

**DECLARATION  
of  
COVENANTS,  
CONDITIONS, AND  
RESTRICTIONS**

**Salishan Point Homeowners Association**

## DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

Salishan Point, LLC is the owner of certain real property consisting of a 24-lot residential subdivision located in Bonner County, Idaho, and more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (subsequently referred to herein as the "Property"). Salishan Point, LLC desires to subject the Property to the provisions of this Declaration and to have constructed on the Property a waterfront residential community with related recreational facilities, and to provide a flexible and reasonable method for the administration and maintenance of such property.

Salishan Point, LLC, as hereinafter provided in this Declaration, has retained and reserved the right, privilege, and option to submit to the provisions of this Declaration at a later time and from time to time as a part of Salishan Point Waterfront Community, any other real property subsequently acquired by Declarant;

Salishan Point, LLC hereby declares that all of the property described in Exhibit A, and any additional property subsequently acquired or authorized by Salishan Point, LLC as may by amendment be subjected to this Declaration shall be held, transferred, sold, conveyed, leased, occupied and used subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall touch and concern and run with title to the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described properties or any portion thereof, and their respective heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

# Article I. Definitions

**Section 1.01 Definitions.** When used in this Declaration, unless the context shall prohibit or otherwise require, the following words shall have all the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

- (a) “Additional Property” shall mean and refer to any other real property subsequently acquired by Declarant which may be included in the Salishan Point Waterfront Community, together with all improvements thereon.
- (b) “Architectural Standards Committee” shall mean and refer to the committee who shall be appointed by the Association’s Board of Directors to approve exterior and structural improvements, additions, and changes within the Development as provided in Article X hereof.
- (c) “Association” shall mean and refer to Salishan Point Homeowners Association.
- (d) “Boat Slip” shall mean and refer to boat slips within the Salishan Point Marina. Owners of Boat Slips, as defined herein, shall be members of the Salishan Point Homeowners Association.
- (e) “Common Area” shall mean and refer to all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners. The Common Areas may include but shall not be limited to Recreation Amenities, maintenance areas, private roads, parking lots, walkways, sidewalks, jogging trails, bike paths, street lighting, signage, ponds, green belt areas, planted landscape features, playgrounds, parks and other areas owned by the Association for the benefit of the Owners. The Common Areas to be owned by the Association at the time for the conveyance of the first Lot or Dwelling to an Owner other than Declarant are those tracts or common areas shown on the plat of Salishan Point. Additional Common Areas may be dedicated or acquired by the Association at the time Additional Property is added to the Property by amendment hereto. The designation of any land and/or improvements as Common Areas shall not mean or imply that the public at large acquires any easement of use or enjoyment therein, unless specifically designated as such herein or in applicable documents of record.
- (f) “Declarant” shall mean and refer to the person who has executed this Declaration, or any successor-in-title to the entire interest of such person with respect to the Property and the Additional Property at the time of such transfer to said successor-in-title, or any party who acquires said person’s entire interest with respect to the Property and the Additional Property at the time of such acquisition pursuant to foreclosure of a Mortgage encumbering said person’s interest in the Property and the Additional Property.
- (g) “Declaration” shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions for Salishan Point Waterfront Community and all amendments thereof filed for record in the Records of Bonner County, Idaho.
- (h) “Dwelling” shall mean and refer to any improved property intended for the use as a single-family detached dwelling located within the Development, together with garage, shop and/or related structures.
- (i) “Lot” shall mean and refer to any unimproved portion of the Property upon which it is intended that a single family Dwelling shall be constructed. A parcel of land shall be deemed unimproved and thus considered to be a Lot, rather than a Dwelling, until the improvements constructed thereon are sufficiently complete to reasonably permit habitation thereof. Upon such completion, such parcel and the improvements thereon shall collectively be considered to be a Dwelling for the purposes of this Declaration.
- (j) “Occupant” shall mean and refer to any person, including, without limitation, any Owner or any guest, invitee, lessee, tenant, or family member of an Owner, occupying or otherwise using improvements within the Development.

