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Document Title: Amended & Restated Declaration and Covenants, Conditions, Restrictions and Reservations for Pier 20 on the Boardwalk & Pier 21 on the Boardwalk, A Condominium, Post Falls, Kootenai County, Idaho

Declarant: Pier 20 on the Boardwalk, LLC, as to Pier 20 on the Boardwalk,
Pier 21 on the Boardwalk, LLC, as to Pier 21 on the Boardwalk,

Legal Description: See Exhibit "A"

AMENDED & RESTATED
DECLARATION AND COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS FOR
PIER 20 ON THE BOARDWALK
&
PIER 21 ON THE BOARDWALK,
A CONDOMINIUM
POST FALLS, KOOTENAI COUNTY, IDAHO

AMENDATORY STATEMENT

THIS AMENDED & RESTATED DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR PIER 20 ON THE BOARDWALK, A CONDOMINIUM & PIER 21 ON THE BOARDWALK, A CONDOMINIUM, POST FALLS, KOOTENAI COUNTY, IDAHO SUPERCEDES AND REPLACES IN ITS ENTIRETY, FROM AND AFTER THE RECORDATION HEREOF, THAT CERTAIN DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR PIER 20 ON THE BOARDWALK, A CONDOMINIUM, POST FALLS, KOOTENAI COUNTY, IDAHO, recorded October 3, 2006 as Instrument No. 2059036000, records of Kootenai County, Idaho and upon recordation hereof, said Instrument No. 2059036000 shall have no further force or effect.

FURTHER, all of the Property described on Exhibit A hereto shall hereafter constitute a single condominium project as defined herein and in Idaho Code 55-1503(b).

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AMENDED & RESTATED
DECLARATION AND COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS FOR
PIER 20 ON THE BOARDWALK
&
PIER 21 ON THE BOARDWALK, A CONDOMINIUM
POST FALLS, KOOTENAI COUNTY, IDAHO

Pursuant to the Act defined in Section 1.8.1 and for the purpose of submitting the Property hereinafter described to the provisions of said Act, (including such additional real property as may hereafter be annexed to the Property pursuant to this Declaration or amendment thereof), the undersigned, being sole owner(s), lessees or possessors of said Property, make the following Declaration. By acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment, respecting the Property or any Unit in the Condominium created by this Declaration, it is agreed that this Declaration, together with the Plat and Plans referred to herein, states covenants, conditions, restrictions, and reservations effecting a common plan for the Condominium development mutually beneficial to all of the described Units, and that the covenants, conditions, restrictions, reservations and plan are binding upon the entire Condominium and upon each such Unit as a parcel of realty, and upon its owners or possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the Condominium or any security interests therein, without requirement of further specific reference or inclusion in deeds, contracts or security instrument and regardless of any subsequent forfeitures, foreclosures, or sales of Units under security instruments.

ARTICLE 1
INTERPRETATION

1.1 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of this Condominium under the provisions of Idaho law. It is intended and covenanted also that, insofar as it affects this Declaration and Condominium, the provisions of the Act under which this Declaration is operative, shall be liberally construed to effectuate the intent of this Declaration insofar as reasonably possible.

1.2 Consistent with Act. The terms used herein are intended to have the same meaning given in the Act unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

1.3 Covenant Running With Land. It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on

Declarant, its successors and assigns, all subsequent Owners of the Property, together with their grantees, successors, heirs, executors, administrators, devisees or assigns, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

1.4 Percentage of Owners or Mortgagees. For purposes of determining the percentage of Owners or Mortgagees, or percentage of voting power for, approving a proposed decision or course of action in cases where an Owner owns, or a Mortgagee holds Mortgages on, more than one Unit, such Owner shall be deemed a separate Owner for each such Unit so owned and such Mortgagee shall be deemed a separate Mortgagee or each such first Mortgage so held.

1.5 Declarant is Original Owner. On the date of execution of this Declaration, PIER 20 ON THE BOARDWALK, LLC, an Idaho limited liability company is the Declarant as to the Pier 20 On The Boardwalk Condominium as the same is described on Exhibit "A" and PIER 21 ON THE BOARDWALK, LLC, an Idaho limited liability company is the Declarant as to the Pier 21 On The Boardwalk Condominium as described on Exhibit "A." Declarants are collectively the original Owners of the Condominiums as designated herein, all Units in each respective Condominium and the Property as described in Exhibit "A" and will continue to be deemed the Owner thereof except as conveyances or documents changing such ownership regarding specifically described Units are filed of record.

1.6 Captions and Exhibits. Captions given to the various articles and sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference as though fully set forth where such reference is made.

1.7 Inflationary Increase in Dollar Limits. Any dollar amounts specified in this Declaration in connection with any proposed action or decision of the Board or Association may, in the discretion of the Board, be increased proportionately by the increase in the Consumer Price Index (CPI) published by the Bureau of Labor Statistics of the Department of Labor (1984=100) for All Urban Consumers - All Items (or other applicable index).

1.8 Definitions.

1.8.1 "The Act" means the Idaho Condominium Property Act, Title 55, Chapter 15, [1965, ch. 225, §1, p. 515, as amended], or as the context may require, other relevant provisions of the Idaho Code, as from time to time amended.

1.8.2 "Allocated Interests" means the undivided interest in the Common Areas, the Common Expense Liability, and votes in the Association allocated to each Unit more particularly provided for in Article 8.

1.8.3 "Architectural Control Committee" refers to the committee provided in the Master Declaration to be appointed by Declarant or the Board of the Master Association.

1.8.4 "Assessment" means all sums chargeable by the Association against a Unit including, without limitation: (a) regular and special Assessments for Common Expenses, charges, and fines imposed by the Association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys' fees, incurred by the Association in connection with the collection of a delinquent Owner's account.

1.8.5 "Association" means all of the Owners acting as a group in accordance with the Bylaws and with this Declaration as it is duly recorded and as they may be lawfully amended, which Association is more particularly provided for in Article 9.

1.8.6 "Board" means the board of directors of the Association provided for in Section 10.3.

1.8.7 "Building" and "Condominium Building" mean the building or buildings containing the Units and comprising a part of the Property.

1.8.8 "Bylaws" shall mean the bylaws of the Association provided for in Article 9.5.

1.8.9 "Common Areas" means all portions of the Condominium other than the Units.

1.8.10 "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

1.8.11 "Common Expense Liability" means the liability for Common Expenses allocated to each Unit pursuant to Article 8.

1.8.12 "Condominium" means each and both condominiums collectively created by this Declaration and related Plat and Plans pursuant to the Act.

1.8.13 "Conveyance" means any transfer of the ownership of a Unit, including a transfer by deed or by real estate contract, but shall not include a transfer solely for security.

1.8.14 "Declarant" means any entity, person or persons acting in concert who (a) executed as Declarant this Declaration, or (b) reserves or succeeds to any Special Declarant Right under the Declaration. Any reference herein to Declarant shall be a reference to that entity or person(s) limited, unless the context requires otherwise, to each such Declarant's rights and

responsibilities with respect to that Condominium and Property in which such person or entity holds a fee title ownership interest. Unless specifically otherwise provided herein, or unless such Declarant hereafter acquires such interest, no entity or person(s) shall be liable for the performance of the obligations of Declarant as to or be deemed to have an interest in any portion of the Condominium or Property other than that Condominium and Property in which such Declarant holds a fee title ownership interest. On the date of execution of this Declaration, PIER 20 ON THE BOARDWALK, LLC, an Idaho limited liability company is the Declarant as to the Pier 20 On The Boardwalk Condominium as the same is described on Exhibit "A" and PIER 21 ON THE BOARDWALK, LLC, an Idaho limited liability company is the Declarant as to the Pier 21 On The Boardwalk Condominium as described on Exhibit "A."

1.8.15 "Declarant Control" means the right, if expressly reserved by this Declaration, of the Declarant or persons designated by the Declarant to appoint and remove Association officers and Board members pursuant to Section 10.2 and Section 23.1.4 and to exercise such other actions as are provided in this Declaration.

1.8.16 "Declaration" means this Declaration and any amendments thereto.

1.8.17 "Development Rights" means any right, if expressly reserved by the Declarant in this Declaration to: (a) add real property or improvements to the Condominium; (b) create Units, Common Areas, or Limited Common Areas within real property included or added to the Condominium; (c) subdivide Units or convert Units into Common Areas; (d) withdraw real property from the Condominium; (e) reallocate limited common areas with respect to units that have not been conveyed by the Declarant; and/or (f) to amend this Declaration.

1.8.18 "Dispose" or "Disposition" means a voluntary transfer or conveyance to a purchaser of any legal or equitable interest in a Unit, but does not include the transfer or release of a security interest.

1.8.19 "Eligible Mortgagee" means the holder of a mortgage on a Unit that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of Mortgagees.

1.8.20 "Foreclosure" means a forfeiture or judicial or non-judicial foreclosure of a Mortgage or a deed in lieu thereof.

1.8.21 "Identifying Number" means a symbol or address that identifies only one Unit in a Condominium.

1.8.22 "Interior Surfaces" (where that phrase is used in defining the boundaries of Units or Limited Common Areas) shall include paint, wallpaper, paneling, carpeting, tiles, finished flooring, and other such decorative or finished surface coverings. Said decorative and

finished coverings, along with fixtures and other tangible personal property (including furniture, planters, mirrors, and the like) located in and used in connection with said Unit or Limited Common Area, shall be deemed a part of said Unit or Limited Common Area.

1.8.23 "Limited Common Area" means a portion of the Common Areas allocated by this Declaration or by operation of law for the exclusive use of one or more but fewer than all of the Units as provided in Article 7.

1.8.24 "Manager" means the entity, person or persons retained by the Board to perform such management and administrative functions and duties with respect to the Condominium as are delegated to such person and as are provided in a written agreement between such person and the Association.

1.8.25 "Master Association" means the Post Falls Landing Master Association (whether or not it shall be so-named) established pursuant to the Master Declaration;

1.8.26 "Master Declaration" means that certain Master Declaration of Covenants, Conditions and Restrictions for Post Falls Landing, Kootenai County, Idaho, recorded September 27, 2006 as Instrument No. 2057802000, records of the Kootenai County Recorder, as from time to time amended as provided therein.

1.8.27 "Mortgage" means a mortgage, deed of trust or real estate contract for sale that creates a lien against a Unit.

1.8.28 "Mortgagee" means the beneficial owner or the designee of the beneficial owner, of an encumbrance on a Unit created by mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Unit. A Mortgagee of the Condominium and a Mortgagee of a Unit are included within the definition of Mortgagee.

1.8.29 "Mortgagee of a Unit" means the holder of a Mortgage on a Unit, which mortgage was recorded simultaneous with or after the recordation of this Declaration. Unless the context requires otherwise, the term "Mortgagee of a Unit" shall also be deemed to include the Mortgagee of the Condominium.

1.8.30 "Mortgagee of the Condominium" means the holder of a Mortgage on the Property which this Declaration affects, whether such Mortgage was recorded prior to the recordation of this Declaration or subsequent thereto, (but only on that portion of the Property owned by the Declarant at the time of such subsequent Mortgage). The term "Mortgagee of the Condominium" does not include Mortgagees of the individual Units.

1.8.31 "Unit Owner" means, subject to Section 1.9.5, a Declarant or other person whom owns a Unit, but does not include a person who has an interest in a Unit solely as security

for an obligation. "Unit Owner" means the vendee, not the vendor, of a Unit under a real estate contract.

1.8.32 "Person" means a natural person, corporation, partnership, limited partnership, trust, governmental subdivision or agency, or other legal entities.

1.8.33 "Project" means the planned unit development known as the Post Falls Landing, more particularly described in the Master Declaration, including any land from time to time annexed thereto and excluding any lands excised from said development, as provided in the Master Declaration.

1.8.34 "Property" or "Real Property" means any fee or other estate or interest in, over, or under the land described in Exhibit A, including buildings, structures, fixtures, and other improvements thereon and easements, rights and interests appurtenant thereto which by custom, usage, or law pass with a conveyance of land although not described in the contract of sale or instrument of conveyance. "Property" includes parcels, with or without upper or lower boundaries, and spaces that may be filled with air or water, and all personally intended for use in connection therewith.

1.8.35 "Purchaser" means any person, other than Declarant, who by means of a Disposition acquires a legal or equitable interest in a Unit other than as security for an obligation.

1.8.36 "Renting or Leasing" a Unit means the granting of a right to use or occupy a Unit, for a specified term or indefinite term (with rent reserved on a periodic basis), in exchange for the payment of rent (that is, money, property or other goods or services of value); but shall not mean and include joint ownership of a Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership.

1.8.37 "Residential Purposes" means use for dwelling or recreational purposes, or both.

1.8.38 "Special Declarant Rights" means the rights, if expressly reserved in this Declaration for the benefit of Declarant to:

(a) complete improvements indicated on Plats and Plans filed with the Declaration under I.C. 55-1504 and Section 23.1.1;

(b) exercise any Development Right under Section 23.2;

(c) maintain sales offices, management offices, signs advertising the Condominium, and models under Section 23.1.2;

(d) use easements through the Common Areas for the purpose of making improvements within the Condominium or within real property which may be added to the Condominium;

(e) make the Condominium part of a larger Condominium or a development;

(f) make the Condominium subject to a master association;

(g) appoint or remove any officer of the Association or the Master Association or any member of the Board of the Association or Master Association, and any member of the Architectural Control Committee, or any other committee or board during any period of Declarant Control under Section 23.1.4; and

(h) exercise such other rights as may be reserved in the Declaration to Declarant.

1.8.39 "Plat and Plans" means collectively the recorded plat and survey map describing the land area comprising the Property and the diagrammatic floor plan or plans of the building(s) and improvements constructed or to be constructed on the Property, and which identifies each Unit in the condominium, together with its relative location and approximate dimensions and elevations, all as required by the Idaho Condominium Property Act and the City of Post Falls, Idaho, and which are recorded simultaneously with this Declaration and any amendments, corrections, and addenda thereto subsequently recorded.

1.8.40 "Unit" means a physical portion of the Condominium designated for separate ownership, the boundaries of which are described pursuant to Article 4.

1.8.41 "Lot" means any parcel of land situated within the Project, whether or not contained within the real property boundaries of the Condominium governed by this Declaration.

1.8.42 "Related Entity" refers to any business entity in which there is substantial identity of ownership or control with Declarant.

1.8.43 "The Point at Post Falls, L.L.C." refers to an Idaho limited liability company, together with its successors and assigns, which holds fee title ownership to land in the Project, excluding the Real Property described in Exhibit "A".

