCIATION, INC., and it is a nonprofit corporation.

ARTICLE II  
DURATION

The Association shall exist perpetually.

ARTICLE III  
PURPOSES AND POWERS OF THE ASSOCIATION

The Association does not contemplate the distribution of gains, profits, or dividends to its Members. The specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operation, administration, maintenance, repair, improvement, preservation, insurance, and architectural control of Association property within that certain Condominium situated in the Twin Lakes area of Kootenai County, Idaho, commonly known as BAYVIEW ON TWIN LAKES, and to promote the health, safety and welfare of all residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for such purpose, all according to that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") recorded or to be recorded with respect to said property in the Office of the Auditor of Kootenai County. Additionally, the Association shall represent its Members in exercising the rights and duties of membership in the Twin Lakes Property Association, Inc.,

which in turn governs other property within the Twin Lakes Village Plat.

In furtherance of said purposes, and subject to the approval of Members as required by the Declaration and the remaining Project Documents, or by law, this Association shall have power to:

(a) Perform all of the duties and obligations of the Association as set forth in the Project Documents;

(b) Fix, levy, collect and enforce Assessments and fines as set forth in the Declaration;

(c) Pay all expenses and obligations incurred by the Association in the conduct of its business, including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Association property;

(d) Exercise all rights of membership in the Twin Lakes Property Association, Inc.;

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

(f) Make contracts and incur liabilities, borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(g) Dedicate, sell, transfer, or grant easements over all or any part of any Association Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members;

(h) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or annex additional property to the property managed by the Association;

(i) Have and exercise any and all powers, rights, and privileges which a corporation organized under the Nonprofit Corporation Act of the State of Idaho by law may now or hereafter have or exercise.

ARTICLE IV  
MEMBERS AND MEMBERSHIP

1. Non-stock Corporation. Participating in management and ownership of the Association shall be by membership only. The Association shall issue no stock and shall have no shareholders.

2. Membership. The Owner of a Unit shall automatically, upon becoming an Owner, be a Member of the Association, and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Additionally, the Declarant or its successor-in-interest with respect to the Project, shall be a Member, both with respect to completed but unsold Units, and with respect to undeveloped parts of the Project. Membership shall be in accordance with these Articles of Incorporation and the Bylaws of the Association.

3. Transferred Membership. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Unit to which it is appurtenant, and then only to the new Owner. Any attempt to make a prohibited transfer is void. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in his name to the purchaser of his Unit, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

4. Classes of Membership. The Association shall have two (2) classes of voting membership established according to the following provisions:

(a) Class A Membership. Class A membership shall be that held by each Owner of a Unit other than Twin Lakes Investments or its successor-in-interest (the "Declarant"), and each Class A Member shall be entitled to a voting power proportionate to the undivided interest in the Common Area which is appurtenant to his Unit, as set forth in the Declaration. If a Unit is owned by more than one (1) person, each such person shall be a Member of the Association, but the voting power attributable to that Unit shall not be increased by the joint ownership, and the vote of that Unit shall not be split. If the Owners of a particular Unit present at a meeting, in person or by proxy, cannot agree on how to vote on a specific matter, no vote shall be exercised by the Unit on that matter.

(b) Class B Membership. Class B membership shall be that held by the Declarant (or its successor-in-interest) who shall be entitled to triple the voting

power otherwise attributable to any Unit owned by Declarant (whether such Unit shall have been constructed or is merely contemplated by the Declaration or the Survey/Plan); provided that Class B membership shall be converted to Class A membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

(1) When the total outstanding voting power held by Class A Members equals the total outstanding voting power (tripled as above) held by the Class B Member; or

(2) On the seventh anniversary of the recordation of the Declaration.

5. Limitation of Payment to Dissenting Member. Membership in the Association is appurtenant to and cannot be segregated from ownership of a Unit within the jurisdiction of the Association. Except upon dissolution of the Association, a dissenting Member shall not be entitled to any return of any contribution or other interest in the Association.

#### ARTICLE V INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association shall be at Twin Lakes Investments, Twin Lakes Village, (Route 4, Box P-551) Rathdrum, Idaho 83858, and the registered agent at such address shall be Charles R. Potts, Jr.

