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Seasons at Sandpoint
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MARIE SCOTT
BONNER COUNTY RECORDER

 DEPUTY

**DECLARATION OF CONDOMINIUM
OF
SEASONS AT SANDPOINT**

THIS DECLARATION OF CONDOMINIUM OF SEASONS AT SANDPOINT IS BEING RE-RECORDED TO REPLACE THE DECLARATION OF CONDOMINIUM OF SEASONS AT SANDPOINT, ORIGINALLY RECORDED ON JULY 13, 2004, AS INSTRUMENT NO. 654608, OFFICIAL RECORDS OF BONNER COUNTY, IDAHO TO SET FORTH ALL OF THE PARAGRAPH AND SECTION NUMBERS WHICH WERE INADVERTENTLY DELETED FROM THE ORIGINAL DECLARATION OF CONDOMINIUM OF SEASONS AT SANDPOINT THAT WAS RECORDED. ADDITIONALLY, THE CONDOMINIUM PLAT MAP SET FORTH ON EXHIBIT B IS ALSO BEING UPDATED TO CORRECT THE FLOOR PLANS ON CERTAIN UNITS WHICH INADVERTENTLY LEFT OUT A DOOR/ENTRANCEWAY TO CERTAIN ROOMS. PURSUANT TO THE TERMS OF THE DECLARATION OF CONDOMINIUM THE DECLARANT HAS THE RIGHT TO AMEND OR MODIFY THE DECLARATION OF CONDOMINIUM AND AT THIS POINT IN TIME, THE DECLARANT OWNS ALL OF THE PROPERTY.

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**DECLARATION OF CONDOMINIUM
OF
SEASONS AT SANDPOINT**

This DECLARATION OF CONDOMINIUM made this ____ day of July, 2004, by **BVG Sandpoint, Ltd.**, a Florida limited partnership (hereinafter referred to as "Declarant"), for itself, its successors, grantees and assigns:

W I T N E S S E T H :

WHEREAS, Declarant is the Unit Owner in fee simple of certain real property, lying and being situated in Bonner County, Idaho, as more particularly set forth in Exhibit "A" attached hereto and incorporated by this reference (the "Property"), subject to reservations, restrictions and easements of record; and

WHEREAS, the Declarant contemplates erecting upon the Property from time to time multi-unit residential buildings, consisting of residential condominium units, townhouses and related facilities; and

WHEREAS, Declarant has obtained appropriate governmental entitlements for the construction of residential buildings and related facilities on a portion of the Property and makes this Declaration for the purpose of submitting the Property to the condominium form of use and ownership and to the provisions of the Idaho Condominium Property Act, Title 55, Chapter 15, Idaho Code (the "Condominium Act"). Declarant declares that the Property shall be held, used, conveyed, encumbered, leased, occupied, rented and improved subject to the covenants, conditions, restrictions, reservations and easements stated in this Declaration, all of which are in furtherance of the division of the Property into condominium units, townhouse lots and common areas and facilities, and shall be deemed to run with the land and be a burden and benefit to Declarant and all persons who own or acquire an interest in the property or any part thereof, and their grantees, successors, heirs, executors, administrators and assigns.

NOW, THEREFORE, the Declarant makes the following declarations:

1. NAME. The name by which this Condominium is to be identified is SEASONS AT SANDPOINT.

2. DEFINITIONS. For all purposes in this Declaration and for all purposes in the Articles of Incorporation and Bylaws of SEASONS AT SANDPOINT ASSOCIATION, INC., an Idaho nonprofit corporation, the following words shall have the definitions as hereinafter stated, to wit:

(a) Articles. The Articles of Incorporation of the Association, as same may be amended from time to time.

(b) Assessments. Assessment means a share of the funds required for the payment of Common Expenses, which from time to time are assessed against the Condominium and its Unit Owner.

(c) Association. Association means SEASONS AT SANDPOINT ASSOCIATION, INC., an Idaho corporation not for profit, which is responsible for the operation of the Condominium and the Common Facilities (as defined hereafter), its successors and assigns.

(d) Board of Directors or Board. The Board of Directors or other representative body responsible for administration of the Association.

(e) Building. Any building contained within the Condominium Property from time to time as herein provided.

(f) Bylaws. The Bylaws of the Association as may be amended from time to time.

(g) Common Areas. Common Areas mean that portion of the Condominium Property not included in the Condominium Units, and all other property declared as Common Areas in the Condominium Act and this Declaration, specifically, including but not limited to, those items set forth in Section 3(b) of this Declaration.

(h) Common Facilities or Condominium Property. Any real property, leasehold interest, or improvements and equipment thereon owned by the Association for the use and benefit of the Unit Owners as defined in the Condominium Act.

(i) Common Expenses. All expenses and assessments properly incurred by the Association for the Condominium.

(j) Common Surplus. The excess of all receipts of the Association collected on behalf of the Condominium, including, but not limited to, assessments, rents, profits and revenues on account of the Common Areas, over the Common Expenses.

(k) Community Wide Standard. Community Wide Standard means the standard means the standard of conduct, maintenance and other activity generally prevailing throughout other similarly situated high end residential condominium projects, which standards shall be more specifically determined by the Board of Directors.

(l) Condominium. SEASONS AT SANDPOINT, which is formed pursuant to this Declaration.

(m) Condominium Form of Unit Ownership. That form of Unit Ownership of real property created pursuant to the provisions of the Condominium Act, and which is composed of Condominium Units that may be owned by one or more persons, and an undivided share in the Common Areas appurtenant to each Condominium Unit.

(n) Condominium Act. The Idaho Condominium Property Act, Title 55, Chapter 15, Idaho Code §§ 55-1501 through 55-1527, as it exists on the date hereof, which is incorporated herein by reference. All provisions thereof shall apply to this Condominium.

(o) Condominium Plat Map. The plat or survey map of the surface of the ground included within the project and the diagrammatic floor plans of the building or buildings

built or to be built thereon with sufficient detail to identify each Unit, its relative location and approximate dimensions, showing elevations where multi-level or multi-story structures are diagrammed as required by Idaho Code § 55-1504. The Condominium Plat Map is attached hereto as Exhibit "B" and incorporated by this reference and may be supplemented from time to time as permitted by Idaho Code § 55-1504.

(p) Condominium Lot. Subject to Section 4(b) and 5(b) hereof, if the Declarant elects to create in its sole and absolute discretion condominium lots on the Phase III property, said lots shall not be submitted to the Condominium Form of Ownership pursuant to Section 3 and as defined in Section 2(m), but which shall be deemed Units as defined in Section 2(z) subject to this Declaration for all other purposes, interests, rights and obligations arising under this Declaration and appurtenant to the Units, except percentage ownership interest in the Common Areas. Notwithstanding anything to the contrary, the Declarant reserves the right in its sole and absolute discretion, pursuant to Sections 4 and 5 whether to create the Condominium Lots on the Phase III property or to construct Condominium Units.

(q) Condominium Parcel. The Condominium Unit, together with the undivided share in the Common Areas appurtenant thereto.

(r) Condominium Unit. That part of the Condominium Property which is subject to exclusive ownership by a Unit Owner, excepting Condominium Lots (if constructed) defined in subsection (p) above . The Condominium Units shall be identified and designated as set forth in the Condominium Plat Map contained in Exhibit "B" as supplemented and amended from time to time. Each Condominium Unit shall consist of a suite of rooms and other enclosed spaces in a building in the project. The boundaries of a Condominium Unit are the unfinished interior surfaces of its perimeter walls, floors, ceilings, windows and doors, and the Condominium Unit includes both the portions of the building so described and the air space so encompassed being that part of the building containing such Condominium Unit which lies within the boundaries of the Condominium Unit, which boundaries are as follows:

(i) Upper Boundaries.

(1) The upper boundary of all Condominium Units shall be the horizontal plane of the lowest surface of the unfinished ceiling slab of the Condominium Unit extended to an intersection with the perimetrical boundaries.

(ii) Lower Boundaries.

(1) The lower boundary of all Condominium Units shall be the horizontal plane of the unfinished floor slab of that Condominium Unit extended to an intersection with the perimetrical boundaries.

(iii) Perimetrical Boundaries. The perimetrical boundaries of a Condominium Unit shall be the following boundaries extended to an intersection with upper and lower boundaries:

(1) **EXTERIOR BUILDING WALLS:** The intersecting vertical plane(s) of the innermost unfinished surfaces of the exterior wall of the building bounding such Condominium Unit.

(2) **INTERIOR BUILDING WALLS:** The intersecting vertical plane(s) of the innermost unfinished surfaces of the party walls dividing such Condominium Units extended to the intersections with other perimetrical boundaries.

(iv) **Apertures.** Where there are apertures in any boundary, including, but not limited to, windows and doors, such boundaries shall be extended to include the interior, unfinished surfaces of such apertures, including all frameworks thereof, exterior surfaces made of glass or other transparent materials, exterior doors of any type, including the locks, hinges and other hardware thereof, and all framings and casings thereof shall be included in the boundaries of the Condominium Unit.

(v) **Heating Ventilating and Air Conditioning System.** The boundaries of each Condominium Unit shall also be deemed to include all integral parts of the heating ventilating and air conditioning ("HVAC") system located within the Condominium Unit.

(vi) **Excluded from Condominium Units.** The Condominium Unit shall be deemed not to include utility services which may be contained within the boundaries of the Condominium Unit, but which are utilized to serve Common Areas and/or a Condominium Unit or Condominium Units other than or in addition to the Condominium Unit within which contained. Such utility services are part of the Common Areas, and shall be the maintenance responsibility of the Association. The Condominium Unit shall not be deemed to include columns or partitions contributing to the support of the building. Such columns or partitions are part of the Common Areas. Moreover, notwithstanding any provision to the contrary, pipes, wires, conduits, cable wires, or other utility lines or installations constituting a part of the overall systems designed for the service of any particular Condominium Unit, or any of the structural members or portions of any kind, including fixtures and appliances and stairways within the Condominium Unit, which are not removable without jeopardizing the soundness, safety or usefulness of the remainder of the Building or another Condominium Unit, shall not be deemed to be part of any Condominium Unit. The roofs, foundations, studding, joists, beams, supports, main walls (excluding non-weight bearing interior partitions of Condominium Units, if any), and all other structural parts of the buildings, to the unfinished interior surfaces of the Condominium Units' perimeter walls, floors, ceilings, windows, and doors; any attics and crawl spaces in the buildings; and exterior fixtures shall not be deemed to be part of any Condominium Unit.

(vii) **Exceptions.** In cases not specifically covered above, and/or in any case of conflict or ambiguity, the survey of the Units set forth on the Condominium Plat Map attached as Exhibit "B" hereto shall control in determining the boundaries of a Unit, except that the provisions of Section 2(r)(vi) above shall control unless specifically depicted and labeled otherwise on such Condominium Plat Map.

(viii) **Context.** All references herein in this Declaration to Condominium Unit shall also include Unit and Condominium Lot unless the context would prohibit or it is

otherwise expressly provided; in particular, with respect to Sections 3, 4 and 10, the references to Condominium Unit do not include Condominium Lot.

(s) Condominium Property. The Condominium Units, lands, leaseholds and personal property that are submitted to the condominium form of unit ownership, and the Condominium Lots whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto provided by the Declarant intended for use in connection with the Condominium.

(t) Declaration or Declaration of Condominium. The instrument or instruments by which this Condominium is created, as they are from time to time amended.

(u) Declarant. Declarant means BVG Sandpoint, Ltd., a Florida limited partnership, its successors or assigns, or any other person who creates the Condominium or offers Condominium Parcels and Condominium Lots for sale or lease in the ordinary course of business, but does not include a Unit Owner or lessee of a Condominium Unit or Condominium Lot who has acquired his or her Condominium Unit or Condominium Lot for his or her own occupancy.

(v) Institutional Mortgagee. Shall include any bank, federal savings and loan association, a state savings and loan association, an institutional investor, mortgage banker, the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation, federal or state agency, insurance company and/or a real estate investment trust or any other similar type of lender generally recognized as an institutional-type lender holding a mortgage on all or any part of the Condominium Property and the successors and/or assigns of such entities.

(w) Life Safety Systems. Life Safety Systems mean and refer to any and all emergency lighting, audio and visual signals, safety systems, sprinklers and smoke detection systems, which are now or hereafter installed in the Building, whether or not within the Units. All such Life Safety Systems, together with all conduits, wiring, electrical connections and systems related thereto, regardless of where located, shall be deemed Common Elements hereunder. Without limiting the generality of the foregoing, when the context shall so allow, the Life Safety Systems shall also be deemed to include all means of emergency ingress and egress, which shall include all stairways and stair landings. Notwithstanding the breadth of the foregoing definition, nothing herein shall be deemed to suggest or imply that the Building or Condominium contains all such Life Safety Systems.

(x) Limited Common Areas. Those common areas which are reserved for the use of a Condominium Unit(s) and Condominium Lot(s), as specified herein, to the exclusion of all others, except as otherwise set forth herein. The Limited Common Areas appurtenant to each Condominium Unit or Condominium Lot shall include but not be limited to (i) any heating ventilating and air conditioning system exclusively serving that Condominium Unit or Condominium Lot which is located outside of the Condominium Unit or Condominium Lot, which shall be Limited Common Areas for the exclusive use of the Condominium Unit or Condominium Lot that they serve, (ii) all Condominium Unit and Condominium Lot terrace areas, balconies, and verandas, if any, all as more particularly described and depicted in the Condominium Plat Map and any improvements constructed thereon, (iii) those areas or facilities designated as Limited Common Areas on the Condominium Plat Map contained in Exhibit "B",

(iv) those items described in Section 3(c) as Limited Common Areas, and (v) all boat slips and dock facilities as more particularly defined, managed, transferred and restricted under Section 38 below.

(y) Management Agreement. The agreement, if any, which provides for management of the Condominium Property and the Common Areas.

(z) Unit. A Condominium Unit or Condominium Lot.

(aa) Unit Owner. The Unit Owner of a fee simple estate in any Condominium Parcel or Condominium Lot who is a Unit Owner of the Association.

(bb) Seasons at Sandpoint. Seasons at Sandpoint means the Property described in Exhibit "A" of this Declaration, as is now or hereafter made subject to this Declaration, and shall include any improvements constructed thereon.

3. PROPERTY SUBMITTED TO CONDOMINIUM FORM OF UNIT OWNERSHIP

(a) Subject to easements, restrictions and reservations of record, the following property is hereby submitted to the Condominium Form of Unit Ownership:

The property designated and described as Phase I in Exhibits "A" and "B" hereto, together with the improvements erected or installed thereon, including without limitation Building 2 and Building 3, containing an aggregate total of thirty (30) Condominium Units. The Buildings shall be comprised of the following Unit Plans:

(i) Condominium Unit Plan A. Eight (8) two (2) bedroom, two (2) bath Condominium Units of approximately 1,397 square feet of air conditioned area, with each Condominium Unit containing a Limited Common Area balcony area of approximately 168 square feet ("Condominium Units 121,125, 131, 135, 221, 225, 231, and 235");

(ii) Condominium Unit Plan B. Seven (7) two (2) bedroom, two (2) bath Condominium Units of approximately 1,389 square feet of air conditioned area, with each Condominium Unit containing a Limited Common Area balcony area of approximately 153 square feet ("Condominium Units 122, 124, 132, 222, 224, 232, and 234");

(iii) Condominium Unit Plan C. Three (3) one (1) bedroom, two (2) bath Condominium Units of approximately 1,176 square feet of air conditioned area, with each Condominium Unit containing a Limited Common Area balcony area of approximately 118 square feet ("Condominium Units 133, 223, and 233");

(iv) Loft Condominium Unit Plan D. Four (4) three (3) bedroom with a loft, two (2) bath Condominium Units of approximately 2,138 square feet of air conditioned area, with each Condominium Unit containing a Limited Common Area

balcony area of approximately 168 square feet (“Condominium Units 321, 325, 331, and 335”);

(v) Loft Condominium Unit Plan E. Four (4) three (3) bedroom with a loft, two (2) bath Condominium Units of approximately 2,117 square feet of air conditioned area, with each Condominium Unit containing a Limited Common Area balcony area of approximately 153 square feet (“Condominium Units 322, 324, 332, and 334”);

(vi) Loft Condominium Unit Plan F. Two (2) two (2) bedroom with a loft, three (3) bath Condominium Unit of approximately 2,021 square feet of air conditioned area, with said Condominium Unit containing a Limited Common Area balcony area of approximately 118 square feet (“Condominium Units 323 and 333”);

(vii) Condominium Unit Plan BH. One (1) two (2) bedroom, two (2) bath Condominium Unit of approximately 1,389 square feet of air conditioned area, containing a Limited Common Area balcony area of approximately 153 square feet (“Condominium Unit 134”);

(viii) Condominium Unit Plan CH. One (1) one (1) bedroom, two (2) bath Condominium Unit of approximately 1,176 square feet of air conditioned area, containing a Limited Common Area balcony area of approximately 118 square feet (“Condominium Unit 123”);

The Condominium Plat Map for the Condominium identifying the Condominium Units is located in Exhibit “B” to this Declaration. Additionally, the floor plans are depicted on the Condominium Plat Map, and the Condominium Unit descriptions reflected in the Condominium Plat Map identify the different unit types, the number of bathrooms and bedrooms for each unit type and includes the floor plan for each Condominium Unit. The floor plans depicted in the Condominium Plat Map are the standard floor plans and if the Declarant approves of the change, in its sole discretion, each individual Unit Owner may have floor plans customized to reflect a different design, based on the Unit Owner’s individual needs or desires. Any modifications or options selected for a particular Condominium Unit by the Owner shall not be deemed a material amendment altering or modifying the Condominium in a manner adverse to any other Unit Owner.

(b) Common Areas. The Common Areas, as hereinabove defined, shall include within its meaning, in addition to the terms as listed in Idaho Code § 55-1503(g), the following items:

(1) Easements through Condominium Units for conduits, pipes, ducts, vents, plumbing, wiring and other facilities, equipment and/or fixtures for the furnishing of utility services, heating and cooling and/or ventilation to the Condominium Units and to Common Areas;

(2) Easements of support in every portion of a Condominium Unit which contributes to the support of other Condominium Units and/or Common Areas;

(3) Installations for the furnishing of utility services to the Common Areas or to a Condominium Unit other than the Condominium Unit containing the installation;

(4) The property and installations in connection therewith required for the furnishing of services to more than one Condominium Unit or to the Common Areas including, but not limited to, the guest elevator(s), if any, and stairway(s), if any;

(5) Fixtures on property owned or held for the common use, benefit and enjoyment of all Unit Owners of Condominium Units in the Condominium;

(6) Cross-easements for ingress, egress, support, maintenance, repair, replacements and utilities;

(7) Easements for encroachments by the perimeter walls, ceilings and floors surrounding each Condominium Unit caused by the settlement or movement of the Building or by minor inaccuracies in building or rebuilding which may now exist or hereafter exist, and such easements shall continue until such encroachments no longer exist;

(8) Roads installed on the Condominium property by the Declarant or any third party with the approval of the Declarant that have not been dedicated to the State of Idaho or a political subdivision thereof;

(9) The recreational and other commonly used facilities Common Facilities indicated on the Condominium Plat Map attached as Exhibit "B" to this Declaration;

(10) The entrance way improvements;

(11) Mailboxes in such location as determined by the Declarant;

(12) The equipment/mechanical rooms, as more particularly shown on the Condominium Plat Map attached as Exhibit "B" to this Declaration;

(13) Each elevator as labeled on the Condominium Plat Map attached as Exhibit "B" to this Declaration shall be a Common Area;

(14) Each stairwell as labeled on the Condominium Plat Map attached as Exhibit "B" to this Declaration, shall be a Common Area; and

(15) The surface water management system for the land.

Some components of the Condominium which are typical "common areas" of a condominium have instead been designated as Limited Common Areas. References herein to Common Areas also shall include the Limited Common Areas unless the context would prohibit or it is otherwise expressly provided. Notwithstanding any provision to the contrary, the Common Areas and the Limited Common Areas may amended from time to time.

(c) Limited Common Areas. Each Condominium Unit may have, to the extent applicable and subject to the provisions of this Declaration, as Limited Common Areas appurtenant thereto:

(i) Patios, Balconies, Terraces, Patios and Lanais appurtenant to Condominium Units. Any patio, balcony, terrace and/or lanai (and all improvements thereto) as to which direct and exclusive access shall be afforded to any particular Condominium Unit or Condominium Units to the exclusion of others shall be a Limited Common Area of such Condominium Unit(s). The Association shall be responsible for the maintenance of the structural and mechanical elements of any such Limited Common Areas, with the costs of same being a part of the Common Expenses. Each Owner shall, however, be responsible for the general cleaning, plant care and upkeep of the appearance of the area(s) and, for the repair and replacement of any floor coverings placed or installed on any patio, balcony, terrace and/or lanai. A Unit Owner using a patio, balcony, terrace and/or lanai or making or causing to be made any additions, alterations or improvements thereto agrees, and shall be deemed to have agreed, for such Owner, and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, the Declarant and all other Unit Owners harmless from and to indemnify them for any liability or damage to the Condominium and/or Condominium Property and expenses arising therefrom.

(ii) Parking Spaces. Each parking space and/or any parking garage shown on the Condominium Plat Map Plan attached as Exhibit "B" hereto shall be a Limited Common Area only upon it being assigned as such to a particular Condominium Unit in the manner described herein. Declarant hereby reserves the right to assign, with or without consideration, the exclusive right to use any parking space and/or parking garage (if any) located within the Common Areas of the Condominium to one or more Condominium Units, whereupon the space so assigned shall be deemed a Limited Common Area of the Condominium Unit(s) to which it is assigned. Any such consideration shall be retained by Declarant for its own account. Such assignment shall not be recorded in the Public Records of the County but, rather, shall be made by way of instrument placed in the official records of the Association (as same are defined in the By-Laws). A Unit Owner may assign the Limited Common Area parking space and/or parking garage appurtenant to his or her Condominium Unit to another Condominium Unit by written instrument delivered to (and to be held by) the Association. A Limited Common Area parking space and/or parking garage may be relocated at any time, and from time to time, by the Board to comply with applicable Federal, State and local laws and regulations regarding or affecting handicap accessibility. The maintenance of any parking space and/or parking garage so assigned shall be the responsibility of the Association. Each Owner understands and agrees that not all parking spaces are covered.

(iii) Storage Spaces. Declarant hereby reserves the right to assign, with or without consideration, the exclusive right to use any storage space located within the Common Areas of the Condominium to one or more Condominium Units, whereupon the space so assigned shall be deemed a Limited Common Area of the Condominium Unit(s) to which it is assigned. Such assignment shall not be recorded in the Public Records of the County but, rather, shall be made by way of instrument placed in the official records of the Association (as same are defined in the By-Laws). After assignment to a Unit by the Declarant, a Unit Owner may reassign the Limited Common Area storage space appurtenant to his Condominium Unit to

another Condominium Unit by written instrument delivered to (and to be held by) the Association. The maintenance of any space so assigned, the fencing of such space, as well as the insurance of its contents, shall be the sole responsibility of the Owner of the Condominium Unit(s) to which it is assigned.

(iv) Miscellaneous Areas, Equipment. Any fixtures or equipment (e.g., an air conditioning compressor or hot water heater) serving a Condominium Unit or Condominium Units exclusively and any area (e.g., a closet or ground slab) upon/within which such fixtures or equipment are located shall be Limited Common Areas of such Condominium Unit(s). The maintenance (and cost) of any such equipment and/or areas so assigned shall be the sole responsibility of the Owner of the Condominium Unit(s) to which the fixtures and/or equipment are appurtenant.

(v) Other. Any other portion of the Common Areas which, by its nature, cannot serve all Condominium Units but serves one Condominium Unit or more than one Condominium Unit (i.e., any hallway and/or elevator landing serving a single Condominium Unit or more than one (1) Condominium Unit owned by the same Owner) shall be deemed a Limited Common Area of the Condominium Unit(s) served and shall be maintained by said Owner. In the event of any doubt or dispute as to whether any portion of the Common Areas constitutes a Limited Common Area or in the event of any question as to which Condominium Units are served thereby, a decision shall be made by a majority vote of the Board of Directors of the Association and shall be binding and conclusive when so made. To the extent of any area deemed a Limited Common Area hereunder, the Owner of the Condominium Unit(s) to which the Limited Common Area is appurtenant shall have the right to alter same as if the Limited Common Area were part of the Owner's Condominium Unit, rather than as required for alteration of Common Areas. Notwithstanding the foregoing, the designation of same as a Limited Common Area hereunder shall not allow the Owner of the Condominium Unit to which the Limited Common Area is appurtenant to preclude passage through such areas as may be needed from time to time for emergency ingress and egress, and for the maintenance, repair, replacement, alteration and/or operation of the elevators, Life Safety Systems, mechanical equipment and/or other Common Areas which are most conveniently serviced (in the sole determination of the Board) by accessing such areas (and an easement is hereby reserved for such purposes).

(d) Recreational Facilities. The approximate location of the recreational and other commonly used facilities intended to be constructed is indicated on the Condominium Plat Map contained herein as Exhibit "B" and shall be located on the lands legally described in Exhibit "A" attached hereto. The Developer reserves the right to increase or add to the recreational and other commonly used facilities described in the Condominium Plat Map contained herein as Exhibit "B" without the consent of the Unit Owners or the Association, but is not obligated to add or increase same. If the recreational and other commonly used facilities are increased, in addition to those described in the Condominium Plat Map contained herein as Exhibit "B", by the Developer, the Common Expenses of the Association and the Unit Owner's maintenance expense may increase. Such recreational and other common facilities that may be added or increased shall be whatever facilities Developer, in its sole discretion, deems necessary or desirable in connection with developing Seasons at Sandpoint.

The Unit Owners shall have an obligation to contribute to the payment of expenses for maintenance, repair, replacement and insurance for such recreational and other commonly used facilities constructed as a part of the Condominium, based on each Unit Owner's undivided percentage share in the Common Expenses as set forth in Section 11 of the Declaration. Each Unit Owner's undivided percentage share in the Common Expenses is computed based upon the ratio of one over the total number of all Units in the Condominium. There is a lien right against each Condominium Parcel to secure the payment of assessments or other exactions coming due for the use, maintenance, upkeep or repair of the recreational or commonly used facilities. The Unit Owner's failure to make these payments may result in foreclosure of the lien.

4. PROPERTY WHICH MAY BE SUBMITTED TO CONDOMINIUM FORM OF OWNERSHIP. The Condominium is a multi-family residential condominium which will be developed as a phase condominium and, accordingly, the Declarant hereby retains the right at any time to submit to the Condominium Form of Ownership by amendments to this Declaration the additional phases described in this Section 4 and depicted in the Condominium Plat Map attached hereto as Exhibit "B." The other Phases the Declarant may develop and submit to the Condominium Form of Ownership, in its sole and absolute discretion, are Phase II, Phase III and Phase IV. Phases II and IV, as more fully discussed below, will consist, if developed, of additional Condominium Units and appurtenant facilities.

(a) Phase II: Subject to the Declarant's right to increase the number of Condominium Units as described below, Phase II, if added to the Condominium, will, consist of the land legally described on Exhibit "A-1" as Phase II and the improvements located thereon, including one (1) Building ("Building 1"), containing thirty (30) Condominium Units, which are more particularly shown on the Condominium Plat Map for the Condominium.

The Declarant may, however, (i) increase or decrease the number of Units in Phase II, provided that Phase II will include no less than five (5) nor more than fifty (50) Units, (ii) modify the floor plans of the Units, and (iii) change the number of buildings, as provided herein.

If the Declarant elects in its sole discretion to construct Phase II, the Declarant will at a minimum construct and assign at least one covered parking space for each Unit Owner in Phase II. Such assignment shall be in writing but shall not be recorded in the public records.

(b) Phase III: Subject to the Declarant's right to increase the number of Condominium Units as described below, Phase III, if added to the Condominium, will, consist of the land legally described on Exhibit "A-1" as Phase III and the improvements located thereon, including three (3) Building ("Buildings 5, 6, and 7"), containing a total of twelve (12) Condominium Units, which are more particularly shown on the Condominium Plat Map for the Condominium.

The Declarant may, however, (i) increase or decrease the number of Units in Phase III, provided that Phase III will include no less than five (5) nor more than fifty (50) Units, (ii) modify the floor plans of the Units, and (iii) change the number of buildings, as provided herein.

If the Declarant elects in its sole discretion to construct Phase III, the Declarant will at a minimum construct and assign at least one covered parking space for each Unit Owner in Phase III. Such assignment shall be in writing but shall not be recorded in the public records.

(c) Phase IV: Subject to the Declarant's right to increase the number of Units as described below, Phase IV, if added to the Condominium, will, consist of the land legally described on Exhibit "A-1" as Phase IV and the improvements located thereon, including three (3) Buildings ("Buildings 8, 9 & 10"), containing a total of forty-five (45) Units, which are more particularly shown on the Condominium Plat Map for the Condominium.

The Declarant may, however, (i) increase or decrease the number of Units in Phase IV provided that Phase IV will include no less than five (5) nor more than sixty (60) Units, (ii) modify the floor plans of the Units, and (iii) increase or decrease the number of buildings as provided herein.

If the Declarant elects in its sole discretion to construct Phase IV, the Declarant will at a minimum construct and assign at least one covered parking space for each Unit Owner in Phase IV. Such assignment shall be in writing but shall not be recorded in the public records.

(d) Declarant Reservations. The contemplated Condominium Plat Map showing the approximate locations of the proposed Buildings and improvements, which may be submitted to this Condominium in Phases II, III and IV is set forth in Exhibit "B" to the Declaration. Declarant reserves the right in its exclusive discretion to control the mixture and location of buildings and other improvements in future sections of the Condominium. The overall exterior appearance of the proposed Buildings may substantially differ from Buildings II and III. In addition, the Declarant has retained the right to modify the Plot Plan as to configuration, size and dimensions of the Buildings and Units provided that no Unit shall be less than 500 square feet of air conditioned living area nor more than 6,000 square feet of air conditioned living area. Moreover, the Declarant retains the right to modify the floor plans of the Units by increasing or decreasing the number of bedrooms and/or bathrooms in any Unit, provided that no Unit shall contain more than five (5) bedrooms and/or five (5) bathrooms nor less than one (1) bedroom and/or one (1) bathroom and/or by modifying the location, arrangement, size and/or number of any interior rooms. Accordingly, Buildings and Units which are added to the Condominium may be substantially different from the other Buildings and Units in the Condominium. The Declarant also reserves the right to make changes in the legal description of a Phase.

Moreover, Declarant, its successor or assigns, shall have the right to develop in its sole and absolute discretion all or any part of the property described in Exhibit "A-1" of this Declaration, not added as a Phase in any manner it deems appropriate, including as separate and distinct condominiums; provided said development is consistent with zoning regulations. Declarant may, but shall not be obligated, to develop the lands described in Exhibit "A-1," as one or more additional sections of the Condominium. Declarant, at its option, may provide for a separate condominium association to operate any one or more of the separate condominiums or provide for the Association, to operate and manage one or more of such separate condominiums. The Association, any other condominium association created, and the Unit Owners in each phase and/or section shall have a perpetual non-exclusive easement for utilities, drainage, and ingress and egress over, under, and through those portions of the Common Areas not occupied by the

building(s) of each of the other separate condominiums, and such easement shall survive the termination of any other phases and/or sections. Phases need not be added in any particular order. Declarant reserves the right in its exclusive discretion to control the mixture and location of the buildings and other improvements in any future section of the project until the Declaration of Condominium and condominium plat of such section or the subdivision plat for the subdivision, as the case may be, is recorded in the Public Records of Bonner County, Idaho, notwithstanding any prior master plan, artist's renderings in sales literature or brochures, or other representations.

(e) Recreational and Other Commonly Used Facilities. The approximate location of the recreational and other commonly used facilities intended to be constructed is indicated on the Condominium Plat Map contained herein as Exhibit "B" and shall be located on the lands legally described in Exhibit "A-1" attached hereto.

The Declarant reserves the right to increase or add to the recreational and other commonly used facilities described in Exhibit "B" without the consent of the Unit Owners or the Association, but is not obligated to add or increase same. If increased facilities, in addition to those described in Exhibit "B," are added by the Declarant, the Common Expenses of the Association and the Unit Owner's maintenance expense may increase. Such recreational and other common facilities that may be added or increased shall be whatever facilities Declarant, in its sole discretion, deems necessary or desirable in connection with developing the project.

The Unit Owners shall have an obligation to contribute to the payment of expenses for maintenance, repair, replacement and insurance for such recreational and other commonly used facilities constructed as a part of the Condominium, based on each Unit Owner's undivided percentage share in the Common Expenses as set forth in Section 11 of the Declaration. There is a lien right against each Condominium Unit to secure the payment of assessments or other exactions coming due for the use, maintenance, upkeep or repair of the recreational or commonly used facilities. The Unit Owner's failure to make these payments may result in foreclosure of the lien.

5. AMENDMENT OF DECLARATION ADDING PHASES.

(a) Notwithstanding anything to the contrary herein, the Declarant expressly reserves the right to amend this Declaration so as to submit to condominium or subdivision form of ownership the additional Phases set forth in Section 4 herein, together with any real property adjacent or contiguous to the Condominium Property, as part and parcel of this Condominium without the consent thereto by the Association, Unit Owners other than the Declarant, lienors or mortgagees of Units. The Declarant may amend this Declaration as aforescribed by recording an amendment (or amendments) of this Declaration in the Public Records of Bonner County, Idaho, which amendment (or amendments) shall describe and submit the land being submitted to condominium or subdivision form of ownership, and which amendment (or amendments) shall have attached thereto such certificates, surveys, plans and sketches as are required by the Condominium Act. Such amendments need be executed and acknowledged only by Declarant and need not be approved by the Association, Unit Owners, or lienors or mortgagees of Units of the Condominium, whether or not elsewhere required for amendments.

(b) Notwithstanding anything to the contrary, the Declarant reserves the right in its sole and absolute discretion to construct either (i) Condominium Units on the Phase III property and submit it to the Condominium Form of Ownership or (ii) Condominium Lots. Furthermore, the Declarant reserves the right in its sole and absolute discretion to construct a completely separate project on the Phase III property and not submit it to the terms and conditions of this Declaration. Under no circumstances shall the Declarant ever be obligated to submit any Condominium Lots and any Condominium Units constructed on Phase III to the terms and conditions of this Declaration and/or the Condominium Form of Ownership and may simply do so in its sole and absolute discretion. If the Developer elects in its sole and absolute discretion not to construct Condominium Units on the Phase III property and submit it the Condominium Form of Ownership pursuant to Sections 3 and 4(b) hereof, but instead creates Condominium Lots, the Declarant reserves the right in its sole and absolute discretion to construct residences on the Condominium Lots on the Phase III property, and further reserves the right to amend in its sole and absolute discretion this Declaration to subject the Condominium Lots to the terms and conditions of this Declaration; provided, however, the Condominium Lots will not be submitted to the Condominium Form of Ownership pursuant to Section 3 and as defined in Section 2(m), but the Condominium Lots shall be deemed Units as defined in Section 2(z) subject to this Declaration for all other purposes, interests, rights and obligations arising under this Declaration and appurtenant to the Units, except percentage ownership interest in the Common Areas..

(c) Declarant presently contemplates submitting the Phases described in Section 4 hereof to the Condominium form of ownership as part of this Condominium, and all the Phases added as part of this Condominium must be added within seven (7) years after the date on which this Declaration of Condominium is recorded in the Public Records of Bonner County, Idaho. In the event any of the Phases are not so developed by said date, the Phase not developed will not become part of the Condominium and will not share in the Common Areas, Common Surplus and Common Expenses of this Condominium and Declarant or its successors shall have the right to develop said property in any manner it deems appropriate and consistent with zoning regulations. Declarant may, but shall have no obligation, to develop the lands described in Exhibit "A-1" as additional sections of the project or as separate condominiums and to submit them to separate and distinct condominium ownership similar to this Condominium.

(d) In the event Declarant develops all of the lands described in Exhibit "A-1" as additional separate condominiums or subdivisions of the project, the total number of condominium units in all sections of the project and/or residential dwelling units in all subdivisions of the project may total, but will not exceed one-hundred and fifty (150). It is contemplated that the Association will be the condominium association responsible for the operation and management of all such condominiums, if developed as separate condominiums of the project; provided, however, Declarant, at its option, may provide for a separate condominium association to operate and manage any one or more of the separate condominiums. Unless otherwise provided in the Declaration of Condominium for each condominium section of the project, the owners of a vested present interest in the fee title to any of the Condominium Units in any section of the project which is operated and managed by the Association shall automatically be members of the Association and shall be entitled to the same voting rights as are extended herein to Unit Owners in Phase I submitted hereby. If the lands are developed as separate condominiums or subdivisions, the operation of such additional condominium(s) by the Association shall not constitute and is not intended to result in a merger of the Common Areas,

and each separate condominium section of the project if so developed, shall constitute a separate and distinct condominium from all other sections.

(e) Unless limited by the Declaration of Condominium for a particular condominium, all Unit Owners, lessees and guests in all condominiums or townhome developments developed as separate condominiums and or projects on any of the Property described in Exhibit "A-1" to this Declaration, shall have and are hereby granted a perpetual, non-exclusive license (subject to termination as provided herein) for the use of any recreational or common facilities constructed as part of this Condominium or in any Phase that becomes a part of this Condominium (provided such recreational or common facilities are Common Areas), subject to the following conditions of use:

(i) All such users must abide by all non-discriminatory rules and regulations promulgated by the Board of Directors of the Association; and

(ii) The unit owner in any such separate condominium must pay an annual use fee to the Association, established by the Board of Directors of the Association. The use fee shall be reasonably based on a pro rata sharing by all such unit owners and unit owners in the separate condominium of the expenses of insuring, maintaining, operating, and repairing the recreational and other common facilities. The fee will be established on an annual basis and shall be due and payable in such manner as the Board of Directors of the Association determines. The requirement to pay the annual use fee does not apply to any members of the Association.

If a Unit Owner fails to abide by the rules and regulations promulgated by the Board of Directors of the Association or to pay its annual use fee to the Association, the Unit Owner's license to use said recreational or common facilities shall terminate and the Unit Owner shall be prohibited from using such recreational or common facilities.

(f) The addition of each Phases II and IV to the Condominium Form of Ownership shall cause the Common Areas of the added Phase to merge with the Common Areas of Phase I. If and when subsequent Phases are added, the percentages of ownership of the Common Areas attributable to each Unit shall be determined in the manner set forth in Section 10 herein.

(g) At any time prior to the submission to the Condominium Form of Ownership pursuant to Section 4 of this Declaration of that portion of the property depicted as Phase II, Phase III and Phase IV on the Condominium Plat Map, Declarant hereby reserves the right to de-annex from the project Phase II and or Phase IV as depicted on the Condominium Plat Map, or any portion thereof (herein referred to as de-annexable or de-annexed property) owned by Declarant or affiliates at the time of de-annexation from the project, and after de-annexation, the de-annexed property will not be included in the Condominium. The de-annexation of the de-annexable property, or portions thereof, from time to time, shall be effected by recording a Notice of De-Annexation or Supplemental Declaration particularly describing the real property to be de-annexed and removed from the project created by this Declaration, pursuant to the provisions of this Section 5.

Upon the recording of a Notice of De-Annexation containing the provisions set forth in this Section (which Notice may be contained within a Supplemental Declaration affecting such property), except as may be provided for therein, the covenants, conditions and restrictions contained in this Declaration shall not apply to the de-annexed property; and thereafter, the rights, privileges, duties and liabilities of the parties to this Declaration with respect to the de-annexed property shall not be the applicable or a burden upon the de-annexed property.

By accepting a deed to a Condominium Unit or Condominium Lot within Seasons at Sandpoint, each Unit Owner shall be conclusively deemed to have waived any objections, or any present or future right to object, to the de-annexation of the de-annexable property, and to any zoning application(s) filed by Declarant pertaining to the de-annexable property. Each Unit Owner further consents to the subdivision and development of such de-annexable property in accordance with applicable zoning ordinances then in force and effect and applicable to the de-annexable property, including such development as shall be required to provide access to the de-annexable property (including the lots subdivided therein) by the public right(s)-of-way within the subdivision, and the extension of utility facilities located within the subdivision to serve the de-annexed property (including the lots subdivided therein).