1.9 Construction and Validity

1.9.1 All provisions of the Declaration and Bylaws are severable.

1.9.2 The rule against perpetuities may not be applied to defeat any provision of the Declaration, Bylaws, rules, or regulations adopted pursuant to the Act, the Declaration or Master Declaration;

1.9.3 In the event of a conflict between the provisions of the Declaration and the Bylaws, the Declaration prevails except to the extent the Declaration is inconsistent with the Act.

1.9.4 The creation of this Condominium shall not be impaired and title to the Unit and Common Areas shall not be rendered unmarketable or otherwise affected by reason of an insignificant failure of the Declaration or Plat and Plans or any amendment thereto to comply with the Act.

1.9.5 If the Declaration or Bylaws now or hereafter provide that any officers or directors of the Association must be Unit Owners, then notwithstanding the definition contained in Section 1.8.30, the term "Owner" in such context shall, unless the Declaration or Bylaws otherwise provide, be deemed to include any director, officer, partner in, or trustee of any person, who is, either alone or in conjunction with another person or persons, a Unit Owner. Any officer or director of the Association who would not be eligible to serve as such if he or she were not a director, officer, partner in, or trustee of such a person shall be disqualified from continuing in office if he or she ceases to have any such affiliation with that person, or if that person would have been disqualified from continuing in such office as a natural person.

ARTICLE 2 DESCRIPTION OF REAL PROPERTY/UNITS

The Real Property included in the Condominium is described in Exhibit "A" attached hereto. The Units are as described in Exhibit "B" attached hereto.

ARTICLE 3 MASTER DECLARATION/ASSOCIATION

3.1 Master Declaration. Declarant reserves the right to execute and record, either before, simultaneously with or after execution and recordation of this Declaration, and the Property herein, each and every owner of the Units described herein, and the Association herein described and provided shall be subject to and bound by each and every of the provisions a MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR POST FALLS LANDING, (whether so designated or designated by some other name) ("Master Declaration"), affecting this and other real property in the Project, which Master Declaration has been recorded September 27, 2006 as Instrument No. 2057802000, records of Kootenai County, Idaho.

3.2 Master Association. The Master Declaration provides for the establishment of a Master Association to have such authority as is by law permissible and as provided in the Master Declaration as from time to time amended.

3.3 Conflict with Master Declaration. In the event of a conflict of any provision hereof with a provision of the Master Declaration, as from time to time amended, the provisions of the Master Declaration shall control.

ARTICLE 4 BOUNDARIES

4.1 Unit Boundaries.

4.1.1 Interior Surfaces. The Interior Surfaces of perimeter walls, floor, and ceilings are designated as boundaries of a Unit. Decorative and finished surface coverings are a part of the Unit, and all other portions of the walls, floors, or ceilings are a part of the Common Areas.

4.1.2 Ducts, Wires, Etc. If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Area allocated solely to the Unit, and any portion thereof serving more than one Unit or any portion of the Common Areas is a part of the Common Areas.

4.1.3 Partitions, Etc. Subject to the provisions of Section 4.1.2, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

4.1.4 Doorsteps, Etc. Any doorsteps, stoops, archways, balconies, terraces, courtyards and all exterior doors, sliding glass or French doors or similar door and windows, skylight or other fixtures designed to serve a single Unit, but which are located outside the Unit's boundaries, are Limited Common Areas allocated exclusively to that Unit.

4.2 Monuments as Boundaries.

The physical boundaries of a Unit constructed in substantial accordance with the original Plat and Plans thereof become its boundaries rather than the metes and bounds expressed in the Plat and Plans, regardless of settling or lateral movements of the Building or minor variances between boundaries shown on the Plat and Plans and those of the Building.

4.3 Relocation of Boundaries; Adjoining Units.

4.3.1 In General. Subject to the provisions of the Declaration and other provisions of law, the boundaries between adjoining Units may only be relocated by an amendment to the Declaration upon application to the Association and the Architectural Control Committee by the Owners of those Units. If the Owners of the adjoining Units have specified a reallocation between their Units of their Allocated interests, the application must state the proposed reallocations. Unless the Association and the Architectural Control Committee each determine within thirty (30) days that the reallocations are unreasonable, the Association shall prepare an amendment that identifies the Units involved, states the reallocations, is executed by those Unit owners, contains words of conveyance between them, and is recorded in the name of the grantor and the grantee. The actual and reasonable costs of effecting such amendment(s) shall be payable by the Owner(s) making such application and shall be payable as an assessment as against each such Owner(s) and their respective Unit(s).

4.3.2 Plat and Plans. The Association shall, at such Owner(s)' cost, obtain and record Plats or Plans complying with the requirements of the Act necessary to show the altered boundaries between adjoining Units and their dimensions and Identifying Numbers.

ARTICLE 5 DESCRIPTION OF OTHER IMPROVEMENTS

Exhibit B attached hereto sets forth the following:

5.1 Recreational Facilities. A description of the recreational facilities, if any, included within the Condominiums.

5.2 Parking. The number of covered, uncovered or enclosed parking spaces allocated to each Unit.

ARTICLE 6 DESCRIPTION OF COMMON AREAS

Except as otherwise specifically reserved, assigned or limited by the provisions of Section 4.1 and Article 7 hereof, the Common Areas consist of all portions of the Condominium except Units and include the following:

6.1 The Real Property described in Exhibit A, excepting those areas designated on the Plat and Plans as Units and Limited Common Area.

6.2 The roofs, foundations, columns, girders, studding, joists, beams, supports, walls (excluding nonbearing interior partitions of Units), exterior doors, windows, and sliding glass doors, roll down or other uniform window coverings installed by Declarant (if any) and all other

structural parts of the Buildings, to the boundaries of the Units as the boundaries are defined in the Section 4.1, and any replacements thereto.

6.3 Installations of central services such as: power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating; pipes, conduits, and wire; elevators, elevator shafts, tanks, pumps, motors, fans, compressors, ducts; solar panels (if any), and in general all apparatus and installations existing for common use; but excluding plumbing, electrical and similar fixtures, which fixtures are located within a Unit for the exclusive use of that Unit.

6.4 The driving areas and any unallocated parking spaces located on the Property and guest parking, if any or other parking areas or garages not part of Units.

6.5 The walks, lawn, gardens, stairways, elevators, corridors and hallways (not assigned as Limited Common Areas in Article 7) and areas used or made available for use for recreational purposes by all Owners.

6.6 All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.

ARTICLE 7 DESCRIPTION OF LIMITED COMMON AREAS

7.1 Limited Common Areas. The Limited Common Areas are reserved for the exclusive use of the Owner or Owners for the Unit or Units to which they are adjacent or assigned and, in addition to any Limited Common Areas provided by law or other provisions of the Declaration including Section 4.1, consist of:

7.1.1 Miscellaneous. Such other Limited Common Areas, if any, as may be described in Exhibit A and on the Plat and Plan, attached hereto.

7.1.2 Boundary. If there is no fence, wall or other enclosure establishing the boundary of a Limited Common Area, then the boundary shall be as depicted on the Plat and Plans.

7.1.3 Doorsteps, Etc. Those items described in Section 4.1.4 hereof.

7.1.4 Assigned Parking Spaces. Declarant shall have the right to assign parking spaces to Units as provided in Section 23.2.2 and may designate such spaces as Limited Common Area. To the extent this right is not exercised, the assignment of spaces shall be as set for in Section 23.2.2(c).

7.2 Transfer of Limited Common Areas.

7.2.1 Reallocation Between Units. Except as provided in Paragraph 23.2.2(e), a Limited Common Area may only be reallocated between Units with the approval of the Board and Architectural Control Committee and by an amendment to the Declaration executed by the Owners of, and approved in writing by the Mortgagees holding Mortgages against, the Units to which the Limited Common Area was and will be allocated. The Board shall approve the request of the Owner or Owners under this section within thirty (30) days unless the proposed reallocation does not comply with the Act or the Declaration. The failure of the Board to act upon a request within such period shall be deemed approval thereof. The amendment shall be recorded in the names of the parties and of the Condominium.

7.2.2 Common to Limited Common, Etc. Sixty-seven percent (67%) of the Unit Owners, including the Owner of the Unit to which the Limited Common Area will be assigned or incorporated, must agree to reallocate a Common Area as a Limited Common Area or to incorporate a Limited Common Area into an existing Unit. Such reallocation or incorporation shall be reflected in an amendment to the Declaration, Plat, or Plans. Provided, however, this Section shall not apply with respect to any such reallocation or incorporation made as a result of the exercise of any Development Right reserved by Declarant or the rights reserved to the Unit Owners provided in Section 11.5.2 hereof.

7.2.3 Declarant Approval Required. During the period of Declarant Control Period, any reallocation of Limited Common Areas or Common Areas pursuant to this Section 7.2. shall require the written approval of the Declarant.

ARTICLE 8 ALLOCATED INTERESTS

8.1 Allocated Interests In Common Areas. The Allocated Interests of each Unit (that is, the undivided interest in the Common Areas, the Common Expense Liability and the votes in the Association allocated to each Unit) are set forth in Exhibit B attached hereto. The Allocated Interest and the title to the respective Units shall not be separated or separately conveyed and each undivided interest shall be deemed to be conveyed with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the title to the Unit. Except where permitted by the Act, the Common Areas are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an Allocated Interest made without the Unit to which that Interest is allocated is void.

8.2 Reallocation of Interests. Any reallocation of undivided interests in Common Areas shall be subject to the provisions of section 55-1505 of the Act.

ARTICLE 9
OWNER'S ASSOCIATION

9.1 Form of Association. The Association shall be organized as a non-profit corporation under the laws of the State of Idaho and shall be known as the "Pier 20 & 21 Condominium Owners, Inc.," or such other designation as the Board, with the concurrence of a majority of the Owners and/or, during the Declarant Control Period, the Declarant, shall from time to time adopt.

9.2 Membership.

9.2.1 Qualification. Each Owner (including Declarant) shall be a member of the Association and shall be entitled to one membership for each Unit so owned; provided, that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of a Unit shall be the sole qualification for membership in the Association.

9.2.2. Transfer of Membership. The Association membership of each Owner (including Declarant) shall be appurtenant to the Unit giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said Unit and then only to the transferee of title to such Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

9.3 Voting. Subject to each and every of the Special Declarant Rights, the voting power of the Owners shall be as follows:

9.3.1 Number of Votes. Subject to the Declarant's Special Rights as provided in Article 23, the total voting power of all Owners shall be one vote for each Unit, and the total number of votes shall be equal to the total number of Units in the Condominium Buildings made subject to this Declaration. During the period of Declarant Control, all votes cast shall be subject to the right of Declarant to act without the vote and/or concurrence of the Members as provided in this Declaration.

9.3.2 Multiple Owners. If only one of the multiple Owners of a Unit is present at a meeting of the Association, the owner is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Owners is present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other

Owners of the Unit. If no majority agreement is obtained, no votes cast by that Unit will be counted.

9.3.3 Proxies. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by an Owner. If a Unit is owned by more than one person, the agreed upon Owner of the Unit may vote. An Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates eleven months after its date of issuance.

9.3.4 Association Owned Units. No votes allocated to a Unit owned by the Association may be cast, and in determining the percentage of votes required to act on any matter, the votes allocated to Units owned by the Association shall be disregarded.

9.3.5 Pledged Votes. If an Owner is in default under a first Mortgage on the Unit for ninety (90) consecutive days or more, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Owner has pledged his or her vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, or in the event the record Owner or Owners have otherwise pledged their vote regarding special matters to a Mortgagee under a duly recorded Mortgage, only the vote of such Mortgagee or vendor, will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with this pledge has been filed with the Board. Amendments to this subsection shall only be effective upon the written consent of all the voting Owners and their respective Mortgagees, if any.

9.4 Meetings, Notices and Quorums.

9.4.1 Meetings. A meeting of the Association must be held at least once each year in June, July or August. Special meetings of the Association may be called by the president, a majority of the Board, Declarant (during the period of Declarant Control), or by Unit owners having twenty percent of the votes in the Association. Not less than ten nor more than sixty (60) days in advance of any meeting, the secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent prepaid by first class United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget that result in a change in Assessment obligations, and any proposal to remove a director or officer.

9.4.2 Quorums.

(a) A quorum is present throughout any meeting of the Association if the owners of Units to which fifty percent of the votes of the Association are allocated are present in person or by proxy at the beginning of the meeting.

(b) A quorum is deemed present throughout any meeting of the Board if persons entitled to cast fifty percent of the votes on the Board are present at the beginning of the meeting.

9.5 Bylaws of Association.

9.5.1 Adoption of Bylaws. Bylaws (and amendments thereto) for the administration of the Association and the Property, and for other purposes not inconsistent with the Act or with the intent of this Declaration shall be adopted by the Association upon concurrence of those voting Owners holding a majority of the total voting power. Amendments to the Bylaws may be adopted at any regular or special meeting. Declarant may adopt initial Bylaws.

9.5.2 Bylaws Provisions. The Bylaws may contain supplementary, not inconsistent, provisions regarding the operation and administration of the Condominium, provided that no bylaw provision shall be inconsistent with either the Declaration, Master Declaration, Bylaws of the Association or Master Association, or any duly adopted rules or regulations of the Master Association, nor shall such bylaw result in any alteration to the outward appearance of any Unit or Common Area, without the prior written approval of the Architectural Control Committee.

ARTICLE 10 MANAGEMENT OF CONDOMINIUM

10.1 Administration of the Condominium. The Unit Owners covenant and agree that the administration of the Condominium shall be in accordance with the provisions of this Declaration and the Articles of Incorporation and Bylaws of the Association as from time to time amended, which are all made a part hereof.

10.2 Election and Removal of Board.

10.2.1 Owner Election During Declarant Control. So long as the Declarant has reserved the right to exercise Declarant Control, then all of the members of the Board must be elected by the Declarant;

10.2.2 Owner Election After Declarant Control. Within (30) thirty days after the termination of the period of Declarant Control, the Unit Owners shall elect a Board of at least three members, and such additional members as may be provided in the Bylaws, at least a majority of who must be Owners. The Board shall elect the officers. Such members of the Board and officers shall take office upon election.

10.2.3 Removal. The Owners, by a (2/3) two-thirds vote of the voting power in the Association present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board with or without cause, other than a member, if any, appointed by the Declarant. The Declarant may, during the period of Declarant Control, and without cause, remove any member of the Board elected by the Owners.

10.3 Management by Board.

10.3.1 On Behalf of Association. Except as otherwise provided in the Declaration, the Bylaws, Section 10.3.2 or the Act, the Board shall act in all instances on behalf of the Association. In the performance of their duties, the officers and members of the Board are required to exercise the care required by the provision of Idaho Code 30-8-80, (Idaho Non-Profit Corporations Act-General Standards for Directors).