- (k) "Owner" shall mean and refer to one or more persons, including Declarant, who or which owns fee simple title to any Site, excluding, however, those persons having such an interest under a Mortgage. In the event that there is a real estate sales contract covering any Site, the Owner of such interest shall be the purchaser under said contract and not the fee simple titleholder.
- (l) "Person" shall mean and refer to a natural person, corporation, partnership, association, trust, or other legal entity, or any combination thereof.
- (m) "Property" or "Development" shall mean and refer to the land described on Exhibit A, together with all improvements thereon, and, upon submission to the provisions of this Declaration, any other land acquired by Declarant, or any portion thereof, together with all improvements thereon.
- (n) "Recreational Amenities" shall include such recreational facilities and improvements owned by the Association as are from time to time located within the Common Areas, including, without limitation, beach access stairways, playgrounds, jogging trails and bike paths.
- (o) "Site" shall mean each separately owned parcel of real property within the Property, including each Lot, Dwelling or other real property interest which is owned, held or used for or in connection with residential or recreational purposes. "Site Plan" shall initially refer to the Salishan Point final plat map as shown on the records of Bonner County, and shall refer to such additional plat maps upon recordation in Bonner County relating to the submission of Additional Property to the terms hereof. A parcel of property suitable for residential or recreational purposes shall be considered to be owned, held and used in connection with such purposes whether or not used or intended to be used for any such purpose. A separate parcel owned or held by Declarant which has been subjected to the terms of this Declaration shall not be considered a Site prior to construction of improvements thereon and the actual use of all or part of the improvements for residential or recreational purposes and then only to the extent of the portion actually occupied by such improvements. A separate parcel owned, held or used in its entirety by the Association, or by any governmental entity, or for or in connection with the distribution of electricity, gas, water, sewer, telephone, television or other utility service or for access to any portion of the Property, shall not be considered a Site.
- (p) "Unit" shall mean and refer to a standard of measurement used in this Declaration to determine or fix certain rights and obligations with respect to ownership of a Site in the Development and membership in the Association. Each Owner, as an inalienable and appurtenant attribute to his ownership interest, shall be deemed to be the owner of one or more Units which shall be assigned in accordance with the principles and definitions contained in this Declaration.

## Article II. Plan of Development

**Section 2.01 Property.** Salishan Point Waterfront Community initially shall consist of the Property described in Exhibit A. The Property contains twenty-four (24) Lots and one Dwelling may be constructed on each such Lot. The Property also includes the Common Areas owned by the Association, including roads, community access areas, utility systems, drainage systems, and other improvements serving the Lots and Dwellings, to the extent the same are from time to time installed and existing. The dimensions of the Lots and common areas are shown on the Salishan Point Final Plat. All Lots within the Development shall be and are hereby restricted exclusively to a single-family residential use and shall be subject to the standards and restrictions set forth in Article X hereof. Declarant shall have the right, but not the obligation, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, to make improvements and changes to all Common Areas and to all Common Areas owned by Declarant for (i) installation and maintenance of any improvements, (ii) installation and maintenance of any water, sewer, and other utility systems and facilities, and (iii) installation of security and/or refuse facilities.

**Section 2.02 Plan of Development of Additional Property.** Declarant hereby reserves the option, to be exercised in its sole discretion, to submit from time to time the Additional Property or a portion or portions thereof to the provisions of this Declaration and thereby to cause the Additional Property or a portion or portions thereof to become part of the Property. This option may be exercised by Declarant in accordance with the following rights, conditions, and limitations, which are the only conditions and limitations on such option to add all or any portion of the Additional Property to the Development:

- (a) The option may be exercised from time to time during a period of twenty-five (25) years from the date of this Declaration; provided, however, that Declarant reserved the right to terminate such option at any time prior to the expiration of such 25-year period by executing and filing an agreement evidencing such termination with the office of the Auditor of Bonner County, Idaho, and except for such termination by Declarant, no other circumstances will terminate such option prior to the expiration of such twenty-five (25) year period.
- (b) Declarant may acquire other property in the general area subsequent to the date hereof for submittal to this Declaration. Portions of the Additional Property may be added to the Development at different times, and there are no limitations fixing the boundaries of those portions or regulating the order, sequence, or location in which any of such portions may be added to the Development. The exercise of the option to submit a portion of the Additional Property to the Declaration shall not bar the further exercise of this option as to other portions or the balance of the Additional Property.
- (c) If the Additional Property or any portion thereof is added to the Development, the design and organization of Sites or other improvements constructed thereon will be subject to the standards and restrictions set forth in Article X hereof. In addition, all improvements constructed thereon will be substantially consistent in terms of quality of construction with improvements located elsewhere within the Development.
- (d) If the Additional Property or any portion thereof is added to the Development, Declarant reserves the right to designate the boundaries of the Sites, Common Areas and Recreational Amenities, if any, to be added to the Development in connection therewith.
- (e) The option reserved by Declarant to cause all or any portion of the Additional Property to become part of the Development shall in no way be construed to impose upon Declarant any obligation to add all or any portion of the Additional Property to the Development or to construct thereon any improvements of any nature whatsoever.

The option reserved under this Section 2.02 may be exercised by Declarant only by the execution of an amendment to this Declaration which shall be filed with the Auditor of Bonner County, Idaho, together with a revision of or an addition to the Site Plan showing the Additional Property or such portion or portions thereof as are being added to the Development. Simultaneously therewith, Declarant shall convey to the Association by quit claim deed the Common Areas and Recreational Amenities, if any, contained within the Additional Property, or such portion thereof so submitted. Any such amendment shall expressly submit the Additional Property or such portion thereof to all the provisions of this Declaration, and upon the exercise, if any, of such option or options, the provisions of this Declaration shall then be construed as embracing the real property described in Exhibit A and the Additional Property or such portion or portions thereof so submitted to the terms hereof, together with all improvements located thereon. If the Additional Property or any portion or portions thereof is added to the Development, then the number of votes in the Association shall be increased by the number of Units appurtenant to Sites in the Additional Property or such portion or portions thereof as are added so that there shall continue to be a uniform and consistent method of voting and assessment in the Development.

**Section 2.03 Marina Area.** The Salishan Point Marina consists of boat slips which are owned by Salishan Point, LLC or by Site Owners. No other parties may own, lease, rent or otherwise use boat slips. Site Owners may sell, lease or rent boat slips only to other Owners.

**Section 2.04 Commercial Areas.** Declarant currently intends that the Development will not include commercial areas, including home-based manufacturing or other businesses open to the public.

**Section 2.05 Interest Subject to Plan of Development.** Every purchaser of an interest in the Property shall purchase such interest and every Mortgagee and lienholder holding an interest therein shall take title, or hold such security interest with respect thereto, with notice of Declarant's plan of development as herein set forth, and Declarant shall have and does hereby specifically reserve the right to add the Additional Property or any portion or portions thereof to the Development as hereinabove provided, and, with respect to each interest in the Additional Property, to convey to the purchaser thereof the title to such interest together with its appurtenant membership and voting rights in the Association. Any provision of this Declaration to the contrary notwithstanding, the provisions of the foregoing plan of development set forth in this Article II may not be abrogated, modified, rescinded, supplemented, or amended in whole or in part without the prior written consent of Declarant.

**Section 2.06 Sewer and Water Systems.** The Salishan Point Waterfront Community shall include a water system and subsurface sewage disposal systems. The water system, including the community's fire storage tanks, and a small community drainfield shall be owned and maintained by the Association.