#### ARTICLE VI BOARD OF MANAGERS; INCORPORATORS

The affairs of this Association shall initially be managed by a Board of three (3) Managers, who need not be Members of the Association, until conversion of Class B memberships to Class A, after which time all Managers must be Members of the Association. The number of Managers may be changed by amendment of the Bylaws of the Association. The names and addresses of the incorporators of the Association, who shall also act as the initial three (3) Managers of the Association until the selection of their successors, are:

<u>Name</u>	<u>Address</u>
Robert A. Bonuccelli	East 10807 Montgomery Spokane, Washington 99206
Shirley M. Bonuccelli	East 10807 Montgomery Spokane, Washington 99206

Charles A. Potts, Jr.

c/o Twin Lakes  
Investments  
Twin Lakes Village  
Route 4, Box P-551  
Rathdrum, Idaho 83858

ARTICLE VII  
DISSOLUTION

In the event of the dissolution, liquidation, or winding up of the Association, after paying or adequately providing for the debts and obligations of the Association, the Managers of persons in charge of the liquidation shall divide the remaining assets among the Members in accordance with their respective rights thereto as established in the Declaration or by law.

ARTICLE VIII  
AMENDMENT OF ARTICLES

These Articles may be amended at any time and in any manner by the vote or written assent of sixty-seven percent (67%) of the total voting power of the Association (both classes combined); provided, however, that the percentage of the voting power necessary to amend a specific clause or provision herein shall not be less than the percentage of affirmative votes prescribed for action to be taken under said clause or provision; and provided further, that any such amendment shall not be inconsistent with the law.

For the purpose of forming this Association under the laws of the State of Idaho, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation on October 29, 1986.

  
ROBERT A. BONUCELLI

  
SHIRLEY M. BONUCELLI

  
CHARLES R. POTTS, JR.



152 743

EXHIBIT "D"

TO

DECLARATION OF

COVENANTS, CONDITIONS, AND RESTRICTIONS

LAKEVIEW AT TWIN LAKES CONDOMINIUM

BYLAWS

OF

LAKEVIEW AT TWIN LAKES

OWNERS ASSOCIATION, INC.

10/08/86

BYLAWS OF  
LAKEVIEW AT TWIN LAKES  
OWNERS ASSOCIATION, INC.

ARTICLE I  
PLAN OF CONDOMINIUM OWNERSHIP

1.1 Name and Location. The name of the condominium association ("Association") is LAKEVIEW AT TWIN LAKES OWNERS ASSOCIATION, INC. The principal office of the Association shall be in Kootenai County, Idaho.

1.2 Application to Project. The provisions of these Bylaws are applicable to the commercial condominium project known as LAKEVIEW AT TWIN LAKES, located in the Twin Lakes Village area of Kootenai County, Idaho. All present and future Owners, and their tenants, future tenants, employees, and any other person who might use the facilities of the Project in any manner, are subject to the regulations set forth in these Bylaws, in the Articles of Incorporation for the Association, and in the Declaration of Covenants, Conditions and Restrictions for the Project ("Declaration") recorded or to be recorded in the office of the Kootenai County Auditor, and applicable to the Project. The mere acquisition or rental of any Unit in the Project, or the mere act of occupancy of any Unit will signify that these Bylaws are accepted, ratified, and will be observed.

1.3 Meaning of Terms. Unless otherwise specifically provided herein, the definitions contained in the Declaration are incorporated in these Bylaws by reference.

ARTICLE 2  
MEMBERSHIP; MEETINGS AND VOTING RIGHTS

2.1 Class of Members. The Association shall have two (2) classes of voting membership established according to the Articles of Incorporation. The membership structure of the Association specifically contemplates that the Declarant shall have the right to exercise full voting power with respect to both completed but unsold Units and Units which are merely contemplated by the Declaration or the Survey/Plan. However, membership rights with respect to uncompleted Units (as well as the Declarant's rights to begin construction of new Units) shall terminate automatically on the seventh anniversary of the recordation of the Declaration.