(h) Procedure for De-Annexation: Any of the above-described de-annexable property may be de-annexed from the project by the recordation of a Notice of De-Annexation executed by Declarant and containing the following information:

(i) A reference to this Declaration, which reference shall state the date of recordation hereof and the Recorder's instrument number or the book and page of the official records of Bonner County where this Declaration is recorded;

(ii) An exact legal description of the de-annexed land;

(iii) A statement that the provisions of this Declaration shall not apply to the de-annexed land, except as set forth therein; and

(iv) A statement of the use restrictions applicable to the de-annexed property which restrictions may be the same or different from those set forth in this Declaration.

6. UNIT IDENTIFICATION. The location of the Condominium Units on the Property submitted to the Condominium Form of Unit Ownership is set forth on the Condominium Plat Map attached hereto and made a part hereof as Exhibit "B." Each Condominium Unit is described on said Condominium Plat Map in such manner that there can be determined therefrom the identification, location, dimensions and size of each as well as the Common Areas and Limited Common Areas, if any appurtenant thereto. Each Condominium Unit is identified by a letter and/or number as shown on the Condominium Plat Map so that no such Condominium Unit bears the same designation as any other such Condominium Unit.

7. CHANGE IN PLANS AND SPECIFICATIONSThe Declarant is hereby authorized to make changes in the plans and specifications and construction methods and materials during the construction of improvements on said Property, so long as such changes do not conflict with the Condominium Act.

8. EASEMENTS AND RIGHTS OF ACCESS. Each of the following easements is a covenant running with the land of the Condominium and, notwithstanding any of the other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended uses and purposes, and each shall survive the termination of the Condominium.

(a) Utility Services. Easements as may be required for utility services in order to adequately serve the Condominium Property or any Condominium Unit, Condominium Lot, Limited Common Area or Common Area, including, but not limited to, electricity, telephones, sewer, water, lighting, irrigation, drainage, television antenna and cable television facilities and any electronic security facilities. However, easements through a Condominium Unit or Condominium Lot shall be only according to the plans and specifications for the Building containing the Condominium Unit or Condominium Lot or as the Building is actually constructed, or reconstructed, unless approved in writing by the Unit Owner. A Unit Owner shall do nothing within or outside his Condominium Unit or Condominium Lot that interferes with or impairs the utility services using these easements. The Association shall have a right of access to each Condominium Unit or Condominium Lot and the improvements constructed thereon when necessary for the maintenance, repair or replacement of any Common Areas (which include Limited Common Areas) or for making emergency repairs which are necessary to prevent damage to the Common Areas (which include Limited Common Areas) or to another Condominium Unit(s) or Condominium Lot(s); provided, however, such right of access shall not be deemed to be an easement and shall not unreasonably interfere with the Unit Owner's permitted use of the Condominium Unit or Condominium Lot and, except in the event of an emergency, entry into any Condominium Unit or Condominium Lot shall be made on reasonable notice to the Unit Owner.

(b) Easement of Support. Every portion of a Condominium Unit or Condominium Lot contributing to the support of a Building, any other Condominium Unit, Condominium Lot, the Common Areas or the Limited Common Areas shall be burdened with an easement of support for the benefit of all Condominium Units and Condominium Lots in the Building.

(c) Use of Common Areas. The Common Areas shall be, and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the Unit Owners and residents of the Condominium, and their guests and invitees, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended.

(d) Encroachments. If any portion of the Common Areas or Limited Common Areas encroaches upon any Condominium Unit or Condominium Lot; if any Condominium Unit or Condominium Lot encroaches upon any other Condominium Unit or Condominium Lot or upon any portion of the Common Areas or Limited Common Areas; or if any encroachment shall hereafter occur as a result of (i) construction or reconstruction of any improvement; (ii) settling or shifting of any improvements; (iii) any addition, alteration or repair to the Common Areas or Limited Common Areas made by or with the consent of the Association; or (iv) any repair or restoration of any improvements (or any portion thereof) of any Condominium Unit or Condominium Lot after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Condominium Unit or Condominium

Lot or the Common Areas or Limited Common Areas, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvements shall stand. Such easements shall exist to a distance of not more than three feet as measured from any common boundary between adjacent Condominium Units or Condominium Lot and between each Condominium Unit or Condominium Lot and any adjacent Common Area along a line perpendicular to such boundaries at such points. Any such easement for encroachment shall include an easement for the maintenance and use of encroaching improvements in favor of each of the Unit Owners and their respective designees.

(e) Overhanging Troughs and Gutters. There shall be easements for overhanging troughs or gutters, downspouts and the discharge therefrom of rainwater and the subsequent flow thereof over the Condominium Units, Condominium Lots and the Condominium Property.

(f) Natural Growth. There shall be easements for overhanging natural growth of trees and shrubbery over the Condominium Units, Condominium Lots, the Limited Common Areas and the Common Areas.

(g) Restrictions, Reservations and Easements of Record. The creation of this Condominium is subject to restrictions, reservations and easements which have been placed of record prior to the formation and filing hereof.

(h) Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks as the same may from time to time exist upon the Common Areas and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portions of the Common Areas as may from time to time be paved and intended for such purposes, same being for the use and benefit of the Association and the Unit Owners and residents of the Condominium and their employees, guests and invitees.

(i) Declarant's Ingress and Egress and Utility Purposes. In addition to the foregoing, the Declarant for itself, its successors, assigns, agents and employees, including, without limitation, any person residing within the Condominium Property, their guests and invitees, their mortgagees, successors and assigns, expressly reserves an easement for ingress and egress and utility purposes over and across all roads existing from time to time within the Condominium Property, if such property is submitted to the Condominium Form of Unit Ownership.

(j) Grant of Additional Easements; Modifications and Termination. The Association shall have the right to (i) grant and declare additional easements over, upon, under and/or across the Common Areas in favor of the Unit Owners and residents of the Condominium and their guests and invitees, or in favor of any other person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements within or outside of the Condominium in favor of the Association and/or the Unit Owners and residents of the Condominium and their guest and invitees or in favor of any person, entity, public or quasi-public authority, or utility company, as the Association may deem desirable for the proper operation and maintenance of the Condominium, or any portion thereof, or for the health,

safety or welfare of the Unit Owners, or for any other reason or purpose. So long as such additional easements, or the modification, relocation or abandonment of existing easements will not unreasonably and adversely interfere with the use of Condominium Units or Condominium Lot for dwelling purposes, no joinder of any Unit Owner or any mortgagee of any Condominium Unit or Condominium Lot shall be required or, if same would unreasonably and adversely interfere with the use of any Condominium Unit or Condominium Lot for dwelling purposes, only the joinder of the Unit Owners and mortgagees of Condominium Units or Condominium Lot so affected shall be required. To the extent required, all Unit Owners hereby irrevocably appoint the Association as their attorney-in-fact for the foregoing purposes.

(k) Maintenance of Improvements. The Declarant for itself and the Association reserves easements over the Condominium Property for ingress and egress, or for such other purposes as shall not unreasonably interfere with the customary use of the Condominium Property, including construction, maintenance, operation and the like over the Condominium Property.

(l) Cross Easements. Declarant, for itself and for the owners of residences constructed on the Phases II, III and IV lands shown on Exhibit "B" attached, and the association(s) operating such Phases II, III and IV lands shown on Exhibit "B" attached, reserves a perpetual non-exclusive easement for utilities, drainage and ingress and egress, together with the right to maintain and repair same, over, under and across those portions of the Common Areas of this Condominium not occupied by a building. Further, Declarant hereby grants to the Association and the Unit Owners a non-exclusive perpetual easement for utilities, drainage, parking and ingress and egress, together with the right to maintain and repair same, over, under and across the portions of the Phase II, Phase III and Phase IV lands not ultimately occupied by building(s) constructed by Declarant or its successors or assigns.

(m) Sales and Leasing Activity. For as long as the Declarant retains any ownership interest in any portion of Seasons at Sandpoint, the Declarant, its designees, successors and assigns, shall have the right to use any such Units and parts of the Common Areas or Condominium Property for guest accommodations, model apartments and sales, leasing and construction offices, to show model Units and the Common Areas to prospective purchasers and tenants of Units and/or "units" or "improvements" intended to be constructed within Seasons at Sandpoint, and/or to erect on the Condominium Property and Condominium Property signs and other promotional material to advertise Units or other portions of Seasons at Sandpoint for sale or lease.

(n) Warranty. For as long as Declarant remains liable under any warranty, whether statutory, express or implied, for act or omission of Declarant in the development, construction, sale and marketing of the Condominium, then Declarant and its contractors, agents and designees shall have the right, in Declarant's sole discretion and from time to time and without requiring prior approval of the Association and/or any Unit Owner (provided, however, that absent an emergency situation, Declarant shall provide reasonable advance notice), to enter the Condominium Property, including the Units, Common Areas and Limited Common Areas, for the purpose of inspecting, testing and surveying same to determine the need for repairs, improvements and/or replacements, and effecting same, so that Declarant can fulfill any of its warranty obligations. **Nothing herein shall be deemed or construed as the Declarant making**

or offering any warranty, all of which are disclaimed (except to the extent same may not be) as set forth in Section 27(c) below.

(o) Exterior Building Maintenance. An easement is hereby reserved on, through and across each Unit and all Limited Common Areas appurtenant thereto in order to afford access to the Association (and its contractors) to perform roof repairs and/or replacements, repair, replace, maintain and/or alter rooftop mechanical equipment, to stage window washing equipment and to perform window washing and/or any other exterior maintenance and/or painting of the Building.

(p) Party Walls. All dividing walls between Condominium Units or Condominium Lots and which stand partly upon one Condominium Unit or Condominium Lot and partly upon another, and all walls which serve two or more Condominium Units or Condominium Lots or the permitted improvements located within said Condominium Units or Condominium Lots, shall at all times be considered party walls, and each of the Owners of Condominium Units or Condominium Lots within which such party walls shall stand, serve or benefit shall have the right to use said party wall within the Condominium Unit or Condominium Lot and along the whole length or any part of the length thereof for support of the permitted improvements located within said Condominium Units or Condominium Lots, and for the support of any Condominium Unit or Condominium Lot constructed to replace the same, and shall have the right to maintain in or on said wall, any pipes, ducts or conduits originally located therein or thereon, subject to the restrictions that no Owner of any Condominium Unit or Condominium Lot nor any successor in interest to any such Owner shall have the right to alter or extend said party wall in any manner, either in length, height or thickness.

9. DECLARANT'S UNITS AND PRIVILEGES. The Declarant is irrevocably empowered, notwithstanding anything herein to the contrary, to sell, lease or rent Condominium Units or Condominium Lots to any person approved by it, subject to the terms of Section 22, unless prohibited by law. The Declarant shall have the right to transact on the Condominium Property any business necessary to consummate the sale of Condominium Units or Condominium Lots, including but not limited to the right to maintain models, sales offices and construction trailers, erect signs, place employees in the office, use the Common Areas and show unsold Condominium Units or Condominium Lots. In addition to and without limiting the generality of the foregoing, the Declarant shall have the right to show the Condominium Units or Condominium Lots it owns, the Limited Common Areas appurtenant thereto, if any, and the Common Areas to prospective purchasers and tenants, as well as the right to maintain a sales office, and to place and maintain signs and other promotional material on the Condominium Project. The sales office(s), signs and all items pertaining to sales shall not be considered Common Areas and shall remain the property of the Declarant. In the event there are unsold Condominium Units or Condominium Lots, the Declarant retains the right to be the Unit Owner thereof, under the same terms and conditions as other Unit Owners, save for this right to sell, rent or lease as contained in this paragraph.

10. PERCENTAGE OF UNIT OWNERSHIP OF COMMON AREAS. The undivided share of Unit Ownership of the Common Areas attributable to each Condominium Unit shall be computed upon the following basis:

(a) Pursuant to Idaho Code § 55-1505(c) the percentage of ownership interest in the Common Areas which is to be allocated to each Condominium Unit for purposes of tax assessment under Idaho Code § 55-1514, and for purposes of liability under Idaho Code § 55-1515, shall be fixed by taking as a basis the value of each Condominium Unit in relation to the value of the Condominium Property, including all improvements thereon, as a whole.

(b) If and when the Declarant elects to submit additional phases to the Condominium Form of Ownership, the percentage of the undivided ownership interest in the Common Areas appurtenant to each Condominium Unit of the prior phases shall be prospectively adjusted upon the phasing in of the additional phase through supplements to the Declaration and/or Condominium Plat Map, and the new percentage of the undivided ownership interest in the Common Areas appurtenant to each Condominium Unit at that time shall be determined prior to the first sale of a Condominium Unit in each additional phase. The adjusted fractional undivided ownership interest in the Common Areas attributable to each Condominium Unit shall be binding upon the Unit Owners, their grantees, assigns, successors, executors or heirs of each and every Condominium Unit previously submitted to the Condominium Form of Ownership pursuant to the Declaration.

11. COMMON EXPENSES AND COMMON SURPLUS.

Common Expenses of the Association, as defined herein, shall be shared by all Unit Owners. The undivided share of the Common Expenses and Unit Ownership of the Common Surplus attributable to each Condominium Unit shall be computed upon the following basis:

The Declarant has not considered the size of the Unit in apportioning the Common Expenses and in determining the Unit Ownership of Common Surplus. Each Unit in Condominium has an undivided one thirtieth (1/30th) share in the Unit Ownership of the Common Surplus, and in apportioning the Common Expenses.

(a) If and when the Declarant elects to submit additional phases to Condominium ownership, the percentage of the undivided ownership interest in the Common Surplus and in apportioning the Common Expenses appurtenant to each Unit of the prior phases shall be automatically adjusted and the new percentage of the undivided ownership interest in the Common Surplus and in apportioning the Common Expenses appurtenant to each Unit Condominium at that time shall be determined by dividing one by the total number of Units which have been submitted to the Condominium ownership. Thus, for example, if and when Phase II is added to the Condominium and assuming that Phase II will have thirty (30) Units, each Unit in Phase I and Phase II will have appurtenant to it a one sixtieth (1/60th) undivided ownership interest in the Common Surplus and in apportioning the Common Expenses. The adjusted fractional undivided ownership interest in the Common Surplus and in apportioning the Common Expenses attributable to each Unit shall be binding upon the Unit Owners, their grantees, assigns, successors, executors or heirs of each and every Unit previously submitted to Condominium ownership pursuant to the Declaration.. It is understood that this shall include all expenses in connection with any assessments, insurance and all other expenditures for which the Association shall be responsible.

12. MANAGEMENT BODY. The affairs of the Condominium shall be conducted by a corporation incorporated pursuant to the Idaho Nonprofit Corporation Act of Title 30, Chapter 3, Idaho Code. The name of the corporation to conduct the affairs of the Condominium shall be SEASONS AT SANDPOINT ASSOCIATION, INC., (the "Association"). The Articles of Incorporation are attached hereto as Exhibit "C" and made a part hereof by this reference. The Bylaws of the Association are attached hereto as Exhibit "D" and made a part hereof by this reference. All Unit Owners are eligible to be elected to the Board of Directors of the Association unless the Unit Owner has been convicted of any felony by any court of record in the United States or the Unit Owner has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence.

13. UNIT OWNERSHIP IN THE ASSOCIATION.

(a) The Association shall at all times maintain a register setting forth names of the Unit Owners of all of the Condominium Units and Condominium Lots and in the event of the sale or transfer of any Condominium Unit or Condominium Lot to a third party, the purchaser or transferee shall notify the Association in writing of his or her interest in such Condominium Unit or Condominium Lot together with such recording information as shall be pertinent to identify the instrument by which purchaser or transferee has acquired his or her interest in the Condominium Unit or Condominium Lot. Further, the Unit Owner of each Condominium Unit or Condominium Lot shall at all times notify the Association of the names of the parties holding any mortgage or mortgages on any Condominium Unit or Condominium Lot, the amount of such mortgage or mortgages and the recording information which shall be pertinent to identify the mortgage or mortgages. The holder of any mortgage or mortgages upon any Condominium Unit or Condominium Lot may, if he or it so desires, notify the Association of the existence of any mortgage or mortgages held by such party on any Condominium Unit or Condominium Lot and, upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

(b) The Declarant and all persons hereinafter owning an interest in the Condominium Units or Condominium Lots, whose interest is evidenced by the recordation of a proper instrument in the Public Records of Bonner County, Idaho, shall automatically be Unit Owners of the Association and such Unit Ownership shall automatically terminate when such persons have divested themselves of such interest.

(c) Voting Rights. The Association shall have two classes of voting membership.

CLASS A. Class A members shall be all Unit Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Condominium Unit or Condominium Lot owned.

CLASS B. The Class B member shall be the Declarant as defined in the Declaration. The Class B member shall be entitled to ten (10) votes for each Condominium Unit or Condominium Lot owned, plus ten (10) votes for each un-built Condominium Unit or Condominium Lot that may be added pursuant to the Declaration so long as said Condominium Units or Condominium Lots are added to the Declaration within 7 years of the date of recording

the Declaration. The remainder of the Class B membership appurtenant to Condominium Units or Condominium Lots shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

- (1) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership appurtenant to Units,
- (2) On July 1, 2014, or
- (3) At such earlier time as determined by Delcarant.

When more than one person holds an interest in any Condominium Unit or Condominium Lot, all such persons shall be members. The vote for such Condominium Unit or Condominium Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Condominium Unit or Condominium Lot. Fractional votes shall not be allowed. A Unit Owner or Unit Owners of a single Condominium Unit or Condominium Lot shall collectively be entitled to one (1) vote for that Condominium Unit or Condominium Lot, which vote shall be cast by the voting Unit Owner. If any Condominium Unit or Condominium Lot is owned by more than one person, other than a husband and wife, one of the Unit Owners of such Condominium Unit or Condominium Lot shall be designated, by a duly sworn certificate signed by all of the record Unit Owners of the Condominium Unit or Condominium Lot and filed with the Secretary of the Association, as the voting Unit Owner for that Condominium Unit or Condominium Lot. Failure by all Unit Owners of a Condominium Unit or Condominium Lot (except in the case of a husband and wife who are the sole Unit Owners of the Condominium Unit or Condominium Lot) to file such a sworn certificate with the Secretary prior to a Unit Owners' meeting shall result in depriving such Unit Owners of a vote at such meeting. In the case of a corporation, partnership or joint venture, the officer, director, agent or partner entitled to vote shall be designated by a certificate signed by the appropriate officer, director or partner of such entity and filed with the Secretary of the Association. In the case a husband and wife are the sole Unit Owners of the Condominium Unit or Condominium Lot, they need not designate the voting Unit Owner and either of them appearing at a meeting of the Unit Owners may, if there is no objection from the other, cast the voting interest for that Condominium Unit or Condominium Lot. The appearance at any meeting of any co Unit Owner of a Condominium Unit or Condominium Lot shall constitute that Condominium Unit's or Condominium Lot's presence for the purpose of establishing a quorum, whether or not the co Unit Owner in attendance is authorized to vote. Whenever a particular numerical or percentage vote is called for or provided for in this Declaration, or the Articles or Bylaws unless the particular provision describing the vote required shall specifically require to the contrary, the vote required shall be that percentage or fraction of the total number of voting interest of the Unit Owners present and voting, or if the provision involved so requires, that percentage or fraction of the total number of votes entitled to be voted on the matter. Unless a particular provision shall require otherwise, a majority vote of the number of voting interests of Unit Owners present and voting and entitled to vote on any matter shall be controlling, provided a quorum is present. A person or entity owning an interest in more than one (1) Condominium Unit or Condominium Lot may be designated as a voting Unit Owner for each Condominium Unit or Condominium Lot which he or it owns, and may cast one (1) vote for each such Condominium Unit or Condominium Lot. The vote

applicable to any said Condominium Unit or Condominium Lot being sold under contract of purchase shall be exercised by the contract seller, unless the contract expressly provides otherwise.

(d) All the affairs, policies, regulations and property of the Association shall be controlled and governed by the Board of Directors of the Association, consisting of not less than three (3) and not more than seven (7) voting Unit Owners who are to be elected annually in accordance with the Articles and Bylaws; provided, at all times there may only be an odd number of Directors on the Board.

(e) Subsequent to the filing of this Declaration, the Association, upon approval of a majority of the Board of Directors may purchase and/or acquire and enter into agreements, from time to time, whereby it acquires leaseholds, Unit Ownerships and other possessory or use interests in lands or facilities, including but not limited to country clubs, golf courses, marinas and other recreational facilities, whether or not contiguous to the lands of the Condominium intended to provide for the enjoyment, recreation and other use or benefit of the Unit Owners. The expense of Unit Ownership, rental fees, operations, replacements and other undertakings in connection therewith shall be Common Expenses, together with all other expenses and costs herein or by law defined as Common Expenses.

14. AMENDMENT OF DECLARATION.

(a) This Declaration may be amended by affirmative vote of sixty-seven percent (67%) of the Unit Owners at a meeting duly called for such purpose pursuant to the Bylaws; provided, however, that no amendment shall be made which shall in any manner impair the security of an Institutional Mortgagee having a mortgage or other lien against any one or more Condominium Units, Condominium Lots or Condominium Parcels, or any other record Unit Owners of liens thereon; provided, however under no circumstance shall the Association be able to amend any of the rights affecting the Declarant, without the Declarant's consent nor revise the leasing restrictions set forth herein, without the consent of at least ninety-five percent (95%) of the Unit Owners, and the consent of Declarant to the extent that Declarant still owns a Unit in the Condominium. However, if an amendment is only for the purpose to correct an error or omission in this Declaration or in other documentation required by law to establish the condominium form of Unit Ownership, then such amendment shall nevertheless be effective when duly passed by an affirmative vote of fifty-one (51%) percent of the Unit Owners of the Association present or represented by written proxy in accordance with the Bylaws and recorded among the Public Records of Bonner County, Idaho; provided, however, that the property rights of the Unit Owners are not materially and/or adversely affected by such amendment.

(b) Unless otherwise specifically to the contrary in this Declaration, no amendment shall change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to any Unit, or change the percentage by which the Owner of a Unit shares the Common Expenses and owns the Common Areas and Common Surplus (any such change or alteration being a "Material Amendment"), unless the record Owner(s) thereof, and all record owners of mortgages or other liens thereon, shall join in the execution of the amendment and the amendment is otherwise approved by in excess of 66 2/3% or more of the voting interests of Unit Owners. The acquisition of property by the Association, and material

alterations or substantial additions to such property or the Common Areas by the Association, if in accordance with the provisions of this Declaration, shall not be deemed to constitute a material alteration or modification of the appurtenances of the Units, and accordingly, shall not constitute a Material Amendment.

(c) Notwithstanding anything herein contained to the contrary, during the time the Declarant has the right to elect a majority of the Board of Directors of the Association, the Declaration, the Articles of Incorporation or the By-Laws of the Association may be amended by the Declarant alone, without requiring the consent of any other party, to effect any change whatsoever, except for an amendment to permit time-share estates (which must be approved, if at all, by all Unit Owners and mortgagees on Units). No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Declarant, without the consent of the Declarant in each instance.

(d) An amendment, other than amendments made by the Declarant alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association, executed either by the President of the Association or a majority of the members of the Board of Directors which shall include recording data identifying the Declaration and shall be executed with the same formalities required for the execution of a deed. An amendment of the Declaration is effective when the applicable certificate is properly recorded in the public records of the County. No provision of this Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of this Declaration shall contain the full text of the provision to be amended; new words shall be inserted in the text and underlined; and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicated to words added or deleted but, instead a notation must be inserted immediately preceding the proposed amendment in substantially the following language: ("Substantial rewording of the Declaration. See provision ___ for present text.").

(e) Notwithstanding any provision of this Declaration to the contrary, mortgagee consent shall not be required for any amendment to this Declaration unless such amendment materially affects the rights and interests of any mortgagee, or is otherwise required by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and no mortgagee shall unreasonably withhold its consent to any proposed amendment. Except for amendments to this Declaration changing the configuration or size of any Condominium Unit or Condominium Lot in any material fashion, materially altering or modifying the appurtenances to any Condominium Unit or Condominium Lot, or changing the proportion or percentage by which the Unit Owner of any Condominium Unit or Condominium Lot shares the common expenses and owns any common surplus and except for any amendments to this Declaration permitting time-share estates, amendment to this Declaration shall be presumed not to materially affect the rights or interests of mortgagees. In the event that mortgagee(s) consent to any amendment to this Declaration is provided other than by a properly recorded joinder, such consent shall be evidenced by an affidavit of an officer of the Association recorded in the Public Records of Bonner County, Idaho. This Section may not be amended without the consent of the Declarant and all of the mortgagees of Condominium Units or Condominium Lots.

15. TYPE OF UNIT OWNERSHIP. Unit Ownership of each Condominium Parcel, which shall include the Condominium Unit and the undivided share in the Common Areas herein specified, or each Condominium Lot shall be evidenced by Special Warranty Deed from the Declarant conveying fee simple title to the Condominium Parcel or Condominium Lot.

16. ASSESSMENTS, LIABILITY, LIEN, INTEREST, COLLECTION.

(a) The Association, through its Board of Directors, shall have the power to make and collect assessments, special assessments and such other assessments as are provided for by the Condominium Act, this Declaration and/or the Bylaws.

(b) Common Expenses shall include but not be limited to costs and expenses incurred or expended by the Association for operation, maintenance and management of the Condominium Property, assessments payable to any other home Unit Owners, or condominium association or other association for the maintenance, repair and/or replacement of roads, boardwalks, sand dunes or other improvements benefiting the Condominium Property or any part thereof, property taxes and assessments against the Condominium Property (until such time as any of such taxes and assessments are made against the Condominium Parcels individually and thereafter only as to such taxes or assessments, if any, as may be assessed against the Condominium Property as a whole), insurance premiums as described in Section 19, legal and accounting fees, management fees and operating expenses of the Condominium Property and the Association; maintenance, repairs and replacement (but only as to the Common Areas and Limited Common Areas, except for emergency repairs or replacements to individual Condominium Units or Condominium Lots deemed necessary to protect the Common Areas and if properly chargeable to the individual Condominium Unit or Condominium Lot concerned the Association may nevertheless thereafter charge such individual Unit Owner concerned), charges for utility and water used in common for the benefit of the Condominium or if not separately metered for each unit and any bulk metered or bulk calculated utility services rendered to the Condominium Property or the Condominium Units or Condominium Lots for their benefit, cleaning and janitorial services for the Common Areas and Limited Common Areas, the costs for the basic cable package for cable television and liability incurred by the Association in and about the enforcement of its rights and duties against the Unit Owners or others, and the creation of reasonable contingency or reserve requirements for the protection of the Unit Owners and the Condominium Property (i.e., reserves for replacements, operating reserve to cover deficiencies and unforeseen contingencies), and all other expenses declared by the Board of Directors of the Association to be Common Expenses from time to time, and any and all other sums due from the Association under any lease, contract or undertaking for recreational facilities, including, but not limited to the Common Expenses set forth in Section 38.

(c) The Association shall estimate from time to time the amount of Common Expenses it expects to incur and the period of time involved therein and shall assess sufficient monies from Unit Owners to meet this estimate. Assessments for Common Expenses shall be borne by Unit Owners in the portions or shares set forth in Section 11 hereinabove. Assessments shall be payable quarterly or in such other installments and at such other times as may be fixed by the Board of Directors.

(d) Should the Association through its Board of Directors at any time determine that the assessments made are not sufficient to pay the Common Expenses or, in the event of emergencies, the Board of Directors shall have the authority to levy and collect additional assessments to meet such needs of the Association.

(e) All notices of assessments from the Association to the Unit Owners shall designate when they are due and payable.

(f) The Association has a lien on each Condominium Parcel or Condominium Lot for any unpaid assessments, regular or special, made hereunder and costs incurred in collecting same, including reasonable attorney's fees and interest (as described in Section 16(g) below), which are incident to the collection of the assessment with respect to said Condominium Parcel or Condominium Lot or enforcement of the lien. The lien is effective from and shall relate back to the last to occur of the recording of this Declaration of Condominium or an amendment hereto creating the Condominium Parcel or Condominium Lot. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien. The lien shall be recorded in the Public Records of Bonner County, Idaho and provide for the description of the Condominium Parcel or Condominium Lot, the name of the record Unit Owner, the name and address of the Association, the amount due and the due dates.

(g) In addition to the lien rights set forth above, the Association shall be entitled to collect interest at a rate determined by the Association which rate shall not exceed the highest rate allowed by law from the due date until the date of payment of any assessment, regular or special, made hereunder which is not paid within ten (10) days of the due date of any such assessment.

(h) A Unit Owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure is liable for all assessments which come due while he or she is the Unit Owner. Additionally, a Unit Owner is jointly and severally liable with the previous Unit Owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the Unit Owner may have to recover from the previous Unit Owner the amounts paid by the Unit Owner. The liability of a first mortgagee or its successors or assignees who acquire title to a Unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due prior to the mortgagee's acquisition of title is limited to the lesser of:

(1) The Condominium Unit's or Condominium Lot's unpaid common expenses and regular periodic assessments which accrued or came due during the six (6) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or

(2) One percent (1%) of the original mortgage debt. The provisions of this paragraph shall not apply unless the first mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discovered by the Mortgagee.

The person acquiring title shall pay the amount owed to the Association within thirty (30) days after transfer of title. Failure to pay the full amount when due shall entitle the Association to record a claim of lien against the Parcel and proceed in the same manner as provided in this section for the collection of unpaid assessments.

(i) The Association may bring an action in its name to foreclose a lien for assessments in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien.

(i) Assessments shall not commence with respect to any Unit until such time as the Declarant has conveyed the Unit to an independent third party purchaser, and the Declarant shall not be liable for any assessments on Units it owns.

17. MAINTENANCE. The responsibility for the maintenance of the Condominium Property as it may apply hereafter, shall be as follows:

(a) By the Association. The Association shall be responsible for the maintenance, repair or replacement of the following:

(i) All Common Areas, including the clubhouse and marina.

(ii) All portions of the Condominium Units or Condominium Lots (except normal maintenance of interior wall surfaces) contributing to the support of the Building, which portions shall include, but not be limited to, the outside walls of the Building, load bearing columns, the roofs of the Buildings and the skylights, if any, on the Condominium Property.

(iii) All Common Areas including but not limited to conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of the Condominium Unit contributing to the support of the Building or within interior boundary walls and all such facilities contained within a Condominium Unit which service part or parts of the Condominium other than the Condominium Unit within which it is contained.

(iv) All Limited Common Areas, except as described in subparagraph 17(b) of this Declaration.

(v) All incidental damage caused to a Condominium Unit or Condominium Lot by such work shall be promptly repaired at the expense of the Association.

(vi) A portion of the roadways, entryways, and entryway features servicing the Property.

(b) By the Unit Owner. Each Unit Owner shall operate, maintain, repair and replace, at the Unit Owner's expense:

(i) All portions of the Condominium Unit or Condominium Lot, if any, except the portions to be maintained, repaired and replaced by the Association. Included within the responsibility of the Unit Owner shall be windows, screens on windows and doors on

the exterior of his Condominium Unit or Condominium Lot, and framing for same. All such maintenance, repairs and replacements shall be done without disturbing the rights of other Unit Owners.

(ii) The HVAC systems exclusively serving the Unit Owner's Condominium Unit or Condominium Lot, whether inside or outside of his Condominium Unit or Condominium Lot.

(iii) To the extent applicable, the Unit Owner's terrace areas, balconies, storage area and the garage.

(iv) Within the Unit Owner's Condominium Unit or Condominium Lot, all cabinets, electrical fixtures, appliances, water heaters, carpeting, other floor coverings and interior floor surfaces, wall and ceiling coverings and finishes, including the interior wall and ceiling surfaces, sheetrock, drapes, blinds and other window coverings and treatments, sinks, fans, stoves, refrigerators, washers, if any, dryers, if any, disposals, if any, compactors, if any, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, television transmission, sewage and sanitary service to the Condominium Unit or Condominium Lot, as well as all personal property of the Unit Owner.

(v) All tubing, wiring and pipes that only serve the individual Condominium Unit or Condominium Lot.

(vi) With respect to all apertures of a Condominium Unit or Condominium Lot, the interior, unfinished surfaces of such apertures, including all frameworks thereof, exterior surfaces made of glass or other transparent materials, exterior doors of any type, including the locks, hinges and other hardware thereof, and all framings and casings thereof shall be maintained and repaired by the Unit Owner.

All property to be maintained, repaired and/or replaced by a Unit Owner shall be maintained at all times in a first class condition and in good working order, if same affects the exterior appearance of the Condominium, so as to preserve a well-kept appearance throughout the Condominium, and no such maintenance repair or replacement shall be performed in a manner which changes or alters the exterior appearance of the Condominium from its original appearance or condition without the prior written consent of the Association, and in all circumstances in accordance with the Community Wide Standards. All property to be maintained, repaired and/or replaced by a Unit Owner which is inside of the Unit Owner's Condominium Unit or Condominium Lot and which does not affect the exterior appearance of the Condominium shall be maintained at all times in a condition which does not and will not adversely affect any other Unit Owner or any portion of the Condominium Property.

No Unit Owner shall operate, maintain, repair or replace any portion of the Common Areas or Common Facilities to be operated, maintained, repaired and/or replaced by the Association without first obtaining written approval from the Association. Each Unit Owner shall promptly report to the Association any defects or need for repairs, maintenance or replacements, the responsibility for which is that of the Association.

Notwithstanding anything herein to the contrary, the cost and expense of any maintenance, repair or replacement of the Condominium Property necessitated by the negligence, misuse or neglect of a specific Unit Owner(s) shall be the sole responsibility of said Unit Owner(s).

(c) At the option of the Association:

The Association may, at its own expense:

(i) Use and expend the assessments collected, to maintain, care for and preserve the Condominium Property, except those portions thereof which are expressly required to be maintained, cared for and preserved by the Unit Owners and except that assessments for reserves shall be used for the purposes for which they are reserved unless their use for other purposes is approved in advance by a vote of the majority of the voting interest of the Association at a duly called meeting;

(ii) Purchase the necessary equipment and tools required in the maintenance, care and preservation referred to above;

(iii) Enter into and upon the Condominium Units or Condominium Lots when necessary and with as little inconvenience to the Unit Owners as possible in connection with the maintenance, repair or replacement of any Common Areas including any Limited Common Areas or for making emergency repairs which are necessary to prevent damage to the Common Areas including any Limited Common Areas or to another Condominium Unit(s) or Condominium Lot(s). Whenever it is necessary to enter any Condominium Unit or Condominium Lot for the purpose of performing any such maintenance, repair and replacement, the Unit Owner shall permit the Association or persons authorized by it to enter the Condominium Unit or Condominium Lot for such purposes, provided that such entry may be made only at reasonable times and with reasonable advance notice, except that in the case of an emergency, no advance notice will be required. To facilitate entry in the event of any emergency, the Unit Owner of each Condominium Unit or Condominium Lot, shall deposit a key to his Condominium Unit or Condominium Lot with the Board of Directors;

(iv) Insure and keep insured said Condominium Property in the manner set forth in the Declaration against loss from fire and/or other casualty, and Unit Owners against public liability and to purchase such other insurance as the Board of Directors may deem advisable;

(v) Collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from the Unit Owners for violation of the Bylaws, the Rules and Regulations, if any, and the terms and conditions of this Declaration;

(vi) To employ workmen, janitors and gardeners and purchase supplies and equipment, to enter into contracts in connection with any of the foregoing items or for other services deemed advisable and to delegate to such contractor or manager such powers as may be necessary in connection with the operation of the Buildings and the Condominium Property;

(vii) To pay any charge, assessment or tax imposed by any improvement district or special taxing district; and

(viii) To perform any other tasks or functions permitted pursuant to the Articles of Incorporation.

18. ENFORCEMENT OF MAINTENANCE. In addition to the rights of the Association under Section 25, the Association or any Unit Owner or the owner of any recorded mortgage upon any part of the Condominium Property, 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 the provisions of this Declaration. Failure by the Association or by a Unit Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In the event the Association or a Unit Owner is required to initiate any action to enforce the provisions of this Declaration, it shall be entitled to recover from the Unit Owner against whom enforcement is sought, all attorney fees and costs incurred as a consequence thereof, whether or not any lawsuit is actually filed, and any such attorney fees and costs so incurred by the Association shall be a continuing lien on the Unit Owner's Unit and be added to and become a part of the assessment to which such Unit Owner's Unit is subject.

19. INSURANCE. The insurance (other than title insurance) which shall be carried upon the Condominium Property and the property of the Unit Owners shall be governed by the following provisions:

(a) Purchase; named insured; custody and payment of policies. Pursuant to the provisions of Idaho Code § 55-1517 the Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Unit Owners, the Condominium Property, the Common Areas, Limited Common Areas and the respective Condominium Units and Condominium Lots for the full replacement or insurable value thereof. The named insured shall be the Association individually and as trustee for the Unit Owners covered by the policy without naming them and their mortgagees to the extent of their respective interests. Unit Owners may obtain insurance coverage at their own expense upon their personal property and for their personal liability. All policies shall provide thirty (30) days' notice of cancellation to the Association. The above insurance provision specifically does not include coverage on personal property coverage for floor coverings, wall coverings and ceiling coverings, or interior floor, wall and ceiling surfaces and sheetrock of each Condominium Unit or Condominium Lot, or for personal liability or living expenses of Unit Owners. Each Unit Owner should obtain insurance coverage at his own expense to protect his Condominium Unit or Condominium Lot, furnishings, including floor coverings, wall coverings or ceiling coverings, interior floor, wall and ceiling surfaces and sheetrock furniture, personal property, personal liability, and living expenses and all electrical fixtures, appliances, air conditioner, heating equipment, water heater and built in cabinets located within the Condominium Unit or Condominium Lot. The insurance coverage acquired by the Association does not protect a Unit Owner against liability, personal injury or damage occurring within his Condominium Unit or Condominium Lot; it does not cover loss or damage to the Unit and its contents resulting from fire, theft, loss, vandalism, wind, water, rain or other casualty, and does not include floor coverings, wall coverings, ceilings coverings, or interior floor, wall and ceiling surfaces and sheetrock, living expenses and all electrical fixtures,

appliances, air conditioner, heating equipment, water heater and built in cabinets located within the Condominium Unit or Condominium Lot. It shall be the obligation of the individual Unit Owner to purchase and pay for any insurance covering such risks.

(b) Coverage.

(1) Casualty insurance coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the Buildings on the Condominium Property.

(2) Public liability coverage in such amounts and with such coverage as shall be required by the Board of Directors of the Association, with cross-liability endorsement to cover liabilities of the Unit Owners as a group.

(3) Workers' compensation coverage to meet legal requirements.

(4) Flood insurance coverage to meet legal requirements.

(ii) Fidelity Bonds. The Association may obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this section, the term "persons who control or disburse funds of the Association", includes but is not limited to those individuals authorized to sign checks, and the president, secretary and the treasurer of the Association. The Association shall bear the cost of bonding.

(1) Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

(c) Premiums. Premiums upon such insurance policies purchased by the Association shall be a Common Expense. If any policy of insurance is canceled, the Association shall give notice to each mortgagee listed in the roster of mortgagees.

(d) Shares of proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association as trustee for the Unit Owners and their mortgagees. The duty of the Association as trustee for the Unit Owners shall be to receive the insurance proceeds and other funds that are paid to it and hold the same in trust for the purposes stated herein and for the benefit of the Unit Owners and their mortgagees in the following shares:

(1) Unit Owners. An undivided share for each Unit Owner of a Condominium Unit or a Condominium Lot, that share being the same as would be apportioned pursuant to the formula for the ownership of Common Surplus contained in Section 11 above.

(2) Mortgagees. In the event a mortgagee endorsement of an insurance policy has been issued as to a Condominium Unit or Condominium Lot, the share of

the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear. Any Institutional Mortgagee or person holding a mortgage on a Condominium Unit or Condominium Lot shall be entitled to request and receive a mortgagee endorsement to the hazard insurance carried by the Association if such mortgagee endorsement is reasonably available, and a copy of the policy. No mortgagee shall have any right to participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of proceeds made to the Unit Owner and mortgagee, which distributions shall be made by check payable jointly to the Unit Owner and mortgagee.

(e) Distribution of proceeds. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the beneficial Unit Owners in the manner hereafter provided.

(f) Association as agent. The Association is irrevocably appointed agent for each Unit Owner and for each holder of a mortgage or other lien upon a Condominium Unit or Condominium Lot and for each Unit Owner of any other interest in the Condominium Property, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

(g) Determination whether to reconstruct and repair. Whether or not Condominium Property damaged by casualty shall be reconstructed and repaired shall be determined in the following manner:

(1) Lesser Damage. If two-thirds (2/3) or more of the Condominium Units or Condominium Lots are tenantable after the casualty (as determined by the Board of Directors of the Association), the damaged Condominium Property shall be reconstructed and repaired.