10.3.2 Not on Behalf of Association. The Board shall not act on behalf of the Association to amend the Declaration in any manner that requires the vote or approval of the Owners pursuant to Section 21.1, to terminate the Condominium pursuant to I.C. 55-1510, or to elect members of the Board or determine the qualifications, powers, and duties, or terms of office of members of the Board pursuant to Section 10.2.2; but the Board may fill vacancies in its membership for the unexpired portion of any term.

10.3.3 Budget Approval. Within (30) thirty days after adoption of any proposed budget for the Condominium, the Board shall provide a summary of the budget to all the Owners and shall set a date for a meeting of Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing of the summary. Unless at that meeting the Owners of Units to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

10.4 Authority of the Association.

10.4.1 The Association acting by and through the Board, or a Manager appointed by the Board, for the benefit of the Condominium and the Owners, shall enforce the provisions

of this Declaration and of the Bylaws and shall have all powers and authority permitted to the Association under the Act and this Declaration, including without limitation:

- (a) Adopt and amend Bylaws, rules, and regulations;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect Assessments for Common Expenses and/or special charges for maintenance work on Limited Common Areas from Owners;
- (c) Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;
- (d) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Condominium;
- (e) Make contracts and incur liabilities;
- (f) Regulate the use, maintenance, repair, replacement, and modification of Common Areas;
- (g) Cause additional improvements to be made as a part of the Common Areas;
- (h) Acquire, hold, encumber, convey in its own name, any right, title, or interest to personal property;
- (i) Grant easements, leases, licenses, and concessions through or over the Common Areas and petition for or consent to the vacation of streets and alleys;
- (j) Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Areas, other than Limited Common Areas described in Sections 4.1.2 and 4.1.4, and for services provided to Unit Owners;
- (k) Impose and collect charges for late payment of assessments and, after notice and an opportunity to be heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in the Declaration or Bylaws or rules and regulations adopted by the Board levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners for violations of the Declaration, Bylaws, and rules and regulations of the Association;

(l) Impose and collect reasonable charges for the preparation and recording of amendments to the Declaration, resale certificates and statements of unpaid Assessments;

(m) Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;

(n) Exercise any other powers conferred by the Declaration or Bylaws;

(o) Exercise all other powers that may be exercised in this state by the same type of corporation as the Association;

(p) Exercise any other powers necessary and proper for the governance and operation of the Association;

(q) Maintain and repair any Unit, its appurtenances and appliances, and any Limited Common Area not included in maintenance work, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Areas or preserve the appearance and value of the Condominium, and the Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to Owner; provided that the Board shall levy a special charge against the Unit of such Owner for the cost of such maintenance or repair; and

(r) Pay any amount necessary to discharge any lien or encumbrance levied against the entire Property or any part thereof which is claimed to or may, in the opinion of the Board, constitute a lien against the Property or against the Common Areas, rather than merely against the interest therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs and expenses (including court costs and attorney fees) incurred by the Board by reason of such lien or liens shall be specially charged against the Owners and the Units responsible to the extent of their responsibility; and

(s) Assign any unallocated parking space or spaces exclusively to an Owner or to a Unit, subject however to any prior allocation of parking space or spaces in this Declaration, the Plat and Plan.

10.4.2 The Board's power hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the Association funds a capital addition or improvement (other than for purposes of restoring, repairing or replacing portions of the Common Areas) having a total cost in excess of Five Thousand Dollars (\$5,000), without first obtaining the affirmative vote of a majority of Owners at a meeting called for such purpose,

or if no such meeting is held, then the written consent of a majority of Owners; provided that any expenditure or contract for each capital addition or improvement in excess of Twenty Thousand Dollars (\$20,000) must be approved by Owners having not less than sixty-seven percent (67%) of the voting power.

10.4.3 Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all of the Owners or any of them.

10.4.4 The Board and its agents or employees, may enter any Unit or Limited Common Area when necessary in connection with any maintenance, landscaping or construction for which the Board is responsible or in the event of emergencies. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board and paid for as a Common Expense if the entry was due to an emergency, or for the purpose of maintenance or repairs to Common or Limited Common Areas where the repairs were undertaken by or under the direction or authority of the Board; provided, if the repairs or maintenance were necessitated by or for the Unit entered or its Owners, or requested by its Owners, the costs thereof shall be specially charged to such Unit. In furtherance of the foregoing, the Board (or its designated agent) shall have the right at all times to possess such keys and/or lock combinations as are necessary to gain immediate access to Units and Limited Common Area.

10.5 Borrowing by Association. In the discharge of its duties and the exercise of its powers as set forth in Section 10.4.1, but subject to the limitations set forth in this Declaration, the Board may borrow funds on behalf of the Association and to secure the repayment of such funds, assess each Unit (and the Owner thereof) for said Unit's pro rata share of said borrowed funds and the obligation to pay said pro rata share shall be a lien against said Unit and the undivided interest in the Common Areas appurtenant to said Unit. Provided, that the Owner of a Unit may remove said Unit and the Allocated Interest in the Common Areas appurtenant to such Unit from the lien of such assessment by payment of the Allocated Interest in Common Expense Liability attributable to such Unit. Subsequent to any such payment, discharge, or satisfaction, the Unit and the Allocated Interest in the Common Areas appurtenant thereto shall thereafter be free and clear of the liens so paid, satisfied, or discharged. Such partial payment, satisfaction, or discharge shall not prevent the lienor from proceeding to enforce his or her rights against any Unit and the Allocated Interest in the Common Areas appurtenant thereto not so paid, satisfied, or discharged.

10.6 Association Records and Funds.

10.6.1 Records and Audits. All financial and other records shall be made reasonably available for examination by any Unit Owner, the Owner's authorized agents and all Mortgagees. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. The

financial statements of the Condominium shall be reviewed at least annually by a certified public accountant. An annual review may be waived annually by Owners (other than the Declarant) of Units to which sixty percent of the votes are allocated, excluding the votes allocated to Units owned by the Declarant.

10.6.2 Fund Commingling. The funds of the Association shall not be commingled with the funds of any other Association, or with the funds of any Manager of the Association or any other person responsible for the custody of such funds. Any reserve funds of the Association shall be kept in a segregated account and any transaction affecting such funds, including the issuance of checks, shall require the signature of at least two persons who are officers or directors of the Association.

10.7 Association as Trustee. With respect to a third person dealing with the Association in the Association's capacity as a trustee, the existence of trust powers and their proper exercise by the Association may be assumed without inquiry. A third person is not bound to inquire whether the Association has power to act as trustee or is properly exercising trust powers. A third person, without actual knowledge that the Association is exceeding or improperly exercising its powers, is fully protected in dealing with the Association as if it possessed and properly exercised the powers it purports to exercise. A third person is not bound to assure the proper application of trust assets paid or delivered to the Association in its capacity as trustee.

10.8 Common Areas, Encumbrance.

10.8.1 No Encumbrance. No portion of the Common Areas may be subjected to a security interest by the Association except personal property owned by the Association.

ARTICLE 11

USE; REGULATION OF USES; ARCHITECTURAL UNIFORMITY

11.1 Residential Units. The Units shall be used for Residential Purposes only, including sleeping, eating, food preparation for on-site consumption by occupants and guests, entertaining by occupants of personal guests and similar activities commonly conducted within a residential dwelling, without regard to whether the Unit Owner or occupant resides in the Unit as a primary or secondary personal residence, on an ownership, or invitee basis; for such other reasonable purposes permitted by law in residential dwellings; for the common social, recreational or other reasonable uses normally incident to such purposes; and for purposes of operating the Association and managing the Condominium.

11.1.1 Home Occupations. Home occupations shall be permitted to be undertaken within the Units, provided that the same shall be subject to the reasonable rules and regulations adopted by the Board, to the ordinances and regulations of the City of Post Falls,

Idaho, and further shall not utilize any signage visible on the exterior of any Condominium Building or otherwise on the Property, and shall not involve or result in business or commercial related traffic, whether vehicular or pedestrian, on and over the Property. Notwithstanding the foregoing, the Board may adopt reasonable rules and regulations permitting the conduct of home marketing parties provided the same are conducted not more frequently than four (4) times per year.

11.2 Vehicle Parking Restrictions. Common Area and Limited Common Area parking spaces are restricted to use for parking of motor vehicles; other items and equipment may be parked or kept therein only subject to the rules or regulations of the Board. Except as may be specifically permitted by duly adopted rule, no trailer, camper, mobile home, recreational vehicle, commercial vehicle, bus, boat or truck (other than standard size pickup truck), shall be permitted to remain on Limited Common Area and/or Common Areas. In no case shall any inoperable automobile, inoperable motor vehicle or inoperable boat, and no vehicle which is in a state of disrepair shall be permitted to remain on Limited Common Area and/or Common Areas. The Board may require removal of any vehicle (and any other equipment or item) improperly stored in parking spaces. If the same is not removed, the Board shall cause removal at the risk and expense of the Owner thereof. Use of all Common and Limited Common Area parking areas may be regulated by the Board and is subject to the provisions of Article 7 of this Declaration.

11.3 Common Drives and Walks. Common drives, walks, corridors, elevators, stairways and other general Common Areas shall be used exclusively for normal transit and no obstructions and/or decorations or other items shall be placed thereon or therein except by express written consent of the Board.

11.4 Interior Unit Maintenance.

Subject to the provisions of Section 11.14:

11.4.1 Standard of Condition. Each Unit Owner shall, at his sole expense, have the right and the duty to keep the interior of his Unit and its equipment, appliances, and appurtenances in good order, condition and repair. Each Owner shall be responsible for the construction, alteration, maintenance, repair or replacement of any plumbing fixtures, water heaters, fans, heating or other equipment, electrical fixtures or appliances which may be in or connected with his Unit.

11.4.2 Additional Rights and Duties. Without limiting the generality of the foregoing, each Owner shall have the right, at his sole cost and expense, to construct, alter, maintain, repair, paint, paper, panel, plaster, tile, and finish: interior of doors and door frames and trim; interior non-loading partitions; and the Interior Surfaces of the ceilings, floors, and the perimeter walls of the Unit and the surfaces of the bearing and nonbearing walls located within

his Unit; and shall not permit or commit waste of his Unit, the Limited Common Areas or the Common Areas. Each Owner shall have the right to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors and walls. This Section shall not be construed as permitting any violation of any other provision of this Declaration or any interference with or damage to the structural integrity of the Building or interference with the use and enjoyment of the Common Areas or of the other Units or any of them, nor shall it be construed to limit the powers or obligations of the Association or Board hereunder.

11.5 Alterations of Units. Subject to the provisions of Section 11.4 a Unit Owner:

11.5.1 Nonstructural. May make any improvements or alterations to the Owner's Unit that do not affect the structural integrity or mechanical or electrical systems or lessen the support of any portion of the Condominium;

11.5.2 Common Areas. May not change the appearance of the Common Areas, Limited Common Areas or the exterior appearance of a Unit without permission of the Association and the Architectural Control Committee.

11.5.3 Adjoining Unit. Any Owner, after acquiring ownership of an adjoining Unit or an adjoining part of an adjoining Unit may, with approval of the Board and Architectural Control Committee, remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Area, if those acts do not adversely affect the structural integrity or mechanical or electrical systems, lessen the support of any portion of the Condominium or materially diminish the use by other Owners of a Common Area. Removal of partitions or creation of apertures under this Section is not a relocation of boundaries. The Board, subject to prior written approval of the Architectural Control Committee, shall approve a Unit Owner's request, which request shall include the plans and specifications for the proposed removal or alteration, under this section within thirty (30) days, unless the proposed alteration does not comply with the Act or the Declaration or impairs the structural integrity or mechanical or electrical systems in the Condominium. The failure of the Board to act upon a request within such period shall be deemed approval thereof. Provided, however, this section shall not apply with respect to any such removal or alteration made by Declarant of Declarant owned Unit(s).

11.6 Limited Common Area Maintenance. Limited Common Areas, as defined in Article 7, are for the sole and exclusive use of the Units for which they are reserved or assigned; provided, that the use, condition and appearance thereof may be regulated under provisions of the Bylaws, rules or this Declaration including the following:

11.6.1 Decision by Board. Decisions with respect to the standard of appearance and condition of Limited Common Areas, and with respect to the necessity for, and manner of, caring for, maintaining, repairing, repainting, redecorating or landscaping Limited Common

Areas ("Maintenance Work" herein), shall be made by the Board, subject to the written prior concurrence of the Architectural Control Committee;

11.6.2 Performance of Work. Performance of such Maintenance Work shall be carried out by the Owner or Owners of Units to which the Limited Common Area in question is assigned or reserved; provided, that should the Owner fail to properly perform that work, the Board will, if the same is not performed within ten (10) days of written notice from the Board, perform such Maintenance Work;

11.6.3 Board Approval. Owners may not, however, modify, paint, or otherwise decorate, landscape or in any way alter their respective Limited Common Areas without prior written approval of the Board and Architectural Control Committee;

11.6.4 Owner Pays Cost. Unit Owners will be responsible for the cost of Unit Owner or Board Maintenance Work for the Limited Common Areas reserved for or assigned to their Units;

11.6.5 Multiple Owners. With respect to a Limited Common Area reserved for or assigned to more than one Unit for the mutual and joint use thereof, the cost of such Maintenance Work for such Limited Common Area shall be divided in equal shares among the Units for which such Limited Common Area is reserved;

11.6.6 Cost as Special Charge. With respect to any such Maintenance Work performed by the Board, the cost thereof (or the appropriate share thereof if the Limited Common Area in question has been assigned or reserved jointly to more than one Unit) shall be levied as a special charge against the Unit or Units (and the Owner or Owners thereof) to which such Limited Common Area is assigned or reserved and shall become a lien on said Unit(s) as herein provided for other assessments or Owner obligations.

11.7 Exterior Appearance. In order to preserve a uniform exterior appearance to the Building, and the Common Areas and Limited Common Areas visible to the remainder of the Project and the public, the Board, subject to the prior written approval of the Architectural Control Committee, shall require and provide for the painting and other decorative finish and landscaping of the Building, balconies, courtyard areas, or other Common or Limited Common Areas. The Architectural Control Committee shall prescribe the type and color of such decorative finishes, the type, size, species and location of landscaping materials, and may prohibit, require or regulate any modification, decoration or landscaping of the Building, balconies, courtyard areas or other Common or Limited Common Areas undertaken or proposed by any Owner. This power of the Architectural Control Committee extends to screens, doors, awnings, rails, landscaping of all types or other visible portions of each Unit, Building and Limited Common Area. The Board may also require use of a uniform color and kind of Unit

window covering (including draperies, blinds, shades, etc.) visible from the exterior or from Common Areas.