2.2 Voting Requirements. Except when otherwise expressly provided in the Declaration, the Articles or these Bylaws, any action by the Association which must have the approval of the Association membership before being undertaken shall require the vote or written assent of the pre-

scribed percentage of the total voting power of the Association (both classes combined). Except on matters specifically provided for in the Declaration, the Articles, or these Bylaws, the vote of the majority of a quorum present at any meeting (in person or by proxy) shall constitute the vote of the Members.

2.3 Quorum. The presence in person or by proxy of at least thirty percent (30%) of the total voting power of the Association shall constitute a quorum. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

2.4 Proxies. At all meetings of members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. All proxies shall be valid only for the meeting for which the proxies are given (including any reconvened meeting in the event of an adjournment), unless provided otherwise in the proxy (but in no event for a period exceeding eleven (11) months from date of execution). Every proxy shall be revocable and shall automatically cease upon receipt of notice by the Secretary of the Association of the death or judicially declared incompetence of such Member.

2.5 Annual Meetings. Regular annual meetings of the members of the Association shall be held on the last Thursday of each March.

2.6 Special Meetings. A special meeting of Members of the Association may be called by the President or by the Board (upon the vote for such a meeting by a majority of a quorum of the Board). A special meeting shall be called by the Board upon receipt of a written request therefor signed by Members representing not less than twenty-five percent (25%) of the total voting power of the Association or by Members representing not less than fifteen percent (15%) of the voting power residing in Members other than Declarant.

2.7 Notice and Location of Meetings. At the direction of the President, the Secretary, or the officers or persons calling a meeting, written notice of regular and special meetings shall be given to all Members in the manner specified for notices under these Bylaws. Such notice shall specify the place, day, and hour of the business to be undertaken, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except in the case of an emergency, at least ten (10) days' notice (not more than fifty (50) days' notice) of any meeting shall be provided prior to the meeting. Meetings of the Association shall be held within the Project or at a meeting place as close thereto as possible. Notice shall also be delivered

to any institutional lender filing a written request for notice with the Association, and any such lender shall be permitted to designate a representative to attend all such meetings.

2.8 Adjournment. In the absence of a quorum at a Members' meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for such a reconvened meeting shall be ten percent (10%) of the total voting power of the Association.

2.9 Action Without Meeting. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent, in writing, setting forth the action so taken, is signed by all the members entitled to vote thereon. Such consent shall have the same force and effect as a unanimous vote.

2.10 Rules at Meetings. Except as otherwise provided in these Bylaws, the Articles or the Declaration, all meetings of the Members shall be governed by Roberts Revised Rules of Order.

### ARTICLE 3 BOARD OF MANAGERS

3.1 Number and Term of Managers. The Board shall consist of three (3) Managers, each of whom shall be a Unit Owner or an agent of Declarant (while Declarant remains a Member). Except for the incorporating Managers, who shall serve until the first meeting of the Association, the Managers shall serve concurrent terms of two (2) years.

#### 3.2 Election of Board Managers.

3.2.1 Nomination. Nominations for election to the Board of Managers may be made from the floor at the annual meeting of the Association. Additionally, the Board may appoint a Nominating Committee, which shall consist of a Chairman, who shall be a member of the Board of Managers, and two (2) or more Members of the Association. If the Board determines to appoint a Nominating Committee, the Committee shall be appointed at least ninety (90) days prior to each annual meeting of the Members, to serve until the close of such annual meeting, and shall make as many nominations for election to the Board of Managers as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled.

3.2.2 Election of Managers. Elections of Board members shall be by secret written ballot. Until conversion

of Class S to Class A membership, the Class B Member shall appoint a majority of the Board Managers, and the remaining Manager(s) shall be elected by cumulative voting of the Class A Members. Following conversion of Class B to Class A membership, all elections in which two (2) or more positions on the Board are to be filled shall be conducted by cumulative voting.

3.3 Removal. An individual Manager shall not be removed prior to the expiration of his term of office if the number of votes cast against his removal is at least equal to the number of votes which would be required to elect that Manager in an election of the entire Board.

3.4 Vacancies. Vacancies in the Board caused by any reason other than the removal of a Manager by the voting in of a replacement by the Members shall be filled by vote of the majority of the remaining Managers, and each person so elected shall be a Manager for the remainder of the term of the Manager he replaces, or until a successor is elected at a special meeting of the Members called for that purpose.