(2) Major Damage. If less than two thirds (2/3) of the Condominium Units or Condominium Lots are tenantable after the casualty (as determined by the Board of Directors of the Association), whether the damaged Condominium Property will be reconstructed and repaired or the Condominium terminated shall be determined at a meeting of Unit Owners which shall be held within sixty (60) days from the casualty. Notice of such meeting shall be properly given to all such Unit Owners, and a majority of the voting interests shall constitute a quorum for such meeting. If the reconstruction and repair is approved at the meeting by a majority of the Unit Owners present at the meeting, the damaged Condominium Property will be reconstructed and repaired; but if not so approved, the Condominium shall be terminated in the manner provided in this Declaration for termination by agreement, except that no further consent or vote of Unit Owners or mortgagees shall be required for such termination, it being conclusively presumed in such instance that the required number of Unit Owners and mortgagees have consented to such termination.

(3) Binding Decision. The Board of Directors of the Association's decision as to whether or not less than two-thirds (2/3) of the Condominium Units or Condominium Lots are tenantable after a casualty shall be binding upon all Unit Owners.

(h) Responsibility for reconstruction and repair. The responsibility for reconstruction and repair after casualty shall be the same as for maintenance and repair of the Condominium Property as provided herein.

(i) Plans and Specifications. Any reconstruction and repair must be substantially in accordance with the plans and specifications for the original improvements, or if not, then according to plans and specifications approved by the Board of Directors of the Association and two-thirds (2/3) of the voting interests.

(j) Assessments, determination of sufficiency of funds. If the proceeds of insurance are not sufficient to defray the costs of construction and repair for which the Association is responsible, assessments shall be made by the Association against all Unit Owners in sufficient amounts to provide funds for the payment of those costs previously incurred or to be incurred. The assessments shall be made as for a Common Expense.

(k) Disbursement of Funds. The funds held by the Association after a casualty, which will consist of proceeds of insurance and the sums collected from assessments against Unit Owners on account of the casualty, shall be disbursed in the following manner and order:

(1) Termination of the Condominium. If the Condominium is terminated by failure of the Unit Owners to approve reconstruction and repair after Major Damage, the insurance funds shall be remitted jointly to the Unit Owners and their mortgagees of the damaged Condominium Units or Condominium Lots to compensate them for the cost of reconstruction and repair. The Unit Owners and their mortgagees of the damaged Condominium Unit or Condominium Lots shall receive a share equal to the estimated cost of reconstruction and repair of the damage in each Condominium Unit or Condominium Lot as it bears to the total of these costs in all damaged Condominium Units or Condominium Lots; provided, however, that no Unit Owner and his mortgagee shall be paid an amount in excess of the estimated cost of repair of his Condominium Unit or Condominium Lot. The remaining funds shall be owned by the Unit Owners pursuant to the formula for the ownership of Common Surplus contained in Section 11 above prior to the termination, and shall be distributed to the beneficial Unit Owners, remittances to Unit Owners and their mortgagees being made payable jointly to them.

(2) Reconstruction and repair of damage. If the damaged property is to be reconstructed and repaired, the funds shall be disbursed in the following manner:

(1) If the estimated costs of reconstruction and repair which are the responsibility of the Association do not exceed Ten Thousand Dollars (\$10,000.00), the funds shall be disbursed by the Association upon the order of the Association in payment of these costs.

(2) If the estimated costs of reconstruction and repair which are the responsibility of the Association exceed Ten Thousand Dollars (\$10,000.00), the funds shall be disbursed by the Association in payment of these costs in the manner required by the Board of Directors of the Association, which shall supervise the work and approve all disbursements as being due and properly payable.

(3) If there is a balance of insurance proceeds after payment of the cost of reconstruction and repair which are the responsibility of the Association, this balance shall be distributed to Unit Owners of damaged Condominium Units or Condominium Lots who have responsibility for reconstruction and repair of their Condominium Units or Condominium Lots. The distribution shall be in the shares that the estimated cost of reconstruction and repair of this damage in each damaged Condominium Unit or Condominium Lot bears to the total of these costs in all damaged Condominium Units or Condominium Lots; provided, however, that no Unit Owner shall be paid an amount in excess of the estimated cost of repair of his Condominium Unit or Condominium Lot. If there is a mortgage upon a Condominium Unit or Condominium Lot, the distribution shall be paid to the Unit Owner and the mortgagee jointly and they may use the proceeds as they may determine.

(l) Benefit of mortgagees. The provisions in this section are for the benefit of mortgagees of Condominium Units and Condominium Lots as well as Unit Owners, and may be enforced by any such mortgagee, and shall not be amended without the consent of all Institutional Mortgagees holding first mortgages on Condominium Units or Condominium Lots. Notwithstanding the foregoing, the Association shall not be responsible for its failure to make a payment jointly to the Unit Owners and the mortgagee if the mortgagee has not previously notified the Association in writing that it has a mortgage on a Condominium Unit or Condominium Lot.

(m) Policy Copies. A copy of each insurance policy in effect shall be available for inspection by the Unit Owners at reasonable times.

20. CONDEMNATION AND EMINENT DOMAIN.

(a) The taking of any Condominium Property by condemnation or eminent domain proceedings shall be deemed to be a casualty, and the awards for the taking shall be deemed to be proceeds from insurance on account of casualty and shall be deposited with the Association as trustee for the Unit Owners. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Association as trustee for the Unit Owners, and in the event of a failure to do so, in the discretion of the Association, the Association may bring an action against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that Unit Owner.

(b) In the event of any condemnation or eminent domain proceedings, a meeting of the Unit Owners of the Association shall be called within sixty (60) days after the taking of any Condominium Property by condemnation or eminent domain proceedings is final to determine whether the Condominium will be terminated. Termination of the Condominium shall be effected as provided in Section 24 of this Declaration.

(c) If the Condominium is terminated after condemnation or eminent domain proceedings, the proceeds of the awards and special assessments will be deemed to be Condominium Property and shall be owned and distributed in the manner provided for insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation or eminent domain proceedings, the size of the Condominium will be reduced, the Unit Owners of condemned or taken Condominium Units or Condominium Lots

will receive their pro rata share of the condemnation award applicable to said Condominium Units or Condominium Lots, and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and special assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Association as trustee after a casualty.

(d) If the taking reduces the size of a Condominium Unit or Condominium Lot and the remaining portion of the Condominium Unit or Condominium Lot can be made tenantable, the award for the taking of a portion of the Condominium Unit or Condominium Lots shall be used for the following purposes in the order stated as the following changes shall be effected in the Condominium:

(1) The Condominium Unit or Condominium Lot shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be paid by the Unit Owner of the Condominium Unit or Condominium Lot.

(2) The balance of the award, if any, shall be distributed to the Unit Owner of the Condominium Unit or Condominium Lot and to each mortgagee of the Condominium Unit or Condominium Lots, the remittance being made payable jointly to the Unit Owner and his mortgagees.

(e) If the taking is of the entire Condominium Unit or Condominium Lot or so reduces the size of a Condominium Unit or Condominium Lot that it cannot be made tenantable, the award for the taking of the Condominium Unit or Condominium Lots shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium:

(1) The award shall be paid jointly to all Unit Owners and the mortgagees of Condominium Units or Condominium Lots not tenantable and in an amount equal to the market value of the Condominium Unit or Condominium Lots immediately prior to the taking and with credit being given for payments repairing and replacing the Common Areas.

(2) The remaining portion of the Condominium Unit or Condominium Lot, if any, shall become part of the Common Areas and shall be placed in condition for use by all of the Unit Owners in the manner approved by the Board; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Areas.

(3) The shares in the Common Areas appurtenant to the Condominium Units that continue as part of the Condominium shall be adjusted to distribute the Unit Ownership of the Common Areas among the reduced number of Unit Owners. This shall be done by restating the shares of continuing Unit Owners in the Common Areas as elsewhere provided in the Declaration.

(4) If the amount of the award for the taking is not sufficient to pay the market value of a condemned or taken Condominium Unit or Condominium Lot to the Unit Owner and to condition the remaining portion of the Condominium Unit or Condominium Lots for use as a part of the Common Areas, the additional funds required for those purposes shall be

raised by assessments against all of the Unit Owners who will continue as Unit Owners of Condominium Units or Condominium Lots after the changes in the Condominium effected by the taking. The assessments shall be made in proportion to the shares of those Unit Owners in the Common Areas after the changes effected by the taking.

(5) If the market value of a Condominium Unit or Condominium Lot prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the Condominium Unit or Condominium Lot and the Association within thirty (30) days after notice by either party, the value shall be determined by one MAI appraiser mutually agreed upon by the Unit Owner, mortgagees and the Association, or if the parties are unable to agree as to an appraiser, the value shall be determined as the average of three (3) appraisals by three (3) such appraisers, one (1) of whom shall be selected by the Association, one by the Unit Owner, and one by the appraiser so selected. The cost of such appraisal or appraisals shall be a Common Expense of the Association.

(f) Awards for the taking of Common Areas shall be used to make the remaining portion of the Common Areas usable in the manner approved by the Board of Directors; provided, that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Areas. The balance of the awards for the taking of the Common Areas, if any, shall be distributed to the Unit Owners in the share in which they own the Common Areas after adjustment of these shares on account of the condemnation or eminent domain proceedings. If there is a mortgage on a Condominium Unit or Condominium Lot, the distribution shall be paid jointly to the Unit Owner and the mortgagee(s) of the Condominium Unit or Condominium Lot.

(g) The changes in Condominium Units, in the Common Areas and in the Unit Ownership of the Common Areas that are effected by condemnation shall be evidenced by an amendment of this Declaration of Condominium that need be approved only by the Board of Directors of the Association.

21. RESTRAINT UPON SEPARATION AND PARTITION. Any transfer of a Condominium Parcel must include all elements thereof as aforescribed and appurtenances thereto, whether or not specifically described, including but not limited to the Unit Owner's share in the Common Areas and the Limited Common Areas and his or her Association Unit Ownership. The shares in the Common Areas appurtenant to a Condominium Unit are undivided and no action for partition for the Common Areas shall lie. Further, the undivided share in the Common Areas shall not be separated from the Condominium Unit and the share in the Common Areas appurtenant to a Condominium Unit cannot be conveyed or encumbered except together with the Condominium Unit.

22. USE RESTRICTIONS. In addition to other obligations and duties heretofore set out in this Declaration, every Unit Owner or occupant of a Condominium Unit or Condominium Lot shall abide by the following use restrictions and any rules and regulations adopted by the Association which are not inconsistent with the provisions set forth herein or the Exhibits hereto.

THERE ARE NO RESTRICTIONS ON CHILDREN RESIDING IN THE CONDOMINIUM.

(a) Each Condominium Unit or Condominium Lot shall be used only for the purpose of a residence in which there shall not be more than six persons continuously residing, excluding visitors and guests, in the case of all Condominium Units or Condominium Lots.

(b) All automobiles shall be parked only in the parking spaces so designated for that purpose by the Association, and in accordance with the Association's rules and regulations concerning same. Unit Owners may not park in the guest parking spaces. Each Unit Owner agrees to notify all guests of the regulations regarding parking, and to require guests to abide by such parking regulations. No parking of commercial trucks of any nature or similar commercial vehicles shall be permitted for a period of more than four hours except temporarily during periods for purposes of actual construction or repair of a structure, or moving in or out and for moving or transferring furniture or for grounds maintenance. No commercial truck, commercial van, or other commercial vehicle, and no recreation vehicle shall be permitted to be parked overnight. Notwithstanding the foregoing, vans equipped for personal passenger use shall be permitted, even if such vans are not kept fully enclosed inside a structure. No boat, boat trailer or other trailer of any kind, camper, mobile home, motor home or disabled vehicle shall be permitted to be parked or stored on the Property, unless stored in the Unit Owner's garage, to the extent the Unit Owner has one. Any such vehicle or any of the properties mentioned in this subparagraph may be removed by the Association at the expense of the Unit Owner owning and/or responsible for the same, for storage or public or private sale, at the election of the Association; and the Unit Owner owning and/or responsible for the same shall have no right of recourse against the Association therefor. No repairing of automobiles, trailers, boats, campers, golf carts, or any other property of a Unit Owner will be permitted on the Property.

(c) No commercial truck, commercial van, or other commercial vehicle, and no boat, boat trailer or other trailer of any kind, camper, mobile home, disabled vehicle, motor home or recreational vehicle shall be used on the Condominium Property as a domicile or residence, either permanent or temporary.

(d) Each Unit Owner shall maintain his or her Condominium Unit or Condominium Lot in good condition and repair, including all internal surfaces within or surrounding his or her Condominium Unit or Condominium Lot, and each Unit Owner shall maintain and repair the fixtures therein and shall promptly pay for any utilities which are metered separately to his or her Condominium Unit or Condominium Lot. Landscaped and grassed areas shall be used only for the purposes intended. No articles belonging to Unit Owners or residents shall be kept in such areas, temporarily or otherwise.

(e) Each Unit Owner shall maintain his or her Condominium Unit or Condominium Lot in a clean and sanitary manner.

(f) No Unit Owner or resident of a Condominium Unit or Condominium Lot may make or permit any disturbing noises, as determined by the Board of Directors, in the Building or on the Condominium Property, whether made by himself, his or her family, friends, guests, pets or employees, nor may he do or permit to be done anything by such persons that

would interfere with the rights, comforts, or other conveniences of other residents. No person may play or suffer to be played any musical instrument, stereo, phonograph, radio or television set in his or her Condominium Unit or Condominium Lot or on or about the Condominium Property if the same shall in any manner disturb or annoy the other residents or Unit Owners of the Condominium Property. Additionally, any construction and/or remodeling work on a Condominium Unit or Condominium Lot by anyone other than the Declarant may only occur during the business hours of 9:00 to 5:00 on Monday through Friday, and not at all on holidays and/or weekends.

(g) Each Unit Owner may only identify his or her Condominium Unit or Condominium Lot by a name plate if approved by the Association and mounted in a place and manner so approved. All mailboxes shall be approved by the Association prior to installation. No newspaper tubes or driveway reflectors shall be installed.

(h) No signs, advertising, or notices of any kind or type whatsoever, including, but not limited to, "For Rent" or "For Sale" signs, shall be permitted or displayed on any Condominium Unit or Condominium Lot or, Common Area or Limited Common Area; nor shall the same be posted or displayed in such a manner as to be visible from the exterior of any Condominium Unit or Condominium Lot, without the prior written approval of the Board of Directors, except that the Declarant can post such signs until all of the Condominium Units or Condominium Lots owned by it are sold.

(i) All damage to the Condominium Property caused by the moving and/or carrying of articles therein shall be paid by the Unit Owner or person in charge of such articles. The Association may require the Unit Owner to deposit funds with the Association as security for any damage caused by moving and/or carrying articles therein.

(j) Soliciting is strictly forbidden. Unit Owners should notify the Association if a solicitor appears, and appropriate action will be taken.

(k) No Unit Owner or resident of a Condominium Unit or Condominium Lot shall permit or suffer anything to be done or kept in his or her Condominium Unit or Condominium Lot which will increase the insurance rates on his Condominium Unit or Condominium Lot, the Limited Common Areas, if any, or the Common Areas, or which will obstruct the rights or interfere with the right of other Unit Owners or residents or annoy them by unreasonable noises or otherwise; nor shall an Unit Owner of a Condominium Unit or Condominium Lot commit or permit any nuisances, immoral or illegal act in a Condominium Unit or Condominium Lot, the Limited Common Areas, if any, or on the Common Areas.

(l) Each Unit Owner or resident shall conform to and abide by the Bylaws and uniform rules and regulations in regard to the use of the Condominium Unit or Condominium Lot, Limited Common Areas and Common Areas which may be adopted in writing from time to time by the Board of Directors of the Association, and to see that all persons using the Unit Owner's property by, through, or under him do likewise.

(m) Each Unit Owner or resident shall allow the Association or its authorized agent to enter any Condominium Unit or Condominium Lot and the improvements thereon during

reasonable hours when necessary for the maintenance, repair and/or replacement of any Common Areas which include Limited Common Areas or for making emergency repairs which are necessary to prevent damage to the Common Areas which include the Limited Common Areas or to another Condominium Unit(s) or Condominium Lot(s).

(n) Unit Owners or residents shall make no repairs to any plumbing or electrical wiring within a unit except by a plumber or electrician licensed in Bonner County, Idaho.

(o) All garbage trash containers shall be located within designated closed in areas in such a manner as to be out of view of the street and neighboring and adjacent units.

(p) No outside antennas, antenna poles, antenna masts, electronic devices, antenna towers or citizen band (CB) or amateur band (ham) antennas shall be permitted except as approved by the Board of Directors in writing. No outside satellite receptor dishes or devices or any other type of electronic device now in existence, or that may hereafter come into existence, that is utilized or designed to be utilized for the transmission or reception of electronic or other type of signal shall be allowed without the prior written approval of the Board of Directors. A flagpole for display of the American flag only and any other flag approved in writing by the Board of Directors shall be permitted and its design and location must be first approved in writing by the Board of Directors; provided, however, any Unit Owner may display one portable, removable United States flag in a respectable way and on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day may display in a respectful way portable, removable official flags, not larger than four and one-half feet by six feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, regardless of any declaration rules or requirements dealing with flags. An approved flagpole shall not be used as an antenna.

(q) Solar collectors shall be permitted only at locations and on structures as are first approved in writing by the Board of Directors.

(r) Any change to the exterior lighting of a Condominium Unit or Condominium Lot must be approved in writing by the Board of Directors.

(s) No household pets shall be permitted by Unit Owners on the Condominium Property except in accordance with the pet behavior criteria established in the Rules and Regulations for the Condominium. Furthermore, all permitted pets must be contained in the Unit Owner's Condominium Unit or Condominium Lot and shall not be permitted to roam free. Further, all permitted pets must be leashed at all times when not located in the Condominium Unit or Condominium Lot and may be walked only in designated areas. No goats, chickens, pigeons or any other obnoxious animals, fowl or reptiles shall be kept or permitted to be kept. Commercial activities involving pets shall not be allowed.

(t) A change in the design, material or location of all exterior mail boxes must first be approved in writing by the Board of Directors.

(u) No ceramic tiles or wood floors which are not supplied by the Declarant may be installed in a Condominium Unit or Condominium Lot unless the Board of Directors has approved the plan for providing adequate noise insulation.

(v) Personal property of Unit Owners including bicycles, mopeds, and similar items shall be kept in the Condominium Units or Condominium Lots, garages or storage areas for the Condominium Unit or Condominium Lot except when in use.

(w) Unit Owners shall not use the guest parking spaces for their own personal use.

(x) Unit Owners shall not do anything within their Condominium Units or Condominium Lots or on the Common Areas which would adversely affect the safety or soundness of the Common Areas or any portion of the Condominium Property.

(y) All window coverings shall be lined with white or off white lining on the side exposed to the public.

(z) There are no restrictions on the sale of any Unit. Furthermore, subject to the terms and conditions of this Section, each Unit Owner shall have the absolute and unconditional right, subject to any applicable governmental restrictions, to rent and/or lease his, her or its Unit. No portion of a Unit other than an entire Unit, may be rented. All leases, rentals or occupancy agreements shall be in writing, and shall provide (or be automatically deemed to provide, absent an express statement) that the Association shall have the right to terminate the lease or occupancy upon default by the tenant in observing any of the provisions of this Declaration, the Articles of Incorporation and By-Laws, applicable rules and regulations and Exhibits thereto or other applicable provisions of any agreement, document or instrument governing the Condominium. Only entire Units may be leased or rented, and no Unit Owner may lease or rent or permit the lease or rental of less than the entire Unit at any one time. No individual rooms of units may be rented. Regardless of whether or not expressed in any lease, or occupancy agreement the Unit Owner shall be jointly and severally liable to the Association for the acts and omissions of his or hers tenant(s) or occupants which constitute a violation of, or non-compliance with, the provisions of this Declaration and of any and all rules and regulations of the Association. This Section shall also apply to subleases and assignments and renewals of leases, but the Developer shall be exempt from this Section. No Unit may be rented for less than one (1) day.

(aa) Unit Owners shall not be permitted access to or use of the equipment/mechanical rooms, the manager's residence, if any, and the roof of the Building.

(bb) No Unit Owner may hold or conduct an open house for the Unit Owner's Condominium Unit or Condominium Lot, without the prior written approval of the Board of Directors.

(cc) The only furniture permitted in the Common Areas is furniture owned by the Association.

The Board of Directors of the Association has the right to establish, modify and amend additional rules and regulations governing the conduct of all residents and also the use of the Condominium Units or Condominium Lots, Limited Common Areas and Common Areas, so long as such additional rules and regulations are not inconsistent with the terms and conditions of this Declaration.

Subject to the following exceptions, the restrictions and limitations set forth in this Section 22 shall not apply to the Declarant nor to Units owned by the Declarant. The Declarant shall not be exempt from the restrictions, if any, relating to requirements that leases or lessees be approved by the Association, pet restrictions, occupancy of Units based on age and vehicular restrictions, except as such vehicular restrictions relate to the Declarant's construction, maintenance and marketing activities.

23. DECLARANT'S RIGHTS DURING DEVELOPMENT PERIOD. During such time as the Declarant, its successors or assigns is in the process of construction or sale of Condominium Units or Condominium Lots on the Property described in Exhibit "A" hereto, the Declarant, its successors or assigns expressly reserve the following rights:

(a) The right to prohibit access to any uncompleted Building to any of the residents of the Condominium, while such uncompleted Building is under construction and development. No Unit Owner or his guests, or invitees shall in any way interfere or hamper the Declarant, its employees, contractors, successors or assigns, in connection with such construction. Thereafter, during such time as the Declarant, its successors or assigns, owns any Condominium Units or Condominium Lots within the Buildings and is carrying on any business in connection therewith, including the selling, renting or leasing of such Condominium Units or Condominium Lots, the Unit Owners, their guests and invitees shall in no way interfere with such activities or prevent access to such Condominium Units or Condominium Lots by the Declarant, its successors or agents.

(b) An easement for pedestrian traffic over, through and across sidewalks, paths, walks, halls, lobbies, center cores and other portions of the Common Areas as may be from time to time be necessary and intended for such purpose of going from one portion of the Condominium Property to another, including but not limited to, all recreational facilities and, where necessary, for the proceeding from one portion of the Condominium Property to the other, and for vehicular traffic as may be necessary for the Declarant, its guests, assigns and invitees for the purpose of crossing over various portions of the Condominium Property to obtain ingress and egress to the Condominium Property. Provided, however, that nothing contained herein shall be construed to allow any person or entity to enter upon the Condominium Property unless it is upon an area specifically designated for such traffic and necessary for such ingress and egress as described above and under no circumstances shall such traffic be allowed through or over any Condominium Unit or Condominium Lot not owned by the Declarant its successors or assigns, or any Limited Common Area appurtenant thereto.

(c) Declarant desires to avail itself of the rights permitted under Section 30-3-66, of the Idaho Code, and accordingly, until Turnover of Control (as defined below), the Declarant shall have the unilateral right to appoint all of the directors. For purposes hereof, Turnover of Control means three (3) months after the Declarant has sold 90% of the Lots,

including all un-built Condominium Units or Condominium Lots that may be added pursuant to the Declaration so long as said Condominium Units or Condominium Lots are added to the Declaration within 7 years of the date of recording the Declaration.

24. TERMINATION. The Condominium may be terminated in the following manner:

(a) Except as provided in Section 19(g)(2), the termination of the Condominium may be effected by unanimous agreement of all Unit Owners and all mortgagees holding mortgages on said Condominium Units or Condominium Lots, which agreement shall be evidenced by an instrument or instruments executed in the manner required for conveyances of land.

(b) Upon termination of the Condominium, the Condominium Property shall be owned in common by all the Unit Owners in the same undivided shares as each Unit Owner had in the Common Areas pursuant to the provisions of this Declaration. All liens shall be transferred to the undivided share in the Condominium Property attributable to the Condominium Unit or Condominium Lot originally encumbered by the lien in its same priority.

25. FINES.

(a) Compliance. Every Unit Owner and his tenants, guests, invitees and agents shall comply with any and all rules and regulations and use restrictions as same exist and as may be adopted in the future by the Board of Directors.

(b) Enforcement. Failure to comply with such rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums for damages, an action for injunctive relief, or any combination thereof.

(c) Procedure. In addition to all other remedies, in the sole discretion of the Board of Directors of the Association, a fine or fines may be levied upon a Unit Owner for failure of a Unit Owner, his tenants, family guests, invitees, or employees to comply herewith or with any rules or regulations, provided the following procedures are followed:

(i) Notice. The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing before a committee of Unit Owners after reasonable notice of not less than fourteen (14) days, and the notice shall include:

- A. A statement of the date, time and place of the hearing;
- B. A statement of the provisions of the Declaration, By-Laws or rules which have allegedly been violated; and
- C. A short and plain statement of the matters asserted by the Association.

(ii) Hearing. The party against whom the fine may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral

argument on all issues involved, and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association.

(iii) Penalties. The Board of Directors may levy a fine against a Condominium Unit or Condominium Lot not to exceed \$100.00 per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00.

(iv) Payment of Penalties. Fines shall be paid not later than five (5) days after notice of the imposition of same.

(v) Remedy. For non-payment of fines the Association shall have all of the remedies applied by law. The Association has a lien on each Condominium Parcel or Condominium Lot for any unpaid fine made hereunder and costs incurred in collecting same, including reasonable attorney's fees and interest (as described in Section 16(f) above), which are incident to the collection of the assessment with respect to said Condominium Parcel or Condominium Lot or enforcement of the lien. The lien is effective from and shall relate back to the last to occur of the recording of this Declaration of Condominium or an amendment hereto creating the Condominium Parcel or Condominium Lot. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien. The lien shall be recorded in the Public Records of Bonner County, Idaho and provide for the description of the Condominium Parcel or Condominium Lot, the name of the record Unit Owner, the name and address of the Association, the amount due and the due dates.

(vi) Non-Exclusive Remedy. The fines provided for herein shall not be construed to be an exclusive remedy of the Association, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any penalty paid by the offending Unit Owner shall be deducted from or offset against any damage which the Association may otherwise be entitled to recover by law.

26. COVENANTS. All provisions of this Declaration shall be construed to be covenants running with the land and with every part thereof and interest therein, and every Unit Owner and claimant of the land or any part thereof or interest therein, and his heirs, executors, administrators, personal representatives, successors, assigns and leases shall be bound by all the provisions of this Declaration.

27. DISCLOSURES.

(a) Mold and Mildew. Molds, mildew, toxins and fungi may exist and/or develop within the Condominium Unit or Condominium Lot, and/or the Condominium Property. Each Owner is hereby advised that certain molds, mildew, toxins and/or fungi may be, or if allowed to remain for a sufficient period may become, toxic and potentially pose a health risk. By acquiring title to a Condominium Unit or Condominium Lot, each Owner shall be deemed to have assumed the risks associated with molds, mildew, toxins and/or fungi and to have released the Declarant from any and liability resulting from same. Further, each Owner acknowledges that appropriate environmental hygiene and ventilation measures within the Condominium Unit or

Condominium Lot must be maintained and are required to avoid the development of mold conditions, each Owner hereby assumes responsibility for same.

(b) Mitigation of Dampness and Humidity. No Unit Owner shall install, within his or her Condominium Unit or Condominium Lot, or upon the Common Areas, non-breathable wall-coverings or low-permeance paints. Additionally, any and all built-in casework, furniture, and or shelving in a Condominium Unit or Condominium Lot must be installed over floor coverings to allow air space and air movement and shall not be installed with backboards flush against any gypsum board wall. Additionally, all Unit Owners, whether or not occupying the Condominium Unit or Condominium Lot, shall periodically run the air conditioning system to maintain the Condominium Unit or Condominium Lot temperature, whether or not occupied, at 78°F, to minimize humidity in the Condominium Unit or Condominium Lot. While the foregoing are intended to minimize the potential development of molds, fungi, mildew and other mycotoxins, each Owner understands and agrees that there is no method for completely eliminating the development of molds or mycotoxins. The Declarant does not make any representations or warranties regarding the existence or development of molds or mycotoxins and each Owner shall be deemed to waive and expressly release any such warranty and claim for loss or damages resulting from the existence and/or development of same. In furtherance of the rights of the Association as set forth in this Declaration, in the event that the Association reasonably believes that the provisions of this Section are not being complied with, then, the Association shall have the right (but not the obligation) to enter the Condominium Unit or Condominium Lot (without requiring the consent of the Owner- or any other party) to turn on the air conditioning in an effort to cause the temperature of the Condominium Unit or Condominium Lot to be maintained as required hereby (with all utility consumption costs to be paid and assumed by the Unit Owner). To the extent that electric service is not then available to the Condominium Unit or Condominium Lot, the Association shall have the further right, but not the obligation (without requiring the consent of the Owner or any other party) to connect electric service to the Condominium Unit or Condominium Lot (with the costs thereof to be borne by the Unit Owner, or if advanced by the Association, to be promptly reimbursed by the Owner to the Association, with all such costs to be deemed charges hereunder).

(c) Warranty Disclosure. To the maximum extent allowed by law Declarant hereby disclaims any and all and each and every express or implied warranties, whether established by statutory, common, case law or otherwise, as to the design, construction, sound and/or odor transmission, existence and/or development of molds, mildew, toxins or fungi, furnishing and equipping of the Condominium Property, including, without limitation, any implied warranties of habitability, fitness for a particular purpose or merchantability, compliance with plans, all warranties imposed by statute, if any, and all other express and implied warranties of any kind or character. Declarant has not given and the Unit Owner has not relied on or bargained for any such warranties. Each Unit Owner, by accepting deed to a Condominium Unit or Condominium Lot, or other conveyance thereof, shall be deemed to represent and warrant to Declarant that in deciding to acquire the Condominium Unit or Condominium Lot, the Unit Owner relied solely on such Unit Owner's independent inspection of the Condominium Unit or Condominium Lot, and the Condominium. The Unit Owner has not received nor relied on any warranties and/or representations from Declarant of any kind, other than as expressly provided herein. All Unit Owners, by virtue of their acceptance of title to their respective Condominium Unit or Condominium Lot (whether from the Declarant or another party) shall be deemed to have

automatically waived all of the aforesaid disclaimed warranties and incidental and consequential damages. The foregoing shall also apply to any party claiming by, through or under a Unit Owner, including a tenant thereof. Buyer acknowledges and agrees that Seller does not guarantee, warrant or otherwise assure, and expressly disclaims, any right to view and/or natural light.

(d) Unit Measurements. Each Owner, by acceptance of a deed or other conveyance of a Condominium Unit or Condominium Lot, understands and agrees that there are various methods for calculating the square footage of a Condominium Unit, Condominium Lot, the Clubhouse or other Common Facilities, and that depending on the method of calculation, the quoted square footage of the Condominium Unit, Condominium Lot, the Clubhouse or other Common Facilities may vary by more than a nominal amount. Additionally, as a result of in the field construction, other permitted changes to the Condominium Unit, Condominium Lot, the Clubhouse or other Common Facilities and settling and shifting of improvements, actual square footage of a Condominium Unit, Condominium Lot, the Clubhouse or other Common Facilities may also be affected. By accepting title to a Condominium Unit or Condominium Lot, the applicable Owner(s) shall be deemed to have conclusively agreed to accept the size and dimensions of the Condominium Unit, Condominium Lot, the Clubhouse or other Common Facilities, regardless of any variances in the square footage from that which may have been disclosed at any time prior to closing, including that which is depicted on the Condominium Plat Map, any Exhibits to this Declaration, or whether included as part of Declarant's promotional materials or otherwise. Without limiting the generality of this Section, Declarant does not make any representation or warranty as to the actual size, dimensions or square footage of any Condominium Unit, Condominium Lot, the Clubhouse or other Common Facilities, and each Owner shall be deemed to have fully waived and released any such warranty and claims for losses or damages resulting from any variances between any represented or otherwise disclosed square footage and the actual square footage of the Condominium Unit, Condominium Lot, the Clubhouse or other Common Facilities.

(e) Condominium Assessments. Buyer understands and agrees that the Estimated Operating Budget for the Association (the "Budget") provides only an estimate of what it will cost to run the Association during the period of time stated in the Budget. The Budget is not guaranteed to accurately predict actual expenditures. Changes in the Budget may be made at any time to cover increases or decreases in actual expenses or in estimates. It is intended that the Declarant, as the sole Unit Owner upon the formation of the Condominium, will vote not to provide any reserves for the initial year of the Association. Thereafter the Declarant may vote to continue not to provide any reserves. If an election is in fact made to waive reserves, the assessments per Condominium Unit or Condominium Lot payable to the Association will be as set forth in the Estimated Operating Budget as "Assessments per Condominium Unit or Condominium Lot - Without Reserves". If no such election is made, the assessments per Condominium Unit or Condominium Lot payable to the Association will be as set forth in the Estimated Operating Budget as "Assessments per Condominium Unit or Condominium Lot — With Reserves."

28. Additions, Improvements or Alterations by the Association. . Whenever in the judgment of the Board of Directors, the Common Areas, the Condominium Property, or any part of either, shall require capital additions, alterations or improvements (as distinguished from repairs and replacements) costing in excess of three percent (3%) of the then applicable budget

of the Association in the aggregate in any calendar year, the Association may proceed with such additions, alterations or improvements only if the making of such additions, alterations or improvements shall have been approved by a majority of the voting interests represented at a meeting at which a quorum is attained. Any such additions, alterations or improvements to such Common Areas, the Condominium Property, or any part of either, costing in the aggregate three percent (3%) of the then applicable budget of the Association or less in a calendar year may be made by the Association without approval of the Unit Owners. The cost and expense of any such additions, alterations or improvements to such Common Areas or Condominium Property shall constitute a part of the Common Expenses and shall be assessed to the Unit Owners as Common Expenses.

29. ADDITIONS ALTERATIONS OR IMPROVEMENTS BY UNIT OWNER

(a) Consent of the Board of Directors. No Unit Owner shall make any addition, alteration or improvement in or to the Common Areas (including, without limitation, the Residential Limited Common Areas), the Condominium Property, his or her Unit or any Limited Common Area which is visible from any other Unit, the Common Areas and/or Condominium Property, without, in each instance, the prior written consent of the Board of Directors. The Board shall have the obligation to answer, in writing, any written request by a Unit Owner for approval of such an addition, alteration or improvement within thirty (30) days after such request and all additional information requested is received, and the failure to do so within the stipulated time shall constitute the Board's consent. The Board may condition the approval in any manner, including, without limitation, requiring payment of an architectural review fee (as may be reasonably adopted from time to time by the Board to offset the costs which must be incurred in reviewing any such submittals, retaining approval rights of the contractor to perform the work and requiring the Unit Owner to obtain insurance naming the Declarant and the Association as additional insureds. The proposed additions, alterations and improvements by the Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. Once approved by the Board of Directors, such approval may not be revoked.

A Unit Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and his or her heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, the Declarant and all other Unit Owners harmless from and to indemnify them for any liability or damage to the Condominium and/or Condominium Property and expenses arising therefrom, and shall be solely responsible for the maintenance, repair and insurance thereof from and after that date of installation or construction thereof as may be required by the Association. The Association's rights of review and approval of plans and other submissions under this Declaration are intended solely for the benefit of the Association. Neither the Declarant, the Association nor any of its officers, directors, employees, agents, contractors, consultants or attorneys shall be liable to any Owner or any other person by reason of mistake in judgment, failure to point out or correct deficiencies in any plans or other submissions, negligence, or any other misfeasance, malfeasance or non-feasance arising out of or in connection with the approval or disapproval of any plans or submissions. Anyone submitting plans hereunder, by the

submission of same, and any Owner, by acquiring title to same, agrees not to seek damages from the Declarant and/or the Association arising out of the Association's review of any plans hereunder. Without limiting the generality of the foregoing, the Association shall not be responsible for reviewing, nor shall its review of any plans be deemed approval of, any plans from the standpoint of structural safety, soundness, workmanship, materials, usefulness, conformity with building or other codes or industry standards, or compliance with governmental requirements. Further, each Owner (including the successors and assigns) agrees to indemnify and hold the Declarant and the Association harmless from and against any and all costs, claims (whether rightfully or wrongfully asserted), damages, expenses or liabilities whatsoever (including, without limitation, reasonable attorneys' fees and court costs at all trial and appellate levels), arising out of any review of plans by the Association hereunder.

(b) Life Safety Systems. No Unit Owner shall make any additions, alterations or improvements to the Life Safety Systems, and/or to any other portion of the Condominium Property which may impair the Life Safety Systems or access to the Life Safety Systems, without first receiving the prior written approval of the Board. In that regard, no lock, chain or other device or combination thereof shall be installed or maintained at any time on or in connection with any door on which panic hardware or fire exit hardware is required. Stairwell identification and emergency signage shall not be altered or removed by any Unit Owner whatsoever. No barrier including, but not limited to personalty, shall impede the free movement of ingress and egress to and from all emergency ingress and egress passageways.

(c) Improvements, Additions or Alterations by Declarant. Anything to the contrary notwithstanding, the foregoing restrictions of this Section 29 shall not apply to Declarant-owned Units. The Declarant shall have the additional right, without the consent or approval of the Board of Directors or other Unit Owners, to (a) make alterations, additions or improvements, interior and exterior, ordinary and extraordinary, in, to and upon any Unit owned by it and Limited Common Areas appurtenant thereto (including, without limitation, the removal of walls, floors, ceilings and other structural portions of the Improvements and/or the installation of divider walls), and (b) expand, alter or add to all or any part of the recreational facilities, so as to result in the imposition of additional Common Expenses or costs to the individual Unit Owners. Any amendment to this Declaration required by a change made by the Declarant pursuant to this Section 29(c) shall be adopted in accordance with Section 14 and Section 30 of this Declaration.

30. CHANGES IN DECLARANT-OWNED UNITS. Without limiting the generality of provisions of Section 29(c) above, and anything to the contrary notwithstanding, the Declarant shall have the right, without the vote or consent of the Association or Unit Owners, to (i) make alterations, additions or improvements in, to and upon Units owned by the Declarant, whether structural or non-structural, interior or exterior, ordinary or extraordinary; (ii) change the layout or number of rooms in any Declarant-owned Units; (iii) change the size of Declarant-owned Units by combining separate Declarant-owned Units into a single apartment (although being kept as two separate legal Units), or otherwise; and (iv) reapportion among the Declarant-owned Units affected by such change in size pursuant to the preceding clause, their appurtenant interests in the Common Areas and share of the Common Surplus and Common Expenses; provided, however, that the percentage interest in the Common Areas and share of the Common Surplus and Common Expenses of any Units (other than the affected Declarant-owned Units) shall not be

changed by reason thereof unless the Owners of such units shall consent thereto and, provided further, that Declarant shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction in so doing. In making the above alterations, additions and improvements, the Declarant may relocate and alter Common] Elements adjacent to or near such Units, incorporate portions of the Common Areas into adjacent Unit and incorporate Units into adjacent Common Areas, provided that such relocation and alteration does not materially adversely affect the market value or ordinary use of Units owned by Unit Owners other than the Declarant. Any amendments to this Declaration required by changes of the Declarant made pursuant to this Section 30, shall be effected by the Declarant alone pursuant to Section 14(c), without the vote consent of the Association or Unit Owners (or their mortgagees) required, except to the extent that any same constitutes a Material Amendment, in which event, the amendment must be approved as set fort Section 14(b) above. Without limiting the generality of Section 14(c) hereof, the provisions of this Section shall not be added to, amended or deleted without the prior written consent of the Declarant.

31. INVALIDATION AND OPERATION.

(a) Invalidation of any portion of this Declaration or of any provision contained in a conveyance of a Condominium Unit or Condominium Lot, whether by judgment or court order or law, shall not affect any of the other provisions, which shall remain in full force and effect.

(b) In the event any court should hereafter determine that any provision as originally drafted herein violates the rule against perpetuities or any other rule of law because of the duration of the period involved, the period specified in the Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rule of law and for such purpose measuring lives shall be those of the incorporator of the Association.

32. INTERPRETATION. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the plural shall include the singular, and the singular shall include the plural. The provisions of this Declaration shall be literally construed to effectuate its purpose of creating a uniform plan for the operation of a condominium in accordance with the laws made and provided for same, to wit: Title 55, Chapter 15, Idaho Code, as of the date hereof.