## Article III. Property Rights

**Section 3.01 General.** Each Site shall for all purposes constitute real property which shall be owned in fee simple and which, subject to the provisions of this Declaration, may be conveyed, transferred, and encumbered the same as any other real property. Each Owner shall be entitled to the exclusive ownership and possession of his Site, subject to the provisions of this Declaration, including without limitation, the provisions of this Article III. The ownership of each Site shall include, and there shall pass with each Site as a appurtenance thereto, whether or not separately described, all of the right and interest in and to the Common Areas as established hereunder, which shall include, but not be limited to, membership in the Association. Each Owner shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of a Site ceases for any reason, at which time his membership in the Association shall automatically pass to the successor-in-title to such Site, and upon transfer, the former Owner shall simultaneously transfer and endorse to the successor-in-title any certificates or other evidences of membership in the Association, if any. Sites shall not be subdivided, and the boundaries between Sites shall remain as established in accordance with the Site Plan, unless the relocation thereof is made with the consent of at least a majority of the Owners and of Declarant, so long as Declarant owns an interest in the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

**Section 3.02 Owner's Easement of Enjoyment.** Subject to the provisions of this Declaration and the rules, regulations, fees, and charges from time to time established by the Board of Directors in accordance with the Bylaws and the terms hereof, every Owner, his family, tenants, and guests shall have a nonexclusive right, privilege, and easement of use and enjoyment in and to the Common Areas, such easement to be appurtenant to and to pass and run with title of each Site.

### **Section 3.03 Recreational Amenities.**

- (a) Subject to the terms and provisions of this Declaration and the rules, regulations, fees, and charges from time to time established by the Board of Directors, every Owner and his family, tenants, and guests shall have the nonexclusive right, privilege, and easement of access to and the use and enjoyment of the Recreational Amenities, subject to rules, regulations, fees, and charges, including user fees, as are from time to time established by the Board of Directors. The Board of Directors shall be entitled, but not obligated, to promulgate rules and regulations from time to time whereby Owners, Owners' guest, tenants, children and grandchildren as well as co-Owners who have not been designated pursuant to Section 3.03(b) below, shall be entitled to access to and the use of the Recreational Amenities. An Owner may assign to the tenant of his Site such Owner's rights of access to and use of the Recreational Amenities so that such tenant, his family and guests shall be entitled to the access to and use and enjoyment of the Recreational Amenities on the same basis as an Owner and his family and guests, provided that such designation is consistent with rules and regulations promulgated by the Board of Directors, if any. Any Owner so assigning such rights to his tenant shall give written notice thereof to the Board of Directors, and after such assignment and notice, such tenant and his family and guests shall thenceforth have access to and use of the Recreational Amenities on the same basis and for the same fees and charges as guests of the Owner, until such assignment is terminated and the Board of Directors is given written notice of such termination by such Owner.
- (b) In the event of any ownership of a Site which is permitted hereunder by Section 12.06 hereof, the Owner shall designate one or more families and guests who shall be entitled to access to and use of the Recreational Amenities in accordance with the rules and regulations relating to Owners' guests,

tenants, and others which are from time to time established by the Board of Directors. Any designation made pursuant to this Section 3.03(b) shall not be permitted to be changed within six (6) months after such designation is so made.

- (c) In addition to the rights of Owners with respect to the access to and use and enjoyment of the Recreational Amenities, Declarant reserves the right to from time to time designate individuals who shall have access to and use of the Recreational Amenities on a basis which is equal and equivalent to that which is enjoyed by Owners. Declarant shall designate such individuals by written notice to the Board of Directors, and Declarant reserves the right to from time to time add and remove individuals to and from such designated list, provided that Declarant owns a Site primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion hereof to the Development. In addition, all such designated individuals shall either be members, managers, officers, directors, or employees of Declarant or any of its affiliates, or real estate brokers and sales agents who are selling and/or listing Sites within the Development.
- (d) All guests and children of Owners and of individuals designated by Declarant pursuant to Section 3.03(c), as well as tenants of Owners who are not assigned their respective Owners' rights pursuant to Section 3.03(a) above, shall at all times when using the Recreational Amenities be accompanied by an Owner or their spouses or by individuals designated by Declarant pursuant to Section 3.03(c) above or their spouses, provided that a waiver of such requirement may be made at any time in accordance with rules and regulations promulgated by the Board of Directors.