3.5 Regular Meetings. Regular meetings of the Board shall be conducted at least quarterly at a time and place within the Project, as may be fixed by the Board. Notice of the time and place of regular meetings shall be given to each Manager, personally or by mail to telegraph, at least three (3) days prior to the day named for the meeting, and shall be posted at a prominent place or places within the Project. One of the regular meetings shall be the annual meeting, which shall be held within ten (10) days following the annual meeting of members.

3.6 Special Meetings. A special meeting of the Board may be called by written notice signed by the President of the Association or by any two (2) Managers other than the President. Notice shall be provided to all Managers and posted within the Project in the manner prescribed for notice of regular meetings, and shall include a description of the nature of any special business to be considered by the Board.

3.7 Waiver of Notice. Before or at any meeting of the Board, the Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to that Manager. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place of the meeting, except where such attendance is for the limited and express purpose of objecting to the transaction of any business at the meeting because the meeting is not lawfully called or convened.

3.8 Quorum. The presence in person of a majority of the Managers at any meeting of the Board shall constitute a quorum. The vote of a majority of the quorum actually

present at any meeting shall constitute the vote of the Board unless expressly provided to the contrary in these Bylaws, or in any future amendment thereto.

3.9 Action by Consent of Managers. Any action required or permitted to be taken by the Board of managers may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action.

3.10 Adjournment; Executive Session. The Board may, with the approval of a majority of a quorum of the Managers, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.11 Board Meetings Open to Members. Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

#### ARTICLE 4 POWERS AND DUTIES OF THE BOARD OF MANAGERS

The Board shall have the powers and duties necessary for the administration of the affairs of the Association. Without limitation on the generality of the foregoing powers of duties, the Board shall be vested with, and responsible for, the following powers and duties:

4.1 To select, appoint, supervise, and remove all officers, agents and employees of the Association; to prescribe which powers and duties for them as may be consistent with law, and with the Articles, the Declaration and these Bylaws; and to require from them security for faithful service when deemed advisable by the Board;

4.2 To enforce the applicable provisions of the Declaration, Articles, these Bylaws and other instruments relating to the ownership, management and control of the Project.

4.3 To adopt and public rules and regulations governing the use of any Common Area and facilities, and the personal conduct of the Members and their tenants, guests and invitees thereon, and to establish procedures and penalties for the infraction thereof, subject to approval of the membership;

4.4. To pay all taxes and assessments which are, or could become, a lien on any Common Area or a portion thereof;

4.5 To contract for casualty, liability and other insurance on behalf of the Association as required or permitted in the Declaration;

4.6 To cause the Common Area to be maintained and to contract for goods and/or services for any Common Area or for the Association;

4.7 To delegate its powers to committees, offices or employees of the Association, or to a management company pursuant to a written contract, as expressly authorized by the Articles, Declaration and these Bylaws;

4.8 To keep complete and accurate books and records of the receipts and expenditures of the Association (relating to the Common Area and otherwise), specifying and itemizing the maintenance and repair expenses incurred, and to prepare budgets and financial statements for the Association as required in these Bylaws in accordance with good accounting procedures; to provide for independent audits as required by law and these Bylaws;

4.9 To initiate and execute disciplinary proceedings against Members of the Association for violations of the provisions of the Articles, Declaration, these Bylaws and such rules as may be promulgated by the Board, in accordance with procedures set forth in these Bylaws;

4.10 To borrow money and incur indebtedness for purposes of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor, subject to the approval requirement of the Articles, these Bylaws, or the law;

4.11 To fix and collect regular and special Assessments according to the Declaration and these Bylaws, and, if deemed appropriate, in the Board's discretion, to record a Notice of Assessment Lien and foreclose the lien against any Unit for which an Assessment is not paid within thirty (30) days after the due date, or bring an action at law against the Owner personally obligated to pay such Assessment;

4.12 To prepare and file annual tax returns with the federal government and to make such elections as may be necessary to reduce or eliminate the tax liability of the Association.