11.8 Effect on Insurance. Nothing shall be done or kept in any Unit or in the Common or Limited Common Areas which will increase the rate of insurance on the Common Areas or Units without the prior written consent of the Board. No Owner and/or Purchaser shall permit anything to be done or kept in his Unit or in the Common or Limited Common Areas which will result in the cancellation of insurance on any Unit or any part of the Common or Limited Common Areas, or which would be in violation of any laws.

11.9 Signs. No sign of any kind shall be displayed to the public view on or from any Unit or Common or Limited Common Areas without the prior consent of the Board and Architectural Control Committee; provided, that the Board shall, by and subject to appropriate rule, permit temporary placement of a sign, at a space designated by the Board, indicating that a Unit is for sale or lease; and provided, that this section shall not apply to Declarant or Declarant's agents in exercising any Special Declarant Right reserved by Declarant under this Declaration.

11.10 Pets. Domestic household pets, such as dogs and cats, may be kept by Unit Owners; provided, that the keeping of pets shall be subject to such reasonable rules and regulations as the Board may from time to time adopt. The Board may require the removal of any animal which the Board in the exercise of reasonable discretion finds unreasonably disturbing other Unit Owners, and may exercise this authority for specific animals even though other animals are permitted to remain.

11.11 Offensive and Illegal Activity Prohibited. No noxious, offensive or illegal activity shall be carried on in any Unit or in any Common or Limited Common Areas, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners.

11.12 Common Area Alterations. Except as expressly permitted under Section 11.5.2 hereof, nothing shall be altered or constructed in, or (except for at Owner's personal property) removed from, the Common Areas except upon the written consent of the Board, and Architectural Control Committee and after procedures required herein or by law.

11.13 House Rules. The Board or the Association membership is empowered to pass, amend and revoke detailed, reasonable administrative rules and regulations, or "House Rules," necessary or convenient from time to time to insure compliance with the general guidelines of this Article. Such House Rules shall be binding on all Owners, lessees, guests and invitees upon adoption by the Board or Association.

11.14 Rental Units. Except as may be limited or prohibited by an Owner, the Leasing or Renting of a Unit by its Owner is allowed. The Leasing or Renting of a Unit by its Owner shall be governed by the following provisions:

11.14.1 No Transient Purposes. With the exception of a lender in possession of a Unit following a default in a Mortgage, a Foreclosure proceeding or any deed or other arrangement in lieu of a Foreclosure, no Unit Owner shall be permitted to Lease his Unit for Hotel or Transient purposes which shall be defined as Renting for any period less than seven (7) consecutive days.

11.14.2 Entire Unit. Unless authorized by applicable law, no Unit Owner may Lease less than the entire Unit.

11.14.3 Written Leases. All Leasing or Rental Agreements shall be in writing and be subject to this Declaration and Bylaws and Rules and Regulations (with a default by the tenant in complying with this Declaration and/or Bylaws or Rules and Regulations constituting a default under the Lease or Rental Agreement).

11.14.4 Rent to Association. If a Unit is Rented by its Owner, the Board may collect, and the tenant or lessee shall pay over to the Board, so much of the rent for such Unit as is required to pay any amounts due the Association hereunder, plus interest and cost if the same are in default over thirty (30) days. The renter or lessee shall not have the right to question payment over to the Board, and such payment will discharge the lessee's or renter's duty of payment to the Unit Owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the Owner or purchaser and the Unit under this Declaration for assessments and charges, or operate as an approval of the lease. The board shall not exercise this power where a receiver has been appointed with respect to the Unit or its Owner, except when the Association has sought and obtained the appointment of such a receiver; nor in derogation of any rights which a Mortgagee of such Unit may have with respect to such rents. Other than as stated in this Section 11.15, there is no restriction on the right of any Unit Owner to Lease or otherwise Rent his Unit.

11.14.5 Exceptions By Association Rule. Notwithstanding the foregoing, the Board may by Rules and Regulations modify the rental provisions contained in this Section 11.14 by reducing but not increasing the length of minimum stay.

11.15 Timeshares. Timeshares are prohibited. No Unit may be subjected to or included in any time share programs whether in the nature of a "right to use" club or the sale of fractional fee interests. Nothing herein shall prohibit Declarant from providing for Timeshare units in any other portion of the Project.

ARTICLE 12
COMMON EXPENSES AND ASSESSMENTS

12.1 Estimated Expenses. Within sixty (60) days prior to the beginning of each calendar year, or such other fiscal year as the Board may adopt, the Board: shall estimate the charges including Common Expenses, and any special charges for particular Units to be paid during such year; shall make provision for creating, funding and maintaining reasonable reserves for contingencies and operations, as well as for maintenance, repair, replacement and acquisition of Common Areas; and shall take into account any expected income and any surplus available from the prior year's operating fund. Without limiting the generality of the foregoing but in furtherance thereof, the Board shall create and maintain from regular monthly Assessments a reserve fund for replacement of those Common Areas which can reasonably be expected to require replacement or a major repair prior to the end of the useful life of the Buildings. The Board shall calculate the contributions to said reserve fund so that there are sufficient funds therein to replace, or perform such major repair, to each Common Area covered by the fund at the end of the estimated useful life of each such Common Area. The initial Board, whether appointed by Declarant or elected by Unit Owners, may at any suitable time establish the first such estimate. If the sum estimated and budgeted at any time proves inadequate for any reason (including nonpayment for any reason of any Owner's Assessment), the Board may at any time levy a further Assessment, which shall be assessed to the Owners according to Section 12.4. Similarly, if the sum estimated and budgeted, and being collected and/or already collected, at any time proves excessive, the Board may reduce the amount being assessed and/or apply existing funds (in excess of current needs and required reserves) against future Assessments and/or refund such excess funds.

12.2 Payment by Owners. Each Owner shall be obligated to pay its share of Common Expenses and special charges made pursuant to this Article to the treasurer for the Association in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner as the Board shall designate. No Owner may exempt himself from liability or payment of assessments for any reason, including waiver of use of enjoyment of any of the Common Areas or abandonment of the Owner's Unit.

12.3 Commencement of Assessments. The Declarant in the exercise of its reasonable discretion shall determine when the Association shall commence making Assessments. Until the Association makes an Assessment, the Declarant shall pay all Common Expenses. After any Assessment has been made by the Association, Assessments must be made against all Units, based on a budget adopted by the Association; provided, for a period not to exceed twelve (12) months following the date of first conveyance of a Unit to an Owner other than Declarant or an Affiliate of Declarant, the Board (whether appointed by Declarant or elected by Unit Owners) may elect not to collect monthly assessments based on the actual costs of maintaining, repairing, operating and insuring the Common Areas.

12.4 Allocated Liability. Except for Assessments under Sections 12.5, 12.6, 12.7, 12.8, and 12.10, all Common Expenses must be assessed against all the Units in accordance with the Allocated Interest set forth in Exhibit B. Any past due Common Expenses Assessment or installment thereof bears interest at the rate established by the Association pursuant to Section 12.12.12.

12.5 Limited Common Area. Any Common Expense associated with the operation, maintenance, repair, or replacement of a Limited Common Area shall be paid by the Owner of or assessed against the Units to which that Limited Common Area is assigned equally.

12.6 Only Some Units Benefited. The Board may elect that any Common Expense or portion thereof benefiting fewer than all of the Units must be assessed exclusively against the Units benefited.

12.7 Insurance Costs. The Board may elect that the costs of insurance must be assessed in proportion to risk.

12.8 Utility Costs. Except in the case of utility service provider charges specifically billed to each unit, the Board may elect that the costs of utilities must be assessed in proportion to usage.

12.9 Assessments for Judgment. Assessments to pay a judgment against the Association may be made only against the Units in the Condominium at the time the judgment was entered in proportion to their Allocated Common Expense Liabilities at the time the judgment was entered.

12.10 Owner Misconduct. To the extent that any Common Expense is caused by the misconduct of any Owner, the Association shall assess that expense against the Owner's Unit.

12.11 Reallocation. If Common Expense Liabilities are reallocated, Common Expense Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense Liabilities.

12.12 Lien for Assessments.

12.12.1 Lien. The Association has a lien on a Unit for any unpaid Assessments levied against a Unit from the time the Assessment is due.

12.12.2 Priority. A lien under Section 12.12 shall be prior to all other liens and encumbrances on a Unit except: (a) liens and encumbrances recorded before the recording of the Declaration; (b) a Mortgage on the Unit recorded before the date on which the Assessment

sought to be enforced became delinquent; and (c) liens for real property taxes and other governmental assessments or charges against the Unit.

12.12.3 Mortgage Priority. Except as provided in Sections 12.12.4 and 12.12.5, the lien shall also be prior to the Mortgages described in Section 12.12.2(b) to the extent of Assessments for Common Expenses, excluding any amounts for capital improvements, based on the periodic budget adopted by the Association pursuant to Section 12.1, which would have become due during the six months immediately preceding the date of the sheriff's sale in an action for judicial foreclosure by either the Association or a Mortgagee or the date of a trustee's sale in a non-judicial foreclosure by a Mortgagee.

12.12.4 Mortgagee Notice. The priority of the Association's lien against Units encumbered by a Mortgage held by an Eligible Mortgagee or by a Mortgagee which has given the Association a written request for a notice of delinquent Assessments shall be reduced by up to three months if and to the extent that the lien priority under Section 12.12.3 includes delinquencies which relate to a period after such holder becomes an Eligible Mortgagee or has given such request for notice and before the Association gives the holder a written notice of the delinquency. This Section does not affect the priority of mechanics' or materialmen's liens, or the priority of liens for other Assessments made by the Association.

12.12.5 Recording as Notice. Recording of the Declaration constitutes record notice and perfection of the lien for Assessments. While no further recording of any claim of lien for Assessment under this section shall be required to perfect the Association's lien, the Association may record a notice of claim of lien for Assessments under this Section in the real property records of any county in which the Condominium is located. Such recording shall not constitute the written notice of delinquency to a Mortgagee referred to in Section 12.12.4.

12.12.6 Limitation on Action. A lien for unpaid Assessments and the personal liability for payment of Assessments are extinguished unless proceedings to enforce the lien or collect the debt are instituted within three years after the amount of the Assessments sought to be recorded becomes due.

12.12.7 Foreclosure. The lien arising under Section 12.12 may be enforced judicially by the Association or its authorized representative in the manner set forth in the Act, or otherwise pursuant to Idaho law. The Association or its authorized representative shall have the power to purchase the Unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Nothing in this Section shall prohibit an Association from taking a deed in lieu of foreclosure.

12.12.8 Reserved.

12.12.9 Mortgagee Liability. Except as provided in Sections 12.12.3 and 12.12.4, the holder of a Mortgage or other Purchaser of a Unit who obtains the right of possession of the Unit through foreclosure shall not be liable for Assessments or installments thereof that become due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Owners, including such Mortgagee or other purchaser of the Unit. Foreclosure of a Mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Unit prior to the date of such sale as provided in this Section.

12.12.10 Lien Survives Sale. The lien arising under Section 12.12 shall not be affected by the sale or transfer of the subject Unit except in the event of sale through foreclosure, as provided in Section 12.12.9.

12.12.11 Owner Liability. In addition to constituting a lien on the Unit, each Assessment shall be the joint and several obligations of the Owner or Owners of the Unit to which the same are assessed as of the time the Assessment is due. In a voluntary conveyance the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter up to the time of the grantor's conveyance, provided the grantee agrees to assume said obligations without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

12.12.12 Late Charges. The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent Assessments or installments thereof. In the absence of another established non-usurious rate, delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under I.C. 28-22-104 on the date on which the Assessments became delinquent.

12.12.13 Attorney's Fees. The prevailing party shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

12.12.14 Assessment Certificate. The Association, upon written request, shall furnish to an Owner or a Mortgagee a statement signed by an officer or authorized agent of the Association setting forth the amount of unpaid Assessments against that Unit. The statement shall be furnished within fifteen (15) days after receipt of the request and is binding on the Association, the Board, and every Owner, unless and to the extent known by the recipient to be false. The Board may establish a reasonable fee for issuing an Assessment Certificate, payable by the Owner and/or Mortgagee requesting such statement.

12.13 Acceleration of Assessments. In the event any monthly Assessment or special charge attributable to a particular Unit remains delinquent for more than sixty (60) days, the Board may, upon fifteen (15) days' written notice to the Owner of such Unit, accelerate and demand immediate payment of all, or such portion as the Board determines, of the monthly Assessments and special charges which the Board reasonably determines will become due during the next succeeding twelve (12) months with respect to such Unit.

12.14 Delinquent Assessment Deposit; Working Capital.

12.14.1 Delinquent Assessment Deposit.

(a) An Owner may be required by the Board or by the Manager, from time to time, to make and maintain a deposit not less than one (1) month or in excess of three (3) months estimated monthly Assessment and charges, which may be collected as are other Assessments and charges. Such deposit shall be held in a separate fund, be credited to the Unit owned by such Owner, and be for the purpose of establishing a reserve for delinquent Assessments.

(b) Resort may be had thereto at any time when such owner is ten (10) days or more delinquent in paying his monthly or other Assessments and charges. Said deposits shall not be considered as advance payments of regular Assessments. In the event the Board should draw upon said deposit as a result of a Unit Owner's delinquency in payment of any Assessments, said Owner shall continue to be responsible for the immediate and full payment of said delinquent Assessment (and all penalties and costs thereon) and thus the full restoration of said deposit, and the Board shall continue to have all of the rights and remedies for enforcing such Assessment payment and deposit restoration as provided by this Declaration and by law.

(c) Upon the sale of a Unit, the seller/Owner thereof shall not be entitled to a refund from the Association of any deposit or reserve account made or maintained with respect to such Unit pursuant to this or any other Section of this Declaration; rather, any such deposit or reserve account shall continue to be held by the Association for the credit of such Unit, and the Unit Purchaser shall succeed to the benefit thereof, and the Unit seller shall be responsible for obtaining from the Purchaser appropriate compensation therefor.

12.14.2 Working Capital Contribution. The first Purchaser of any Unit shall pay to the Association, in addition to other amounts due, an amount equal to twice the amount of the regular monthly Assessment as a contribution to the Association's working capital. Payment of this Working Capital Contribution shall not relieve an Owner of its obligation to pay monthly assessments which shall commence to accrue on the day following closing. Such working capital contributions shall not be used to defray Declarant's expenses in completing the construction of the Condominium, to pay Declarant's contributions to Association reserves or to

make up any deficits in the budget of the Association. Within sixty (60) days following the termination of the period of Declarant Control, if any, Declarant shall pay to the Association as a working capital contribution an amount equal to two (2) months of Monthly Assessments for each of the Units then owned by Declarant. When a Unit owned by Declarant is sold, Declarant may apply funds collected at closing from the Purchaser to reimburse itself for funds paid to the Association for such contribution with respect to that Unit.