33. CONSENT BY MORTGAGEES. In the event that mortgagee consent is required for any amendment to this Declaration pursuant to Section 14, the approval of fifty-one percent (51%) of the Institutional Mortgagees holding mortgages of record on Condominium Unit or Condominium Lot in the Condominium shall be required.

An addition or amendment shall not be considered material if it is for the purpose of correcting technical or scrivener's errors, or for clarification only. An Institutional Mortgagee who receives a written request from the Association to approve material additions or amendments to the above items who does not deliver or post a negative response to the Association within thirty (30) days shall be deemed to have approved such addition or amendment.

34. NOTICE TO INSTITUTIONAL MORTGAGEES. Upon written request to the Association, Institutional Mortgagees will be entitled to timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the Condominium Project or the Condominium Unit or Condominium Lot securing its mortgage.

(b) Any 60 day delinquency in the payment of assessments or charges owed by the Unit Owner of any Condominium Unit or Condominium Lot on which it holds the mortgage.

(c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

35. ADDITIONAL RIGHTS OF INSTITUTIONAL MORTGAGEES. Institutional Mortgagees shall have the following rights:

(a) Upon written request of an Institutional Mortgagee to the Association any Institutional Mortgagee is entitled to a copy of the financial statements of the Association for the immediately preceding fiscal year as soon as such financial statements are available.

(b) The Association shall make available for inspection upon the Institutional Mortgagee's request, during normal business hours of the Association, current copies of the Declaration, Bylaws, other rules concerning the Condominium Property, and the books, records and financial statement of the Association.

36. COMBINED UNITS. A Unit Owner may purchase two adjacent Condominium Units or Condominium Lots and customize and combine said Condominium Units or Condominium Lots to form one living residence; provided, said construction is performed in accordance with all applicable governmental regulations and building codes and said construction does not affect the structural integrity and soundness of any other Condominium Units or Condominium Lots, Common Areas or the Building, and further subject to the Association's approval or disapproval of the proposed penetration and connection of affected Common Areas. Moreover, for purposes of ascertaining the undivided share of the Common Expenses, the percentage share of Unit Ownership interest in the Common Surplus and Common Areas, voting rights and payment of assessments, the combined Condominium Units or Condominium Lots shall still be deemed as separate Condominium Units or Condominium Lots, as reflected on the Condominium Plat Map.

37. SECURITY. NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BY-LAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY UNIT OWNER, OCCUPANT OR USER OF ANY PORTION OF THE CONDOMINIUM PROPERTY INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES,

GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

(i) IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE CONDOMINIUM PROPERTY HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE CONDOMINIUM PROPERTY AND THE VALUE THEREOF;

(ii) THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF IDAHO, BONNER COUNTY, AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES; AND

(iii) ANY PROVISIONS OF THE CONDOMINIUM DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH UNIT OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS CONDOMINIUM UNIT OR CONDOMINIUM LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE CONDOMINIUM PROPERTY (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS PROVISION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS PROVISION.

AS USED IN THIS ARTICLE, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD UNIT OWNERS, EMPLOYEES, AGENTS, MANAGERS, CONTRACTORS, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS AND SHALL ALSO INCLUDE THE DECLARANT, WHICH SHALL BE FULLY PROTECTED HEREBY.

38. DOCKS AND BOAT SLIPS.

(a) Submerged Land Lease and Encroachment Permit. The Declarant intends to enter into a Submerged Land Lease with, and obtain required Encroachment Permits from the Idaho Department of Lands (the "State of Idaho"), to lease that certain area (to the extent not already included in the Property) more particularly depicted and labeled on Exhibit "E" attached hereto (the "Submerged Property"), and accordingly, there will be a Submerged Land Lease and Encroachment Permit associated with respect to this Condominium. The Declarant reserves the right in its sole and absolute discretion to construct Dock Facilities and Boat Slips over the Submerged Property to provide recreational or commonly used facilities to the Unit Owners, subject to the terms contained herein. With the exception of that portion of the Dock Facilities that is attached to the Property that is part of the Condominium, all of the Dock Facilities and Boat Slips will be situated over the Submerged Property which is leased from the State of Idaho pursuant to the Submerged Land Lease and Encroachment Permit. As the Submerged Land Lease has not yet been granted by the State of Idaho, the term of the Submerged Land Lease at this time is unknown. The Submerged Land Lease, the leasehold interest therein, the Encroachment Permits and Dock Facilities shall be submitted to the Condominium and deemed Common Area. The Boat Slips that are or may be constructed thereon, shall be submitted to the Condominium and deemed Limited Common Area appurtenant to a particular Condominium Unit or Condominium Lot as set forth below. The Common Area Submerged Land Lease, the leasehold interest therein, the Encroachment Permits, Dock Facilities, and the Limited Common Area Boat Slips shall be subject and subordinate to the applicable rules and regulations regarding such leases and permits promulgated by the State of Idaho its agencies and subdivisions, and any other governmental regulatory agency having jurisdiction over same. The Declarant may assign to and the Association shall accept and assume all of the Declarant's right, title, and interest in and to the Submerged Land Lease and Encroachment Permit, subject to the Subleases made by the Declarant as described below.

(b) The Declarant reserves the right to sublease for additional consideration the exclusive right to use fifty-nine (59) Boat Slips, identified as slips 6 through 64 as shown on Exhibit "F," to any Unit Owner it desires in its sole and absolute discretion (the "Subleases"). Upon Declarant's sublease of a Boat Slip to a Unit Owner, the subleased Boat Slip shall become appurtenant to the particular Condominium Unit or Condominium Lot owned by the Unit Owner. Pursuant to the submission of Boat Slips to the Condominium and their designation as Limited Common Area, the Association shall not have the right to terminate a Unit Owner's interest in a Sublease of a Boat Slip that has been assigned, transferred and is appurtenant to a particular Condominium Unit or Condominium Lot, except in cases of a Unit Owner's failure to pay Assessments or cure material defaults in compliance with the terms the Declaration or applicable rules and regulations of the Association. Further no amendment to this Declaration shall result in a material alteration, restriction or termination of a Unit Owner's interest in a Sublease of a Boat Slip unless agreed to in writing by the Unit Owner of the Condominium Unit or Condominium Lot to which the Limited Common Area interest in the Boat Slip is appurtenant.

(c) The Declarant hereby reserves exclusive ownership and control of five (5) Boat Slips, identified as slips 1 through 5 as shown on Exhibit "F" (the "Reserved Boat Slips"), for the purpose to operate a boat slip program pursuant to terms and conditions solely determined by Declarant. The Reserved Boat Slips shall not be submitted to the Condominium. The Declarant, its assigns and successors, and the Reserved Boat Slips shall, however, enjoy all of the benefits appurtenant to the Dock Facilities, Common Area, Limited Common Area and easements

described in this Section 38 and the Declaration, and further shall be bound by the use restrictions, maintenance obligations and other obligations contained herein. Declarant anticipates and intends to sublease the Reserved Boat Slips to a third-party for the purpose of managing and operating a boat rental and/or time share facility. Notwithstanding anything to the contrary, the Declarant may, however, in its sole and absolute discretion use, manage, operate, alienate, sell, transfer, convey, encumber and sublease the Reserved Boat Slips as it sees fit. The Association nor any of the Unit Owners may interfere with the Declarant's rights hereunder nor amend the Declaration in a manner that affects the Declarant's rights hereunder. Any revenue generated by the use, management, operation, alienation, sale, transfer, conveyance, encumbrance or sublease of said slips shall remain the sole revenue of the Declarant.

(d) Definitions.

(i) "Boat Slip" shall mean and refer to an area of Submerged Property which is identified as a Boat Slip by number designation on Exhibit "F" attached hereto and made a part hereof (as the same may be amended and supplemented from time to time), being the area to be used and occupied by a Vessel, or Vessels, excluding therefrom any improvements or portions of improvements contained in such Boat Slip. Each Boat Slip shall be a "Limited Common Area" which shall be owned by the Association and shall be for the exclusive use of a particular Unit Owner as described herein. Each Boat Slip shall be utilized for the sole purpose of mooring a Vessel or Vessels.

(ii) "Dock Facilities" shall mean and refer to portions of Submerged Property and improvements within the Submerged Property which are intended for the common use and enjoyment of the Unit Owners as a boating and recreation area and which will be operated and maintained by the Association. The Dock Facilities shall include, without limitation, the dock, seawall, riprap, pilings, and the walkways serving the dock located on the Submerged Property.

(iii) "Limited Common Areas" shall mean and refer to the Boat Slips, and any facilities designed to be used in conjunction with Vessels docked in a particular Boat Slip. The Dock Facilities themselves shall be a Common Area and may be used by all Unit Owners, their guests and tenants and any facilities designed for use by Vessels docked in a particular Boat Slip shall be the only Limited Common Areas.

(iv) "Vessel" shall mean and refer to any Unit Owner's leisure or recreational motor boat, sailboat, or other water craft which is self-propelled and in a seaworthy condition, together with any tender kept thereon; provided, however, that this term shall exclude any houseboat, floating home, house-like barge, seaplane, nondisplacement (i.e., air cushion) or commercial marine vessels. In the event of any dispute as to whether a particular vessel or boat is permitted to be kept in a Boat Slip, the determination of the Board of Directors made in its sole discretion shall be dispositive. The term "Vessel" shall include all vessels kept in a Boat Slip.

(e) Easements.

(i) Declarant reserves the right (but shall have no obligation) to grant easements for utilities throughout the Dock Facilities, including water, communications, security

and cable television facilities. Each appropriate utility company or agency shall have an easement for the purpose of maintaining all utility lines, connections and equipment now or hereafter located on the Dock Facilities or within the Boat Slips.

(ii) The Unit Owners of adjacent and contiguous Boat Slips shall have the right of reasonable, joint use of dolphins and pilings, if any, on or immediately proximate to the common boundary between such Boat Slips for the purpose of attaching a mooring line(s) in connection with mooring a Vessel. Each Unit Owner will use reasonable care and good seamanship in connection with this use right and will exercise his or her rights hereunder in a reasonable manner to minimize interference with or inconvenience to the Unit Owners. No Unit Owner will be responsible for ordinary wear and tear to dolphins or pilings from the use described herein, but each Unit Owner will be liable for any damage or destruction caused by negligence or willful misconduct in the exercise of the use rights granted hereby.

(iii) The Dock Facilities are hereby declared to be subject to a perpetual nonexclusive easement in favor of the Association, and the employees and agents of the Association, so that such employees and agents may carry out their duties and have access over the Dock Facilities.

(iv) A nonexclusive easement is hereby granted for ingress and egress for pedestrian and vehicular traffic over, through and across the Dock Facilities (except the Limited Common Areas) and for those areas designated to be used as a parking area as such areas may from time to time be intended and designated for such uses and purposes, for the use and benefit of the Unit Owners, their families, guests, employees, invitees, lessees and licensees, in obtaining reasonable access from the Boat Slips to the nearest public way.

(v) Notwithstanding anything herein to the contrary, each Unit Owner shall be liable for all damages to the Boat Slip or Vessel of another Unit Owner or to the Dock Facilities where the cause of such damage is the failure of such Unit Owner to properly secure (or, if required by the Association, remove) his or her Vessel to (or from) its mooring piles or dolphins.

(vi) Each Unit Owner and his family, guests, employees, invitees, lessees and licensees shall have the right to proceed over, across and through the waters of the channel for the purpose of ingress and egress of his or her Vessel to and from the Unit Owner's Boat Slip and the waters of the adjacent waterways. This easement shall include the right to proceed over, across and through the waters within another Unit Owner's Boat Slip in order to facilitate docking and navigation within the channel; provided, however, that no Unit Owner shall be required to remove his Vessel from his Boat Slip in order to facilitate the use of this easement by another Unit Owner.

(f) Restrictions on Use of Boat Slips and Dock Facilities.

(i) Each Boat Slip, is subject to the exclusive use of the Unit Owner holding a sublease for the particular Boat Slip. The Unit Owner holding such sublease may not sell or sublet his or her Boat Slip to a third party. Except as provided below in this Declaration, each Boat Slip shall be used only for the mooring of a Vessel in seaworthy condition and under

their own motor power. Whenever any Condominium Unit or Condominium Lot is owned by a non-natural person such as, but not limited to, a corporation, partnership, limited liability company or other entity (other than the Declarant), the agent of such entity shall designate, at the time of the closing of the purchase of the Condominium Unit or Condominium Lot, a particular family or individual who shall be entitled to use the Boat Slip. The family or individual designated must be the occupant(s) of the residence on the Condominium Unit or Condominium Lot to which the Boat Slip is appurtenant. The adult Unit Owners of the family designated by the non-natural entity to use the Boat Slip shall comply with the terms and provisions of this Declaration and the Rules and Regulations. Upon demand by the Association to the entity to remove any party who has been given permission to use the Boat Slip for failure to comply with the terms and conditions of the above-mentioned documents, the Unit Owner shall forthwith cause such occupying party to vacate the Boat Slip. No persons, other than the Unit Owner or approved lessee or houseguest of a Condominium Unit or Condominium Lot (or the designated family or individual of a corporate Unit Owner) shall be entitled to use a Boat Slip.

(ii) A Boat Slip may not be leased or rented except to a lessee of the Condominium Unit or Condominium Lot to which the Boat Slip has been assigned as a Limited Common Area.

(iii) Except as otherwise provided below, no drilling, mining, manufacturing, trade, business, commerce, industry, profession or other occupation whatsoever shall be conducted or carried on upon any Boat Slip or any part thereof. The foregoing shall not apply to the sales or leasing activities of the Declarant, nor any lawful dredging operation, nor shall the foregoing prohibit or interfere with the right of the Declarant to utilize or lease Boat Slips owned by them for commercial purposes. Notwithstanding the foregoing, a Unit Owner may use his or her Boat Slip for the purpose of sales of a Vessel owned by the Unit Owner and approved to be moored in the Boat Slip, provided that no "for sale" sign or boat sales office shall be permitted at the Dock Facilities or on a Vessel.

(iv) No pets or other animals shall be permitted in or about the Dock Facilities except for the purpose of embarking or disembarking from Vessels. All pets brought into the Dock Facilities shall be leashed (when not on a Vessel) and attended at all times. Unit Owners are responsible for cleaning up after their pets. The Board of Directors shall have the right to order the removal of any pet which is considered a nuisance, in the Board's sole and absolute discretion. In such event, the Board of Directors shall give written notice thereof to the Unit Owner, and the pet shall immediately thereafter be permanently removed from the Dock Facilities.

(v) Each Unit Owner is solely responsible for the proper mooring of his or her Vessel and is required to maintain mooring lines in good condition and sufficiently strong to secure the Vessel at all times. All mooring whips must be of a type approved by the Association. Any special mooring rules or procedures issued by the Association shall be complied with at all times. Vessels moored in a Boat Slip shall not be permitted to extend over the boundary of the Boat Slip. The Vessel (including all bowsprits, booms, pulpits and other projections and overhangs) must be moored as close as possible to the dock, consistent with good boating practice.

(vi) Jet skis, waverunners and other personal watercraft may be allowed at the Dock Facilities on a short-term, transient basis or may be stored on a Vessel subject to the rules and regulations of the Association. Jet ski ramps are not allowed, and jet skis, waverunners and other personal watercraft may not be docked at the Dock Facilities nor the kayak launch area (except on a Vessel).

(vii) During high velocity wind threats, each Unit Owner shall be responsible for following all safety precautions that may be issued or recommended by the National Weather Service, U.S. Coast Guard, the Association or any other applicable agency. If an Unit Owner's Vessel sinks as a result of a storm, or for any other reason, the Unit Owner must remove the sunken Vessel immediately after the occurrence of such event and, if not so removed within twenty-four (24) hours after the sinking, the Association may, (but shall not be obligated to) remove the sunken Vessel and impose an individual slip fee against the Unit Owner for the cost of such removal. Each Unit Owner agrees to indemnify, defend and save the Association, its agents, employees and designees for and from any and all loss or damage incurred in connection with the exercise or nonexercise of the Association's rights hereunder. If a Unit Owner plans an extended absence during the boating season, such Unit Owner must prepare his Boat Slip and secure or remove, as appropriate, his Vessel prior to his departure in accordance with the standards established by the Board of Directors (or in the absence thereof, with all due care), designate a responsible firm or individual to care for his Boat Slip and Vessel should there be a high velocity wind threat or other storm, and furnish the Association with the name, address and telephone number of such firm or individual. Such firm or individual shall be subject to the approval of the Association. The Unit Owner shall be liable for all damages caused to the Dock Facilities and to the Boat Slips, Vessels or other property of other Unit Owners for such Unit Owner's improper preparation or failure to remove, as the case may be, of his or her Boat Slip and Vessel for high velocity wind threats and other storms. Notwithstanding anything contained herein to the contrary, the Association may also levy fines in accordance with the rules and regulations if the Unit Owner fails to abide by the provisions of this paragraph. Notwithstanding the right of the Association to enforce the foregoing requirements, the Association shall not be liable to any Unit Owner or other person or entity for any damage to persons or property caused by an Unit Owner's failure to comply with such requirements.

(viii) No Unit Owner shall erect or maintain any fence, gate or other barrier, or any other improvement on any portion of the Dock Facilities (including the Limited Common Areas). Any improvements to the Dock Facilities must be made by the Association and are subject to the approval of the Association, except a Unit Owner may install a boat lift provided it is installed in accordance with the specifications adopted by the Association and pursuant to any other requirements or restrictions set forth in all permits issued for the Boat Slips.

(ix) No open fires shall be permitted on any Vessel, Boat Slip or any Dock Facilities, except in any areas which may be approved for such use by the Board, and no charcoal, starting fluids or similarly used substances shall be kept on any portion of the Dock Facilities.

(x) No fish or other marine life of any kind shall be cleaned, prepared or processed in any manner on the Dock Facilities except in those portions of the Dock Facilities

specifically designated for such use by the Board of Directors. Fish may be cleaned on a Vessel, provided that it is done in accordance with the rules and regulations of the Association and provided that the Vessel is properly cleaned afterward.

(xi) The Association shall have the right to inspect any Vessel in the vicinity of the Dock Facilities to determine its compliance with all applicable municipal, county, state and federal fire, safety and other regulations, as well as to determine whether the Vessel complies with the maximum Vessel size requirements for the applicable Boat Slip. The Association shall have the right (but not be required) to remove any Vessel from the vicinity of the Dock Facilities which fails to comply with said regulations or fails to fit within the applicable Boat Slip. Each Unit Owner shall indemnify, defend and save the Association, its agents, employees and designees from and against any loss or damage incurred in connection with the exercise or nonexercise of the Association's rights hereunder.

(xii) Notwithstanding anything contained herein to the contrary, the Declarant, and the Association may permit police, U.S. Coast Guard and similar watercraft of public authorities to tie up to and be kept on any portion of the Dock Facilities designed for such use.

(xiii) Vessels may only be moved or operated on Submerged Property during such hours of the day as may be determined by the Board from time to time.

(xiv) No use or practice which is either an annoyance to Unit Owners or an interference with the peaceful possession and proper use of the Dock Facilities by the Unit Owners shall be allowed. No Unit Owner shall commit or permit any nuisance or any immoral or illegal activity in or about the Dock Facilities. No Unit Owner shall knowingly or willfully make or create any unnecessary, excessive or offensive noise or disturbance which destroys the peace, quiet and/or comfort of the Unit Owners, or allow any such noise or disturbance to be made within the Dock Facilities.

(xv) Whenever the Association is permitted or required by this Declaration to enter any Boat Slip for the purpose of correction, repair, cleaning, clearing, or in the event of an emergency, or any other required or permitted activity, such entrance shall not be deemed a trespass.

(xvi) Except in connection with development, sales, or resale of Boat Slips by the Declarant, no signs, advertisements or notices of any kind (including "for sale" signs), shall be displayed to the public view on any Boat Slip, any Vessel or on the Dock Facilities, without the prior written approval of the Association. The foregoing shall not prohibit lettering, registration numbers, flags and other displays customarily found on recreational watercraft.

(xvii) Fishing will not be permitted from the seawall and riprap, the dock, or off any Vessel while moored at the Dock Facilities.

(xviii) No improvement shall be erected, placed or altered on any Boat Slip or Dock Facilities by any Unit Owner other than the Declarant. Any change in the exterior appearance of any improvement and any change in the appearance of any landscaping, shall be

accomplished only with the approval of the Association. The Association shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this Declaration.

(xix) The Association and the Board reserve the right to approve all Vessels which are moored on the Submerged Property, including at the Dock Facilities and Boat Slips, including the appearance of Vessels. The minimum standards for such approval shall be the compliance of the Vessel with the requirements of this Declaration and with those adopted by the Association. The granting of approval for a Vessel shall not, however, be deemed to create any liability of the Association or of their officers or directors as to the unsafe or unseaworthy condition of any Vessel or any damage to persons or property arising therefrom.

(xx) Each Vessel must have such sanitary equipment on board as is required by all applicable federal, state and local authorities. No Vessel shall be deemed to be in compliance with this paragraph if such equipment is not fully operational or if such equipment such as a holding tank or approved marine sanitary system is bypassed or altered contrary to such requirements. The Association shall have the right to board all Vessels upon reasonable notice to inspect same for compliance with this requirement. In no event whatsoever shall an Unit Owner discharge sewage or any other substance (other than bilge water) into the waters.

(xxi) No portion of the Dock Facilities, and no Vessel, shall be used for the displaying or hanging of laundry.

(xxii) No recreational swimming shall be permitted within the waters of the Submerged Property. Diving shall be permitted for the purpose of maintenance and repair of Vessels or of the Dock Facilities.

(xxiii) No person shall be permitted to live on any Vessel moored at the Dock Facilities or remain overnight on any Vessel overnight for any purpose except in special circumstances approved in advance by the Board of Directors.

(xxiv) All Vessels must: (a) be fully equipped and operable for operation on the lake (except during a period of temporary repairs not to exceed five (5) days); and (b) comply with all licensing and registration requirements. Vessels may not exceed a maximum draft of thirty-six (36) inches, or such other limitation as may be determined by the Board from time to time.

(xxv) Unit Owners may install one dock box per Boat Slip, at the Unit Owner's expense. The location, size and appearance of the dock box must be approved by the Association prior to installation or replacement.

(xxvi) From time to time, the Declarant or the Association may require that all Vessels and improvements to the Dock Facilities be removed for maintenance, repairs and dredging at which time the Boat Slips may be entered for such period as may be necessary.

(xxvii) Unit Owners may perform routine washing, waxing and detailing on their Vessels while docked at the Dock Facilities. Unit Owners may also perform minor repairs as determined by the Board from time to time. No bottom cleaning will be permitted

while a Vessel is moored at the Dock Facilities. Maintenance and repair of Vessels other than routine cleaning and minor repairs approved by the Board is not allowed at the Dock Facilities, or in a Boat Slip.

(xxviii) Unit Owners shall not fuel their Vessels while moored at the Dock Facilities. Fuel and other petroleum products may not be stored at the Dock Facilities except in a Vessel's fuel tank.

(xxix) The Declarant and Association shall have the right to increase or decrease the size of any Boat Slip, from time to time in their discretion, provided that such modification does not interfere with navigation or materially and adversely affect the rights of any Unit Owner.

(xxx) The handling, storage, transportation and disposal of hazardous or toxic materials shall be prohibited at the Dock Facilities; provided, however, that this shall not prohibit the proper handling, storage and transportation of petroleum products used by an Unit Owner in connection with the operation of his or her Vessel. Dispensing of fuel is prohibited. The Association shall have the right to immediately remove, or cause the removal of, any hazardous or toxic material located on the Submerged Property. Each Unit Owner shall insure that any bilge water pumped into the waters does not contain any petroleum or other hazardous or toxic materials. For purposes of this paragraph, hazardous or toxic materials shall be as defined by Federal, Idaho and common law. Each Unit Owner shall indemnify, defend and save the Declarant, the Association and any management agent harmless from and against any damages, claims and liability resulting from or arising out of the violation of any of the requirements of this paragraph by such Unit Owner. All expenses incurred by the Declarant and the Association in connection with compliance with all environmental and related laws shall be paid in accordance with Section 38(i) hereof, except in the case of a violation of this Declaration by a particular Unit Owner.

(xxxi) The Declarant may include in any contract or conveyance documents for any Boat Slip, additional protective covenants and restrictions not inconsistent with those contained herein.

(xxxii) No person shall use the Dock Facilities or any Boat Slip or any vessel, in any manner contrary to, or not in accordance with, the rules and regulations which may be promulgated by the Association whether or not such rules and regulations are restated herein in whole or in part.

(g) Maintenance of Properties and Vessels.

(i) Each Unit Owner shall keep his or her Vessel at all times in a neat, attractive and safe condition, and the Association may levy a fine against such Unit Owner for the cost of maintaining the appearance and safety of his Vessel, plus an administrative fee of not more than twenty-five percent (25%) of such cost. Further, the Association shall have the right to remove any Vessel which is not maintained in a neat, attractive and safe condition, as determined by the Board of Directors. Notwithstanding the foregoing, the Association shall have no liability to any Unit Owner to keep the Boat Slips or Vessels in a safe condition.

(ii) The Association shall be responsible for the routine and ordinary maintenance of all the Dock Facilities including the Boat Slips; provided, however, that the expense of any maintenance, repair or reconstruction of any portion of the Dock Facilities necessitated by the negligent or willful acts of a Unit Owner, or his lessees, invitees, licensees, family or guests shall be borne solely by such Unit Owner. The Association shall have the right (but not an obligation) to repair or reconstruct the Dock Facilities in the event of damage or destruction. The Association shall use insurance proceeds to fund such repair or reconstruction, to the extent that the insurance proceeds are sufficient to do so. All repair and reconstruction shall be completed in good and workmanlike manner and in accordance with plans and specifications approved by the Association.

(h) Dock Facilities.

(i) The Association shall be responsible for the management, maintenance and operation of the Dock Facilities and for the payment of all property taxes and other assessments which are liens against the Dock Facilities, from and after the date of recordation of this Declaration. Reserves may be established for the replacement or repair of the Dock Facilities.

(ii) The Association, through its Board of Directors shall regulate the use of the Dock Facilities (including the Limited Common Areas) by Unit Owners and assignees, and may from time to time promulgate such rules and regulations consistent with this Declaration, governing the use thereof as it may deem to be in the best interest of its Unit Owners. A copy of all rules and regulations established hereunder and any amendments thereto shall be made available to all Unit Owners at the office of the Association. Such rules and regulations and all provisions, restrictions and covenants as now or hereafter provided, including, without limitation, all occupancy and use restrictions contained in this Declaration, may be enforced by legal or equitable action of the Association.

(iii) Subject to the provisions herein, each Unit Owner shall have the right and easement of enjoyment to, and use of, the Dock Facilities. Each Boat Slip shall be a Limited Common Area and the exclusive right to use a particular Boat Slip shall be assigned by the Declarant to any Unit Owner it desires in its sole and absolute discretion pursuant to a Sublease. Attached hereto as Exhibit "F" is a boat slip plan which identifies the Boat Slips. The right to use a particular Boat Slip shall not be conveyed, assigned, transferred, mortgaged, encumbered, devised, leased or otherwise disposed of except in conjunction with the Condominium Unit or Condominium Lot to which such Boat Slip has been assigned. Anything herein contained to the contrary notwithstanding, the utility outlets, pilings, dock storage boxes, cleats and any other portion of the Dock Facilities intended for use in conjunction with a particular Boat Slip shall be reserved as Limited Common Areas for the exclusive benefit and use of the Unit Owner who has the exclusive right to use that particular Boat Slip. The transfer of the exclusive right to use a particular Boat Slip shall occur upon the execution of an Assignment of Sublease which must be delivered to the Association for its records.

(iv) Unit Owners shall have the right and easement of enjoyment to, and use of, the Dock Facilities subject to the following:

A. The right of the Association to suspend the enjoyment rights and easements of any Unit Owner for any period during which any sums due to the Association remain unpaid by the Unit Owner and for any period during which such Unit Owner is in violation of this Declaration or any rules and regulations promulgated by the Association.

B. The right of the Association and its agents to properly maintain the Dock Facilities. For the purpose of performing its maintenance obligations permitted under this Declaration, the Association, through its duly authorized agents, employees or independent contractors, shall have the right, after reasonable notice to the Unit Owner, to enter upon any Vessel at reasonable hours on any day, and an easement therefor is hereby expressly granted. Such notice shall not be required in the event of an emergency where a delay in entry could result in damage to any Boat Slip, Vessel, Dock Facilities, persons or other property.

C. The rules and regulations governing the use and enjoyment of the Dock Facilities, as promulgated by the Association.

D. The right to dedicate or transfer all or any part of the Dock Facilities to any governmental or quasi-governmental agency or authority.

E. Restrictions contained on any plat, or filed separately with respect to all or any portion of the Property.

F. The terms and conditions of the Submerged Land Lease.

G. All of the provisions of this Declaration, the Articles of Incorporation and By-Laws, the rules and regulations promulgated by the Association for use of the Dock Facilities, and all exhibits thereto, all as same may be amended from time to time.

H. Such easements as may be granted or reserved on any separate instrument; such easements as may be granted or reserved separately by the Declarant or the Association, and such other easements as may be granted or reserved pursuant to the provisions of this Declaration.

I. The right and duty of the Association to levy assessments against each Unit Owner for the purpose of maintaining the Dock Facilities in compliance with the provisions of this Declaration.

J. The right of fire, police, coast guard, health and sanitation and other public service personnel and vehicles to have access to, and use, the Dock Facilities for the purpose of performing their duly authorized duties.

K. In case of any emergency originating in, or threatening any Boat Slip, regardless of whether the Unit Owner is present at the time of such emergency, the Board of Directors or any other person authorized by the

Association, shall have the right (but not an obligation) to enter such Boat Slip and the Vessel located therein for the purpose of remedying or abating the cause of such emergency.

L. The Unit Owner's easement of enjoyment shall be subject to the rights reserved by the Declarant for future development of the Property. As a material condition for Unit Ownership of a Condominium Unit or Condominium Lot, each Unit Owner releases the Declarant from any claim for interference with his quiet enjoyment of his Boat Slip or the Dock Facilities due to the development of Seasons at Sandpoint.

M. The size of the Vessel which may be moored in a particular Boat Slip is limited to that size of Vessel which can be accommodated by the Boat Slip in accordance with prudent boating practices. The Association shall have the right to establish additional rules and regulations regarding the size of the Vessels each Boat Slip may accommodate.

N. The Association, at its sole cost and expense, shall ensure compliance with all licenses and permits which govern or as may govern the use of the Dock Facilities and the Boat Slips, and the cost of such compliance shall be paid in accordance with Section 38(g) hereof.

(v) In the event of a permanent dissolution of the Association, Declarant and the Association shall have no further liabilities or obligations hereunder, the Unit Owners shall immediately thereupon, and without further action, hold title to the Dock Facilities as tenants in common and shall collectively provide for the continued maintenance and upkeep thereof.

(vi) The Submerged Property are subject to the terms and conditions of various permits and rules and regulations of governmental and regulatory agencies pertaining to environmental protection and boating safety. These permits, rules and regulations include, without limitation, speed limits, fuel spill plans, manatee protection plan, and maintenance, security and access regulations. The Declarant shall deliver to the Association copies of all permits, approvals and related documents and agreements pertaining to the Dock Facilities and the Association shall ensure compliance with all such permits, documents and agreements with respect to use of the Dock Facilities and Submerged Property, at the Association's sole cost and expense.

(vii) The Declarant and the Association make no warranties or representations regarding the adequacy of water depths for boating access to the lake. By acceptance of a deed for a Condominium Unit or Condominium Lot, each Unit Owner acknowledges that there are fluctuations in water depth in the vicinity and agrees that those conditions are acceptable to the Unit Owner.

(viii) By acceptance of a deed for a Condominium Unit or Condominium Lot, each Unit Owner acknowledges and agrees that the Declarant and the Association shall not be liable to Unit Owner or any other person for personal injury, loss of life, property damage to a

Vessel, its motor, accessories and contents thereof, resulting from the operation of Vessels and the use of the Boat Slips and Dock Facilities. Each Unit Owner using the Dock Facilities and Boat Slips or the channels adjacent to the Dock Facilities and Boat Slips, assumes all risk of injury, loss or damage to himself or herself, his guests and invitees and to his or her vessel or its appurtenances or contents, including any loss or damage arising out of or due to adverse weather conditions. This responsibility includes damage to other vessels and damage to the Dock Facilities and Boat Slips. Neither the Declarant nor Association shall have any liability or responsibility therefor. Neither the Declarant nor the Association shall make any expressed or implied warranties or representation as to the conditions of the docks, piers, gangways, wharves or ramps and shall undertake any duty to advise of any hazardous conditions requiring the attention of the Unit Owner. Neither the Declarant nor the Association shall be liable for any injury to persons or property occurring at the Dock Facilities and Boat Slips, or for any theft of, or from, any vessel, regardless of whether or not the loss, damage or claim results from the Declarant's or the Associations negligence. The Association shall not have any liability for the care of protection of any vessel, and each owner agrees to indemnify and to hold harmless the Declarant and the Association against any such loss, damage, claim arising out of the owner's, or such owner's family members, guest or invitees use of the Dock Facilities and Boat Slips and/or the operation of a vessel at or around the Dock Facilities and Boat Slips, whether or not the loss, damage or claim results from either the Declarant's or Associations negligence or from adverse weather conditions. Furthermore, each Unit Owner agrees to indemnify and hold harmless the Declarant and the Association from any liability arising out of the violation of any permit issued with respect to Dock Facilities and/or Boat Slips as a result of the actions of Unit Owner and/or Owner's family, guests, invitees and lessees.

(ix) The Declarant and the Association make no representations or warranties concerning security at the Dock Facilities. Unit Owners shall be responsible for properly securing a Vessel's equipment including, but not limited to, antennas, transducers, trim tabs, Bimini tops, outriggers, or other protruding equipment and shall be responsible for articles left in the Vessel.

(x) The Association is hereby authorized to purchase insurance on the Dock Facilities in such types, in such amounts, with such deductibles, and with such companies as the Board of Directors shall deem appropriate.

(xi) The Unit Owner of any Vessel occupying a Boat Slip shall maintain a full marine insurance package (hull coverage as well as indemnity and liability coverage) on the Vessel in the amount specified by the Association from time to time, and the policy for this insurance shall name the Association as additional insured. A copy of a certificate of such insurance for the Vessel shall be delivered to the Association.

(i) Maintenance and Expense. The Association shall maintain the Dock Facilities and Boat Slips, and renew, to the extent available, the Submerged Land Lease and Encroachment Permit. The costs for performing same shall be paid as follows:

(i) Dock Facilities Limited Common Expense. 100% of the maintenance expenses shall be a "Dock Facilities Limited Common Expense" of the

Association, which shall be paid on a pro rata basis by the Unit Owners that have subleased the Boat Slips, excluding the Reserved Boat Slips.

(j) Permitting. Notwithstanding anything herein to the contrary, each Unit Owner acknowledges and agrees that existence of the Dock Facilities and Boat Slips is strictly subject and subordinate to the terms and conditions of the Submerged Land Lease, and the Declarant obtaining the Submerged Land Lease and all Encroachment Permits required by all applicable laws to construct and maintain same. The Declarant makes no representations and warranties that said Submerged Land Lease or Encroachment Permits have been obtained, and to the extent the Declarant is unable to obtain the Submerged Land Lease and Encroachment Permits, the Declarant is under no obligation to construct the Dock Facilities and Boat Slips, nor shall the Declarant have any liability to any Unit Owner for not constructing same. Additionally, the right to the continued operation of the Dock Facilities and Boat Slips, if built, will likewise be subject to all of the terms and conditions of all Encroachment Permits and the Submerged Land Lease. To the extent any of the terms and conditions are violated, the right to the continued existence and operation of the Dock Facilities and Boat Slips may likewise terminate.

39. LEASES. The Association has entered into or will enter into two leases for portions of space located at the clubhouse located on the Condominium Property. One lease is with Hart at Seasons, which entity is leasing spaces for the purpose of operating a non-mandatory, voluntary rental pool program for the Condominium. Pursuant to the lease, Hart at Seasons shall pay to the Association annually rent for the use of its space, as more particularly set forth in the lease between the Association and Hart at Seasons. Additionally, the Association has entered into or will enter into a lease with Heaven at Seasons, leasing the third floor of the clubhouse to Heaven at Seasons, for the purposes of operating spa services. The lease provides that Heaven at Seasons shall pay to the Association a rental amount annually as more particularly set forth in the spa lease. Each Unit Owner by acceptance of a deed to his, her or its Unit acknowledges and agrees that the Association is bound by the terms and conditions of said leases and must comply with all said terms and conditions. Additionally, each Unit Owner by acceptance of a deed to his, her or its Unit acknowledges and agrees that the facilities leased to the respective companies shall be not be available to the Unit Owners, except in accordance with the terms and conditions promulgated by the respective tenant. Moreover, each Unit Owner by acceptance of a deed to his, her or its Unit acknowledges and agrees that the Association shall have no right to terminate either lease, except as otherwise specifically set forth in the respective lease.

40. RENTAL POOL PROGRAM. The lease with Hart at Seasons permits Hart at Seasons to lease a portion of the clubhouse for purposes of providing hotel and spa services and related amenities to the Units and their occupants, which may include (without obligation or without limitation) a rental program offering transient rental services and reservations, housekeeping and room service.

The rental program will be non-mandatory and each Unit Owner would have the option, but not the obligation, to enter into a program that would offer the Units to the public on a daily basis and in accordance with all applicable zoning restrictions. The rental program would be managed and operated by Harts at Seasons or by a third party selected by it (the "Hotel

Operator"). The rental program is completely voluntary and Unit Owners may rent their Units without having to participate in the rental program.

The additional expenses to Unit Owners associated with the use of the rental program would be charged by the Hotel Operator only to the participating Unit Owners pursuant to individual agreements and would not be included in the Common Expenses of the Condominium .

Modifications to the Units may effect their eligibility for the rental program.

IN WITNESS WHEREOF, the Declarant has caused these presents to be signed in its name by the proper officers of its managing general partner thereunto duly authorized and its corporate seal affixed, the day and year first above written.

Signed, sealed and delivered in the presence of:

BVG Sandpoint, Ltd., a Florida limited partnership

By: BVG Sandpoint, Inc., a Florida corporation, its general partner

Amethyst Leigh McFarland
Print Name: AMELYST LELLOH MCFARLAND

By: [Signature]
Print Name: C. Jae Heinberg
Title: President

Jennifer Bankley
Print Name: Jennifer Bankley

Address: 777 South Harbour Island Boulevard, Suite 925, Tampa, Florida 33602

STATE OF FLORIDA
COUNTY OF Hillsborough

The foregoing instrument was acknowledged before me this 7th day of September, 2004, by C Jae Heinberg, as _____ of BVG Sandpoint, Inc., a Florida corporation, as general partner of BVG Sandpoint, Ltd., a Florida limited partnership, on behalf of the corporation and limited partnership. He/she is personally known to me or has produced _____ as identification.



[Signature]
NOTARY PUBLIC
Print Name: Linda Starr Kerns
Serial Number: _____
My Commission Expires: _____

CONSENT OF MORTGAGEE

The undersigned, the holders (collectively, the "Holders") of that certain Mortgage, dated 3/10/04, recorded 3/12/04 at Official Records Instrument No. 645725 of the Public Records of Bonner County, Idaho, as assigned and amended from time to time (the "Mortgage"), encumbering the land described in Exhibit "A" attached to the Declaration of Condominium of Seasons at Sandpoint, a Condominium, recorded in O.R. Book _____, beginning on Page _____, of the Public Records of Bonner County, Idaho (the "Declaration"), for which this Consent is executed, hereby consents to said Declaration and agrees that the lien of its Mortgage, to the extent of an encumbrance upon the land described in Exhibit "A" attached to the Declaration shall be upon all of the condominium parcels of Seasons at Sandpoint, a Condominium, according to the Declaration thereof, together with all of the appurtenances, including but not limited to, any Common Areas appurtenant to the condominium parcels so encumbered and to the undivided shares of the Common Areas.

Nothing contained herein shall be deemed to or in any way limit or affect the Mortgage held by Holders of the priority of the lien created thereby and the sole purpose of this Consent is to acknowledge the consent of said mortgagee to the Declaration as hereinabove provided.

Executed this 8 day of July, 2004.