4.13 To exercise all rights of membership (on behalf of and pursuant to the direction of the Members of this Association) in the Twin Lakes Property Association, Inc.





the Board and of the Members, keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

5.6.4 Treasurer. The Treasurer shall receive and deposit, in appropriate bank accounts, all monies of the Association and shall disburse such funds as directed by resolution of the Board of Managers; shall co-sign all checks and promissory notes of the Association; and shall keep property books of account and prepare or have prepared financial statements and tax returns as required in these Bylaws. The duty of the Treasurer to receive and deposit funds and to sign checks in the ordinary course of Association business may be delegated to a management company as provided in these Bylaws.

#### ARTICLE 6

##### DISCIPLINE OF MEMBERS; SUSPENSION OF RIGHTS

The Association shall have no power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his individually owned Unit on account of a failure by the Owner to comply with provisions of the Declaration, Articles, these Bylaws, or of duly enacted rules of operation for any Common Area and facilities, except where the loss or forfeiture is the result of the judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments levied by the Association. Notwithstanding the foregoing, the Board shall have the power to impose monetary penalties, temporary suspensions of an Owner's rights as a member of the Association or other appropriate discipline for failure to comply with the Declaration, private discipline for failure to comply with the Declaration, Articles, these Bylaws or duly enacted rules; provided that the accused shall be given notice and the opportunity to be heard by the Board with respect to the alleged violations before a decision to impose discipline is reached. In the case in which monetary penalties are to be imposed, such penalties shall include actual attorney's fees and all costs in connection with the collection of such penalties.

#### ARTICLE 7

##### BUDGETS, FINANCIAL STATEMENTS, BOOKS AND RECORDS

7.1 Budgets and Financial Statements. Financial statements and pro forma operating budgets for the Association shall be regularly prepared (at least annually) and copies shall be distributed to each member of the Association. All books and records shall be audited at least annually by an independent auditor.

7.2 Fiscal year. The fiscal year of the Association shall be as designated by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

7.3 Inspection of Association's Books and Records. The membership register, books of account, vouchers authorizing payments, minutes of meetings of the members, of the Board, and of committees of the Board of the Association, and copies of the current Declaration, Articles, Bylaws and rules and regulations for the Project shall be made available for inspection and copying by any Member of the Association, by any holder, insurer, or guarantor of a first mortgage on any Unit, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place within or near the Project as the Board shall prescribe. Such inspection may take place on weekdays during normal business hours, following at least forty-eight (48) hours' written notice to the Board by the Member desiring to make the inspection. Any Member desiring copies of any document shall pay the reasonable cost of reproduction. Every Manager shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Manager includes the right to make extracts and copies of documents.

7.4 Statement of Account. Upon ten (10) days' notice to the Board and payment of a reasonable fee, any unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid Assessments or other charges due and owing from such Owner.

#### ARTICLE 8 AMENDMENT OF BYLAWS

These Bylaws may be amended at any time and in any manner by resolution approved by a majority of the Board of managers, subject to repeal or change by action of a majority of the voting power of the Members, provided any such amendment shall not be inconsistent with the Articles, the Declaration, or the law.

#### ARTICLE 9 MISCELLANEOUS PROVISIONS

9.1 Regulations. All Owners, tenants, and their employees, and any other person that might use the facilities of the Project in any manner, are subject to the regulations set forth in these Bylaws and in the Project Documents and to all reasonable rules enacted pursuant to the Declaration.

Acquisition, rental, or occupancy of any Unit shall constitute acceptance and ratification of the provisions of all such rules and regulations.

9.2 Compensation and Indemnity of Officers and Managers.

No Manager or officer shall receive any loan from the Association, or shall receive any compensation for services rendered for or on behalf of the Association, except reimbursement for actual sums spent on behalf of the Association, to the extent authorized by the Board. To the maximum extent permitted by the Idaho Nonprofit Corporation Act, each Manager and officer shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Manager or officer of the Association, except in cases of fraud, gross negligence or bad faith of the Manager or officer in the performance of his duties.

9.3 Committees. The Board may appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Managers shall appoint other committees as deemed appropriate in carrying out its purpose; provided, however, that the power and authority of any such committee shall be limited according to the Idaho Nonprofit Corporation Act.