ARTICLE 13 INSURANCE

13.1 In General. Commencing not later than the time of the first conveyance of a Unit to a person other than a Declarant, the Association shall maintain, to the extent reasonably available:

13.1.1 Property insurance on the Condominium, which may, but need not, include equipment, improvements, and betterments in a Unit installed by the Declarant or the Unit Owners, insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall not be less than one hundred percent of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies; and

13.1.2 Liability insurance, including medical payments insurance, in an amount determined by the Board but not less than One Million Dollars (\$1,000,000), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Areas.

13.1.3 Workmen's compensation insurance to the extent required by applicable laws.

13.1.4 Fidelity bonds naming the members of the Board, the Manager and its employees and such other persons as may be designated by the Board as principals and the Association as obligee, in at least an amount equal to three months aggregate Assessments for all Units plus reserves, in the custody of the Association or Manager at any given time during the term of each bond. Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definitions of "employee" or similar expression.

13.1.5 Insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable.

13.1.6 Such other insurance as the Board deems advisable; provided, that notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements of condominium projects established by Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Veteran's Administration, or other governmental or quasi-governmental agencies involved in the secondary mortgage market, so long as any such agency is a Mortgagee of Owner of a Unit within the project, except to the extent such coverage is not available or has been waived in writing by such agency.

13.2 Coverage Not Available. If the insurance described in Section 13.1 is not reasonably available, or is modified, canceled, or not renewed, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by first class United States mail to all Unit Owners, to each Eligible Mortgagee, and to each Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known addresses. The Owners may then obtain, to the extent available, the insurance not otherwise reasonably available to the Association. The Association in any event may carry any other insurance it deems appropriate to protect the Association of the Unit Owners.

13.3 Required Provisions. Insurance policies carried pursuant to this Article shall:

13.3.1 Provide that each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Areas or membership in the Association;

13.3.2 Provide that the insurer waives its right to subrogation under the policy as to any and all claims against the Association, the Owner of any Unit and/or their respective agents, employees or tenants, and members of their household, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured;

13.3.3 Provide that no act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, nor any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no direct control, will void the policy or be a condition to recovery under the policy; and

13.3.4 Provide that if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance, and that the liability of the insurer thereunder shall not be affected by, and the insurer shall not claim any right of set-off, counterclaims, apportionment, proration, contribution or assessment by reason of, any other insurance obtained by or for any Owner or any Mortgagee;

13.3.5 Provide that, despite any provision giving the insurer the right to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association, or when in conflict with the provisions of any insurance trust agreement to which the Association is a party, or any requirement of law;

13.3.6 Contain no provision (other than insurance conditions) which will prevent Mortgagees from collecting insurance proceeds; and

13.3.7 Contain, if available, an agreed amount and Inflation Guard Endorsement.

13.4 Claims Adjustment. Any loss covered by the property insurance under this Article must be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a Mortgage. The insurance trustee of the Association shall hold any insurance proceeds in trust for Owners and lienholders as their interests may appear. Subject to the provisions of Article 14, the proceeds must be disbursed first for the repair or restoration of the damaged property, and Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated.

13.5 Owner's Additional Insurance. An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for the Owner's own benefit.

13.6 Certificate. An insurer that has issued an insurance policy under this Article shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Owner or holder of a Mortgage. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of the Act pertaining to the cancellation or non-renewal of contracts of insurance. The insurer shall not modify the amount or the extent of the coverage of the policy, or cancel or refuse to renew the policy, without complying with the requirements of the Act.

13.7 Notification on Sale of Unit. Promptly upon the conveyance of a Unit, the new Owner shall notify the Association of the date of the conveyance and the Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy to the Association for the benefit of the Owners under Article 13 of the name and address of the new Owner and request that the new Owner be made a named insured under such policy.

ARTICLE 14

DAMAGE OR DESTRUCTION; RECONSTRUCTION

14.1 Definitions; Significant Damage; Repair; Emergency Work.

14.1.1 As used in this Article, the term "Significant Damage" means damage or destruction, whether or not caused by casualty, to any part of the Property which the Board is responsible to maintain or repair: (a) for which funds are not available in the maintenance and repair or contingency budget of the Association to make timely repairs; and (b) which has a significant adverse impact on the habitability of any Unit or the ability of an Owner or Owners to use the Property or any significant portion of the Property for its intended purpose.

14.1.2 As used in this Article, the term "Repair" means to repair, reconstruct, rebuild or restore the Building or improvements which suffered Significant Damage to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and the Common and Limited Common Areas having substantially the same vertical and horizontal boundaries as before. Modifications to conform to then applicable governmental rules and regulations or available means of construction may be made.

14.1.3 As used in this Article, the term "Emergency Work" shall mean that work which the Board deems reasonably necessary to avoid further damage, destruction or substantial diminution in value to the improvements and to reasonably protect the Owners from liability arising out of the condition of the Property.

14.2 Initial Board Determinations. In the event of Significant Damage to any part of the Condominium, the Board shall promptly, and in all events within thirty (30) days after the date of Significant Damage, or, if the Significant Damage did not occur at a particular identifiable time, after the date of its discovery, make the following determinations with respect thereto employing such advice as the Board deems advisable:

14.2.1 The nature and extent of the Significant Damage, together with an inventory of the improvements and property directly affected thereby.

14.2.2 A reasonably reliable estimate of the cost to Repair the Significant Damage, which estimate shall, if reasonably practicable, be based upon a firm bid obtained from a responsible contractor.

14.2.3 The anticipated insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.

14.2.4 The amount, if any, that the estimated cost of Repair exceeds the anticipated insurance proceeds therefor and the amount of Assessment to each Unit if such excess was paid as a Common Expense and specially assessed against all the Units in proportion to their Allocated Interest in the Common Areas.

14.2.5 The Board's recommendation as to whether such Significant Damage should be Repaired.

14.3 Notice of Damage or Destruction. The Board shall promptly, and in all events within thirty (30) days after the date of Significant Damage, provide each Owner, and each first Mortgagee, whose address the applicable Owner must provide to the Board, with a written notice summarizing the initial Board determination made under Section 14.2. If the Board fails to do so within said thirty (30) days, then any Owner or Mortgagee may make the determination required under Section 14.2 and gave the notice required under this Section.

14.4 General Provisions.

14.4.1 Duty to Restore. Any portion of the Condominium for which insurance is required under this Article which is Significantly Damaged shall be Repaired promptly by the Association unless: (a) the Condominium is terminated; (b) Repair would be illegal under any state or local health or safety statute or ordinance; or (c) eighty percent of the Owners, including every Owner of a Unit or assigned Limited Common Area which will not be Repaired, vote not to Repair. Even if the Significant Damage is not to be Repaired, the Board shall still have authority to perform Emergency Work. The cost of Repair in excess of insurance proceeds and reserves is a Common Expense.

14.4.2 Damage not Restored. If all or any portion of the damaged portions of the Condominium are not Repaired (regardless of whether such damage is Significant Damage): (a) the insurance proceeds attributable to the damaged Common Areas shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (b) the insurance proceeds attributable to Units and Limited Common Areas which are not Repaired shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Areas were allocated, or to lienholders, as their interests may appear; and (c) the remainder of the proceeds shall be distributed to all the Owners or lienholders, as their interests may appear, in proportion to the common Area interests of all the Units.

14.4.3 Reallocation. If the Owners vote not to Repair any Unit, that Unit's Allocated Interests are automatically reallocated upon the vote as if the Unit had been condemned under Article 15, and the Association promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

14.5 Restoration by Board.

If the damage (regardless of whether such damage is Significant Damage) is to be Repaired pursuant to Section 14.4, then:

14.5.1 Contract and Contractors. The Board shall have the authority to employ architects and attorneys, advertise for bids, let contracts to contractors and others, and to take such other action as is reasonably necessary to effectuate the Repair and Restoration. Contracts for such repair and restoration shall be awarded when the Board, by means of insurance proceeds and sufficient Assessments, has provision for the cost thereof. The Board may further authorize the insurance carrier to proceed with Repair upon satisfaction of the Board that such work will be appropriately carried out.

14.5.2 Insurance Trustee. The Board may enter into a written agreement in recordable form with any reputable financial institution or trust or escrow company that such firm or institution shall act as an insurance trustee to adjust and settle any claim for a loss in excess of Fifty Thousand Dollars (\$50,000), or for such firm or institution to collect the insurance proceeds and carry out the provisions of this Article.

14.6 Decision to Terminate. In the event of a decision to terminate the Condominium and not to Repair and Restore damage and destruction, the Board may nevertheless expend such of the insurance proceeds and funds of the Association as the Board deems reasonably necessary for Emergency Work (which Emergency Work may include but is not necessarily limited to removal of the damaged or destroyed buildings and clearing, filling and grading the real property), and the remaining funds, if any, and Property shall thereafter be held and distributed as provided in the Act, (and if not so provided, then to the parties otherwise by law entitled thereto).

ARTICLE 15 CONDEMNATION

15.1 In General. If a Unit is acquired by condemnation, or if part of a Unit is acquired by condemnation leaving the Owner with a remnant of a Unit which may not practically or lawfully be used for any purpose permitted by the Declaration, the award must compensate the Owner for the Owner's Unit and its appurtenant interest in the Common Areas, whether or not any Common Areas are acquired. Upon acquisition, unless the decree otherwise provides, that Unit's Allocated Interests are automatically reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this section is thereafter a Common Area.

15.2 Partial Unit Condemnation. Except as provided in Section 15.1, if part of a Unit is acquired by condemnation, the award must compensate the Unit Owner for the reduction in value of the Unit and its appurtenant interest in the Common Areas, whether or not any Common Areas are acquired.

15.3 Common Area Condemnation. If part of the Common Areas is acquired by condemnation the portion of the award attributable to the Common Areas taken shall be paid to the Owners based on their respective interests in the Common Areas. Any portion of the award attributable to the acquisition of a Limited Common Area must be equally divided among the Owners of the Units to which that Limited Common Area was allocated at the time of acquisition.

15.4 Recording of Judgment. The court judgment shall be recorded in every county in which any portion of the Condominium is located.

15.5 Association to Represent Owners. The Association shall represent the Owners in any proceedings, negotiations, settlements or agreements regarding a condemnation of any part of the Condominium, and any condemnation proceeds shall be payable to the Association for the benefit of the Owners of affected Units and their Mortgagees. Should the Association not act on the Owners' behalf in a condemnation process, the affected Owners may individually or jointly act on their own behalf.

ARTICLE 16 COMPLIANCE WITH DECLARATION

16.1 Enforcement. Each Owner shall comply strictly with the provisions of this Declaration, the Bylaws and administrative rules and regulations passed hereunder, as the same may be lawfully amended from time to time, and with all decisions adopted pursuant to this Declaration, the Bylaws and administrative rules and regulations. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board (acting through its officers on behalf of the Owners) or by the aggrieved Owner on his own against the party (including any Owner or the Association) failing to comply.

16.2 No Waiver of Strict Performance. The failure of the Board in any one or more instances to insist upon the strict performance of this Declaration, of the Bylaws, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of any assessment from an Owner, with knowledge of any such breach shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

ARTICLE 17 LIMITATION OF LIABILITY

17.1 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board pursuant to Article 13, neither the Association nor the Board nor the Manager shall be liable for: any failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the areas, or resulting from electricity, noise, smoke, water, rain (or other liquid), dust or sand which may leak or flow from outside or from any parts of the buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other places; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

17.2 No Personal Liability. So long as a Board member, Association committee member, or Association officer has in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, no such person shall be personally liable to any Owner, or other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any Act, omission, error or negligence (except gross negligence), any discretionary decision, or failure to make a discretionary decision, by such person in such person's official capacity; provided, that this Section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board pursuant to Article 13.

17.3 Indemnification of Board Members. Each Board member or Association committee member, or Association officer, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of being or having held such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of intentional misconduct, or gross negligence or a knowing violation of the law in the performance of his duties and except in such cases where such person has participated in a transaction from which said person will personally receive a benefit in money, property or services to which said person is not legally entitled. Provided, that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association.

ARTICLE 18 MORTGAGEE PROTECTION

18.1 Change in Manager. In the event that professional management is employed by the Association, at least thirty (30) days notice of any contemplated change in the professional

manager shall be given to any Eligible Mortgagee. The Association shall not elect to terminate professional management and assume self-management without the prior written approval of sixty-seven percent (67%) of the Owners and fifty-one percent (51%) of all Eligible Mortgagees; provided that such prior consent shall not be required to change from one professional manager to another professional manager.

18.2 Abandonment of Condominium Status. Except when acting pursuant to the provisions of the Act involving damage, destruction, or condemnation, the Association shall not (1) without prior written approval of sixty-seven percent (67%) of all Eligible Mortgagees and sixty-seven percent (67%) of the Owners of record of the Units, seek by act or omission to abandon, encumber, sell or transfer any of the Common Areas; (2) without prior written approval of sixty-seven percent (67%) of all Eligible Mortgagees and 80% of the Owners of record of the Units, seek by act or omission to abandon or terminate the condominium status of the project.

18.3 Partitions and Subdivision. The Association shall not combine nor subdivide any Unit or the appurtenant Limited Common Areas, nor abandon, partition, subdivide, encumber or sell any Common Areas, or accept any proposal so to do, without the prior written approval of fifty-one percent (51%) of all eligible Mortgagees and sixty-seven percent (67%) of Owners of record of the Units, and without unanimous approval of the Eligible Mortgagee(s) and Owner(s) of the Unit(s) so affected.

18.4 Change in Percentages. The Association shall not make any Material Amendment (as defined in Section 21.7) to this Declaration or Bylaws (including changes in the percentages of interest in the Common Areas) without the prior written approval of fifty-one percent (51%) of all Eligible Mortgagees and sixty-seven percent (67%) of all Owners of record of the Units, and without unanimous approval of the Eligible Mortgagee(s) and Owner(s) of the Unit(s) for which the percentage(s) would be changed.