WITNESSES

Karen Branich
Print Name: Karen Branich

Irene S. Porcello
Print Name: IRENE S. PORCELLO

Am SOUTH BANK, an ALABAMA
State Chartered BANK

By: Robert D. Kramer
Print Name: ROBERT D. KRAMER
Its: SENIOR VICE PRESIDENT

Address: Am SOUTH BANK
13535 FEATHER SOUND DR.
BUILDING 1, SUITE 610
CLEARWATER, FLORIDA
33762

STATE OF FLORIDA
COUNTY OF Piellas

The foregoing instrument was acknowledged before me this 8th day of July 2004 by Robert D. Kramer Sr. V. P. of, on behalf of the bank. He is personally known to me or has produced _____ as identification.

Irene S. Porcello
NOTARY PUBLIC
Print Name: _____
Serial Number: _____
My Commission Expires: _____

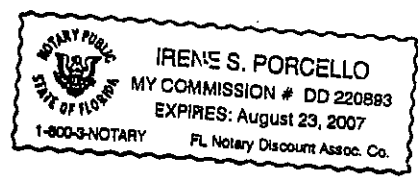


EXHIBIT "A"

Legal Description – Phase I

**LEGAL DESCRIPTION OF
SEASONS PHASE I PARCEL**

July 9, 2004

Being a parcel of land located in the Northwest Quarter of Section 23, Township 57 North, Range 2 West, B.M., Bonner County, Idaho more particularly described as follows:

Commencing at the northwest corner of said Section 23; thence $N89^{\circ}55'48''E$ along the north line of said section, a distance of 15.17 feet; thence $S0^{\circ}04'12''E$, 196.37 feet to a point which is 50.00 feet easterly of the centerline (as measured perpendicularly) of the Burlington Northern Santa Fe Railroad (BNSF Railroad); thence $S10^{\circ}45'09''E$ along a line parallel with and 50.00 feet easterly of said centerline (as measured perpendicularly) a distance of 1008.67 feet to the **POINT OF BEGINNING**;

thence continuing $S10^{\circ}45'09''E$ along said parallel line, a distance of 455.62 feet;

thence $N79^{\circ}14'51''E$ to the Original Mean High Water Line of Lake Pend Oreille;

thence northerly along said high water line to a point which is $N79^{\circ}14'51''E$ from the Point of Beginning;

thence $S79^{\circ}14'51''W$ to the **POINT OF BEGINNING**.

EXHIBIT "A-1"

Legal Description – Phase II, III and IV

**LEGAL DESCRIPTION OF
SEASONS PHASE II PARCEL**

July 9, 2004

Being a parcel of land located in the Northwest Quarter of Section 23, Township 57 North, Range 2 West, B.M., Bonner County, Idaho more particularly described as follows:

Commencing at the northwest corner of said Section 23; thence N89°55'48"E along the north line of said section, a distance of 15.17 feet; thence S0°04'12"E, 196.37 feet to a point which is 50.00 feet easterly of the centerline (as measured perpendicularly) of the Burlington Northern Santa Fe Railroad (BNSF Railroad); thence S10°45'09"E along a line parallel with and 50.00 feet easterly of said centerline (as measured perpendicularly) a distance of 1464.29 feet to the **POINT OF BEGINNING**;

thence continuing S10°45'09"E along said parallel line, a distance of 122.12 feet;

thence S34°16'35"E, 22.64 feet;

thence S84°17'08"E, 43.00 feet;

thence N74°12'18"E, 70.00 feet;

thence N79°14'51"E, 30.00 feet;

thence N10°45'09"W, 25.14 feet;

thence N79°28'54"E, 244.04 feet;

thence N17°25'25"W, 19.47 feet;

thence N81°30'22"E to the Original Mean High Water Line of Lake Pend Oreille;

thence northerly along said high water line to a point which is N79°14'51"E from the Point of Beginning;

thence S79°14'51"W to the **POINT OF BEGINNING**.

**LEGAL DESCRIPTION OF
SEASONS PHASE III PARCEL**

July 9, 2004

Being a parcel of land located in the Northwest Quarter of Section 23, Township 57 North, Range 2 West, B.M., Bonner County, Idaho more particularly described as follows:

Commencing at the northwest corner of said Section 23; thence $N89^{\circ}55'48''E$ along the north line of said section, a distance of 15.17 feet; thence $S0^{\circ}04'12''E$, 196.37 feet to a point which is 50.00 feet easterly of the centerline (as measured perpendicularly) of the Burlington Northern Santa Fe Railroad (BNSF Railroad); thence $S10^{\circ}45'09''E$ along a line parallel with and 50.00 feet easterly of said centerline (as measured perpendicularly) a distance of 552.05 feet to the **POINT OF BEGINNING**;

thence continuing $S10^{\circ}45'09''E$ along said parallel line, a distance of 456.62 feet;

thence $N79^{\circ}14'51''E$ to the Original Mean High Water Line of Lake Pend Oreille;

thence northerly along said high water line to a point which is $N79^{\circ}14'51''E$ from the Point of Beginning;

thence $S79^{\circ}14'51''W$ to the **POINT OF BEGINNING**.

**LEGAL DESCRIPTION OF
SEASONS PHASE IV PARCEL**

July 9, 2004

Being a parcel of land located in the Northwest Quarter of Section 23, Township 57 North, Range 2 West, B.M., Bonner County, Idaho more particularly described as follows:

Commencing at the northwest corner of said Section 23; thence $N89^{\circ}55'48''E$ along the north line of said section, a distance of 15.17 feet; thence $S0^{\circ}04'12''E$, 196.37 feet to a point which is 50.00 feet easterly of the centerline (as measured perpendicularly) of the Burlington Northern Santa Fe Railroad (BNSF Railroad), said point being the **POINT OF BEGINNING**;

thence $S10^{\circ}45'09''E$ along a line parallel with and 50.00 feet easterly of said centerline (as measured perpendicularly) a distance of 552.05 feet;

thence $N79^{\circ}14'51''E$ to the Original Mean High Water Line of Lake Pend Oreille;

thence northerly along said high water line to a point which is $N79^{\circ}14'51''E$ from the Point of Beginning;

thence $S79^{\circ}14'51''W$ to the **POINT OF BEGINNING**.

EXHIBIT "B"

Condominium Plat Map

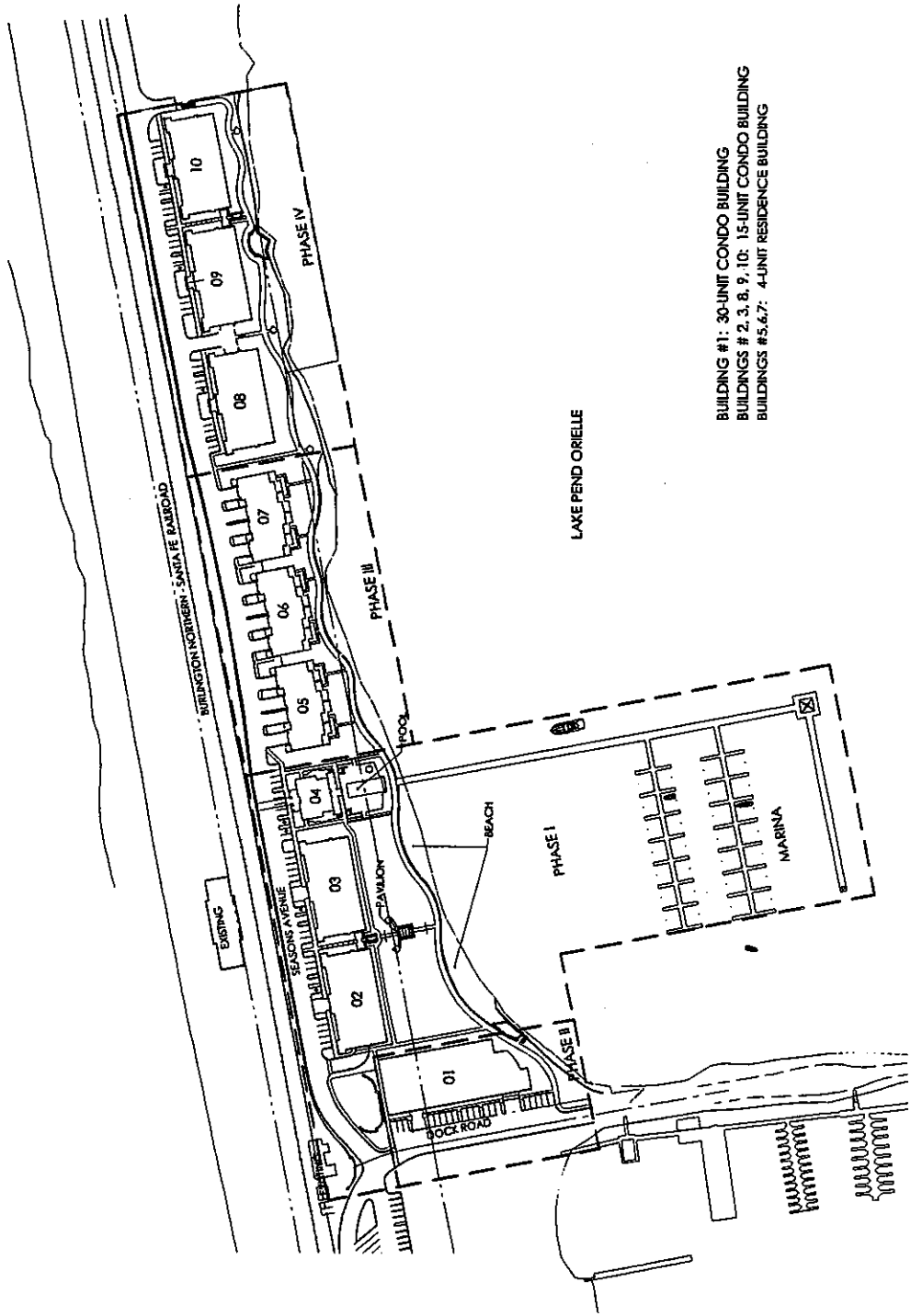
SEASONS AT SANDPOINT CONDO PLAT MAP

DRAWING INDEX

01	COVER	21	BUILDING #04 SECOND FLOOR PLAN
02	OVERALL SITE PLAN	22	BUILDING #04 THIRD FLOOR PLAN
03	PHASE I SITE PLAN	23	BUILDING #04 ELEVATIONS
04	BUILDING #02 PARKING LEVEL	24	BUILDING #04 ELEVATIONS
05	BUILDING #02 LIVING LEVEL 1	25	BUILDING #04 ELEVATIONS
06	BUILDING #02 LIVING LEVEL 2	26	BUILDING #04 ELEVATIONS
07	BUILDING #02 LIVING LEVEL 3	27	BUILDINGS #02 & 03 UNIT TYPE A PLAN
08	BUILDING #02 LIVING LOFT LEVEL	28	BUILDINGS #02 & 03 UNIT TYPE A(R) PLAN
09	BUILDING #02 ELEVATIONS	29	BUILDINGS #02 & 03 UNIT TYPE B PLAN
10	BUILDING #02 ELEVATIONS	30	BUILDINGS #02 & 03 UNIT TYPE B(R) PLAN
11	BUILDING #02 ELEVATIONS	31	BUILDINGS #03 UNIT TYPE BH PLAN
12	BUILDING #03 PARKING LEVEL	32	BUILDINGS #02 & 03 UNIT TYPE C PLAN
13	BUILDING #03 LIVING LEVEL 1	33	BUILDINGS #02 & 03 UNIT TYPE C(R) PLAN
14	BUILDING #03 LIVING LEVEL 2	34	BUILDINGS #02 UNIT TYPE CH PLAN
15	BUILDING #03 LIVING LEVEL 3	35	BUILDINGS #02 & 03 UNIT TYPE D PLAN
16	BUILDING #03 LIVING LOFT LEVEL	36	BUILDINGS #02 & 03 UNIT TYPE D(R) PLAN
17	BUILDING #03 ELEVATIONS	37	BUILDINGS #02 & 03 UNIT TYPE E PLAN
18	BUILDING #03 ELEVATIONS	38	BUILDINGS #02 & 03 UNIT TYPE E(R) PLAN
19	BUILDING #03 ELEVATIONS	39	BUILDINGS #02 & 03 UNIT TYPE F PLAN
20	BUILDING #04 FIRST FLOOR PLAN	40	BUILDINGS #02 & 03 UNIT TYPE F(R) PLAN

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM ACT FOR REVIEW AND APPROVAL. THE PHASE I PROPERTY IS THE ONLY CONDOMINIUM PROPERTY FOR WHICH THE DECLARANT HAS OBTAINED A BUILDING PERMIT. THE DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



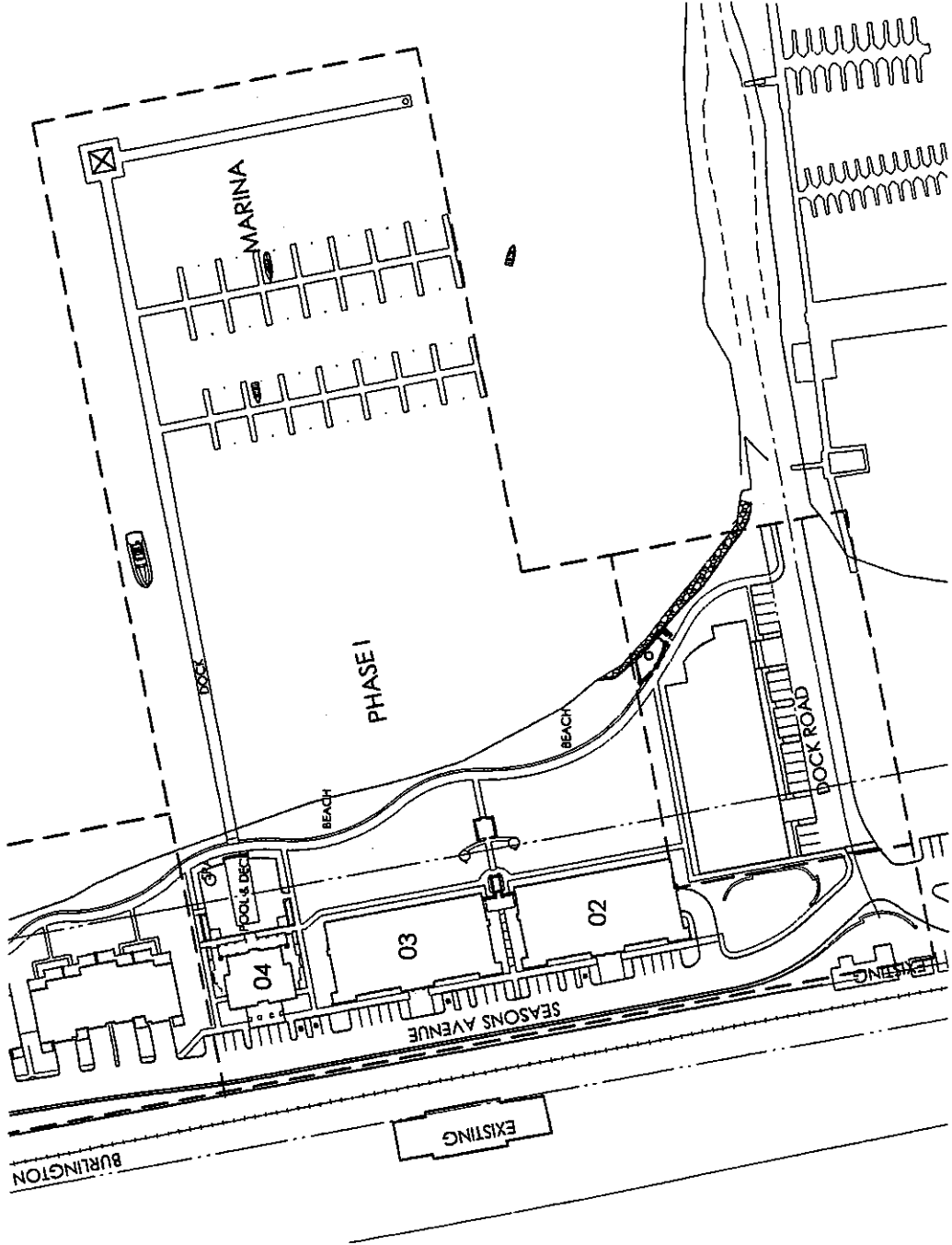


BUILDING #1: 30-UNIT CONDO BUILDING
 BUILDINGS # 2, 3, 8, 9: 15-UNIT CONDO BUILDING
 BUILDINGS #5,6,7: 4-UNIT RESIDENCE BUILDING

OVERALL SITE PLAN
 1" = 250' WHEN PRINTED AT 8.5 X 11"

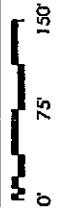
PHASE I
SEASONS CONDO PLAT MAP
 SEASONS AT SANDPOINT
 SANDPOINT, IDAHO

DECLARANT IS SIGNIFYING AT THIS TIME THAT THE ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND OWNERSHIP INTO THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT RULE 55, CHAPTER 15, IDAHO CODE. PHASES II, III, AND IV ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



PHASE I SITE PLAN

1" = 150' WHEN PRINTED AT 8.5 X 11"

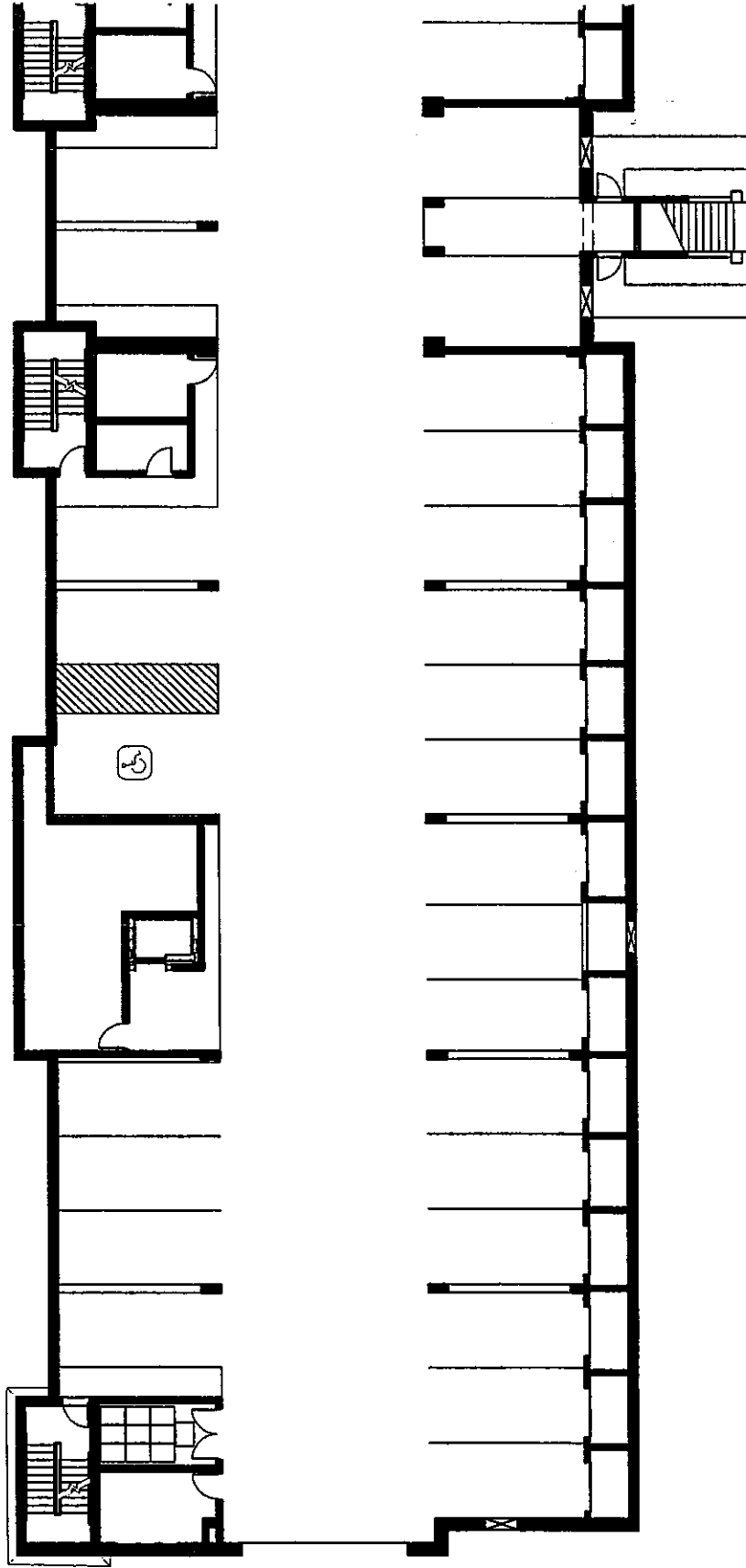


PHASE I
SEASONS CONDO PLAT MAP
 SEASONS AT SANDPOINT
 SANDPOINT, IDAHO

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE COMMISSION AND THE PHASES OF THE PROJECT NOT SHOWN ON THIS PLAN. PHASES OF THE PROJECT NOT SHOWN ON THIS PLAN ARE NOT BEING SUBMITTED AT THIS TIME ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO. AS MORE PARTICULARS SET FORTH IN THE DECLARATION OF COMMISSION.



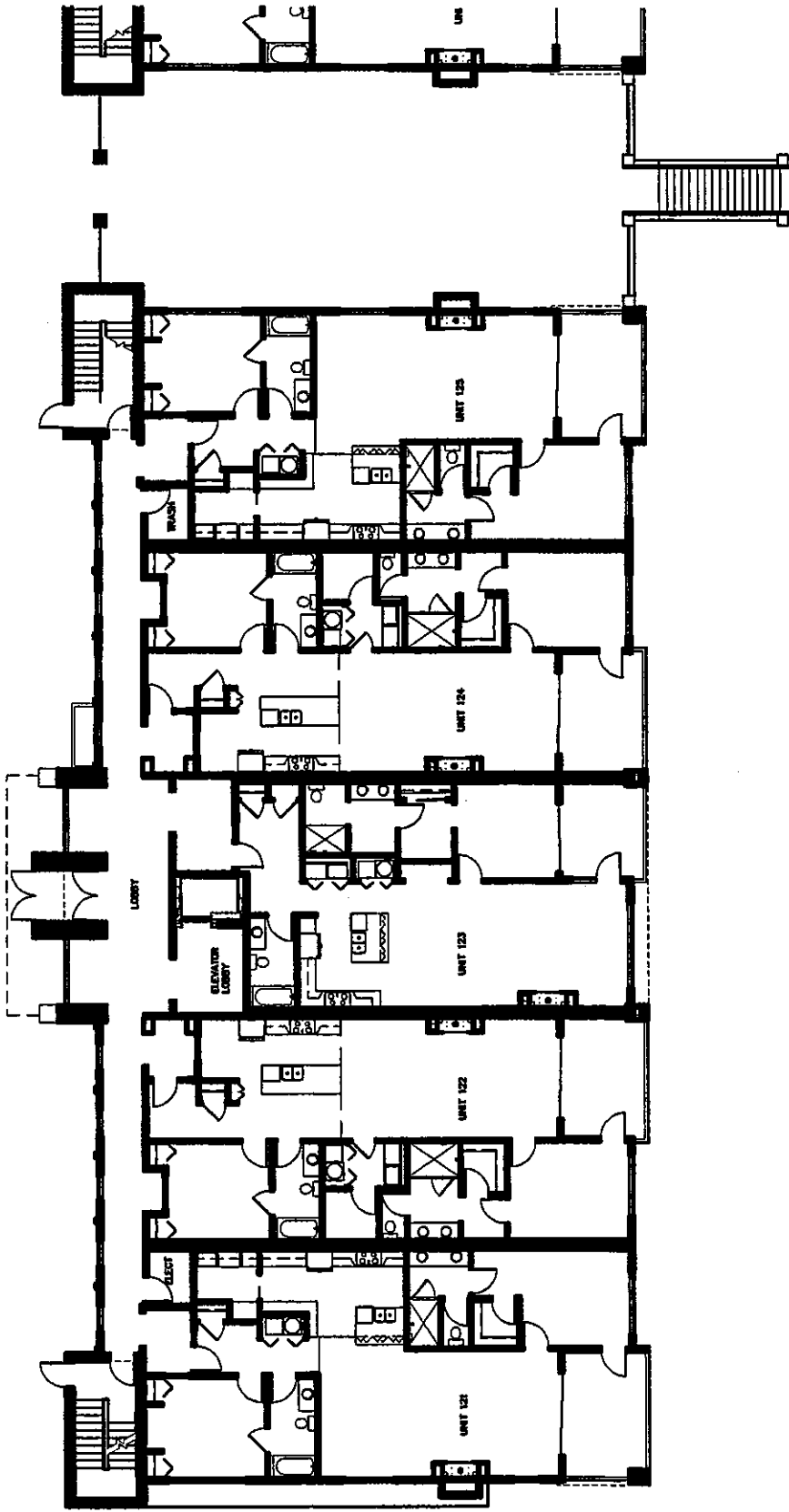
**WALTON H. CHANCEY
 & ASSOCIATES ARCHITECTS, P.A.**
 Printed: June 04, 2004



**BUILDING # 02
FLOOR PLAN- PARKING LEVEL**
1" = 20'-0" WHEN PRINTED AT 8.5 X 11



DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND OWNERSHIP INTO THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 35, CHAPTER 13, IDAHO CODE. PHASE I, II, AND III ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



**BUILDING # 02
FLOOR PLAN-LIVING LEVEL 1**

1" = 20'-0" WHEN PRINTED AT 8.5 X 11
0' 10' 20'

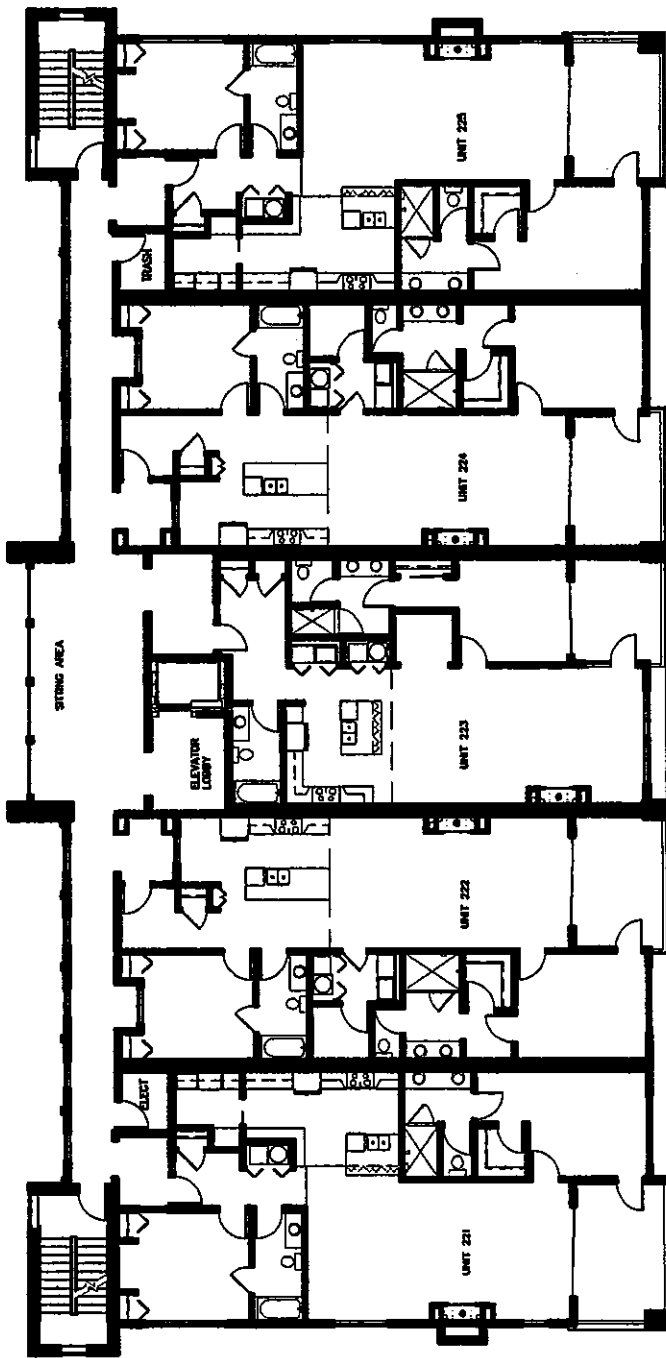


**PHASE I
SEASONS CONDO PLAT MAP
SEASONS AT SANDPOINT
SANDPOINT, IDAHO**

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE, AND OWNERSHIP INTO THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 55, CHAPTER 15, IDAHO CODE. PHASE A, B, AND C ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



**WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.**
Printed: July 26, 2004



**BUILDING # 02
FLOOR PLAN-LIVING LEVEL 2**
1" = 20'-0" WHEN PRINTED AT 8.5 X 11"

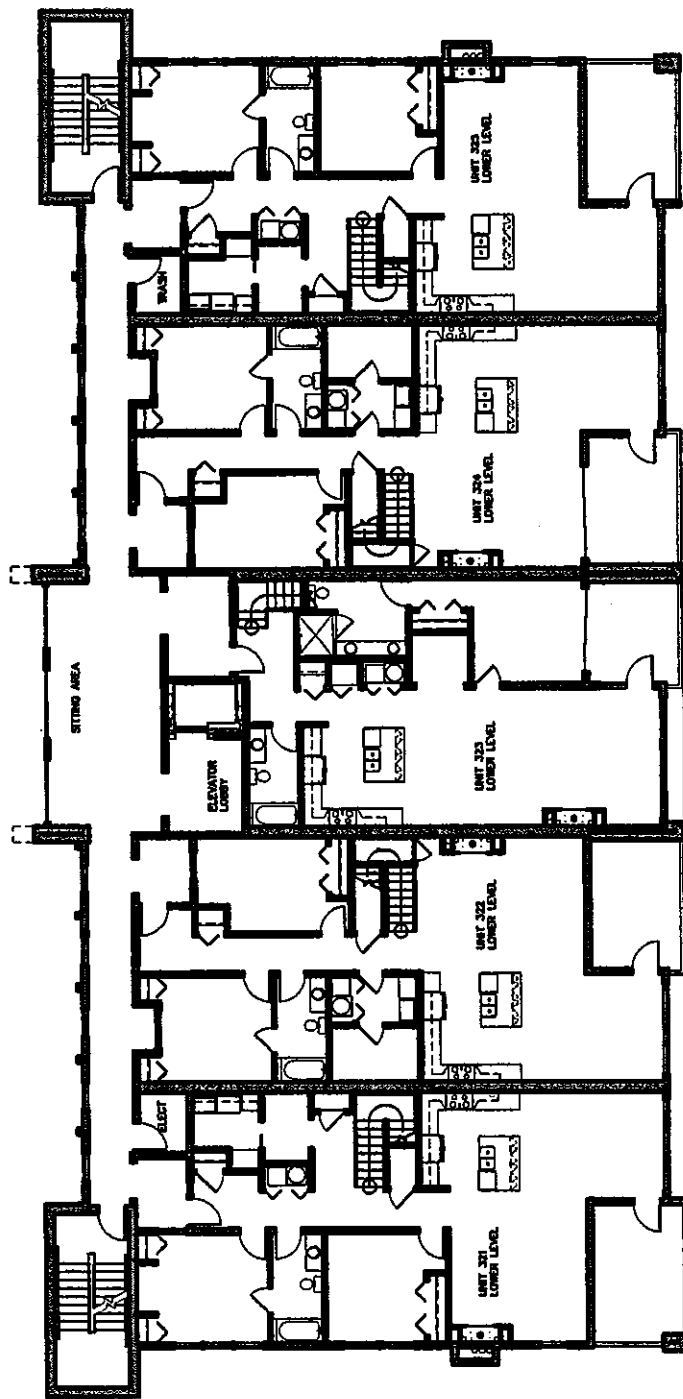


**PHASE I
SEASONS CONDO PLAT MAP
SEASONS AT SANDPOINT
SANDPOINT, IDAHO**

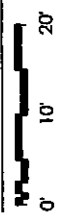
DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM ACT TITLE 39, CHAPTER 15, IDAHO CODE. PHASES II, III, AND IV ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



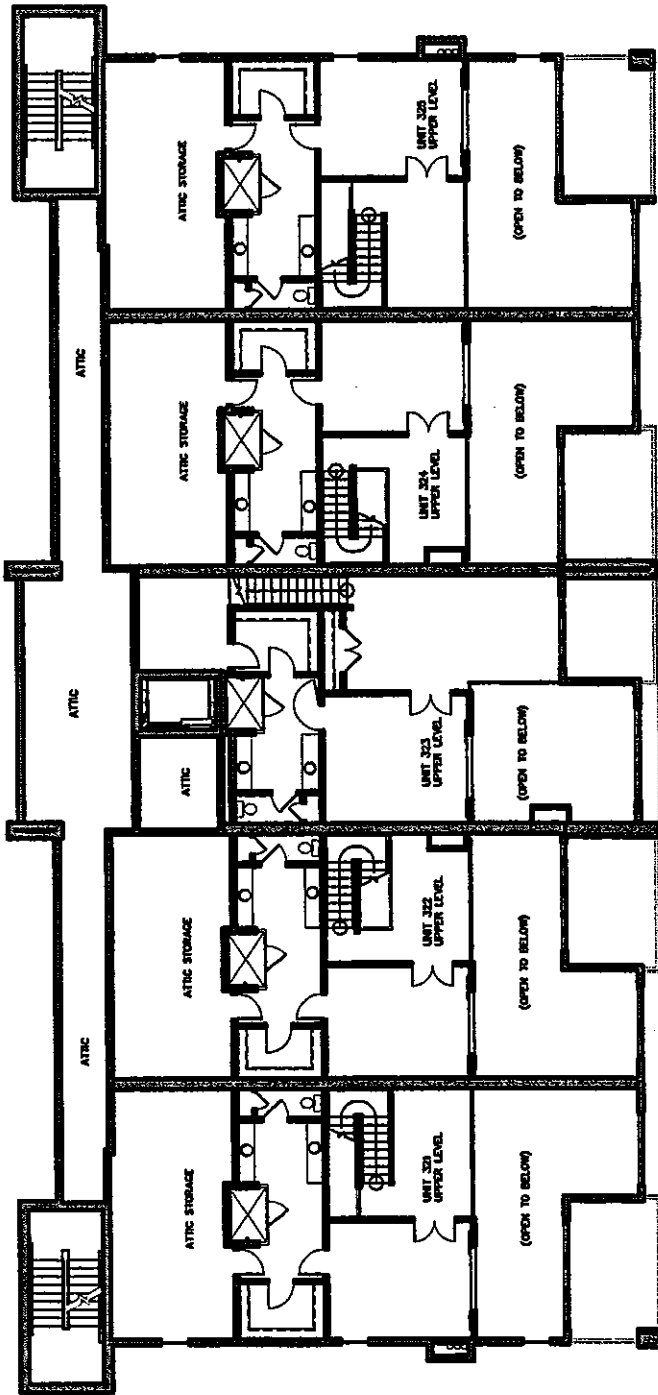
**WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.**
Printed: July 26, 2004



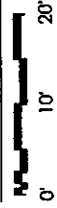
**BUILDING # 02
FLOOR PLAN- LIVING LEVEL 3**
1" = 20'-0" WHEN PRINTED AT 8.5 X 11"



DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND OWNERSHIP INTO THE POSSESSIONS OF THE SAID CONDOMINIUM UNIT ACT TITLE 33, CHAPTER 13, AND DOES NOT WARRANT THAT THE SAID UNIT IS SUITABLE FOR BUSINESS, RECREATION OR RESIDENCE. THE RIGHT TO SURRENDER TO DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



BUILDING # 02
 FLOOR PLAN-LOFT LIVING LEVEL
 1" = 20'-0" WHEN PRINTED AT 8.5 X 11

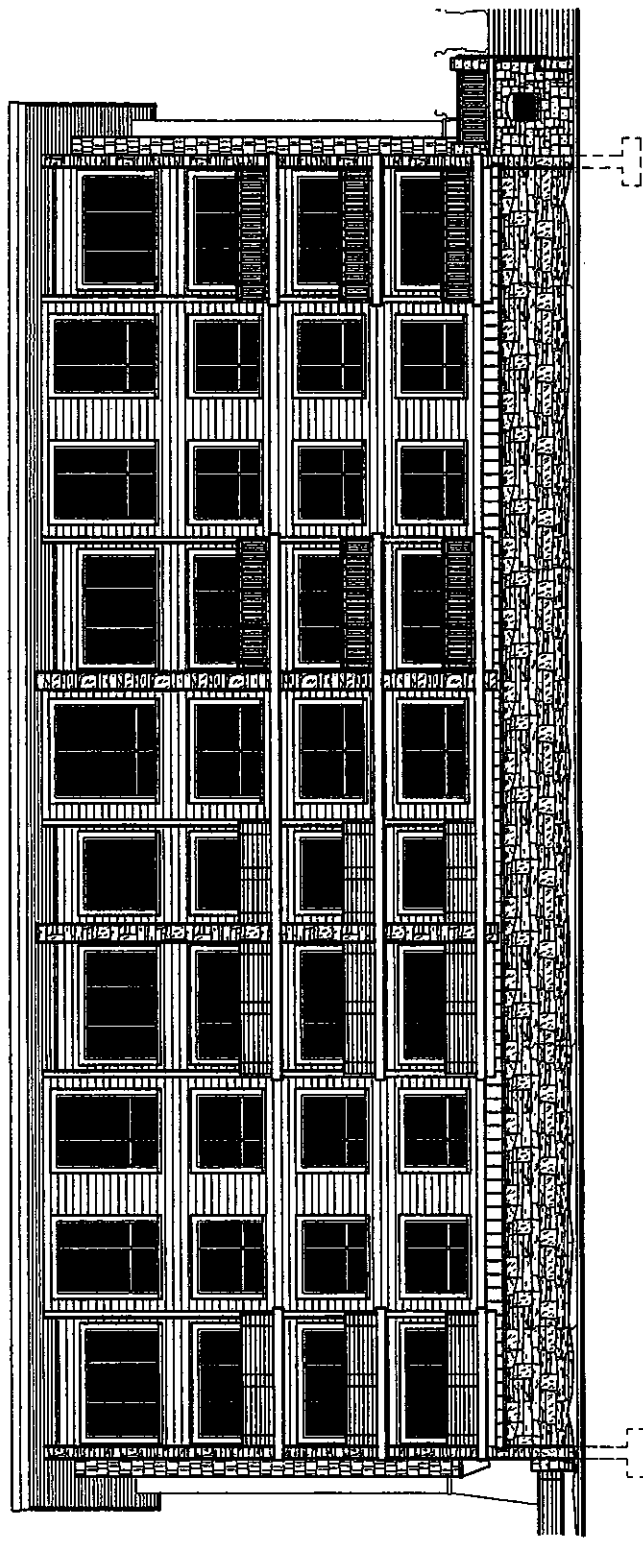


PHASE I
SEASONS CONDO PLAT MAP
 SEASONS AT SANDPOINT
 SANDPOINT, IDAHO

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM ACT TITLE 36, CHAPTER 15, IDAHO CODE. PHASES II, III AND IV ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



WALTON H. CHANCEY
 & ASSOCIATES ARCHITECTS, P.A.
 Printed: June 04, 2004



BUILDING # 02
 WATERFRONT (EAST) ELEVATION

1" = 20'-0" WHEN PRINTED AT 8.5 X 11

0' 10' 20'