9.4 Notice. Any notice permitted or required to be given by the Project Documents may be delivered either personally or by mail or as otherwise specifically provided in the Project Documents. If delivery is by mail, it shall be deemed to have been given seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, return receipt requested, addressed to each person at the current address given by such person to the Secretary of the Association or addressed to the Unit of such person if no address has been given to the Secretary; provided, however, that notice of regular or special meetings of members of the Board may be mailed without request for a return receipt.

ADOPTION OF BYLAWS

We, the undersigned, being all of the Managers of LAKEVIEW AT TWIN LAKES OWNERS ASSOCIATION, INC., do hereby assent to the within and foregoing Bylaws and hereby adopt the same as the Bylaws of said Association.

EXECUTED by the undersigned on October 29, 1986.

Robert A. Bonucelli  
ROBERT A. BONUCCELLI

Shirley M. Bonucelli  
SHIRLEY M. BONUCCELLI

Charles R. Potts, Jr.  
CHARLES R. POTTS, JR.

I, the undersigned, the duly elected and acting Secretary of LAKEVIEW AT TWIN LAKES OWNERS ASSOCIATION, INC., do hereby certify:

That the within and foregoing Bylaws were adopted as the Bylaws of said Association on October 29, 1986, and that the same do not constitute the Bylaws of said Association.

EXECUTED by the undersigned on October 29, 1986.

Secretary

1994011

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF IDAHO  
COUNTY OF KOOTENAI  
AT THE REQUEST OF  
LUKINS & Ann's

2005 NOV -7 P 3:05

DANIEL J. ENGLISH *BMW*

DEPUTY

FEES

15.-

**FIRST AMENDMENT TO DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS**

**LAKEVIEW AT TWIN LAKES CONDOMINIUM**

**KOOTENAI COUNTY, IDAHO**

This First Amendment is adopted and shall be deemed effective as of the recordation of this instrument, and pertains to that certain Declaration of Covenants, Conditions, and Restrictions recorded November 17, 1986, as Instrument No. 1065427, Records of Kootenai County, Idaho (the "Declaration"), which Declaration governs that certain condominium subdivision project located within Twin Lakes Village, in Kootenai County, Idaho, known as "Lakeview at Twin Lakes" (the "Project"). The Project is more particularly described in the Survey Map and Condominium Plan filed for record as Instrument Number 1065426, records of Kootenai County, Idaho.

This Amendment has been adopted by the vote of the membership in the Lakeview at Twin Lakes Owners Association, Inc. (the "Association"), which Association manages the Project, at a meeting held for such purpose on August 6, 2005.

Article 5 of the Declaration is deleted in its entirety, and a new Article 5 is substituted therefore as follows:

**ARTICLE 5**

**REPAIR AND MAINTENANCE**

5.1 Repair and Maintenance Rights and Duties of Association. Subject to provisions in this Declaration pertaining to eminent domain and destruction of improvements, and subject to the special provisions of Paragraph 5.3, below, relating to exterior building and garage maintenance, the Association shall paint, maintain, repair and replace the Common Area and facilities thereon, or shall contract for such maintenance, repair and replacement to assure maintenance of the Common Area and facilities thereon in good and consistent condition, reasonable wear and tear excepted. The Association shall not, however, be responsible for or obligated to perform those items of maintenance, repair or improvement of the Units or any Limited Common Area, the maintenance of which is the responsibility of the Owners as provided in Paragraph 5.2 below. In the event an Owner fails to maintain his or her Unit or Limited Common Area as provided herein in a manner which the Board deems necessary to preserve the

appearance and value of the Project, the Board may notify the Owner of the work required and request it be done within sixty (60) days from the giving of such notice (or within such shorter time as may be designated by the Board, in the case of an emergency). In the event the Owner fails to carry out such maintenance within such period, the Board may cause such work to be done and may specially assess the cost thereof to such Owner, and, if necessary, specially lien his or her Unit for the amount thereof.

For the purpose of performing the maintenance, repair or replacement of the Common Area and facilities thereon as authorized by this Article, or for purposes of making emergency repairs necessary to prevent damage to the Common Area or to individual Units, or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Board (and its agents and employees) shall have an irrevocable perpetual easement over and onto all portions of the Common Area, and shall also have the irrevocable right, after reasonable notice to the Owner, and at reasonable hours, to enter any Unit.