18.5 Copies of Notices. A Mortgagee of a Unit (and any insurer or guarantor of such Mortgage) shall be entitled to receive timely written notice; (a) that the Owner/Mortgagor of the Unit has for more than sixty (60) days failed to meet any obligation under the Condominium documents; (b) of all meetings of the Association and be permitted to designate a representative to attend all such meetings; (c) of any condemnation loss or casualty loss affecting a material portion of the Property or the Unit on which it holds a Mortgage; (d) of any lapse, cancellation or material modification of insurance policies or fidelity bonds maintained by the Association; and (e) of any proposed action that requires the consent of a specified percentage of Mortgagees. To be entitled to receive notices under this Section 18.5, the Mortgagee (or Mortgage insurer or guarantor) must send a written request to the Association stating both its name and address and the Unit number or address of the Unit on which it has (or insures or guaranties) the Mortgage.

18.6 Effect of Declaration Amendments. No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon Mortgagees in this

instrument with respect to any unsatisfied Mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such Mortgage. Any provision of this Declaration conferring rights upon Mortgagees which is inconsistent with any other provision of said Declaration or the Bylaws shall control over such other inconsistent provisions.

18.7 Insurance.

18.7.1 Board Duties. With respect to a first Mortgagee of a Unit, the Board shall:

(a) Cause any insurance carrier to include in the insurance policy a standard mortgage clause, naming any mortgagee who makes written request to the Board to be so named;

(b) Furnish any such Mortgagee with a copy of any insurance policy or evidence thereof which is intended to cover the Unit on which such Mortgagee has a lien;

(c) Require any insurance carrier to give the Board and any and all insureds (including such Mortgagees) at least thirty (30) days written notice before canceling, reducing the coverage or limits, or otherwise substantially modifying any insurance with respect to the Property on which the Mortgage has a lien (including cancellation for a premium non-payment);

(d) Not make any settlement of any insurance claims for loss or damage to any such Unit, Common or Limited Common Area exceeding Five Thousand Dollars (\$5,000) without the approval of such Mortgagee; provided, that the withholding of such approval shall not be unreasonable or in conflict with the provisions of Article 14;

(e) Give such Mortgagee written notice of any loss or taking affecting Common Areas, if such loss or taking exceeds Ten Thousand Dollars (\$10,000);

(f) Give such Mortgagee written notice of any loss, damage or taking affecting any Unit or Limited Common Areas in which it has an interest, if such loss, damage or taking exceeds One Thousand Dollars (\$1,000);

18.7.2 Additional Policy Provisions. In addition, the insurance policy acquired shall:

(a) Provide that any reference to a Mortgagee in such policy shall mean and include any holders of Mortgages of any Unit or Unit lease, in their respective order and preference, whether or not named therein;

(b) Provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or Owners or any persons claiming under any of them;

(c) Waive any provision invalidating such Mortgage clause by reason of: the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy; any requirement that the Mortgagee pay any premium thereon; and/or any contribution clause.

18.8 Inspection of Books. Owners, Mortgagees, insurers and guarantors of any Mortgage on any Unit shall be entitled on not less than five (5) business days written request: to inspect during the regular business hours of the Association (or under other reasonable circumstances) all of the books and records of the Association including current copies of this Declaration, Bylaws and other rules governing the Condominium, and other books, records and financial statements of the Association (within a reasonable time following request); and, upon written request of any holder, insurer or guarantor of a first Mortgage at no cost to the party so requesting (or if this project contains fewer than fifty (50) Units, upon the written request of the holders of fifty-one percent (51%) or more of first Mortgages at their expense if a financial statement is not otherwise available), to receive an annual reviewed financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association. Provided that during the period of Declarant Control, the Association shall, unless otherwise required by law, have up to sixty (60) days from written request, within which to produce such books and records other than current copies of the Declaration, Bylaws and other rules governing the Condominium.

ARTICLE 19 EASEMENTS

19.1 General. It is intended that in addition to rights under the Act, each Unit has an easement in and through each other Unit and the Common and Limited Common Areas for all support areas and utility, wiring, heat and service areas, and for reasonable access thereto, as required to effectuate and continue proper operation of this Condominium plan. Without limiting the generality of the foregoing, each Unit and all Common and Limited Common Area is specifically subject to an easement for the benefit of each of the other Units in the Condominium for all duct work for the several Units, and for heating, ventilation, air conditioning and fireplaces and associated flues or chimneys. In addition, each Unit and all the Common and Limited Common Areas is specifically subject to easements as required for the intercom, security and electrical entry system, if any, for the electrical wiring and plumbing, for the air conditioning lines and equipment, if any, for each Unit, for the vacuum system in each Unit, if any, for the master antenna cable system, if any, and for any solar power system. Each Unit as it is constructed is granted an easement to which each other Unit and all Common and Limited Common Area is subject to the location and maintenance of all the original equipment and facilities and utilities for such Unit. Finally, each Unit as it is constructed and each Owner is

granted an easement for pedestrian ingress and egress over, across and upon the Common Area, together with vehicular ingress and egress over those portions of the Common Area provided for vehicular passage or parking. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for Common Areas reserved by law.

19.2 Reserved.

19.3 Reserved.

19.4 Utility, Etc., Easements. The Declarant, during the period of Declarant Control, and thereafter the Board, on behalf of the Association and all members thereof, shall have authority to grant utility, road and similar easements, licenses and permits under, through and over the Common Areas, which easements the Declarant or Board determine are reasonably necessary to the ongoing development and operation of the Property.

19.5 Association Functions. There is hereby reserved to Declarant and the Association, or their duly authorized agents and representatives, such easements as are necessary, for emergency repairs and/or to perform the duties and obligations of the Association as are set forth in this Declaration, or in the Bylaws, and the Association Rules.

19.6 Declarant's Exercise of Development Rights and/or Special Declaration of Rights. In addition to any easements granted in Section 23.4 or otherwise granted in this Declaration or elsewhere, Declarant is hereby granted an easement for ingress and egress, for construction, maintenance and repair of improvements over and across the entirety of the Project, and for all purposes related to the development of the Condominium, Property and Project, the exercise of Declarant Rights and as necessary to comply with Declarant's obligations as Declarant,. This easement shall be interpreted in its broadest sense to effectuate the purpose of completing development, construction and sale of the Project and shall not be subject to diminution, restriction or termination at any time without the prior written consent of the Declarant and The Point at Post Falls, L.L.C., unless and until Declarant has voluntarily surrendered the right to exercise Declarant Control as provided in Section 23.1.4(d).

19.7 Encroachments. Each Unit and all Common and Limited Common Area is hereby declared to have an easement over all adjoining Units and Common and Limited Common Area, for the purpose of accommodating any encroachment due to engineering errors, or errors in original construction, reconstruction, repair of any portion of a Unit, Common or Limited Common Area or the Building, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful act or acts with full knowledge of said Owner or Owners. In the

event a Unit or Common or Limited Common Area is partially or totally destroyed, and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Units and Common and Limited Common Areas shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Unit.

ARTICLE 20 PROCEDURES FOR SUBDIVIDING OR COMBINING

20.1 Procedure. Subdivision and/or combining of any Unit or Units, are authorized as follows:

20.1.1 Owner Proposal. Any Owner of any Unit or Units may propose any subdividing or combining of any Unit or Units, and appurtenant Common Areas or Limited Common Area in writing, together with complete plans and specifications for accomplishing the same and a proposed amendment to this Declaration, the Plat and Plans covering such subdividing nor combining, to the Board, which shall then notify all other Unit Owners of the requested subdivision or combination.

20.1.2 Owner/Mortgagee Approval. Upon written approval of such proposal by sixty-seven percent (67%) of the Owners and sixty-seven percent (67%) of the Eligible Mortgagees, and of all Eligible Mortgagee(s) and Owner(s) of the Unit(s) to be combined or subdivided, the Owner(s) making the proposal may proceed according to such plans and specifications; provided that the Board may in its discretion (but it is not mandatory that the Board exercise this authority) require that the Board administer the work or that provisions for the protection of other Units or Common Areas or reasonable deadlines for completion of the work be inserted in the contracts for the work.

20.1.3 Plat and Plans. The changes in the Plat, if any, and the changes in the Plans and Declaration shall be placed of record as amendments to the Plat, Plans, and Declaration of Condominium in accordance with the provisions of Article 21.

20.1.4 Allocated Interests. The Allocated Interests formerly allocated to the subdivided Unit shall be reallocated to the new notwithstanding the resulting Units square footage. The reallocated interests will be states as percentages and will be shown in an amended Exhibit "B" to the Amendment of this Declaration. The Allocated Interests of the new Unit resulting from a combination of Units shall be the aggregate of the Allocated Interests formerly allocated to the Units being combined.

ARTICLE 21 AMENDMENT OF DECLARATION, PLAT, PLANS

21.1 In General. Except in cases of amendments that may be executed by a Declarant (in the exercise of any Development Right), the Association (in connection with Sections 4.3, 7.2.1 or 7.2.2, Articles 15 or 20, or termination of the Condominium), or certain Unit Owners (in connection with Sections 4.3, 7.2.1 or 7.2.3, or Article 20, or termination of the Condominium), the Declaration, including the Plats and Plans, may be amended only by vote or agreement of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

21.2 Challenge to Validity. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded.

21.3 Recording. Every amendment to the Declaration must be recorded in every county in which any portion of the Condominium is located, and is effectively only upon recording. An amendment shall be indexed in the name of the Condominium and shall contain a cross-reference by recording number to the Declaration and each previously recorded amendment thereto.

21.4 Reserved.

21.5 Execution. Amendments to the Declaration required by the Act to be recorded by the Association shall be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

21.6 Special Declarant Rights. No amendment may restrict, eliminate, or otherwise modify any Special Declarant Right provided in the Declaration without the consent of the Declarant and any Mortgagee of record with a security interest in the Special Declarant Right or in any real property subject thereto, excluding Mortgagees of Units owned by persons other than the Declarant.

21.7 Material Amendments. Except to the extent such amendment is reserved to Declarant as a Special Declarant Right, any amendment to a provision of this Declaration establishing, providing for, governing or regulating the following (all of which shall be deemed "Material Amendments") shall require the consent of fifty-one percent (51%) of the Eligible Mortgagees: voting rights, Assessments, Assessment liens, or the priority of Assessment liens; reductions in reserves for maintenance, repair, and replacement of Common Areas; responsibility for maintenance and repairs; reallocation of interests in the Common or Limited Common Areas, or rights to their use; redefinition of any Unit boundaries; convertibility of Units into Common Areas or vice versa; expansion or contraction of the Condominium, or the addition, annexation, or withdrawal of property to or from the Condominium; insurance or fidelity bond; leasing of

Units; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the Association to establish self-management when professional management had been required previously by the Condominium's documents or by an Eligible Mortgage holder; restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Declaration; any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or any provisions that expressly benefit Mortgage holders, insurers, or guarantors. A Mortgagee who fails to respond within thirty (30) days of a written request to approve an amendment shall be deemed to have approved the request if such request was delivered by certified or registered mail with a return receipt requested.

21.8 Map and Plans Amendment. Except as otherwise provided herein, the Plat and Plans may be amended by revised versions or revised portions thereof referred to and described as to effect in an amendment to this Declaration adopted as provided for herein. Copies of any such proposed amendment to the Plat and Plans shall be made available for the examination of every Owner. Such amendment to the Plat and Plans shall also be effective, once properly adopted, upon recordation in the appropriate county office in conjunction with the Declaration amendment.

ARTICLE 22 MISCELLANEOUS

22.1 Notices for All Purposes.

22.1.1 Delivery of Notice. Any notice permitted or required to be delivered under the provisions of this Declaration or the Bylaws may be delivered either personally or by mail. If delivery is made by mail, any such notice shall be deemed to have been delivered twenty-four (24) hours after a copy has been deposited in the United States mail, postage prepaid, for first class mail, addressed to the person entitled to such notice at the most recent address given by such person to the Board, in writing, for the purpose of service of such notice, or to the most recent address known to the Board. If no other mailing address has been given to the Board by any of the persons so entitled, then notice to the Owner or Owners of any Unit shall be sufficient if mailed: (a) to the Unit of such person or persons; or, (b) to the address reported by the Kootenai County Assessor as the address of the owner or owners of said Unit. Mailing addresses may be changed from time to time by notice in writing to the Board. Notice to be given to the Board may be given to Declarant until the Board has been constituted and thereafter shall be given to the President or Secretary of the Board.

22.1.2 Mortgagee Notice. Upon written request therefor, and for a period specified in such notice, the Mortgagee of any Unit shall be entitled to be sent a copy of any notice respecting the Unit covered by his security instrument until the request is withdrawn or

the security instrument discharged. Such written request may be renewed an unlimited number of times.

22.1.3 Electronic Mail (E-Mail)/Other Forms of Notice. The Board may by resolution authorize the giving of any notice required herein to Owners and Mortgagees by electronic mail transmission (E-Mail) or other method, provided such Owner(s) and/or Mortgagee(s) shall have executed a written (including by electronic mail) request to receive notice in such form and consenting to the same. Except as specifically authorized by resolution of the Board, no notice directed to the Association by electronic mail (E-Mail) or any other method not specifically authorized in this Declaration or by mandatory provision of Idaho law shall be effective. Likewise, except as specifically authorized in writing by Declarant, no notice directed to Declarant by electronic mail (E-Mail) or any other method not specifically authorized in this Declaration or by mandatory provision of Idaho law shall be effective.

22.2 Mortgagee's Acceptance.

22.2.1 Priority of Mortgage. This Declaration shall not initially be binding upon any Mortgagee of record at the time of recording of said Declaration but rather shall be subject and subordinate to said Mortgage.

22.2.2 Acceptance Upon First Conveyance. Unless otherwise expressly approved by the Purchaser of a Unit, Declarant shall not consummate the conveyance of title of such Unit until said Mortgagee shall have accepted the provisions of this Declaration and made appropriate arrangements for partial release of Units with their appurtenant Limited Common Areas and Allocated Interest in Common Areas from the lien of said Mortgage. The issuance and recording of the first such partial release by said Mortgagee shall constitute its acceptance of the provisions of this Declaration and the Condominium status of the Units remaining subject to its Mortgage as well as its acknowledgment that such appropriate arrangements for partial release of Units have been made; provided, that, except as to the Units so released, said Mortgage shall remain in full effect as to the entire Property.

22.3 Severability. The provisions hereof shall be deemed independent and severable, and the validity or partial invalidity or enforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof if the remainder complies with the Act or as covenants effect the common plan.

22.4 Conveyances; Notice Required. The right of a Unit Owner to sell, transfers, or otherwise convey the Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An owner intending to sell a Unit shall deliver a written notice to the Board, at least two (2) weeks before closing, specifying: the Unit to be sold; the name and address of the Purchaser, of the closing agent, and of the title insurance company insuring the Purchaser's interest; and the

estimated closing date. The Board shall have the right to notify the Purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Unit, whether or not such information is requested. It is understood, however, that a violation of this Section shall not invalidate a sale, transfer or other conveyance of a Unit which is otherwise valid under applicable law or any lien for Assessments.