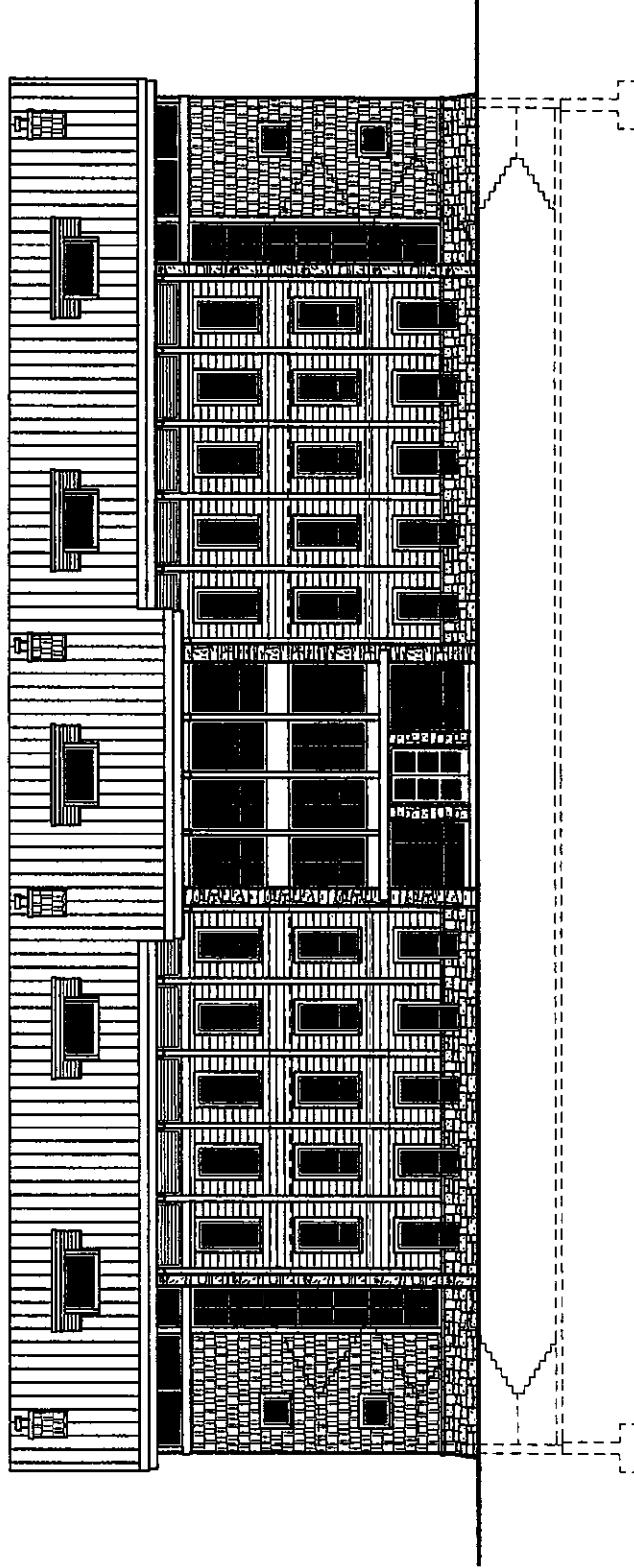
PHASE I
SEASONS CONDO PLAT MAP
 SEASONS AT SANDPOINT
 SANDPOINT, IDAHO

PAGE 3



WALTON H. CHANCEY
 & ASSOCIATES ARCHITECTS, P.A.
 Printed: June 04, 2004

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND CONVERSION WITH THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 55, CHAPTER 13, IDAHO CODE. PHASE II, III, AND IV ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



**BUILDING # 02
STREET (WEST) ELEVATION**

1" = 20'-0" WHEN PRINTED AT 8.5 X 11"



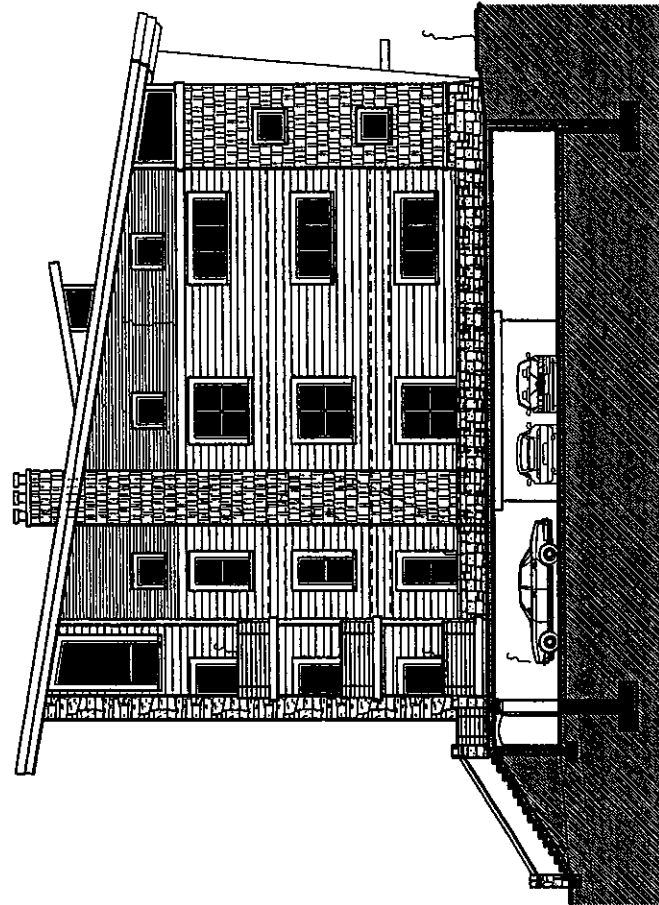
PHASE I
SEASONS CONDO PLAT MAP
 SEASONS AT SANDPOINT
 SANDPOINT, IDAHO

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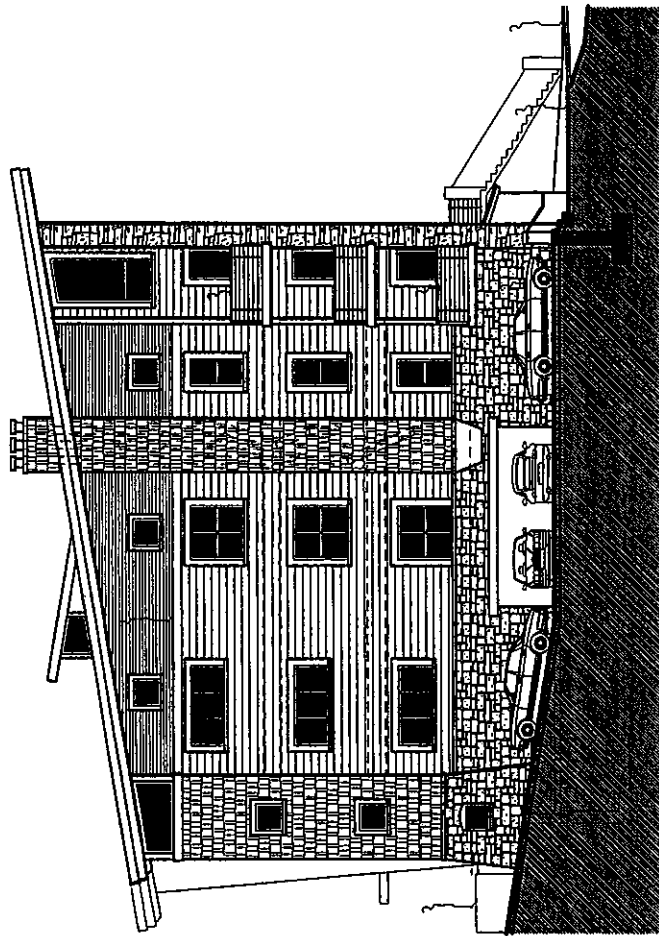
DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND EMPOWERMENT INTO THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT. THE SEASONS AT SANDPOINT PHASE II IS NOT BEING SUBMITTED AT THIS TIME. THE SEASONS AT SANDPOINT PHASE III IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE IV IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE V IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE VI IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE VII IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE VIII IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE IX IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE X IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XI IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XII IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XIII IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XIV IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XV IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XVI IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XVII IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XVIII IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XIX IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XX IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XXI IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XXII IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XXIII IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XXIV IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XXV IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XXVI IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XXVII IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XXVIII IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XXIX IS BEING SUBMITTED AT A LATER DATE. THE SEASONS AT SANDPOINT PHASE XXX IS BEING SUBMITTED AT A LATER DATE.



**WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.**
 Printed: June 04, 2004



**BUILDING # 02
SIDE ELEVATION (SOUTH)**



**BUILDING # 02
SIDE ELEVATION (NORTH)**

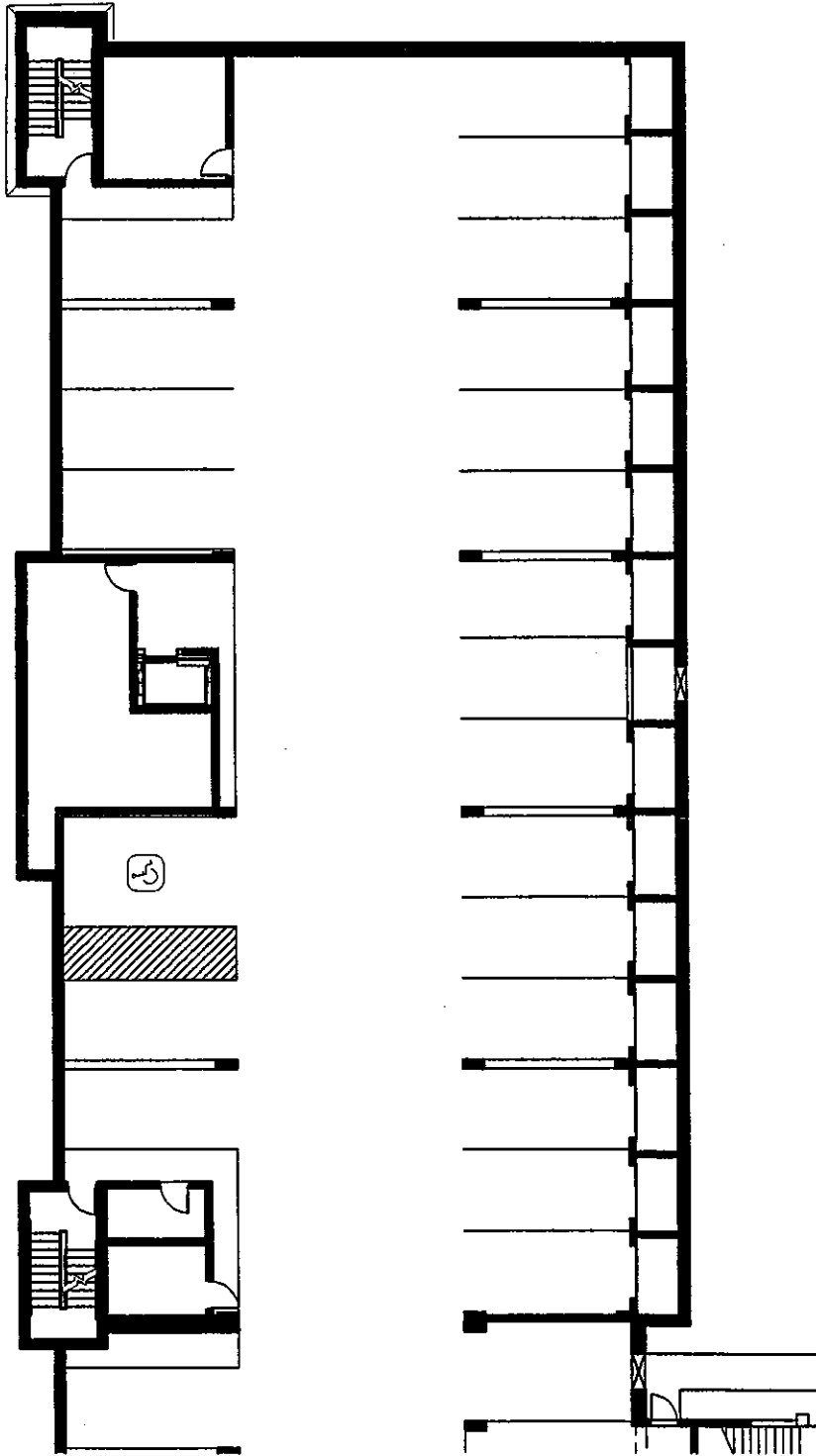


PHASE I
SEASONS CONDO PLAT MAP
 SEASONS AT SANDPOINT
 SANDPOINT, IDAHO

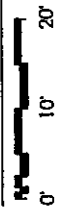
DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND OWNERSHIP INTO THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 38, CHAPTER 13, IDAHO CODE. PHASE II, III, AND IV ARE NOT BEING SUBMITTED AT THIS TIME. AT PROXY DECLARANT RESERVES THE RIGHT TO, SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



**WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.**
 Printed: June 04, 2004



**BUILDING # 03
FLOOR PLAN- PARKING LEVEL**
1" = 20'-0" WHEN PRINTED AT 2.5 X 11"

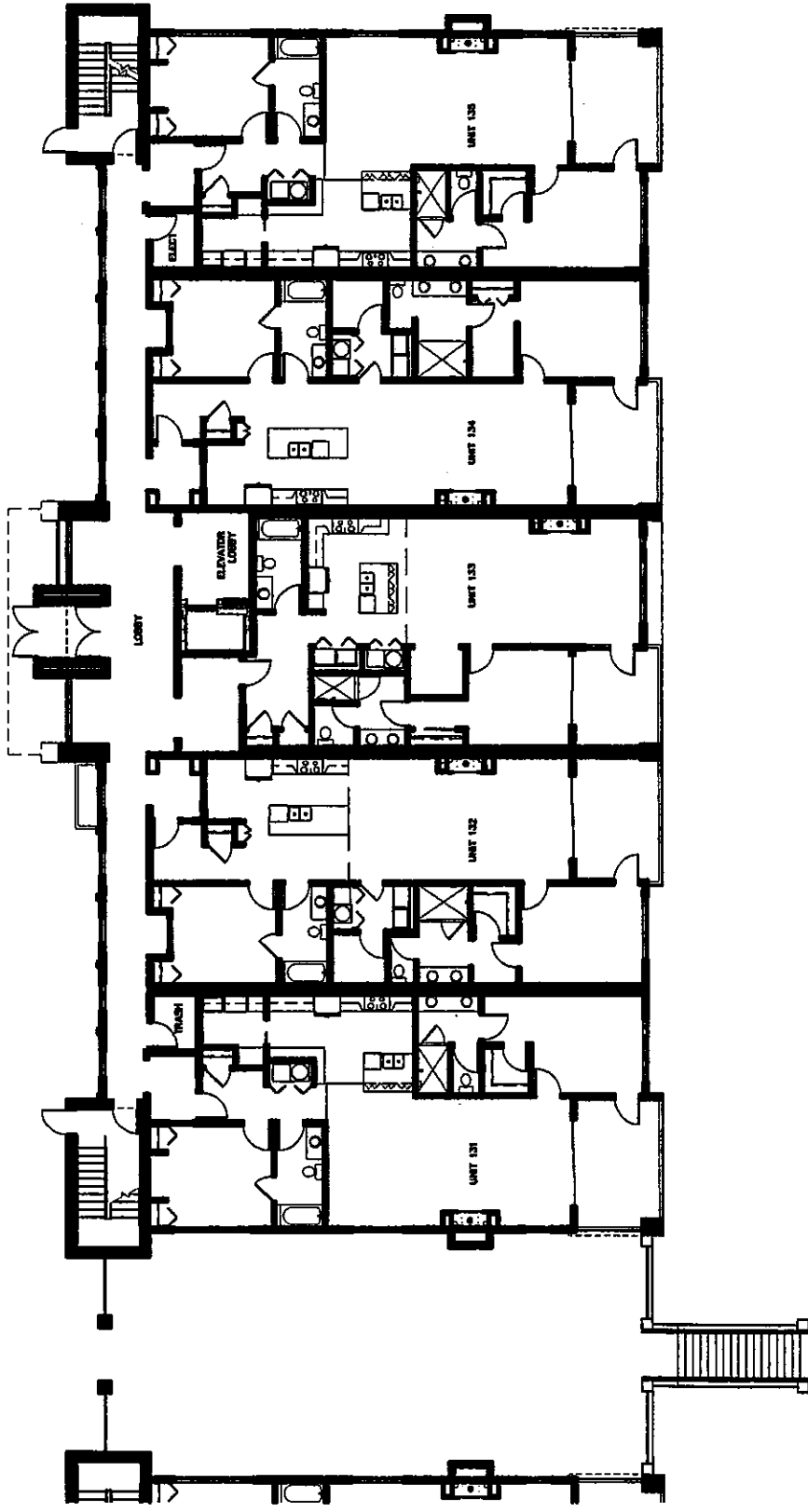


PHASE I
SEASONS CONDO PLAT MAP
SEASONS AT SANDPOINT
SANDPOINT, IDAHO

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND DIMENSIONS INTO THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 38, CHAPTER 13, UNLESS OTHERWISE SPECIFIED. THE DECLARANT'S INTENT IS TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



**WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.**
Printed: June 04, 2004



**BUILDING # 03
FLOOR PLAN-LIVING LEVEL 1**

1" = 20'-0" WHEN PRINTED AT 8.5 X 11
0' 10' 20'



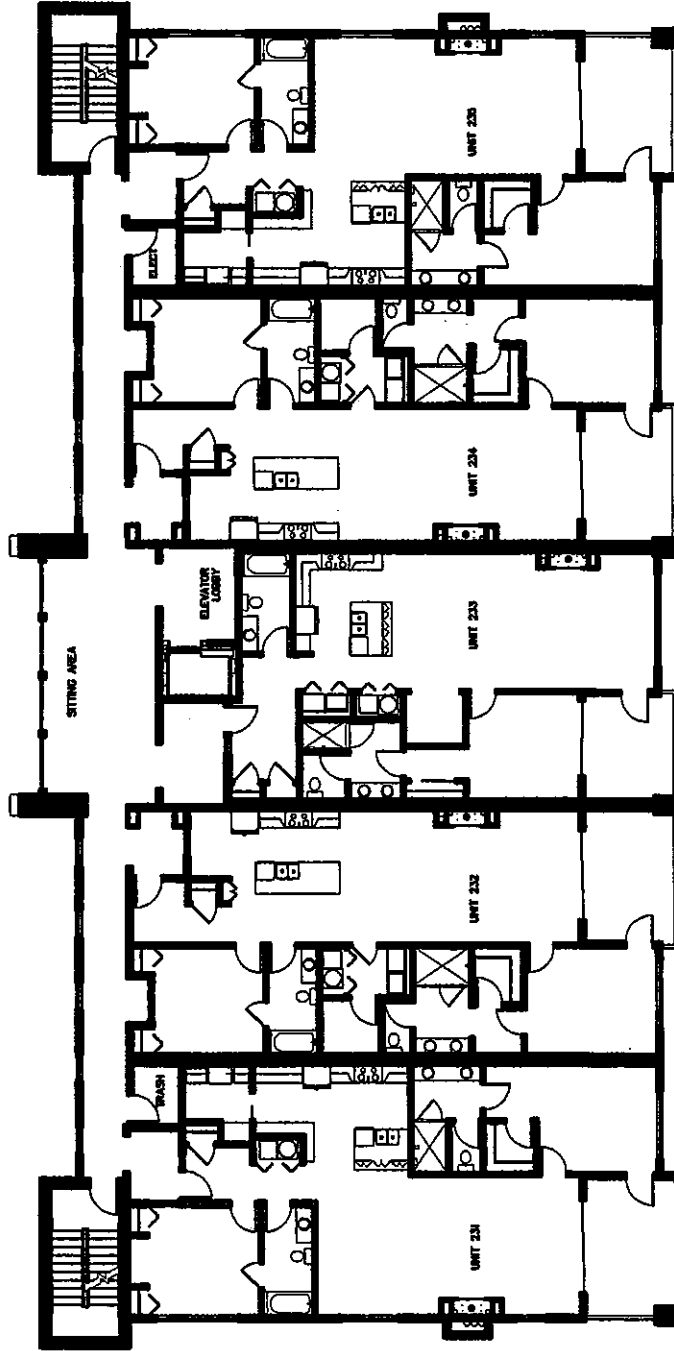
**PHASE I
SEASONS CONDO PLAT MAP
SEASONS AT SANDPOINT
SANDPOINT, IDAHO**

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND OWNERSHIP INTO THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 55, CHAPTER 15, IDAHO CODE. PHASE II, III, AND IV ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



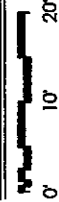
**WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.**

Printed: July 26, 2004



**BUILDING # 03
FLOOR PLAN- LIVING LEVEL 2**

1" = 20'-0" WHEN PRINTED AT 8.5 X 11



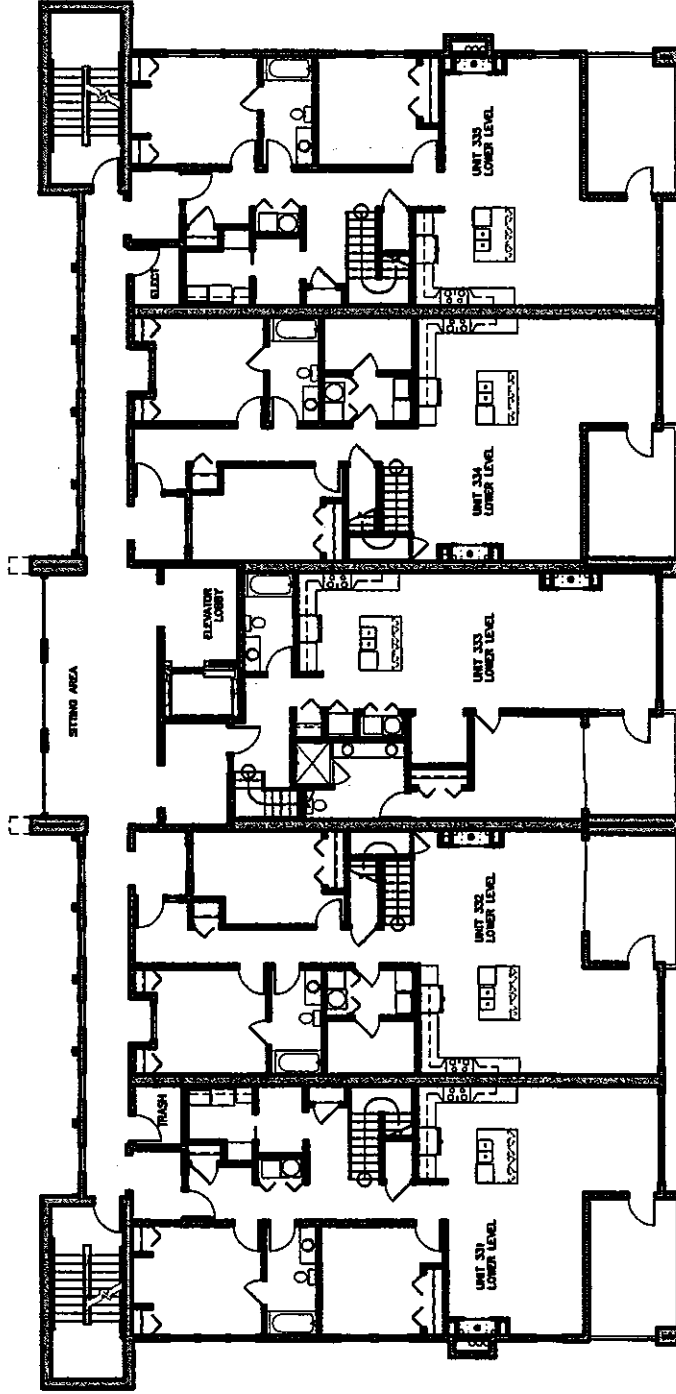
PHASE I
SEASONS CONDO PLAT MAP
SEASONS AT SANDPOINT
SANDPOINT, IDAHO

PAGE 14

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM ACT AND IS RESERVING THE RIGHT TO SUBSEQUENTLY DEVELOP THE PHASE II AND III PROPERTY. THE PHASE II AND III PROPERTY IS SUBJECT TO THE PROVISIONS OF THE UNIFORM CONDOMINIUM ACT, TITLE 39, CHAPTER 15, IDAHO CODE. PHASE I, II, AND III ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



**WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.**
Printed: June 17, 2004



**BUILDING # 03
FLOOR PLAN - LIVING LEVEL 3**

1" = 20'-0" WHEN PRINTED AT A5 X 11



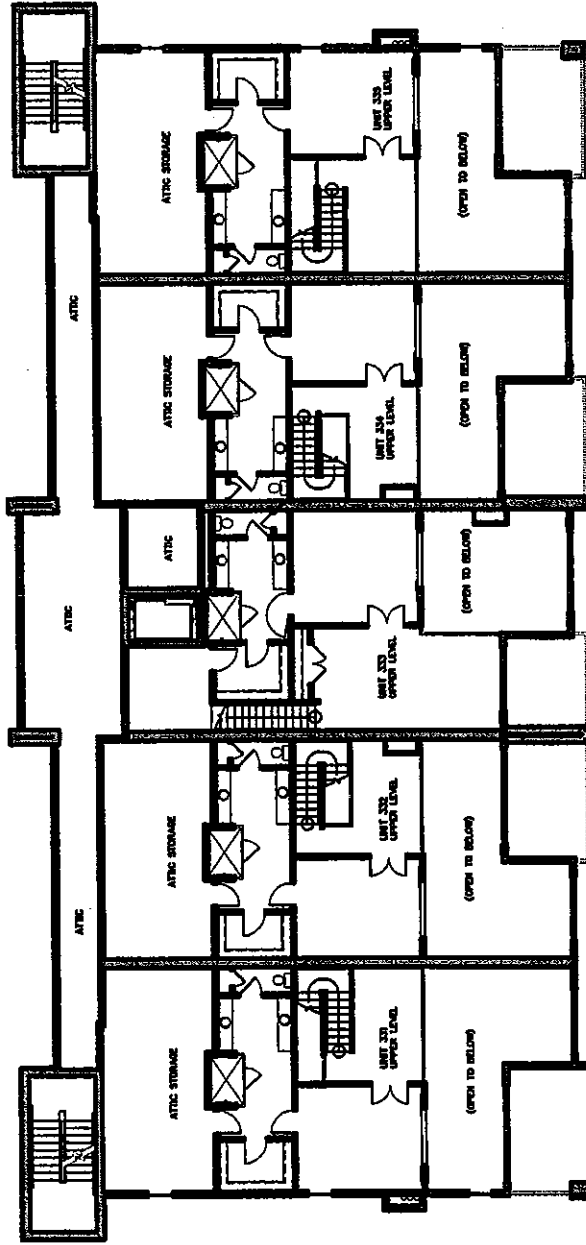
**PHASE I
SEASONS CONDO PLAT MAP
SEASONS AT SANDPOINT
SANDPOINT, IDAHO**

PAGE 15

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND OWNERSHIP INTO THE PROVISIONS OF THE SAID CONDOMINIUM PROPERTY ACT TITLE 55, CHAPTER 15, IDAHO CODE PHASE I, AND IS NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUCCESSORILY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



**WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.**
Printed: June 04, 2004

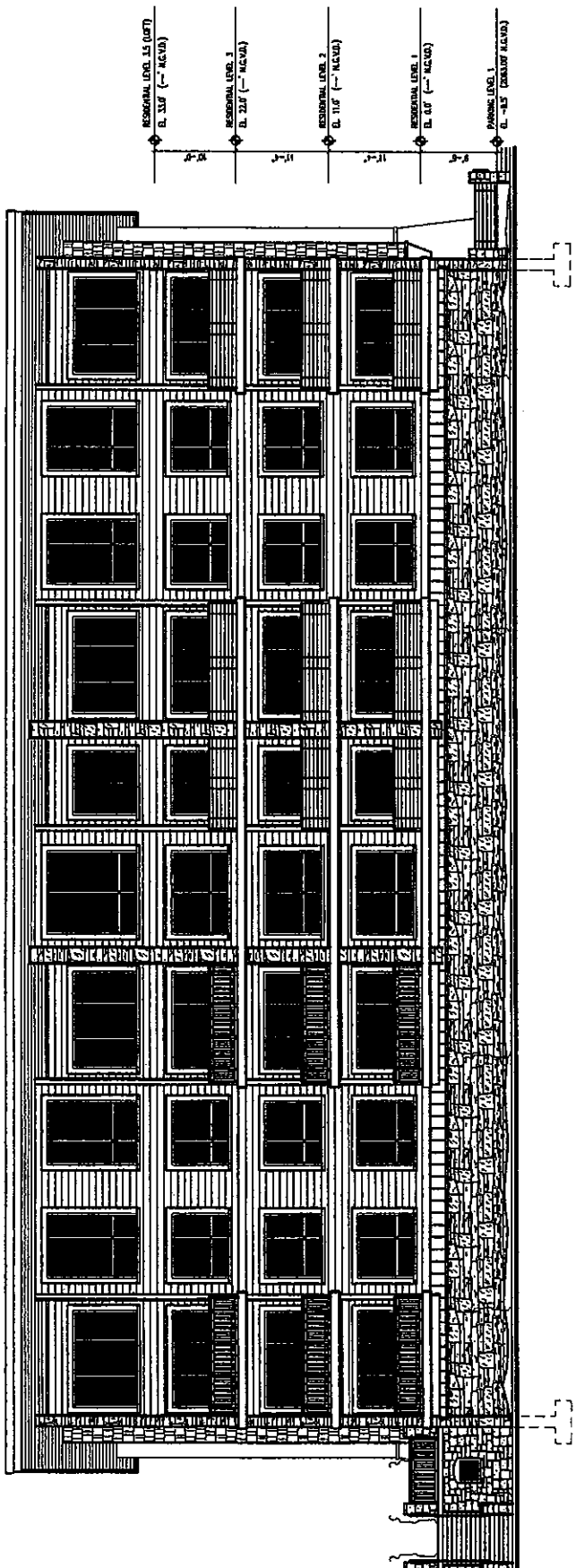


**BUILDING #03
FLOOR PLAN-LOFT LIVING LEVEL**
1" = 20'-0" HATCH PRINTED AT 8.5 X 11



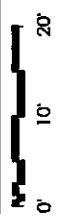
DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM ACT TITLE 36, CHAPTER 15, IDAHO CODE. PHASE I, II, AND III ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARCELS ARE SET FORTH IN THE DECLARATION OF CONDOMINIUM.





**BUILDING # 03
WATERFRONT (EAST) ELEVATION**

1" = 20'-0" WHEN PRINTED AT 8.5 X 11"

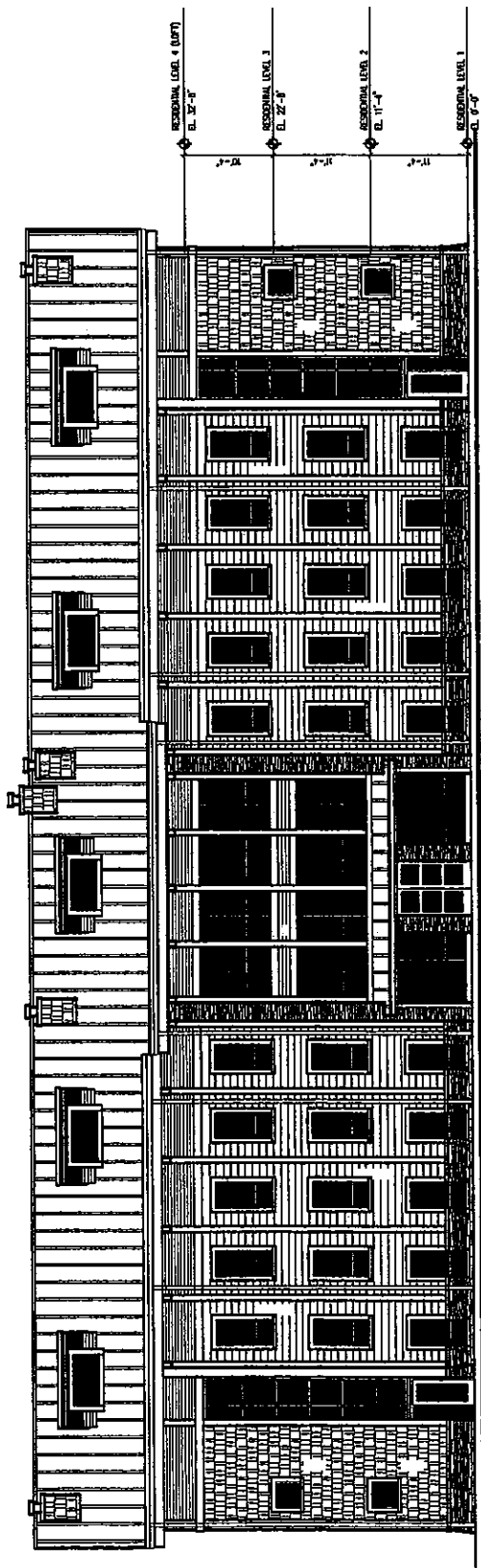


**PHASE I
SEASONS CONDO PLAT MAP
SEASONS AT SANDPOINT
SANDPOINT, IDAHO**

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND CHARTER AND THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 55, CHAPTER 15, IDAHO CODE. PHASE II AND III ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.

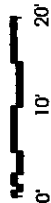


**WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.**
Printed: June 04, 2004



BUILDING # 03
STREET (WEST) ELEVATION

1" = 20'-0" WHEN PRINTED AT 8.5 X 11"



PHASE I
SEASONS CONDO PLAT MAP
SEASONS AT SANDPOINT
SANDPOINT, IDAHO

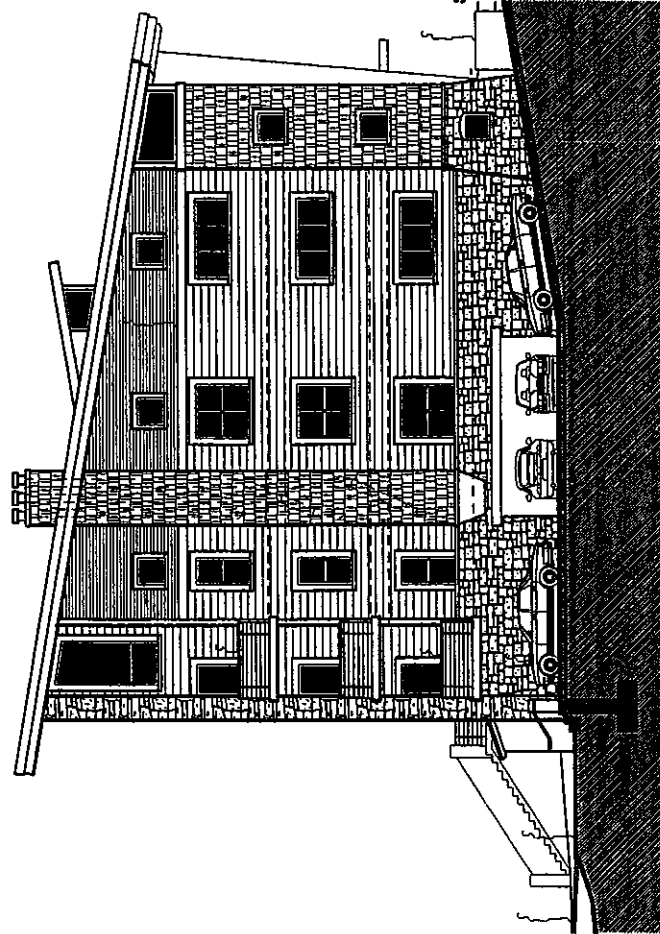
PAGE 18

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND OWNERSHIP INTO THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 55, CHAPTER 15, IDAHO CODE. PHASES II, III, AND IV ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



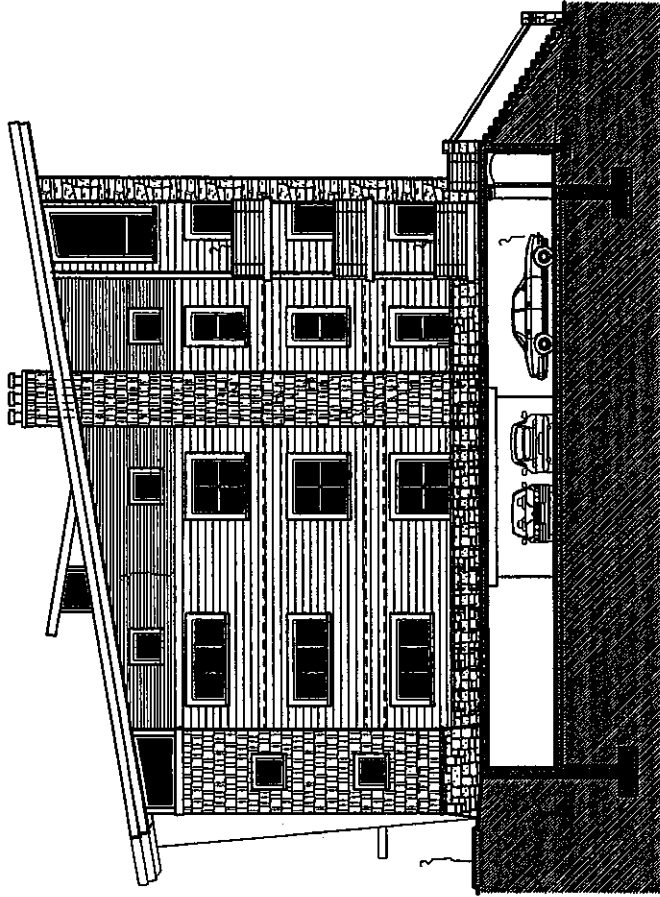
WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.

Printed: July 26, 2004



**BUILDING # 03
SIDE ELEVATION (NORTH)**

0' 10' 20'
1" = 20'-0" WHEN PRINTED AT 8.5 X 11

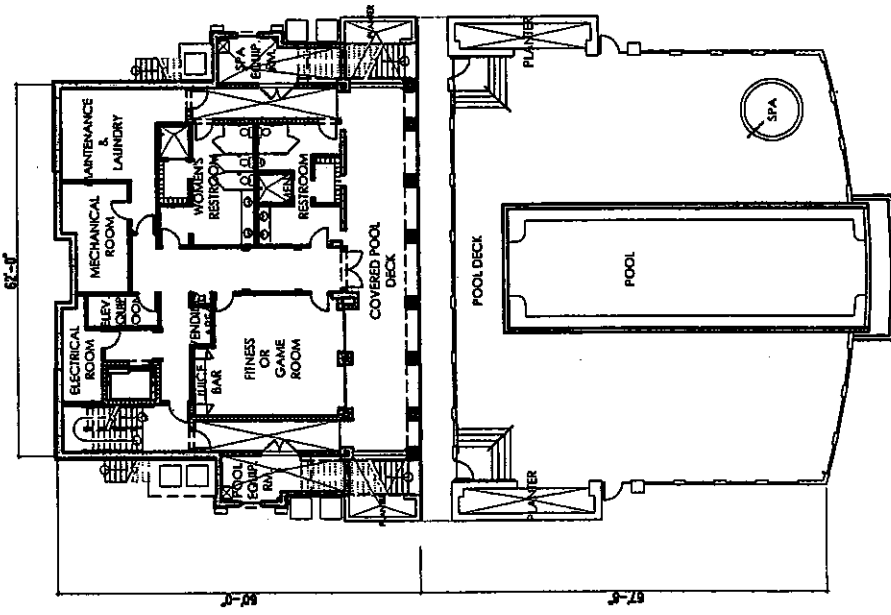


**BUILDING # 03
SIDE ELEVATION (SOUTH)**

0' 10' 20'
1" = 20'-0" WHEN PRINTED AT 8.5 X 11

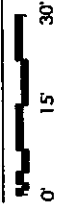
DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM
FORM OF USE AND OWNERSHIP INTO THE POSSESSIONS OF THE IDAHO CONDOMINIUM PROPERTY
ACT, TITLE 55, CHAPTER 15, IDAHO CODE. PHASE II, III, AND IV ARE NOT BEING SUBMITTED AT
THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE
PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.





GROSS AREA	7250 S.F.
INTERIOR GROSS AREA	949 S.F.
COVER POOL DECK	2994 S.F.
POOL DECK	931 S.F.
POOL	7624 S.F.
TOTAL S.F.	