5.2 Repair and Maintenance Rights and Duties of Owners. Except for those portions of the Project which the Association is required or elects to maintain and repair, each Unit Owner shall, at his or her sole cost and expense, maintain and repair his or her Unit and any Limited Common Area appurtenant to such Unit, keeping the same in good condition (including all furniture, cabinets, floor and wall coverings, and other custom installations located within the unfinished surfaces of the Unit). Neither the Board nor the Association shall have any responsibility to monitor or maintain the interior of any Unit.

Additionally, each Owner shall maintain, repair and replace as necessary, all doors and windows (and appurtenant hardware) to his or her Unit, and any separate air conditioning, water heating, or other utility unit or equipment which services only his or her Unit. Each Owner shall have the exclusive right to paint, plaster, panel, tile, carpet, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding the airspace element of his or her Unit, and the interior thereof, and shall be responsible for the maintenance of all such inner surfaces.

5.3 Repair and Maintenance of Building Exteriors and Garages. Notwithstanding the Association's general obligation to maintain all Common Area according to Paragraph 5.1, above, and unless the Board determines otherwise, the Owners of Units in each building, and the Owners having rights in the garages within the Project, shall be responsible for the maintenance of such buildings and garages, including without limitation, roof and siding repair and replacement, and periodic painting, as needed. Decisions with respect to such maintenance shall be made by: (a) in the case of a residential building, a majority of the Owners of Units in the building (one vote per Unit for this purpose); and (b) in the case of a garage building, a majority of the holders of rights to the parking spaces within the garage building (one vote per parking space for this purpose). The cost of such maintenance shall be allocated: (a) in the case of a residential building, according to their respective interests in the Common Area; and (b)

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STATE OF Idaho )  
County of Kootenai ) : ss

On this 19 day of October, 2005, before me, Judy Brooks JB  
Nick August, a notary  
public for the State of Idaho, personally appeared NICK J. AUGUST, known to me to be the  
person who executed the foregoing instrument, and acknowledged that he executed the same.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate  
first above written.

JUDY M. BROOKS  
Notary Public  
State of Idaho

Judy M Brooks  
Notary Public  
Residing at: Arhol, Idaho 83801  
My commission expires: 4/5/08

STATE OF Idaho )  
County of Kootenai ) : ss

On this 17 day of October, 2005, before me, Judy Brooks JB  
James Garbrick, a notary  
public for the State of Idaho, personally appeared JAMES H. GARBRICK, known to me to be  
the person who executed the foregoing instrument, and acknowledged that he executed the same.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate  
first above written.

JUDY M. BROOKS  
Notary Public  
State of Idaho

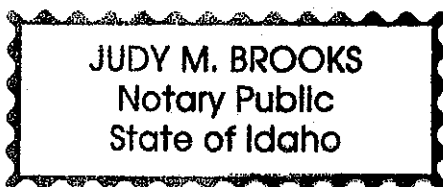
Judy M Brooks  
Notary Public  
Residing at: Arhol, Idaho 83801  
My commission expires: 4/5/08

1994011

STATE OF Idaho )  
County of Kootenai ) : SS

On this 17 day of October, 2005, before me, Judy Brooks JB, a notary public for the State of Idaho, personally appeared PATTY A. GARBRICK, known to me to be the person who executed the foregoing instrument, and acknowledged that she executed the same.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.

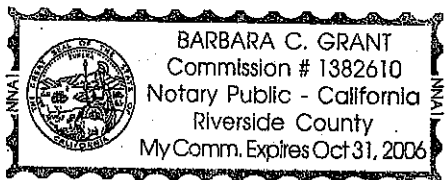


Judy M Brooks  
Notary Public  
Residing at: 2200, Idaho 83801  
My commission expires: 4/5/08

STATE OF CALIFORNIA )  
County of RIVERSIDE ) : SS

On this 25<sup>TH</sup> day of OCTOBER, 2005, before me, BARBARA C. GRANT, a notary public for the State of CALIFORNIA, personally appeared THOMAS E. GILROY, known to me to be the person who executed the foregoing instrument, and acknowledged that he executed the same.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.



Barbara C. Grant  
Notary Public  
Residing at: 75486 AUGUSTA DR, I.W., CA 92210  
My commission expires: OCT. 31, 2005