22.5 Transfer of Declarant's Powers. It is understood that Declarant, at any time in the exercise of its sole discretion, may sell, assign, transfer, encumber, or otherwise convey to any person, upon such terms and conditions as Declarant may determine, all of Declarant's rights, powers, privileges and authority arising hereunder by virtue of Declarant's capacity as Declarant (which rights, powers, privileges and authority are in addition to those arising from Declarant's ownership of one or more Units and include Development Rights and Special Declarant Rights).

22.6 Effective Date. This Declaration shall take effect upon recording.

22.7 Reference to Plat and Plans. The Plat and Plans of the Condominium referred to herein consist of four (4) sheets prepared by RAMCO-MAINLAND LLC, and were filed with the Recorder of Kootenai County, Idaho, simultaneously with the recording of this Declaration under Instrument No. 2069360000, in Book J of Plats at Pages 409, 409 A, 409 B, 409 C.

ARTICLE 23 SPECIAL DECLARANT RIGHTS DEVELOPMENT RIGHTS

The entirety of the Condominium together with any additional land and Lot(s) hereafter annexed is subject to Special Declarant Rights and Development Rights described in this paragraph 23.

23.1 Special Declarant Rights.

As more particularly provided in this Article, Declarant, for itself and any successor Declarant, has reserved all Special Declarant Rights allowed under Idaho law, including but not limited to:

23.1.1 Completion of Improvements.

Declarant, its agents, employees and contractors shall have the right to complete improvements and otherwise perform work: authorized by the Declaration; indicated on the Plat and Plans; authorized by building permits; provided for under any Purchase and Sale Agreement between Declarant and a Unit Purchaser; necessary to satisfy any express or implied warranty under which Declarant is obligated; or otherwise authorized or required by law.

23.1.2 Sales Facilities of Declarant.

Declarant, its agents, employees and contractors shall be permitted to establish and maintain in any Unit or Units still owned by Declarant and in any of the Common Areas (other than Limited Common Areas assigned to Units not owned by Declarant), such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Units and appurtenant interests, including but not limited to: business offices; management offices; sales offices; construction offices; storage areas; signs; model units; and parking areas for all agents, employees, contractors, prospective tenants or purchasers of Declarant. Any such facilities not designated a Unit by the Declaration is a Common Area and, if Declarant ceases to be a Unit Owner, the Declarant ceases to have any rights with regard thereto unless it is removed promptly from the Condominium, which Declarant shall have the right to do. Declarant may maintain signs on the Common Areas advertising the Condominium. The provisions of this Section are subject to the provisions of other state law and to local ordinances. The number, size, location, and relocation of such facilities shall be determined from time to time by Declarant in the exercise of its sole discretion; provided, that the maintenance and use of such facilities shall not unreasonably interfere with a Unit Owner's use and enjoyment of: the Unit and appurtenant Limited Common Areas; and those portions of the Common Areas reasonably necessary to use and enjoy such Unit and Limited Common Areas.

23.1.3 Exercise of Development Rights.

Declarant and any persons designated by Declarant shall have the right to exercise all Development Rights under this Declaration and the Act.

23.1.4 Declarant Control.

Notwithstanding anything to the contrary herein, Declarant, until such time as Declarant Control shall terminate as provided in Section 23.1.5, and as to all matters and powers which may otherwise be exercised by the Members, shall be entitled to two (2) votes for each Unit in the Condominium, notwithstanding the number of Units actually owned by Declarant. Declarant, or persons designated by Declarant, shall also have the right to appoint and remove without cause officers and members of the Board and to take all such other actions as are authorized by this Article 23 and the Act, which right is herein referred to as "Declarant Control." Declarant may voluntarily surrender the right to vote or to appoint and remove officers and members of the Board or other Declarant Control before termination of the Declarant Control period provided for under Section 23.1.5, but in that event the Declarant may require for the duration of the period of Declarant Control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

23.1.5 Termination of Declarant Rights.

The foregoing Special Declarant Rights shall continue so long as: (a) Declarant, The Point at Post Falls, L.L.C., or any Related Entity is completing improvements within the Project; (b) Declarant, The Point at Post Falls, L.L.C. or any Related Entity owns any Units, Lots or other land in the Project; (c) any Development Rights remain in effect; or, (d) until the date on which the Declarant records an amendment to the Declaration pursuant to which the Declarant voluntarily surrenders the right to exercise Declarant Control.

23.2 Development Rights.

As more particularly provided in this Article, the Declarant, for itself and any successor Declarant, has reserved the following Development Rights:

23.2.1 Addition of Improvements; Creation of Units, Common Area or Limited Common Area in Condominium; Reallocate Limited Common Areas with Respect to Units that have not been conveyed by Declarant; Amendment of Declaration.

Declarant reserves the right to: (a) annex additional land and/or add building improvements to this Condominium; (b) create Units, Common Areas or Limited Common Areas within this Condominium including any additional Condominium Buildings which may be constructed upon additional annexed land; (c) subdivide Units or convert Units into Common Areas; (d) reallocate Limited Common Areas with respect to Units that have not been conveyed by Declarant in or added to this Condominium; (e) withdraw Real Property from the Project; and/or (f) cause this Declaration to be amended when in Declarant's discretion it is reasonably necessary to correct any errors in the Declaration or to insure the economic viability and completion of the Project; all in any order the Declarant chooses.

In the event Units are added to the Condominium, the allocated interest of each unit will be revised (in accordance with Exhibit B). Revision of all allocated interest for added units shall be accomplished during Declarant Control in the discretion of Declarant, which shall not be required to be in accordance with Section 20.1.4, and which shall occur upon recordation of an appropriate amendment to the Declaration by Declarant.

23.2.2 Parking/Garage Assignment.

(a) The initial total number of parking spaces is shown on Exhibit B attached hereto. Declarant reserves the right to provide temporary parking on other land in the Project, the location of which may be moved from time to time to accommodate development of the Project and construction of improvements thereon.

(b) Declarant reserves the right in the Condominium to make the initial assignment of parking spaces, garages (if any) and parking areas referred to in Sections 6.4 and 7.1.4, such assignment either being made: in Exhibit B attached hereto (or by amendments thereto); or by designation contained in the initial Unit deed, contract or other conveyance executed by Declarant. With respect to each Unit, Declarant shall make such assignments prior to or contemporaneously with the closing of the sale of such Unit by Declarant.

(c) Once the Declarant's right to make such assignments has expired, the balance of any parking spaces and garages and driving areas, if any, not so assigned to specific Units shall continue as part of the Common Areas to be used in accordance with the rules and regulations established from time to time by the Board.

(d) Declarant may elect to reassign parking spaces or garages previously assigned to Declarant owned Units to other Units still owned by Declarant. Said Declarant reassignments shall be exempt from the provision of Section 7.2.1; such reassignment is expressly recognized as being authorized by and in compliance with this Declaration.

(e) Notwithstanding anything to the contrary in this Declaration, until such time as permanent parking facilities are constructed and approved for occupancy, Declarant shall be deemed to have complied with the provisions hereof, so long as there are provided within the Project and for the use of the Owners of the Units and guests, not less than two (2) parking space for each Unit in the Condominium. Nothing herein shall, during this time, require the assignment of any particular parking spaces to a Unit.

23.2.3 Reallocation, Subdivision, Combination, Conversion, Incorporation.

Declarant shall have the right, in the Condominium, to subdivide or combine Units or convert Units into Limited Common Area or Common Areas, reallocate Limited Common Area between Units or convert Common Area to limited Common Area or incorporate Common Area or Limited Common Area into an existing Unit. Whenever Declarant exercises a Development Right to reallocate, subdivide, combine, convert or incorporate a Unit previously created into additional Units, Limited Common Area or Common Areas, or both, or the reverse thereof:

(a) If Declarant converts the Unit entirely to Common Areas, the amendment to the Declaration must reallocate all the Allocated Interests of that Unit among the other Units as if that Unit had been taken by condemnation under Article 15.

(b) If Declarant subdivides the Unit into two or more Units, whether or not any part of the Unit is converted into Limited Common Area or Common Areas, the

amendment to the Declaration must reallocate all the Allocated Interests of the Unit among the Units created by the subdivision in any reasonable and equitable manner prescribed by the Declarant.

(c) If Declarant combines two or more Units, the amendment to the Declaration must reallocate to the new Unit all of the Allocated Interests formerly allocated to the Units so combined.

(d) If Declarant reallocates Limited Common Areas between Units, converts Common Areas to limited Common Area or incorporates Common Areas or Limited Common Area into an existing Unit, said reallocation, conversion or incorporation, the Declarant will prepare, sign and record an amendment to the Declaration, Plat and plans reflecting the same.

23.2.4 Different Portions; Different Times.

(a) Any Development Right may be exercised with respect to different portions of the Real Property at different times;

(b) No assurances are made as to final boundaries of such portions or as to the order in which those portions may be subjected to the exercise of each Development Right; and

(c) Even though a Development Right is exercised in any portion of the Real Property subject to that right, that right need not be exercised in all or in any other portion of the remainder of that Real Property.

23.2.5 Exercise of Development Right. To exercise any Development Right reserved under Section 23.2, the Declarant shall prepare, execute, and record an amendment to the Declaration under Article 21 and comply otherwise with the Act.

23.2.6 Termination of Development Rights. The foregoing Development Rights shall continue so long as (a) Declarant, The Point at Post Falls, L.L.C., or any Related Entity is completing improvements within the Project; (b) Declarant, The Point at Post Falls, L.L.C. or any Related Entity owns any Units, Lots or other land in the Project; (c) any Declarant Rights remain in effect; or, (d) until the date on which the Declarant records an amendment to the Declaration pursuant to which the Declarant voluntarily surrenders the right to exercise Declarant Control.

23.3 Liability for Damage. The Declarant is subject to liability for the prompt repair and restoration, to a condition compatible with the remainder of the Condominium, of any

portion of the Condominium damaged by the exercise of rights reserved by Declarant pursuant to or created by this Declaration or the Act.

23.4 Declarant Easements. Declarant has an easement through the Common Areas for (a) ingress, egress and utilities; (b) as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Special Declarant Rights or Development Rights, whether arising under the Act or reserved in the Declaration; and, (c) including all of those easement rights described in Article 19.

////////////////

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DATED this 15th day of November, 2006.

DECLARANT:

PIER 20 ON THE BOARDWALK, L.L.C.,

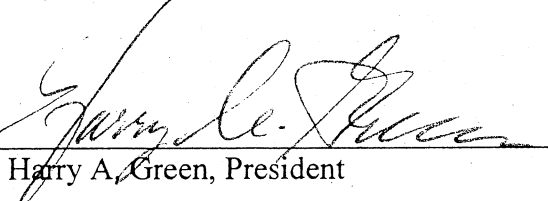
An Idaho Limited Liability Company

Declarant as to Pier 20 on the Boardwalk, A Condominium

By: HARRY A. GREEN & ASSOCIATES, L.L.C., Managing Member

By: HARRY A. GREEN & ASSOCIATES, INC., Managing Member
of HARRY A. GREEN & ASSOCIATES, L.L.C.

By:


Harry A. Green, President

PIER 21 ON THE BOARDWALK, L.L.C.,

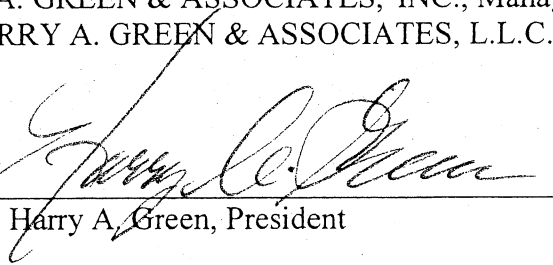
An Idaho Limited Liability Company

Declarant as to Pier 21 on the Boardwalk, A Condominium

By: HARRY A. GREEN & ASSOCIATES, L.L.C., Managing Member

By: HARRY A. GREEN & ASSOCIATES, INC., Managing Member
of HARRY A. GREEN & ASSOCIATES, L.L.C.

By:


Harry A. Green, President

STATE OF IDAHO)

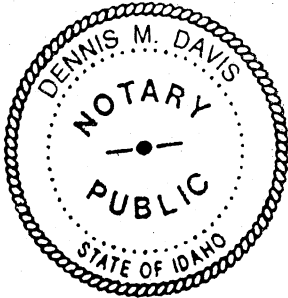
) ss.

County of Kootenai)

On this 15th day of November, 2006, before me, a Notary Public in and for the State of Idaho, personally appeared Harry A. Green known or identified to me to be the President of Harry A. Green & Associates, Inc., Member of Harry A. Green & Associates, L.L.C., Manager of Pier 20 on the Boardwalk, L.L.C., that executed the instrument or the person who executed the

instrument on behalf of said limited liability company, and acknowledged to me that such limited liability company executed the same.

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

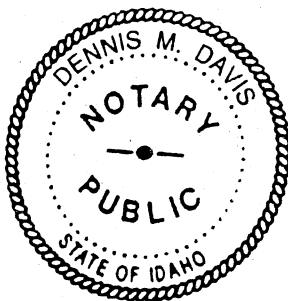


Dennis M. Davis
Notary Public for Idaho
Print Name: Dennis M. Davis
Residing at: Coeur d'Alene
My Commission Expires: 8-20-2011

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 15th day of November, 2006, before me, a Notary Public in and for the State of Idaho, personally appeared Harry A. Green known or identified to me to be the President of Harry A. Green & Associates, Inc., Member of Harry A. Green & Associates, L.L.C., Manager of Pier 21 on the Boardwalk, L.L.C., that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such limited liability company executed the same.

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



Dennis M. Davis
Notary Public for Idaho
Print Name: Dennis M. Davis
Residing at: Coeur d'Alene
My Commission Expires: 8-20-2011

MORTGAGEE'S CONSENT

The undersigned Beneficiary named in those certain Deeds of Trust dated August 26, 2005, executed and delivered by The Point at Post Falls, L.L.C. and recorded on August 26, 2005 as Instrument No. 1975498; dated August 26, 2005, executed and delivered by Pier 20 on the Boardwalk, L.L.C. and recorded on August 26, 2005 as Instrument No. 1975501; and dated December 5, 2005, executed and delivered by Pier 21 on the Boardwalk, L.L.C. and recorded on December 5, 2005 as Instrument No. 1999234; all records of the Kootenai County Recorder, and covering the Property described in the foregoing Declaration, accepts the Declaration, consents to its recording, agrees that the liens of said Deeds of Trust shall be subject and subordinate to the terms and provisions of the Declaration and to the Idaho Condominium Property Act, agrees to be bound hereby and confirms that it has made appropriate arrangements with the Declarant for the partial release of Units with their appurtenant Limited Common Areas and Allocated Interest in Common Areas from the lien of the undersigned's trust deed upon Purchase of a Unit by an Owner other than Declarant.