**BUILDING #04 (CLUBHOUSE)
FIRST FLOOR PLAN**



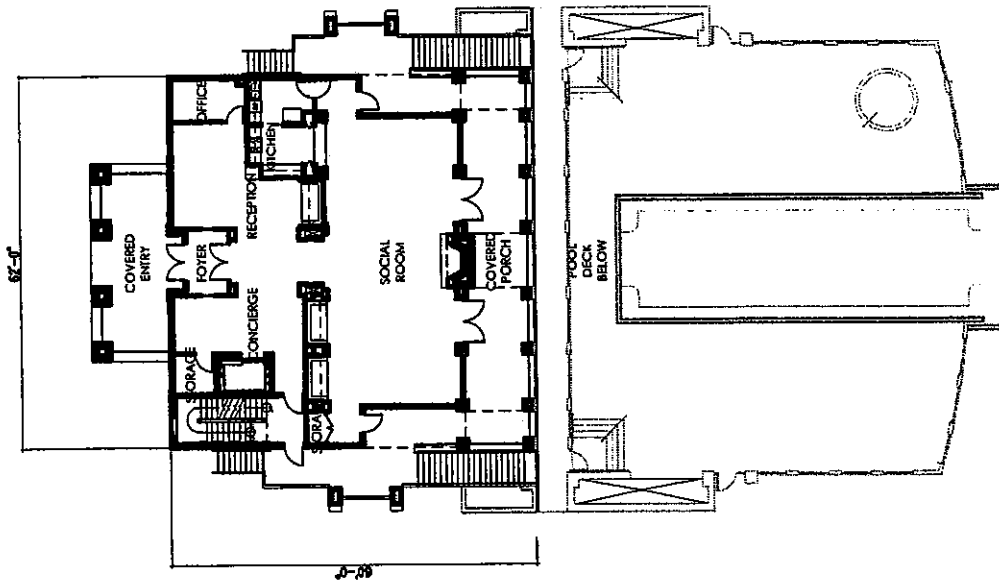
1/32" = 1' - 0" WHEN PRINTED AT 8.5 X 11"

**PHASE I
SEASONS CONDO PLAT MAP
SEASONS AT SANDPOINT
SANDPOINT, IDAHO**

DECLARANT IS SIGNIFYING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND OWNERSHIP INTO THE PROVISIONS OF THIS DECLARATION. ANY PHASES BEING SUBMITTED AT A LATER DATE SHALL BE SUBJECT TO THE PROVISIONS OF THIS DECLARATION. DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



**WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.**
Printed: June 17, 2004



GROSS AREA	
INTERIOR GROSS AREA	2551 S.F.
COVERED ENTRY	410 S.F.
COVERED PORCH	1080 S.F.
TOTAL S.F.	4041 S.F.



**BUILDING #04 (CLUBHOUSE)
SECOND FLOOR PLAN**

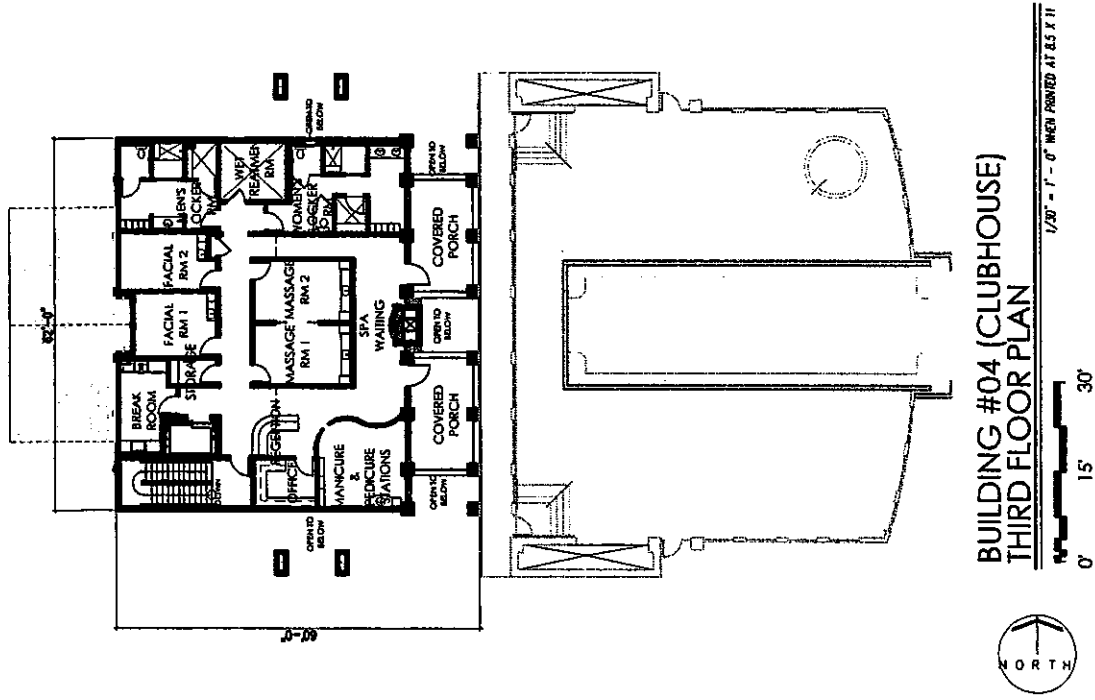


1/32" = 1' - 0" WHEN PRINTED AT 8.5 X 11"

DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM ACT AND IS NOT SUBMITTING TO THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 39, CHAPTER 15, IDAHO CODE. PHASE I, II, AND III ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



2003/06/17 10:40 AM C:\Users\jchancey\Documents\Seasons\Condo\Deed\Plat118.dwg

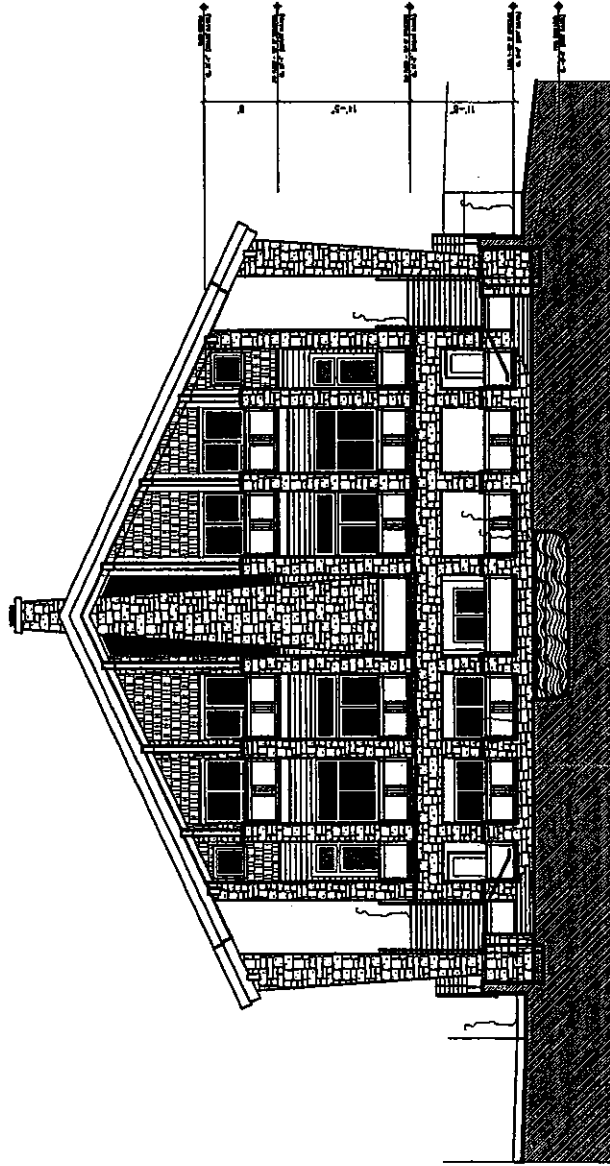


DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE 1 PROPERTY TO THE CONDOMINIUM FORM OF USE AND OWNERSHIP AND THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 55, CHAPTER 15, IDAHO CODE. PHASE 8, 9, AND 10 ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.

**BUILDING #04 (CLUBHOUSE)
THIRD FLOOR PLAN**



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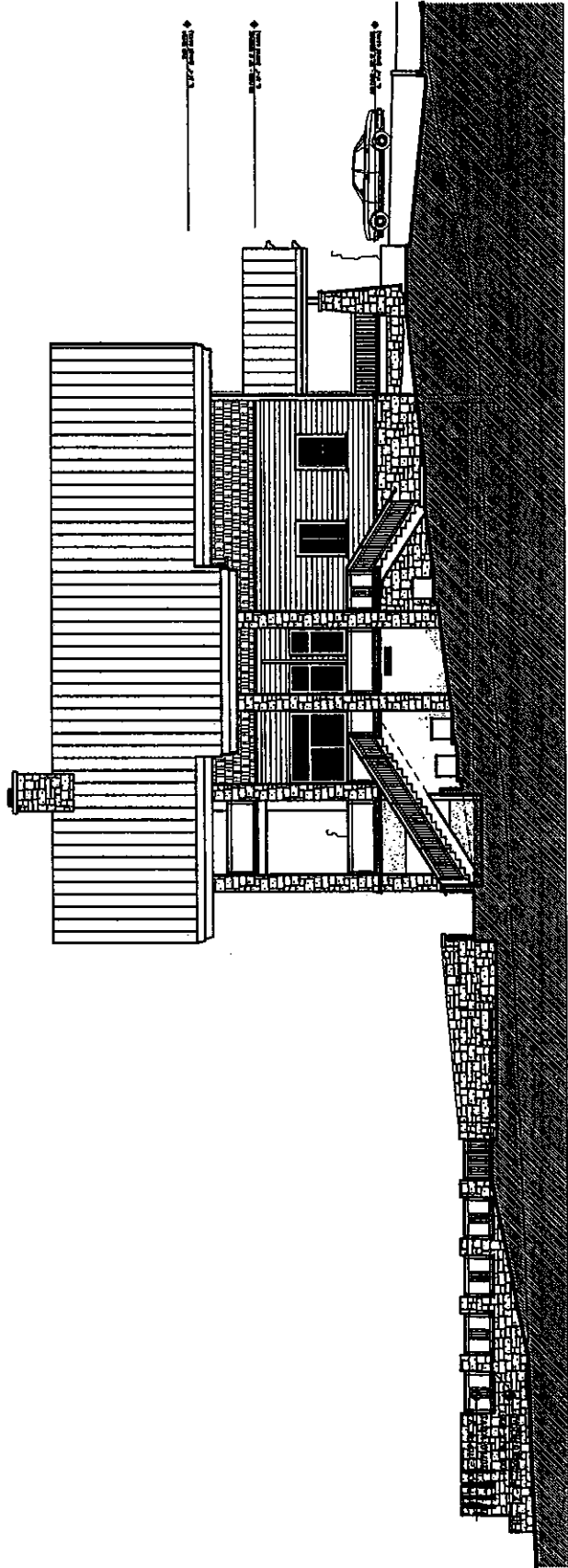
**BUILDING # 04
CLUBHOUSE EAST ELEVATION**



1/20" = 1' - 0" WHEN PRINTED AT 8.5 X 11

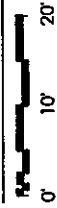
DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND OWNERSHIP INTO THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 55, CHAPTER 15, IDAHO CODE. PHASE II, III, AND IV ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.





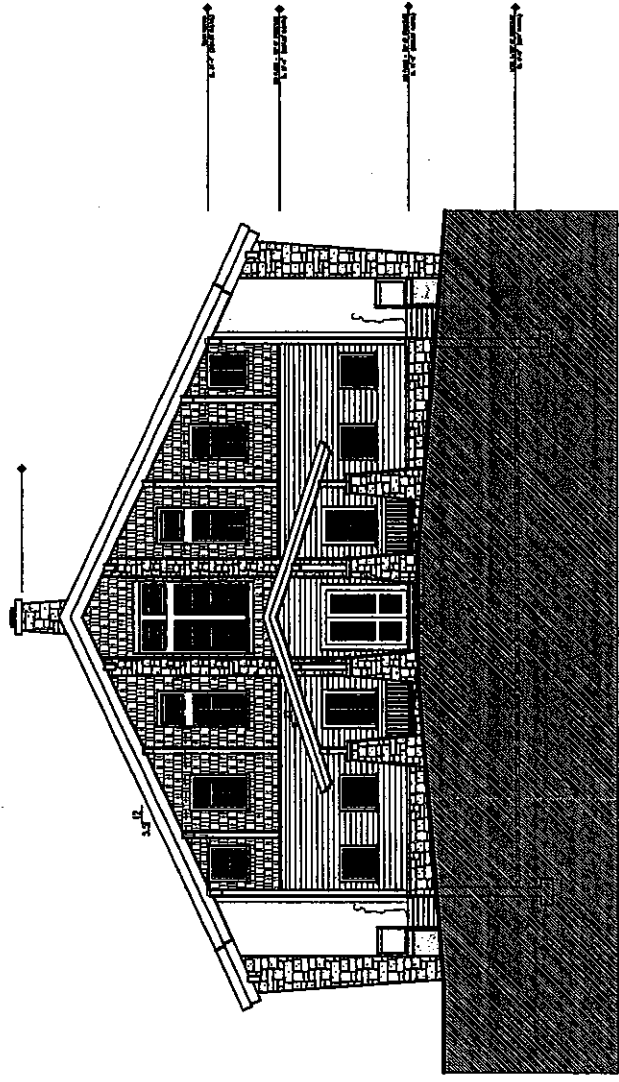
**BUILDING # 04
CLUBHOUSE NORTH ELEVATION**

1/20" = 1' - 0" WHEN PRINTED AT 8.5 X 11"



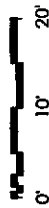
DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PLAT, PROPERTY TO THE CONDOMINIUM ACT OF 1962, CHAPTER 15, IDAHO CODE, PHASE II, AND IT IS NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.





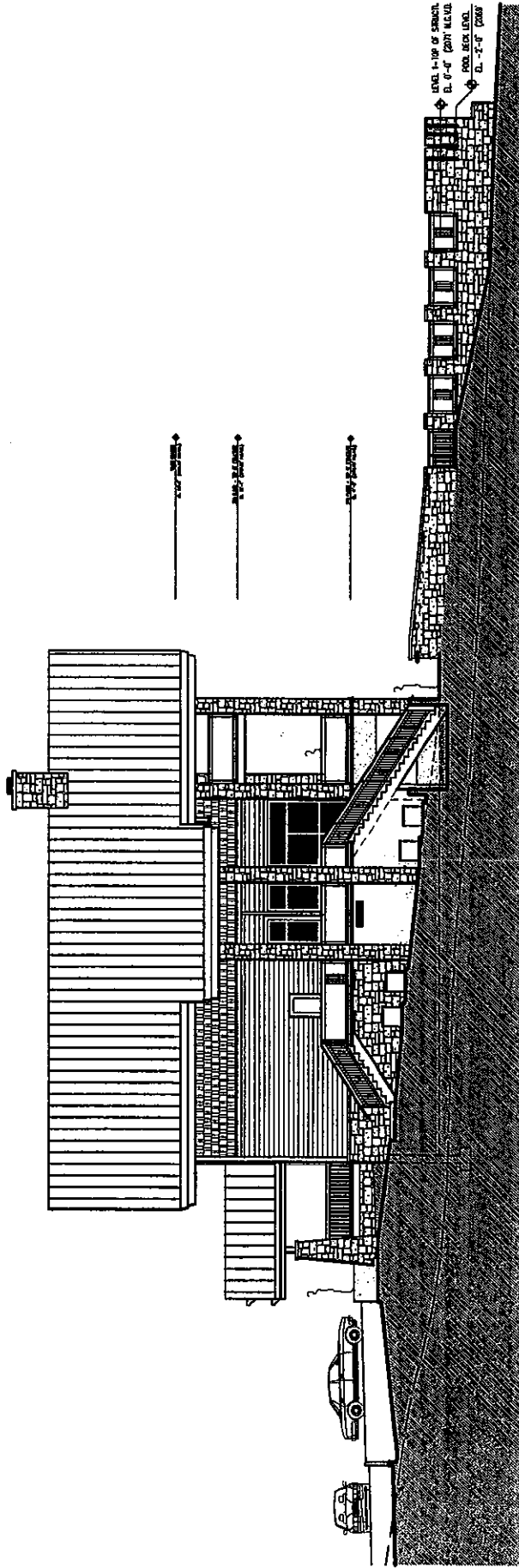
**BUILDING # 04
CLUBHOUSE WEST ELEVATION**

1/8" = 1' - 0" WHEN PRINTED AT 8.5 X 11



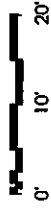
DECLARANT IS SUBMITTING AT THIS TIME ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM FORM OF USE AND OWNERSHIP AND THE PROVISIONS OF THE IDAHO CONDOMINIUM PROPERTY ACT, TITLE 55, CHAPTER 15, IDAHO CODE. PHASE II, III, AND IV ARE NOT BEING SUBMITTED AT THIS TIME. ALTHOUGH DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.





BUILDING # 04
CLUBHOUSE SOUTH ELEVATION

1/20" = 1' - 0" WHEN PRINTED AT 8.5 X 11



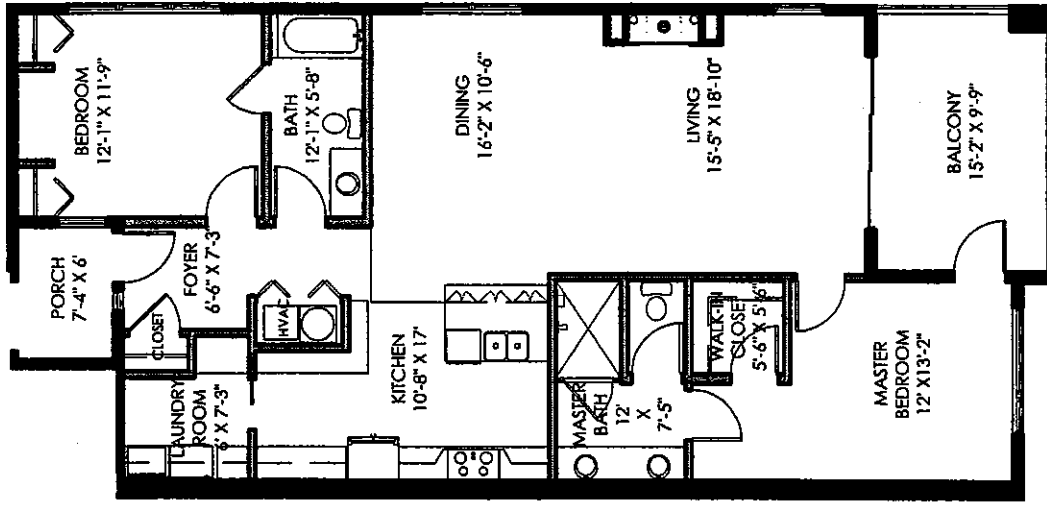
PHASE I
SEASONS CONDO PLAT MAP
SEASONS AT SANDPOINT
SANDPOINT, IDAHO

PAGE 28

DECLARANT IS SUBMITTING AT THIS THE ONLY THE PHASE I PROPERTY TO THE CONDOMINIUM ACT TITLE 35, CHAPTER 15, BUILDING CODE, PHASE I, AND IN THE NOT BEING SUBMITTED AT THIS THE ARCHITECT DECLARANT RESERVES THE RIGHT TO SUBSEQUENTLY DO SO, AS MORE PARTICULARLY SET FORTH IN THE DECLARATION OF CONDOMINIUM.



WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.
Printed: June 04, 2004



PHASE I
 TYPE A UNIT NUMBERS:
 BUILDING #02: 125, 225
 BUILDING #03: 135, 235

UNIT TYPE A AREAS	
UNIT TYPE A	1397 S.F.
UNIT TYPE A - BALCONY	168 S.F.
TOTAL	1565 S.F.

BUILDINGS 02 AND 03
 UNIT PLAN-TYPE A



1/32" = 1'-0" WHEN PRINTED AT 6.5 X 11"



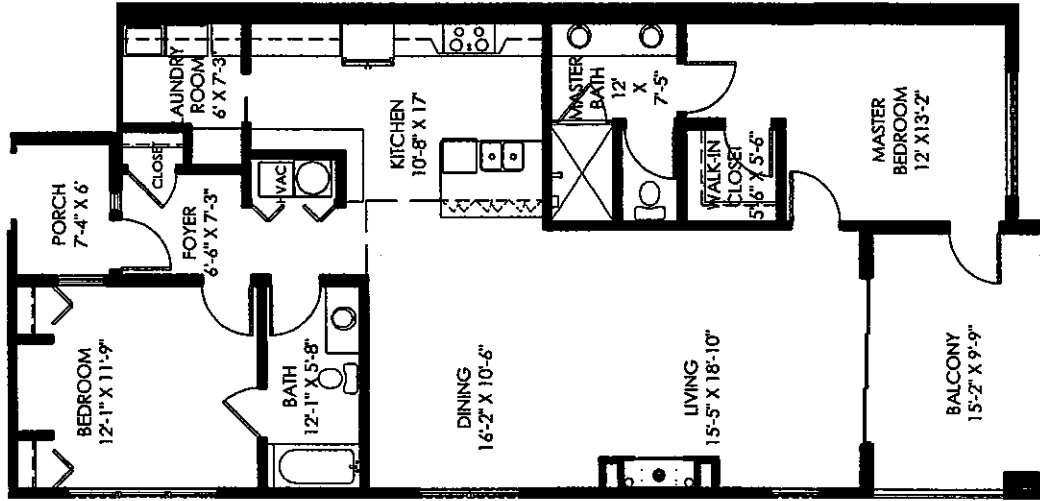
PHASE I
SEASONS CONDO PLAT MAP

SEASONS AT SANDPOINT
 SANDPOINT, IDAHO



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 & ASSOCIATES ARCHITECTS, P.A.
 Printed: July 26, 2004

17-1000 (03/20) Tracery/100-Crunch/M/1 Condo Decoding Bm-Walton B-From N/A/4/04.dwg



PHASE I
 TYPE A UNIT NUMBERS:
 BUILDING #02: 121, 221
 BUILDING #03: 131, 231

UNIT TYPE A(R) AREAS	
UNIT TYPE A(R)	1397 S.F.
UNIT TYPE A(R) - BALCONY	168 S.F.
TOTAL	1565 S.F.

BUILDINGS 02 AND 03
 UNIT PLAN - TYPE A(R)



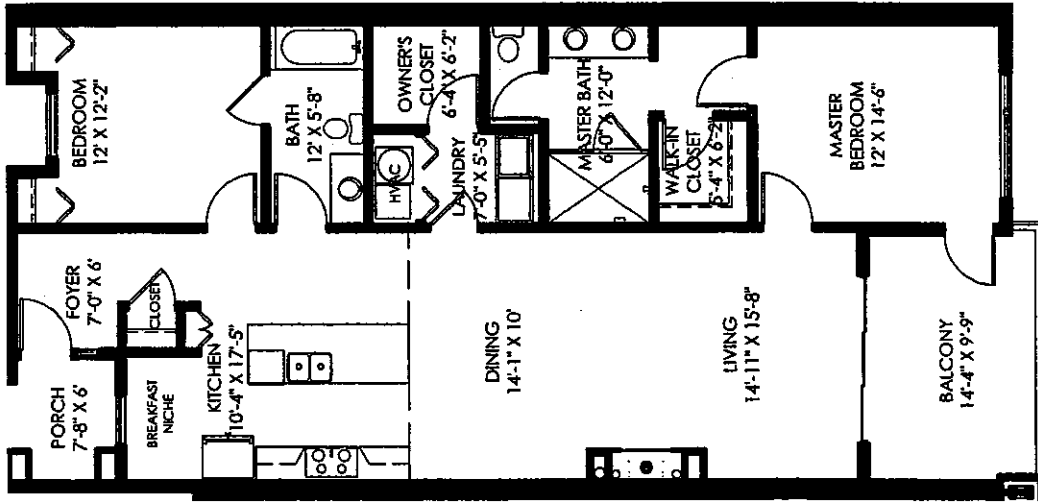
1/32" = 1'-0" WHEN PRINTED AT 8.5 X 11



PHASE I
SEASONS CONDO PLAT MAP
 SEASONS AT SANDPOINT
 SANDPOINT, IDAHO PAGE 28



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 & ASSOCIATES ARCHITECTS, P.A.
 Printed: July 26, 2004



PHASE I
 TYPE B UNIT NUMBERS:
 BUILDING #02: 124, 224
 BUILDING #03: 234

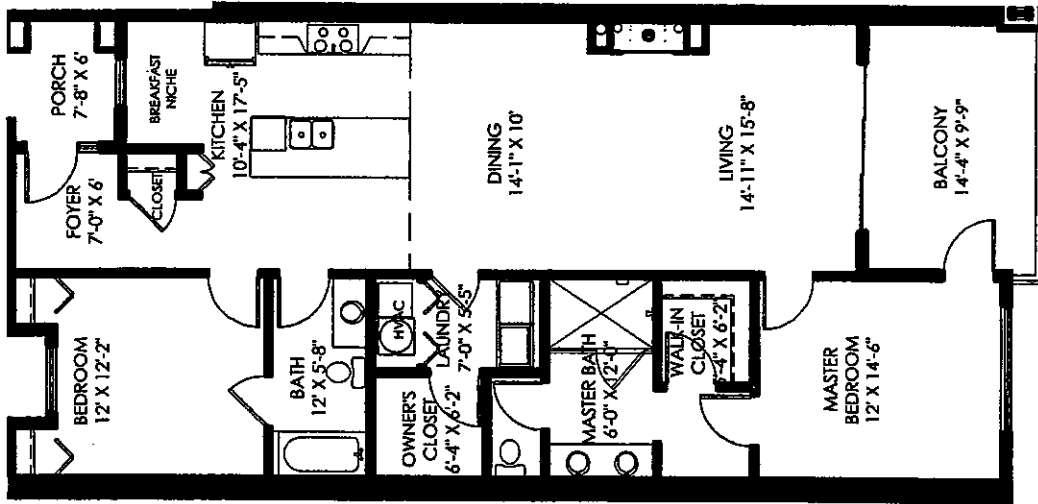
UNIT TYPE B AREAS	
UNIT TYPE B	1389 S.F.
UNIT TYPE B - BALCONY	153 S.F.
TOTAL	1542 S.F.

BUILDINGS 02 AND 03
 UNIT PLAN - TYPE B



3/32" = 1'-0" WHEN PRINTED AT 8.5 X 11



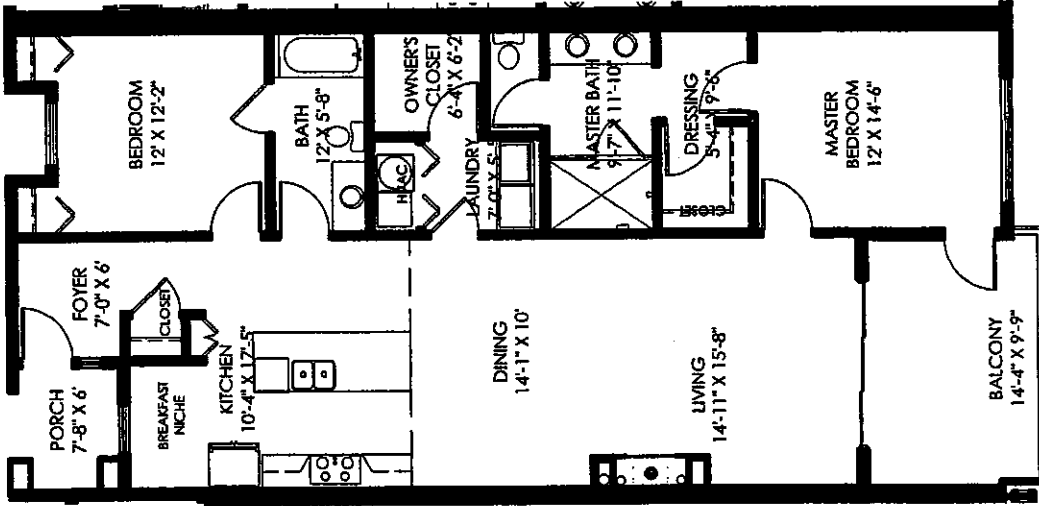


PHASE I
 TYPE B(R) UNIT NUMBERS:
 BUILDING #02: 122, 222
 BUILDING #03: 132, 232

UNIT TYPE B(R) AREAS	
UNIT TYPE B(R)	1389 S.F.
UNIT TYPE B(R) - BALCONY	153 S.F.
TOTAL	1542 S.F.

BUILDINGS 02 AND 03
 UNIT PLAN - TYPE B(R)
 1/32" = 1'-0" WHEN PRINTED AT A5 X 11
 0' 8' 16'





PHASE I
 UNIT TYPE BH NUMBERS:
 BUILDING #03: 134

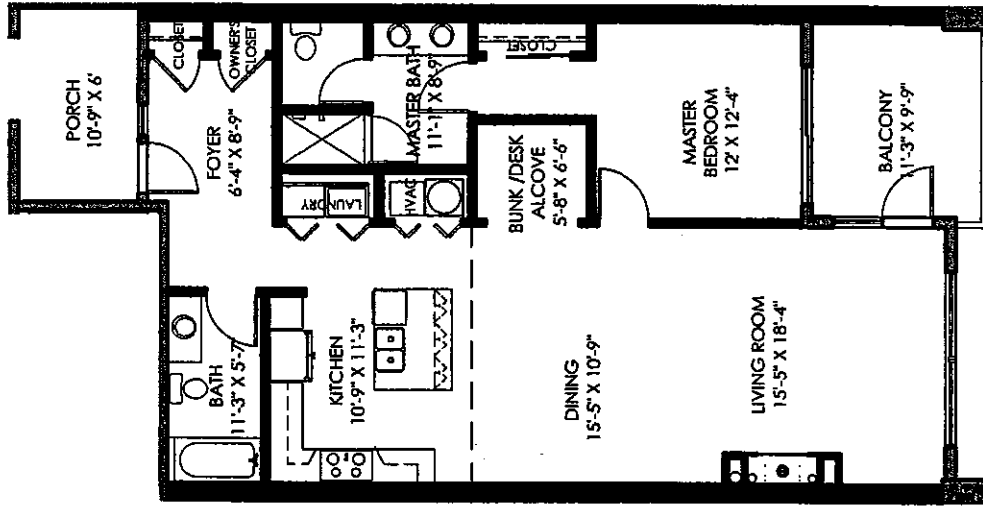
UNIT TYPE BH AREAS	
UNIT TYPE BH	1389 S.F.
UNIT TYPE BH - BALCONY	153 S.F.
TOTAL	1542 S.F.

BUILDING 03
 UNIT PLAN - TYPE BH (HC ACCESSIBLE)



PHASE I
SEASONS CONDO PLAT MAP
 SEASONS AT SANDPOINT
 SANDPOINT, IDAHO

PHASE I 10/2003 10/2003 The Seasons at Sandpoint Condo Decoding Site Working Plans (13 Units) dwg
 Printed: 07/26/04 11:59 AM



PHASE I
 UNIT TYPE C NUMBERS:
 BUILDING #02: 223

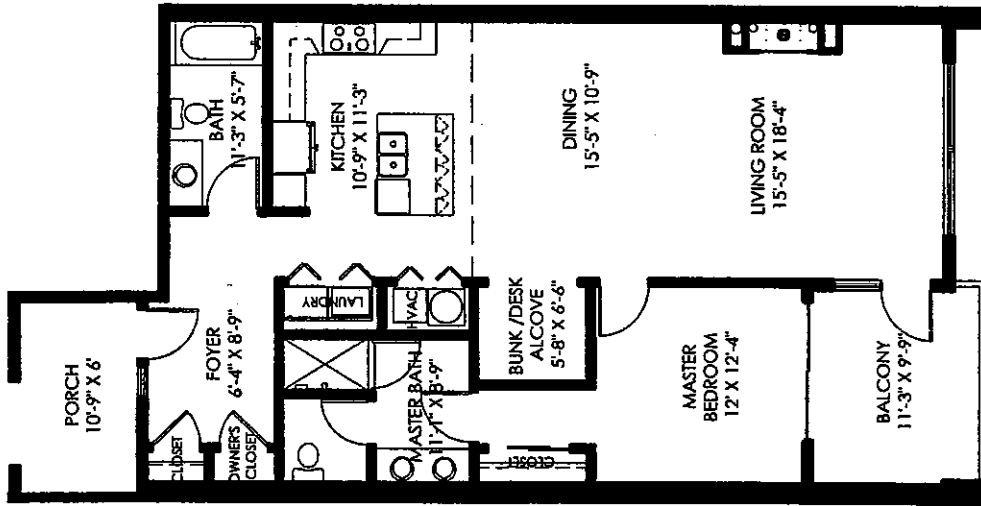
UNIT TYPE C AREAS	1176 S.F.
UNIT TYPE C	118 S.F.
UNIT TYPE C - BALCONY	1294 S.F.
TOTAL	

BUILDINGS 02 AND 03
 UNIT PLAN - TYPE C



PHASE I
SEASONS CONDO PLAT MAP
 SEASONS AT SANDPOINT
 SANDPOINT, IDAHO





BUILDINGS 02 AND 03
 UNIT PLAN - TYPE C(R)



PHASE I
 UNIT TYPE C(R) NUMBERS: _____
 BUILDING #03: 133, 233

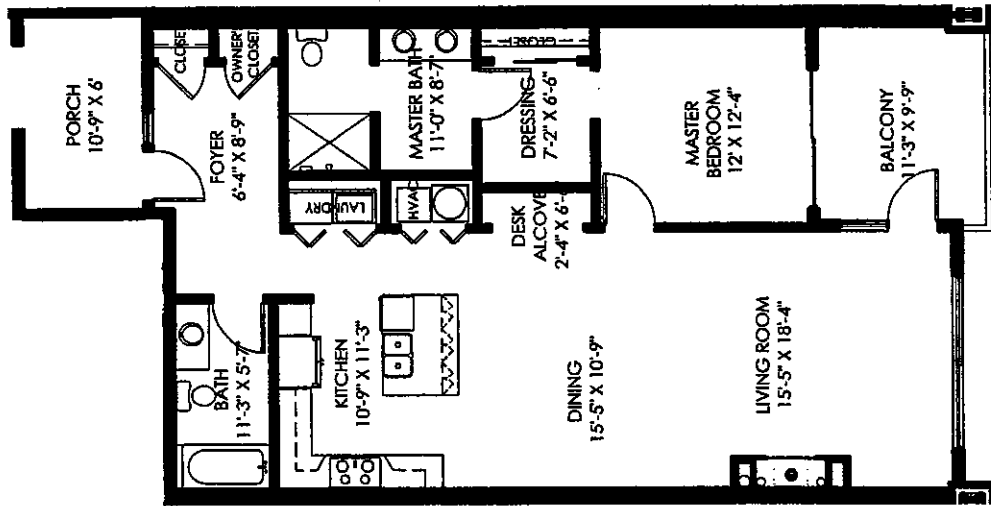
UNIT TYPE C(R) AREAS	
UNIT TYPE C(R)	1176 S.F.
UNIT TYPE C(R) - BALCONY	118 S.F.
TOTAL	1294 S.F.

PHASE I
SEASONS CONDO PLAT MAP

SEASONS AT SANDPOINT
 SANDPOINT, IDAHO PAGE 31



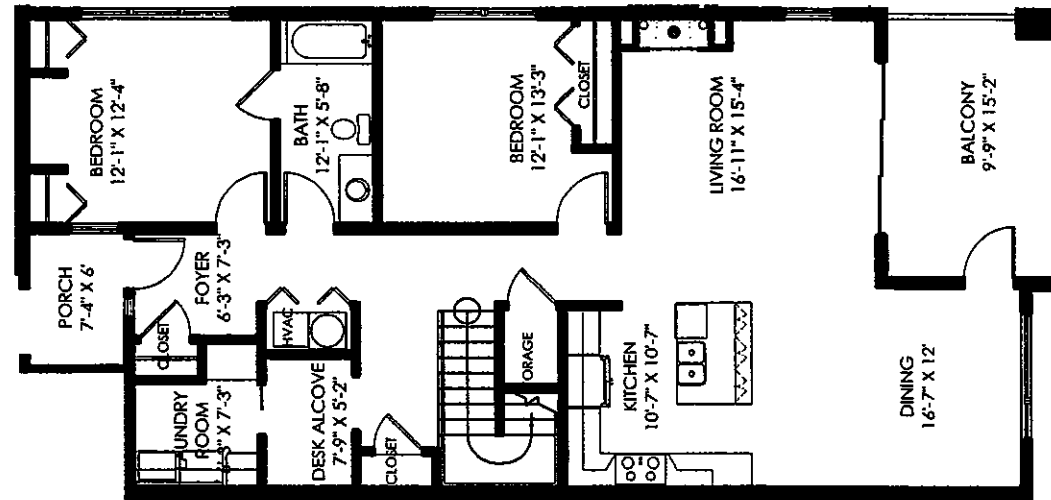
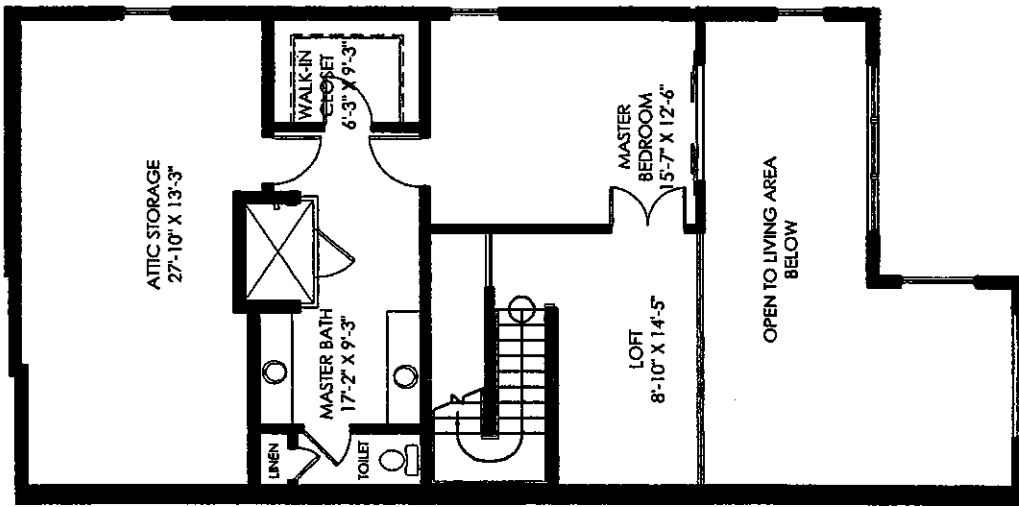
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 Printed: July 26, 2004



PHASE I
 UNIT TYPE CH NUMBERS:
 BUILDING #02: 123

UNIT TYPE CH AREAS	
UNIT TYPE CH	1176 S.F.
UNIT TYPE CH - BALCONY	118 S.F.
TOTAL	1294 S.F.

BUILDING 02
 UNIT PLAN - TYPE CH (HC ACCESSIBLE)
 5/32" = 1'-0" WHEN PRINTED AT 8.5 X 11"



BUILDINGS 02 AND 03
UNIT PLAN-TYPE D



PHASE I
UNIT TYPE D NUMBERS:
BUILDING #02: 325
BUILDING #03: 335

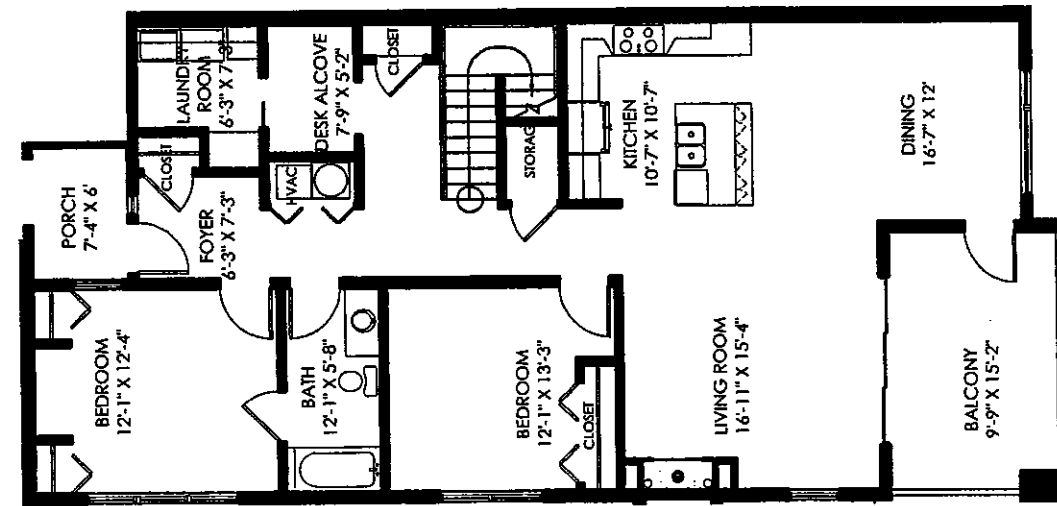
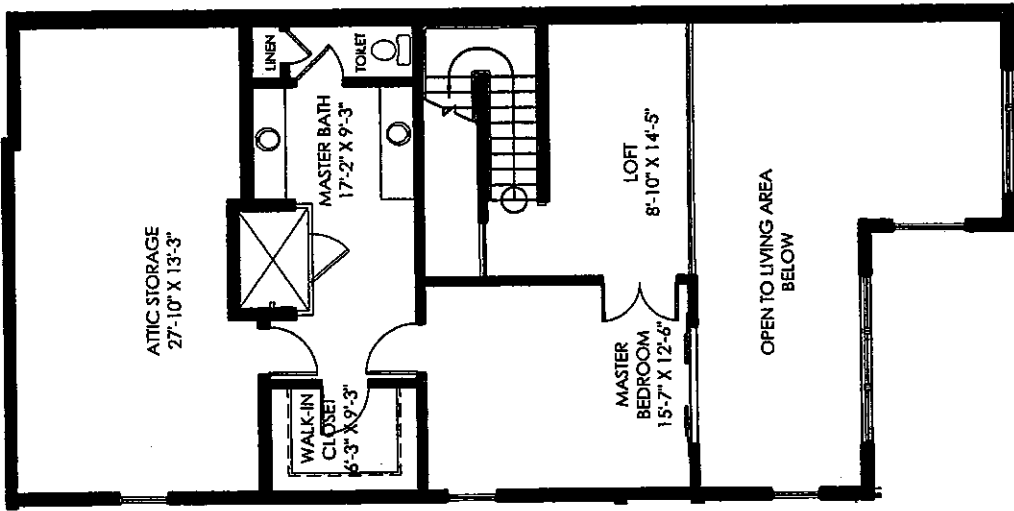
UNIT TYPE D AREAS	
UNIT TYPE D LOWER LEVEL	1397 S.F.
UNIT TYPE D UPPER LEVEL	741 S.F.
UNIT TYPE D ATTIC STORAGE	376 S.F.
UNIT TYPE D - BALCONY	168 S.F.
TOTAL	2682 S.F.

PHASE I
SEASONS CONDO PLAT MAP
SEASONS AT SANDPOINT
SANDPOINT, IDAHO



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Printed: July 26, 2004

P:\2004\2004 Drawings\04 Drawings\18 Condo Decking\18\18-15.dwg
Printed: Jul 26, 2004 8:58am



BUILDINGS 02 AND 03
 UNIT PLAN - TYPE D(R)
 0' 8' 16'
 1/32" = 1'-0" WHEN PRINTED AT 2.5 X 11



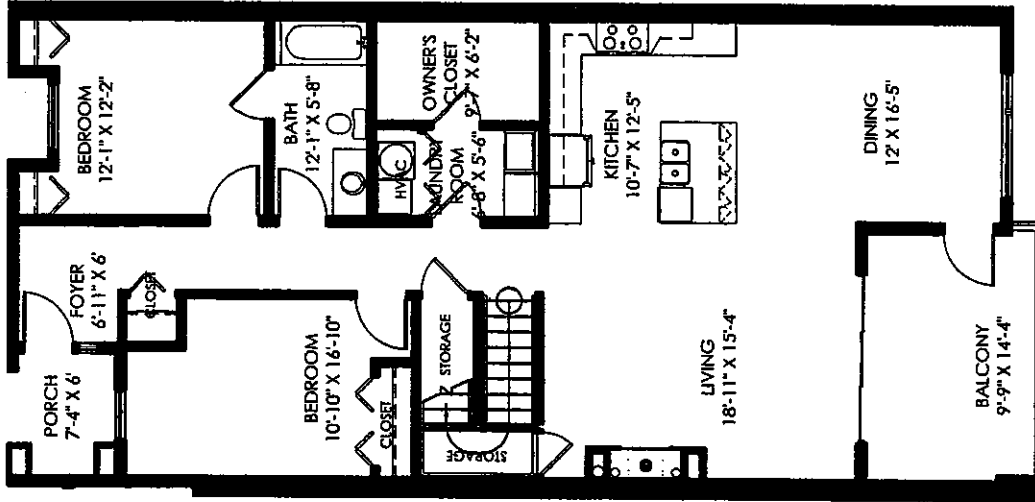
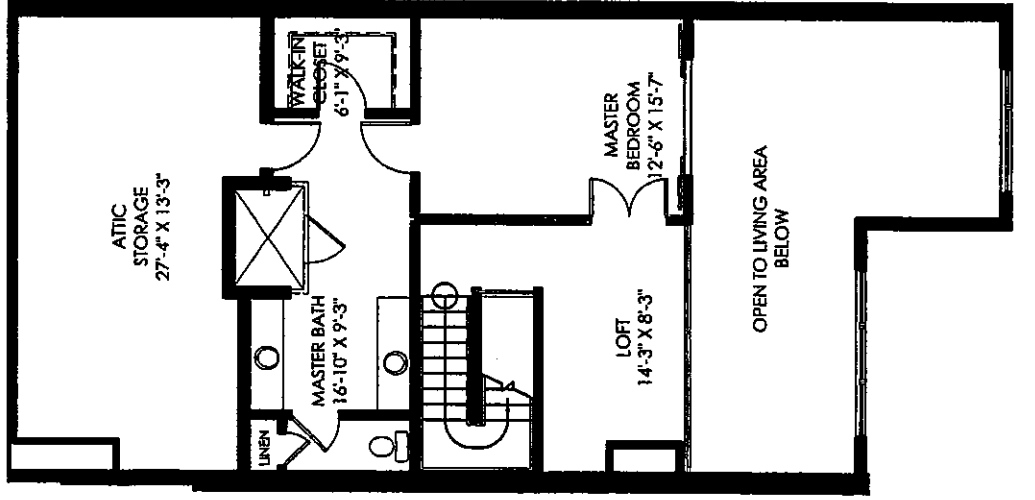
PHASE I
 UNIT TYPE D(R) NUMBERS:
 BUILDING #02: 321
 BUILDING #03: 331

UNIT TYPE D(R) AREAS	LOWER LEVEL	1397 S.F.
UNIT TYPE D(R) UPPER LEVEL	741 S.F.	
UNIT TYPE D(R) ATTIC STORAGE	376 S.F.	
UNIT TYPE D(R) - BALCONY	168 S.F.	
TOTAL	2682 S.F.	



WALTON H. CHANCEY
 & ASSOCIATES ARCHITECTS, P.A.
 Printed: July 26, 2004

PHASE I
SEASONS CONDO PLAT MAP
 SEASONS AT SANDPOINT
 SANDPOINT, IDAHO PAGE 36



PHASE I
 UNIT NUMBERS:
 BUILDING #02: 324
 BUILDING #03: 334

UNIT TYPE E AREAS	
UNIT TYPE E LOWER LEVEL	1389 S.F.
UNIT TYPE E UPPER LEVEL	728 S.F.
UNIT TYPE E ATTIC STORAGE	360 S.F.
UNIT TYPE E - BALCONY	153 S.F.
TOTAL	2630 S.F.

BUILDINGS 02 AND 03
 UNIT PLAN - TYPE E

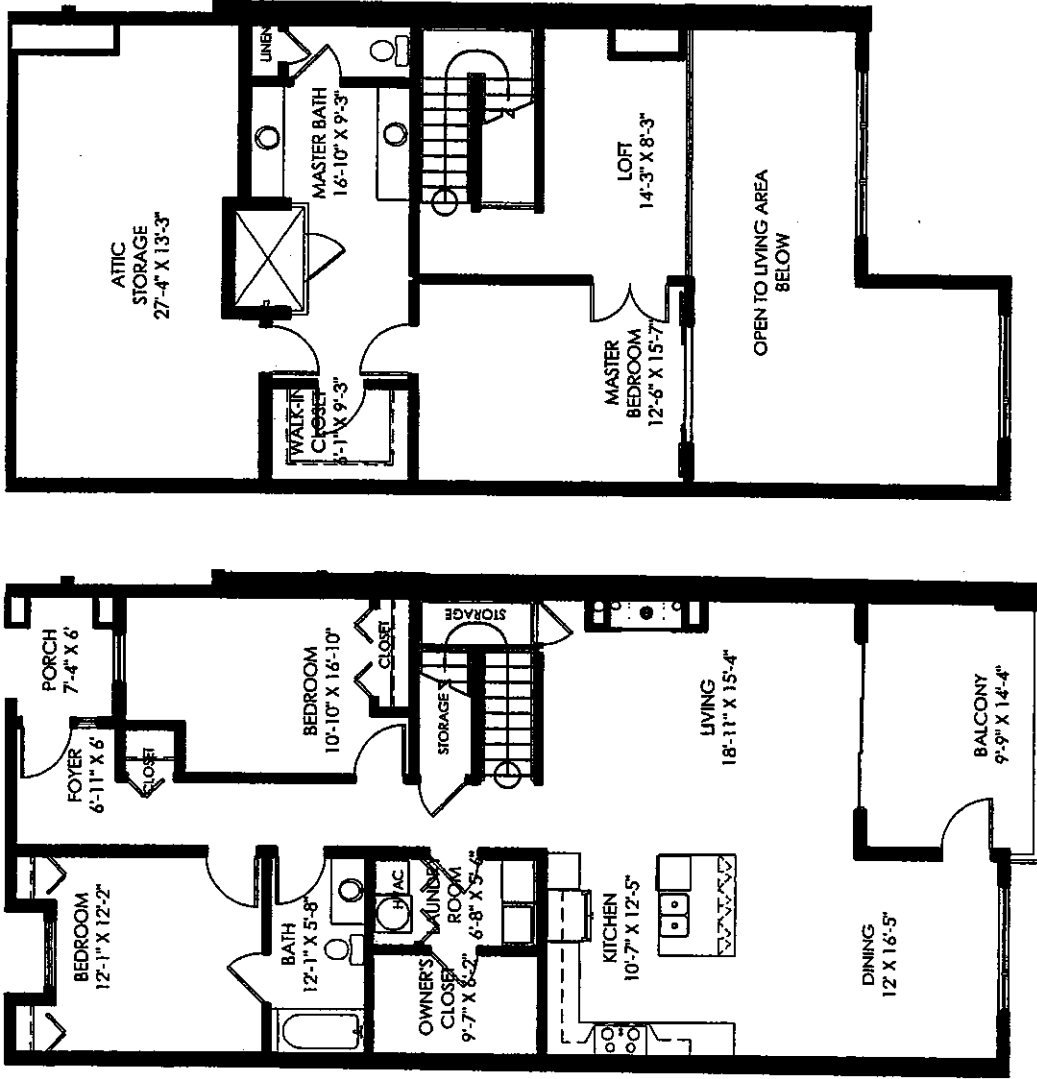


PHASE I
SEASONS CONDO PLAT MAP

SEASONS AT SANDPOINT
 SANDPOINT, IDAHO



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 & ASSOCIATES ARCHITECTS, P.A.
 Printed: July 26, 2004



BUILDINGS 02 AND 03
UNIT PLAN - TYPE E(R)

0' 8' 16'

3/32" = 1'-0" WHEN PRINTED AT 8.5 x 11



PHASE I
UNIT NUMBERS:
BUILDING #02: 322
BUILDING #03: 332

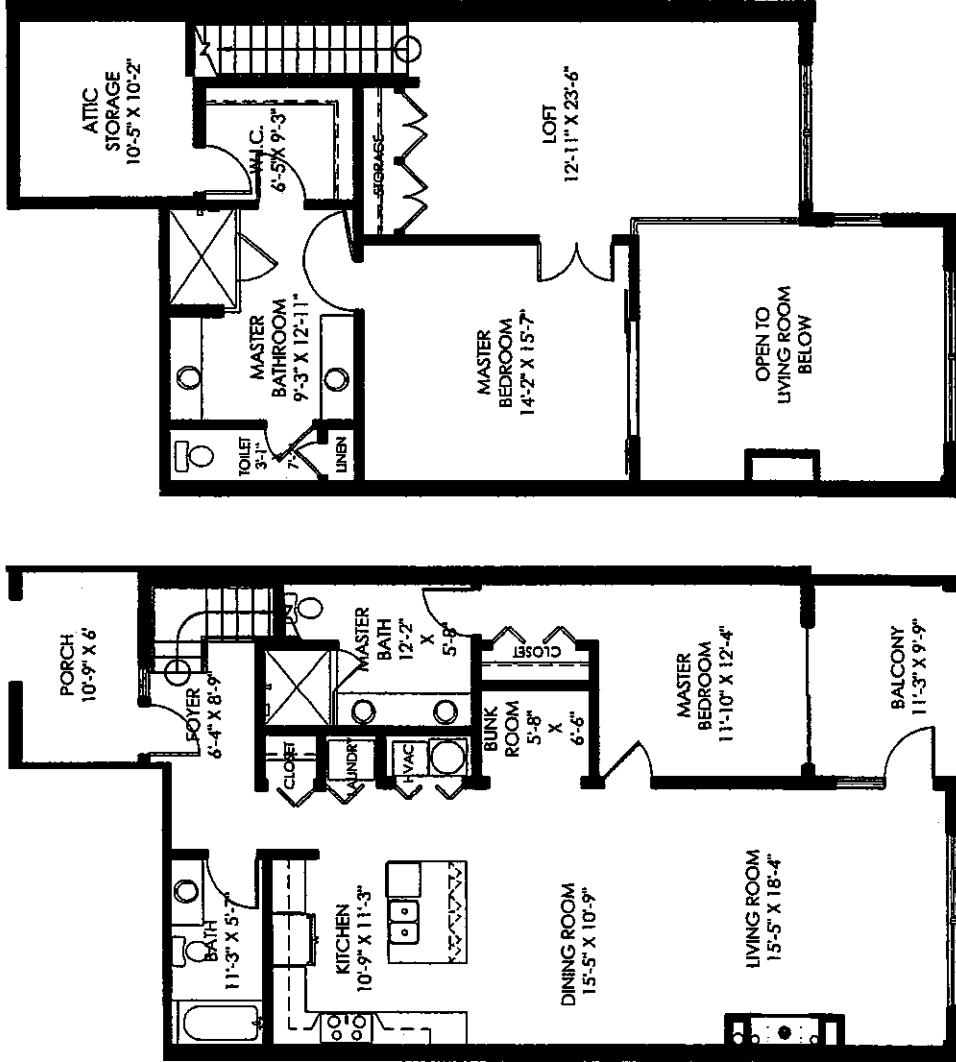
UNIT TYPE E(R) AREAS	LOWER LEVEL	UPPER LEVEL	ATTIC STORAGE	BALCONY	TOTAL
UNIT TYPE E(R)	1389 S.F.	728 S.F.	360 S.F.	153 S.F.	2630 S.F.

PHASE I
SEASONS CONDO PLAT MAP

SEASONS AT SANDPOINT
SANDPOINT, IDAHO



WALTON H. CHANCEY
& ASSOCIATES ARCHITECTS, P.A.
Printed: July 26, 2004

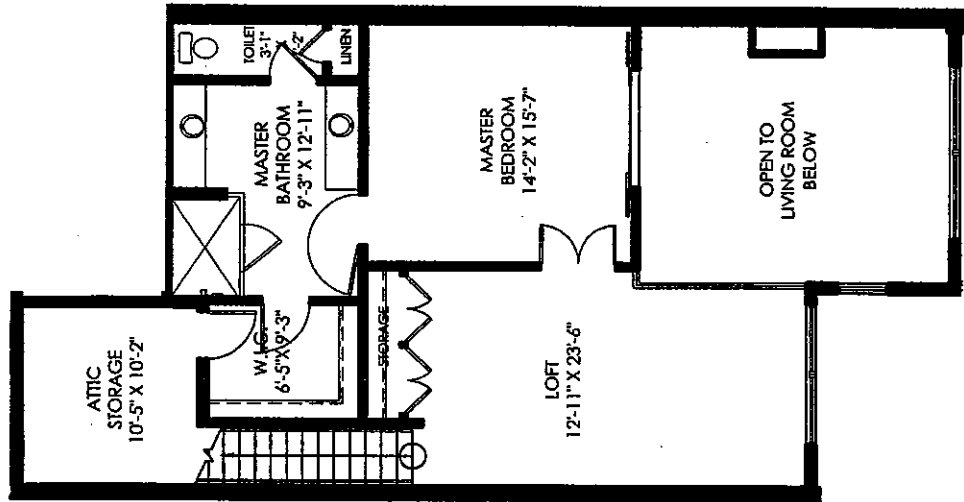
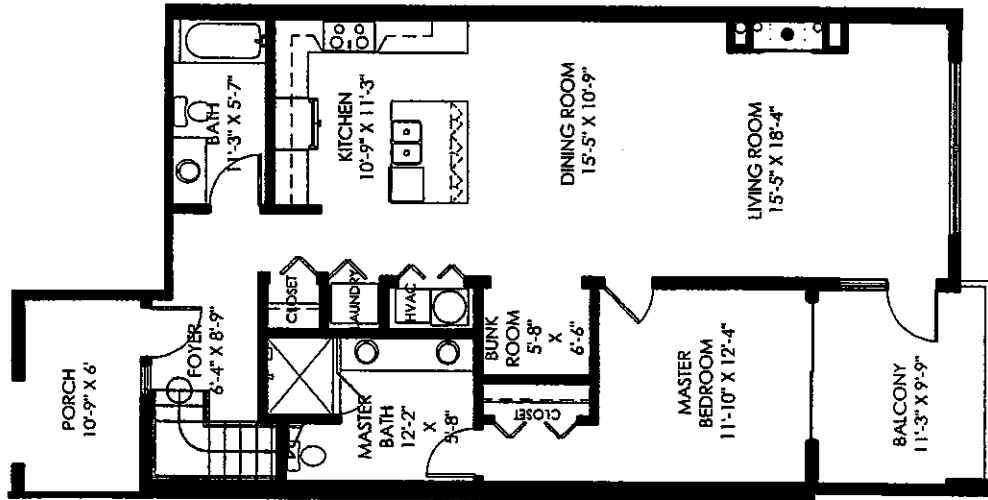


BUILDINGS 02 AND 03
 UNIT PLAN - TYPE F
 0' 8' 16'
 1/32" = 1'-0" WHEN PRINTED AT 8.5 x 11"

PHASE I
 UNIT TYPE F NUMBERS:
 BUILDING #02: 323

UNIT TYPE F AREAS	
UNIT TYPE F LOWER LEVEL	1176 S.F.
UNIT TYPE F UPPER LEVEL	845 S.F.
UNIT TYPE F ATTIC STORAGE	110 S.F.
UNIT TYPE F BALCONY	118 S.F.
TOTAL	2249 S.F.

PL 200310307 (Rev. 07/2004) Drawing: Unit Condo Decisions Meeting 8 Phase I (Rev. 07/2004)



BUILDINGS 02 AND 03
UNIT PLAN - TYPE F(R)



PHASE I
UNIT TYPE F(R) NUMBERS:
BUILDING #03: 333

UNIT TYPE F(R) AREAS	
UNIT TYPE F(R) LOWER LEVEL	1176 S.F.
UNIT TYPE F(R) UPPER LEVEL	845 S.F.
UNIT TYPE F(R) ATTIC STORAGE	110 S.F.
UNIT TYPE F(R) BALCONY	118 S.F.
TOTAL	2249 S.F.



EXHIBIT "C"

Articles of Incorporation

**ARTICLES OF INCORPORATION
OF
SEASONS AT SANDPOINT ASSOCIATION, INC.**

* * * * *

KNOW ALL PERSONS BY THESE PRESENTS: The undersigned, for the purpose of forming a corporation under the laws of the State of Idaho in compliance with the Idaho Nonprofit Corporation Act of Title 30, Chapter 3 Idaho Code, and acting as incorporator of said corporation does hereby certify, declare and adopt the following Articles of Incorporation.

ARTICLE 1. NAME:

The name of the corporation shall be SEASONS AT SANDPOINT ASSOCIATION, INC. (the "Association").

ARTICLE 2. NONPROFIT:

The Association shall be a nonprofit, membership corporation.

ARTICLE 3. DURATION:

The duration of this corporation shall be perpetual.

ARTICLE 4. PURPOSE AND POWERS:

The Association is formed to be a Management Body for the administration, maintenance, preservation and control of SEASONS AT SANDPOINT, located in Bonner County, Idaho consistent with the Idaho Condominium Property Act, Title 55, Chapter 15, Idaho Code (the "Condominium Act") and its powers are and shall be consistent with the provisions of the Condominium Act. The nature of the business and the object and purposes of the Association shall be as follows:

- (a) The Association shall be the "Management Body" as defined in Idaho Code section 55-1503, and as provided for in the terms and conditions of that Declaration of Condominium of Seasons at Sandpoint (the "Declaration") to be executed by BVG SANDPOINT, LTD., a Florida limited partnership (the "Declarant"), which delegates and authorizes the Association to exercise certain functions as the Management Body. The Declaration shall be recorded in the Bonner County Recorder's Office, State of Idaho, together with a certified copy of these Articles of Incorporation appended thereto. All of the words and terms which are initially capitalized herein shall have the meanings and definitions ascribed to them in the Declaration, which definitions are incorporated herein by reference.
- (b) The Association shall have the power to have, exercise and enforce all rights and privileges, and to assume, incur, perform, carry out and discharge all duties,

obligations and responsibilities of a Management Body as provided for in the Condominium Act, and in the Declaration, as amended from time to time. The Association shall have the power to adopt and enforce rules and regulations covering the use of the Project or Units therein, to levy and collect the Assessments and charges against the Owners and the Units themselves and in general to assume and perform all the functions to be assumed and performed by the Association as provided for in the Declaration. It shall have the power by resolution or vote to transfer, assign or delegate such duties, obligations or responsibilities to other persons or entities as permitted or provided for in the Condominium Act, the Declaration or in an agreement executed by the Association with respect thereto.

- (c) The Association shall comply with all terms, conditions and provisions of any and all permits pertaining to the Condominium Property (as defined in the Declaration), including but not limited to that certain permit issued by the Idaho Department of Lands (Permit No. _____).
- (d) The Association must comply with all of the terms and conditions of that certain Lease dated effective as of July __, 2004 between the Association and Heaven at Seasons, and that certain Lease dated effective as of July __, 2004 between the Association and Hart at Seasons (collectively, the "Leases"). The Association shall have no power to amend or terminate either Lease, except as is specifically set forth under the terms and conditions of the respective Lease.
- (e) The Association shall comply with all terms, conditions and provisions of any and all easements, covenants, conditions and restrictions encumbering the Property.
- (f) In addition to the foregoing, where not inconsistent with either the Condominium Act or Title 30, Idaho Code, the Association shall have all the general powers provided in Sections 30-1-302 and 30-3-24, Idaho Code.

ARTICLE 5. MEMBERSHIP:

A. There shall be one (1) membership in the Association for each Owner as established by the Declaration. The Members of the Association must be and remain Owners of a Unit, as defined in the Declaration, within the Project. If title to a Unit is held by more than one person, the membership relating to the Unit shall be shared by all such persons in the same proportionate interest and the same type of tenancy in which the title to the Unit is held.

B. No person or entity other than an Owner may be a member of the Association. A member shall not assign or transfer his membership except in connection with the transfer or sale of a Unit; provided, however, that although membership is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation, the rights of membership may be assigned as further security for a loan secured by a lien on a Unit. Every person or entity who is an owner of any Unit for which the Association has been or may be designated as a Management Body shall be required to be a member of the Association and remain a member so long as such person or entity shall retain the ownership of a Unit.

Membership in the Association is declared to be appurtenant to the title of a Unit upon which such membership is based and automatically shall pass with the sale or transfer of the title of the Unit. Members, other than as specified in the Declaration, shall not have pre-emptive rights to purchase other memberships in the Association or other Units.

ARTICLE 6. VOTING RIGHTS:

The Association shall have two classes of voting membership.

CLASS A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Unit. Fractional votes shall not be allowed. The vote applicable to any said Unit being sold under contract of purchase shall be exercised by the contract seller, unless the contract expressly provides otherwise.

CLASS B. The Class B Member shall be the Declarant as defined in the Declaration. The Class B Member shall be entitled to ten (10) votes for each Unit owned, plus ten (10) votes for each un-built Condominium Units and/or Condominium Lots that may be added pursuant to the Declaration so long as said Condominium Units and/or Condominium Lots are added to the Declaration within 7 years of the date of recording the Declaration. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership appurtenant to Units, or
- (b) On July 1, 2014, or
- (c) At such earlier time as determined by the Declarant.

ARTICLE 7. REGISTERED OFFICE AND AGENT:

The address of the initial registered office of the Association is 123 S. 3rd, P.O. Box 1049 Sandpoint, ID 83864, and the name of its initial registered agent at such address is Ford Elsaesser.

ARTICLE 8. BOARD OF DIRECTORS:

A. The number of directors of the Association shall be fixed by the bylaws and may be increased or decreased from time to time in the manner specified therein. The initial board of directors shall consist of three (3) directors. The names and addresses of the persons who shall serve as directors until the first meeting of the members and until their successors are elected and qualify, or unless they resign or are removed, are:

<u>Name</u>	<u>Address</u>
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C. Jae Heinberg 777 South Harbour Island Boulevard
Suite 925
Tampa, Florida 33602

Linda Starr Kerns 777 South Harbour Island Boulevard
Suite 925
Tampa, Florida 33602

Holly Mostoller 777 South Harbour Island Boulevard
Suite 925
Tampa, Florida 33602

B. All Directors shall be elected in the manner set forth in the Bylaws. Declarant desires to avail itself of the rights permitted under Section 30-3-66, of the Idaho Code, and accordingly, until Turnover of Control (as defined below), the Declarant shall have the unilateral right to elect all of the directors. For purposes hereof, Turnover of Control means three (3) months after the Declarant has sold 90% of the Lots, including all un-built Condominium Units and/or Condominium Lots that may be added pursuant to the Declaration so long as said Condominium Units and/or Condominium Lots are added to the Declaration within 7 years of the date of recording the Declaration. Directors may be removed and vacancies may be filled in the manner provided in the Bylaws.

ARTICLE 9. INCORPORATOR:

The name and address of the incorporator is as follows:

BVG SANDPOINT, LTD., a Florida limited partnership
777 South Harbour Island Blvd.; Suite 925
Tampa, Florida 33602

ARTICLE 10. BYLAWS:

The Bylaws of the Association shall be adopted as set forth in the Bylaws, and may be altered, amended or rescinded in the manner provided therein.

ARTICLE 11. ASSESSMENTS:

Each member shall be liable for the payment of Assessments and charges provide for in the Declaration and for the payment and discharge of the liabilities of the Association as provided for in the Declaration, the Condominium Act, and as set forth in the Bylaws.

ARTICLE 12. AMENDMENT:

A. Amendments to these Articles shall be proposed and adopted in the following manner:

(a) Until Turnover of Control (as defined in the Bylaws), the Declarant shall have the unilateral right to amend these Articles.

(b) After election of a majority of the Board other than by the Declarant, amendments to these Articles may be proposed either by a majority of the whole Board or by a petition signed by the Members representing at least fifty percent (50%) of the voting interests of the Association. Once so proposed, the amendments shall be submitted to a vote of the Members no later than the next annual meeting for which proper notice can be given. These Articles of Incorporation may be amended by a vote of two-thirds (2/3) of the Members present and voting at such special or annual meeting at which a quorum has been established. Any such amendment may also be approved in writing by a majority of the total voting interests without a meeting. Notice of any proposed amendment must be given to the Members, and the notice must contain the text of the proposed amendment.

(c) An amendment shall become effective upon filing with the Secretary of State and recording a certified copy in the Public Records of Bonner County, Idaho.

ARTICLE 13. DISSOLUTION:

Subject to the provisions as to mortgage protection contained in the Declaration, the Association may be dissolved with the assent given in writing and signed by not less than three-fourths (3/4) of voting interests. Upon dissolution of the Association, other than incident to a merger or consolidation, and otherwise in accordance with applicable statutory dissolution procedures, the assets of the Association shall be dedicated pursuant to applicable provisions of the Idaho Nonprofit Corporation Act, Title 30, Chapter 3, Idaho Code. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE 14. LIMITATION OF LIABILITY:

A director of this Association shall not be personally liable to the Association or its members for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Association or its Members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 30-3-81 or Section 30-1-833, Idaho Code or (iv) for any transaction from which the director derived any improper personal benefit. If the Idaho Business Corporation Act or the Idaho Nonprofit Corporation Act (collectively the "Acts") are amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Acts as so amended. Any repeal or modification of this Article 12 by the members of the Association shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification.

EXECUTED in duplicate this ____ day of _____, 2004, by the undersigned incorporator.

BVG SANDPOINT, LTD., a Florida limited partnership

By: BVG Sandpoint, Inc., a Florida
corporation
Its: General Partner

By: _____
C. Jae Heinberg
Its: President

EXHIBIT "D"

Bylaws

BYLAWS
OF
SEASONS AT SANDPOINT ASSOCIATION, INC.

* * * * *

ARTICLE I. NAME AND LOCATION

The name of the corporation is SEASONS AT SANDPOINT ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall be located at 424 Sandpoint Avenue, Sandpoint, Idaho 83864, but meetings of Members and directors may be held at such places within the State of Idaho, County of Bonner, as may be designated by the Board of Directors.

ARTICLE II. DEFINITIONS

All undefined terms appearing in initial capital letters shall have the meaning ascribed to them in that certain Declaration of Condominium for Seasons at Sandpoint, as it may be amended from time to time. In addition, the following terms shall have the following meanings:

Section 1. "ASSOCIATION" shall mean and refer to SEASONS AT SANDPOINT ASSOCIATION, INC., a nonprofit corporation organized under the laws of the State of Idaho, its successors and assigns.

Section 2. "COMMON AREA" shall have the meaning ascribed to it in the Declaration. The Common Area to be owned by the Association at the time of the conveyance of the first Unit shall be indicated on the official plat of the properties filed in the office of the Bonner County Recorder.

Section 3. "CONDOMINIUM" shall mean an estate in property as defined in Idaho Code section 55-101B.

Section 4. "DECLARANT" shall mean and refer to BVG SANDPOINT, LTD., a Florida limited partnership, or any successor or assign as permitted in accordance with the Declaration.

Section 5. "DECLARATION" shall mean and refer to the Declaration of Condominium of Seasons at Sandpoint applicable to the Properties recorded in the Office of the County Recorder of Bonner County, State of Idaho.

Section 6. "MEMBER" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 7. "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit which is part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. "PROPERTIES" shall mean and refer to that certain real property described in the Declaration recorded pursuant to Idaho Code section 55-1505, 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.

Section 9. "UNIT" shall mean and refer to the separate property interest as defined in the Declaration, with the exception of the Common Area.

ARTICLE III. MEETINGS OF MEMBERS

Section 1. Annual Meetings: The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association. The annual meeting of the Members for the election of directors whose terms have expired and for the transaction of such other business as may properly come before the meeting shall be held at such hour and on such day as shall be determined by the board of directors.

Section 2. Special Meetings: Special meetings of the Members may be called at any time by the president or by the board of directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Membership.

Section 3. Notice of Meetings: Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum: The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit.

ARTICLE IV. BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number: The affairs of this Association shall be managed by a board of not less than three (3) nor more than seven (7) directors, who need not be Members of the Association. The initial number of directors shall be three (3).

Section 2. Term of Office and Selection of Directors: Until the first annual meeting of Members, the directors of the Association shall be those individuals named in the Articles of

Incorporation or their successors determined in accordance with this Article. Declarant desires to avail itself of the rights permitted under Section 30-3-66, of the Idaho Code, and accordingly, until Turnover of Control (as defined below), the Declarant shall have the unilateral right to elect all of the directors. Within three (3) months after the Declarant has sold 90% of the Condominium Units and/or Condominium Lots, including all un-built Condominium Units and/or Condominium Lots that may be added pursuant to the Declaration so long as said Condominium Units and/or Condominium Lots are added to the Declaration within 7 years of the date of recording the Declaration ("Turnover of Control"), the Declarant shall cause two of the members of the Board of Directors appointed by the Declarant to resign and the Members shall thereafter be entitled to elect a majority of the members of the Board of Directors of the Association. So long as the Declarant holds for sale in the ordinary course of business at least one Unit, the Declarant shall be entitled to elect at least one Member of the Board of Directors of the Association. After Turnover of Control, the Declarant may exercise the right to vote any Declarant-owned Lots in the same manner as any other Member of the Association; provided, however, that the Declarant shall not be entitled to select a majority of the Members of the Board of Directors.

The Declarant can turn over control of the Association to the Unit Owners other than the Declarant prior to such dates in its sole discretion by causing all of its appointed directors to resign, whereupon it shall be the affirmative obligation of the Unit Owners other than the Declarant to elect directors and assume control of the Association. Provided at least sixty (60) days' notice of the Declarant's decision to cause its appointees to resign is given to the Unit Owners, neither the Declarant, nor such appointees, shall be liable in any manner in connection with such resignations even if the Unit Owners other than the Declarant refuse or fail to assume control.

Section 3. Special Meeting. If for any reason an annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of Members held for that purpose. All directors shall hold office until their respective successors are elected.

Section 4. Removal: Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining Members of the board and shall serve for the unexpired term of his predecessor. Notwithstanding the foregoing, any director approved by the Declarant may only be removed and replaced by the Declarant.

Section 5. Compensation: No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 6. Action Taken Without A Meeting: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination: Nomination for election to the board of directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a Member of the board of directors, and two or more Members of the Association. The nominating committee shall be appointed by the board of directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the board of directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election: Election to the board of directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI. MEETINGS OF DIRECTORS

Section 1. Regular Meetings: Regular meetings of the board of directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings: Special meetings of the board of directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the board.

ARTICLE VII. POWERS AND DUTIES OF BOARD OF DIRECTORS

Section 1. Powers: The board of directors shall have power to:

- A. Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- B. Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

- C. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- D. Declare the office of a Member of the board of directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the board of directors; and
- E. Employ a manager, an independent contractor or such other employees as the board deems necessary and to prescribe their duties.

Section 2. Duties: It shall be the duty of the board of directors to:

- A. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote.
- B. Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- C. As more fully provided in the Declaration to:
 1. Fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;
 2. Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 3. Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- D. Issue, or to cause to an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- E. Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- F. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- G. Cause the Common Area to be maintained.

ARTICLE VIII. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices: The officers of this Association shall be a president and vice president, who shall at all times be Members of the board of directors, a secretary and a treasurer, and such other officers as the board may from time to time create by resolution.

Section 2. Election of Officers: The election of officers shall take place at the first meeting of the board of directors following each annual meeting of the Members.

Section 3. Term: The officers of this Association shall be elected annually by the board and each shall hold office for one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments: The board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the board may from time to time determine.

Section 5. Resignation and Removal: Any officer may be removed from office with or without cause by the board. Any officer may resign at any time, 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 at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make effective.

Section 6. 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.

Section 7. Multiple Offices: The offices of secretary and treasurer may be held by the same person. Pursuant to Idaho Code § 30-3-83, no one person shall simultaneously hold the offices of President and Secretary.

Section 8. Duties: The duties of the officers are as follows:

- A. President: The president shall preside at all meetings of the board of directors; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
- B. 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.
- C. Secretary / Assistant Secretary: The secretary, and in its absence the Assistant Secretary, if any, shall record the votes and keep the minutes of all meetings and proceedings of the board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the board and of the Members; keep appropriate current records showing

names of Members of the Association, together with their addresses, and shall perform such other duties as required by the board.

- D. Treasurer / Assistant Treasurer: The treasurer, and in its absence the Assistant Treasurer, if any, 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 directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX. COMMITTEES

The Association may appoint an Architectural Control Committee, as provided in the Declaration, and 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.

ARTICLE X. BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI. ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Unit against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Unit, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his Unit.

ARTICLE XII. CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: SEASONS AT SANDPOINT ASSOCIATION, INC.

ARTICLE XIII. AMENDMENTS

Prior to Turnover of Control, the Declarant shall have the unilateral right to amend these Bylaws. After Turnover of Control, the Bylaws of the Association may be altered, amended or

new Bylaws adopted at any regular meeting or at any special meeting of the Members thereof, called for that purpose, by the affirmative vote of two-thirds (2/3) of the Members present at such meeting; provided, that a quorum as specified herein or in the laws of the State of Idaho be present; provided further, that any such amendment shall not be inconsistent with the provisions of the Declaration; provided further, however, that notwithstanding the foregoing, Declarant may amend these Bylaws from time to time for the purpose of adopting any amendment which may reasonably be requested by any proposed mortgagee or by any institutional holder intending to purchase a mortgage, in order to assure such mortgagee or institutional holder that its interests are adequately protected, or in order to comply with the requirements or regulations of any governmental or quasi-governmental entity or institution holding or insuring a mortgage. There shall not be, however, any amendment to these Bylaws that results in a change in the Turnover of Control provisions, a reduction or depletion of the number Class B votes or the relative voting control of Class B without the prior written consent of the Class B Membership.

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

Section 1. Directors and Executive Officers: The directors and officers of this Association shall not be personally liable to the Association or its Members for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Association or its Members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 30-3-81 or Section 30-1-833, Idaho Code or (iv) for any transaction from which the director derived any improper personal benefit. If the Idaho Business Corporation Act or the Idaho Nonprofit Corporation Act (collectively the "Acts") are amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Acts as so amended. Any repeal or modification of this Article 12 by the members of the Association shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification.

Section 2. Other Officers, Employees and Other Agents: The Association shall have the power to indemnify its employees and other agents as set forth in the Acts.

Section 3. Good Faith: For purposes of any determination under this Article XIV, a director or officer shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, to have had no reasonable cause to believe that his conduct was unlawful, if his action is based on the records or books of account of the Association or another enterprise, or on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by (i) the officers of the Association or another enterprise whom the director or officer reasonably believes to be reliable and competent in the matters presented, or (ii) legal counsel, a public accountant or other person as to matters which

the director or officer believes to be within such person's professional or expert competence. The term "other enterprise" as used in this Section 3 shall mean any other Association or any partnership, joint venture, trust or other enterprise, including any employee benefit plan, of which such person is or was serving at the request of the Association as a director, officer, employee or other agent. The provisions of this Section 3 shall not be deemed to be exclusive and/or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth by the Acts.

Section 4. Expenses: The Association shall advance, prior to the final disposition of any proceeding, promptly following request therefor, all expenses incurred by any director or officer in connection with such proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it should be determined ultimately that such person is not entitled to be indemnified under this Article XIV or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to Section 5 of this Article XIV, no advance shall be made by the Association if a determination is reasonably and promptly made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (b) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion that, based upon the facts known to the decision-making party at the time such determination is made, such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Association, or, with respect to any criminal proceeding, such person believed or had reasonable cause to believe that his conduct was unlawful.

Section 5. Enforcement: Without the necessity of entering into an express contract, all rights to indemnification and advances under this Article XIV shall be deemed to be contractual rights and to be effective to the same extent as if provided for in a contract between the Association and the director or officer who serves in such capacity at any time while this Article XIV and other relevant provisions of the Acts and other applicable law, if any, are in effect. Any right to indemnification or advances granted by this Article XIV to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. It shall be a defense to any such action that the claimant has not met the standards of conduct which make it permissible under the Acts for the Association to indemnify the claimant for the amount claimed; but the burden of proving such defense shall be on the Association. Neither the failure of the Association (including its board of directors, its independent legal counsel, or its Members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard to conduct set forth in the Acts, nor an actual determination by the Association (including its board of directors, its independent legal counsel or its Members) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

Section 6. Non-Exclusivity of Rights: The rights conferred on any person by this Article XIV shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaw, agreement, vote of Members or disinterested directors or otherwise, both as to action in this official capacity and as to action in any other capacity while holding office. The Association is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, as provided by law.

Section 7. Survival of Rights: The rights conferred on any person by this Article XIV shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs and personal representatives of such a person.

Section 8. Amendments: Any repeal or modification of this Article XIV shall only be prospective and shall not affect the rights under this Article XIV in effect at the time of the alleged occurrence of any act or omission to act that is the cause of any proceeding against any director, officer, employee or agent of the Association.

Section 9. Savings Clause: If this Article XIV or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Association shall nevertheless indemnify each director or officer to the full extent permitted by any applicable portion of this Article XIV that shall not have been invalidated, or by any other applicable law.

ARTICLE XV. MISCELLANEOUS

Unless otherwise determined by the Association's board of directors, the fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

The foregoing Bylaws shall be effective the ___ day of _____, 2004.

C. Jae Heinberg, Director

Linda Starr Kerns, Director

Holly Mostoller, Director

EXHIBIT "E" and "F"

Submerged Property and Dock Facilities

SEASONS AT SANDPOINT BOAT DOCK