LIBERTY BANKERS LIFE INSURANCE
COMPANY, an Oklahoma Life Insurance
Company

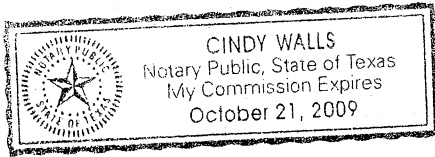
By: B. Phillips
Printed Name: Bradford A. Phillips
Its: President

STATE OF TEXAS)
) ss.
County of Dallas)

I certify that I know or have satisfactory evidence that Bradford A. Phillips
is the person who appeared before me, and said person acknowledged that he is authorized to
sign this instrument as President of LIBERTY BANKERS LIFE

INSURANCE COMPANY and acknowledged it to be the free and voluntary act of such entity, for the uses and purposes mentioned in the instrument.

DATED: September 22, 2006.



Cindy Walls
PRINT NAME: Cindy Walls
NOTARY PUBLIC in and for the State of
Texas, residing at Dallas Co
My appointment expires: 10.21.09

EXHIBIT "A"

**LEGAL DESCRIPTION OF REAL PROPERTY
SUBJECT TO
DECLARATION AND COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS FOR
PIER 20 ON THE BOARDWALK
&
PIER 21 ON THE BOARDWALK,
A CONDOMINIUM
POST FALLS, KOOTENAI COUNTY, IDAHO**

1. Description of Real Property for Pier 20 on the Boardwalk Condominium:

Pier 20 On The Boardwalk, according to the condominium plat thereof recorded October 3, 2006 in Book "J" of Plats at Pages 384, 384A, 384B and 384C, Instrument No. 2059035000, records of Kootenai County, Idaho.

Formerly known as Lot 1, Block 1, Post Falls Landing;

Together with an easement for ingress, egress and utilities over and across Tract "A," Block 1, Post Falls Landing;

All according to the plat thereof recorded September 27, 2006 in Book "J" of Plats at pages 381 and 381A as Instrument No. 2057802000, records of Kootenai County, Idaho.

2. Description of Real Property for Pier 21 on the Boardwalk Condominium:

Lot 2, Block 1, Post Falls Landing;

Together with an easement for ingress, egress and utilities over and across Tract "A," Block 1, Post Falls Landing;

All according to the plat thereof recorded November 29, 2006 in Book "J" of Plats at pages 409, 409 A as Instrument No. 2069360 000, records of Kootenai County, Idaho.
409B, 409C

EXHIBIT "B"

1. Recreational Facilities: None.
2. Additional Limited Common Areas:
[As designated on the Plat and Plans.]
3. Moorage Slips: None
4. Existing Parking:

a. Uncovered	<u>Number & Location to be assigned by Declarant</u>
b. Covered	<u>-0-</u>
c. 1-Car Garage Space	<u>-0-</u>
5. Description of Existing Units:

[This space left intentionally blank.]

Pier 20 on the Boardwalk:

Unit No.	Sq Ft.	Bathrooms	Bedrooms	Fireplace	Level	Allocated Interests %	Votes	Type of Heat
101	2024	2	3	Yes/	1	2.5%	1	Forced Air/Gas
102	1412	2	3	Yes	1	2.5%	1	Forced Air/Gas
103	1416	2	3	Yes	1	2.5%	1	Forced Air/Gas
104	1416	2	3	Yes	1	2.5%	1	Forced Air/Gas
105	2024	2	3	Yes	1	2.5%	1	Forced Air/Gas
201	2024	2	3	Yes	2	2.5%	1	Forced Air/Gas
202	1412	2	3	Yes	2	2.5%	1	Forced Air/Gas
203	1416	2	3	Yes	2	2.5%	1	Forced Air/Gas
204	1416	2	3	Yes	2	2.5%	1	Forced Air/Gas
205	2024	2	3	Yes	2	2.5%	1	Forced Air/Gas
301	2024	2	3	Yes	3	2.5%	1	Forced Air/Gas
302	1412	2	3	Yes	3	2.5%	1	Forced Air/Gas
303	1416	2	3	Yes	3	2.5%	1	Forced Air/Gas
304	1416	2	3	Yes	3	2.5%	1	Forced Air/Gas
305	2024	2	3	Yes	3	2.5%	1	Forced Air/Gas
401	2024	2	3	Yes	4	2.5%	1	Forced Air/Gas
402	1412	2	3	Yes	4	2.5%	1	Forced Air/Gas
403	1416	2	3	Yes	4	2.5%	1	Forced Air/Gas
404	1416	2	3	Yes	4	2.5%	1	Forced Air/Gas
405	2024	2	3	Yes	4	2.5%	1	Forced Air/Gas
Total						50%	20	

Pier 21 on the Boardwalk:

Unit No.	Sq Ft.	Bathrooms	Bedrooms	Fireplace	Level	Allocated Interests %	Votes	Type of Heat
101	2024	2	3	Yes	1	2.5%	1	Forced Air/Gas
102	1414	2	3	Yes	1	2.5%	1	Forced Air/Gas
103	1414	2	3	Yes	1	2.5%	1	Forced Air/Gas
104	1409	2	3	Yes	1	2.5%	1	Forced Air/Gas
105	2024	2	3	Yes	1	2.5%	1	Forced Air/Gas
201	2024	2	3	Yes	2	2.5%	1	Forced Air/Gas
202	1415	2	3	Yes	2	2.5%	1	Forced Air/Gas
203	1411	2	3	Yes	2	2.5%	1	Forced Air/Gas
204	1416	2	3	Yes	2	2.5%	1	Forced Air/Gas
205	2027	2	3	Yes	2	2.5%	1	Forced Air/Gas
301	2027	2	3	Yes	3	2.5%	1	Forced Air/Gas
302	1410	2	3	Yes	3	2.5%	1	Forced Air/Gas
303	1415	2	3	Yes	3	2.5%	1	Forced Air/Gas
304	1415	2	3	Yes	3	2.5%	1	Forced Air/Gas
305	2024	2	3	Yes	3	2.5%	1	Forced Air/Gas
401	2024	2	3	Yes	4	2.5%	1	Forced Air/Gas
402	1410	2	3	Yes	4	2.5%	1	Forced Air/Gas
403	1415	2	3	Yes	4	2.5%	1	Forced Air/Gas
404	1415	2	3	Yes	4	2.5%	1	Forced Air/Gas
405	2024	2	3	Yes	4	2.5%	1	Forced Air/Gas
Total						50%	20	

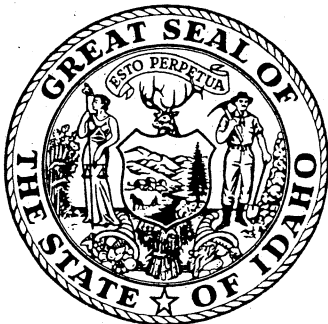
State of Idaho

Office of the Secretary of State

I, BEN YSURSA, Secretary of State of the State of Idaho, hereby certify that I am the custodian of the corporation records of this State.

I FURTHER CERTIFY That the annexed is a full, true and complete duplicate of articles of incorporation of **PIER 20 & 21 ON THE BOARDWALK CONDOMINIUM OWNERS ASSOCIATION, INC.**, an Idaho non-profit corporation, received and filed in this office on November 17, 2006, under file number C 169962 , including all amendments filed thereto, as appears of record in this office as of this date.

Dated: November 20, 2006



Ben Yursa
SECRETARY OF STATE

By *[Signature]*

FILED EFFECTIVE

ARTICLES OF INCORPORATION 2006 NOV 17 PM 4:41
OF
PIER 20 & 21 ON THE BOARDWALK CONDOMINIUM OWNERS ASSOCIATION, INC. STATE OF IDAHO

The undersigned, acting as the incorporator of a nonprofit corporation ("Corporation") organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopts the following Articles of Incorporation ("Articles").

ARTICLE I - NAME

The name of the Corporation is: Pier 20 & 21 On The Boardwalk Condominium Owners Association, Inc.

ARTICLE II - NONPROFIT STATUS

The Corporation is a nonprofit membership corporation.

ARTICLE III - PERIOD OF DURATION

The period of duration of the Corporation is perpetual.

ARTICLE IV - REGISTERED OFFICE AND AGENT

The location of the Corporation is in the City of Post Falls, County of Kootenai, and in the State of Idaho. The address of the initial registered office is 608 Northwest Blvd., Suite # 401, Coeur d'Alene, ID 83814, and the name of the initial registered agent at this address is Witherspoon, Kelley, Davenport & Toole, P.S.

ARTICLE V - PURPOSES

The purposes for which the Corporation is organized and will be operated are as follows:

A. The exercise of all the powers and privileges and the performance of all the duties and obligations of the Corporation as set forth in the Amended & Restated Declaration of Covenants, Conditions, Restrictions and Reservations for Pier 20 On The Boardwalk & Pier 21 On The Boardwalk, A Condominium, recorded in the official records of Kootenai County, Idaho (the "Declaration"), as amended from time to time.

B. The transaction of any or all lawful business for which corporations may be incorporated under the Idaho Nonprofit Corporation Act, subject only to limitations in the Bylaws and the Declaration and the amendments and supplements thereto.

C. To exercise all powers granted by law necessary and proper to carry out the foregoing purposes, including, but not limited to, the power to accept donations of money,

ARTICLES OF INCORPORATION—PAGE 1

PIER 20 & PIER 21 ON THE BOARDWALK CONDOMINIUM OWNERS ASSOCIATION, INC.

Q:\Clients-DMD-JPH\Green Harry 12660\PF Landing\CCR & HOA Docs\CCR Final Docs\Pier 20&21 Condo Owners Association Articles of Incorporation (Final).doc

IDAHO SECRETARY OF STATE
11/20/2006 05:00
CK: NONE CT: 24405 BH: 101442
1 @ 30.00 = 30.00 INC NONP # 2
1 @ 20.00 = 20.00 EXPEDITE C # 3

C/69962

property, whether real or personal, or any other things of value. Nothing herein contained shall be deemed to authorize or permit the Corporation to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or substitute therefor, may not at that time lawfully carry on or do.

ARTICLE VI - LIMITATIONS

No part of the net earnings or the assets of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article V hereof. No substantial part of the activities of the Corporation shall be for the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE VII - MEMBERS

Each person or entity holding fee simple interest of record to a Unit (as defined in the Declaration) which is a part of the Pier 20 On The Boardwalk & Pier 21 On The Boardwalk – A Condominium, ("the Condominiums"), and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, shall be a Member of the Corporation. Membership shall be appurtenant to and may not be separated from ownership of any Unit located in the Condominiums. Except for the Class B Member, there shall be one (1) membership in the Corporation for each Unit located in the Condominiums. Members of the Corporation must be owners of Units within the Condominiums.

ARTICLE VIII - VOTING RIGHTS

The Corporation shall have two (2) classes of voting membership:

Class A Members. The Class A Members shall be the owners of Units within the Condominiums, except for Declarant (as defined in the Declaration). The Class A Members shall be entitled to one total (1) vote for each Unit owned by such Class A Members on the day of the vote, notwithstanding that any Unit may be owned by more than one (1) person or entity.

Class B Member. Each Declarant as to each respective Condominium building shall be the Class B Member, and shall be entitled to two (2) votes for each Condominium Unit within that Condominium building. The Class B Member shall be a voting Member in the Corporation so long as: (a) Declarants, (i.e., Pier 20 On The Boardwalk, L.L.C. and Pier 21 On The Boardwalk, LLC), The Point at Post Falls, LLC, or any Related Entity(ies) are completing improvements within the Project known as Post Falls Landing, in the City of Post Falls, Idaho,

("the Project"); (b) Declarants, The Point at Post Falls, L.L.C. or any Related Entity owns any Units, Lots or other land in the Project; (c) any Development Rights remain in effect; or, (d) until the date on which the Declarants record an amendment to the Declaration pursuant to which such Declarant voluntarily surrenders the right to exercise Declarant Control.

ARTICLE IX - BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by its Board of Directors. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Corporation's Bylaws. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected in the manner and for the term provided in the Bylaws of the Corporation.

The names and street addresses of the persons constituting the initial Board of Directors are:

<u>NAME</u>	<u>ADDRESS</u>
Harry A. Green	525 East Mission Avenue Spokane, WA 99202
Jann H. Green	525 East Mission Avenue Spokane, WA 99202
Michael P. Etter	West 2222 Summit Spokane, WA 99202

ARTICLE X - ASSESSMENTS

Each Member shall be liable for the payment of Assessments provided for in the Declaration and as otherwise set forth in the Bylaws of the Corporation.

ARTICLE XI - DISTRIBUTION ON DISSOLUTION

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, distribute all the assets of the Corporation consistent with the purposes of the Corporation to such organization or organizations as shall at that time qualify as exempt organizations under Section 501(c)(12) of the Internal Revenue Code of 1986, as amended from time to time, in such manner as the Board of Directors shall determine. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Corporation is then located, exclusively for the purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Corporation.

ARTICLE XII - INCORPORATOR

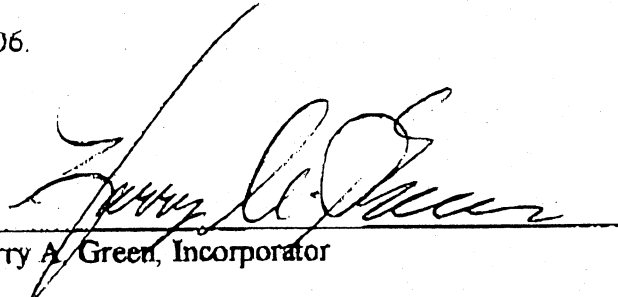
The name and street address of the incorporator is Harry A. Green, 525 E. Mission Avenue, Spokane, WA 99202.

ARTICLE XIII - BYLAWS

Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws. The Board of Directors of the Corporation shall be authorized to amend the Corporation's Bylaws at a properly noticed special or regular meeting of the Board of Directors. Neither these Articles nor the Bylaws of the corporation shall be amended or otherwise changed or interpreted to be inconsistent with the Declaration of Covenants, Conditions, Restrictions and Reservations for Pier 20 On The Boardwalk, A Condominium & Pier 21 On The Boardwalk, A Condominium.

The undersigned, acting as incorporator of a nonprofit corporation under the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopts the following Articles of Incorporation:

DATED this 16th day of November, 2006.


Harry A. Green, Incorporator