**Section 3.04 Access.** All Owners, by accepting title to a Site conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such Site, provided that pedestrian and vehicular access to and from all Sites shall be provided at all times. There is reserved unto Declarant, the Association, and their respective successors and assigns the right and privilege, but not the obligation, (i) to control access to and from wetlands or adjacent uplands which are owned by the Association and to and from the marina, and (ii) to maintain guarded or electronically-monitored gates controlling vehicular and pedestrian access to and from portions of the Development.

**Section 3.05 Easements for Declarant.** During the period that Declarant owns any interest in the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, Declarant shall have an alienable and transferable right and easement on, over, through, under, and across the Common Areas for the purpose of constructing improvements and for installing, maintaining, repairing, and replacing such other improvements to the Property (including the Recreational Amenities and other portions of the Common Areas) as are contemplated by this Declaration or as Declarant desires, in its sole discretion, including without limitation, any improvements or changes permitted and described in Article II hereof, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided in no event shall Declarant have the obligation to do any of the foregoing.

**Section 3.06 Changes in Boundaries; Additions to Common Areas.** Declarant expressly reserves for itself and its successors and assigns, the right to change and realign the boundaries of the Common Areas and any Sites owned by Declarant, provided that any such change or realignment of boundaries shall not materially decrease the acreage of the Common Areas and shall be evidenced by a revision of or an addition to the Site Plan which shall be recorded in the Plat Records of Bonner County, Idaho. In addition, Declarant reserves the right, but shall not have the obligation, to convey to the Association at any time and from time to time any portion of the Additional Property, such real property to be conveyed to the Association as an addition to the Common Areas and subject to the title exceptions set forth in Section 2.02 hereof.

**Section 3.07 Easements for Utilities.** There is hereby reserved for Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement, as well as the power to grant and accept easements to and from any public authority or agency, public service district, public or private utility, or other person, for the benefit of the Owners, upon, over, under, and across (i) all of the Common Areas, and (ii) all portions of any Site, or any Common Area subjected to utility easements or encumbrances as shown on the Site Plan or in the records of Bonner County. Such easements may be granted or accepted by Declarant, its successors or assigns, or by the Board of Directors, provided, however, that for so long as Declarant owns any interest in the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, the Board of Directors must obtain the written consent of Declarant prior to granting and accepting any such easements. To the extent possible, all utility lines and facilities serving the Development and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or service, with respect to the portions of the Development so encumbered, (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities, (ii) to cut and remove any trees, bushes, or shrubbery, (iii) to grade, excavate, or fill, or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems, provided all property shall be returned to its prior state of condition and repair after such activities.

**Section 3.08 Easements for Walks, Trails, and Signs.** There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement upon, over, and across all portions of the Common Areas in which improvements are not constructed or erected for the installation, maintenance, and use of sidewalks, jogging trails, bike paths, bridle paths, traffic directional signs, and related improvements.

**Section 3.09 Easements for Association.** There is hereby reserved a general right and easement for the benefit of the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Site or Common Area or any portion thereof in the lawful performance of their respective duties, including but not limited to the mowing, removing, clearing, cutting or pruning of underbrush, weeds or other unsightly growth, the removal of trash or other actions reasonably necessary to maintain reasonable standards of health, fire safety and appearances within the Development. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to the Owner or occupant of the Site directly affected thereby.

**Section 3.10 Sales and Construction Offices.** Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant and its successors and assigns the alienable and transferable right and easement in and to the Property for the maintenance of signs, sales offices, construction offices, business offices, and model Dwellings, together with such other facilities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the completion, improvement, and/or sale of Sites within the Property for so long as Declarant owns any interest in the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

**Section 3.11 No Partition.** There shall be no judicial partition of the Development or any part thereof, nor shall any person acquiring any interest in the Development or any part thereof seek any such judicial partition unless the Development has been removed from the provisions of this Declaration.

**Section 3.12 Restricted Vehicular Access to Common Areas.** No vehicles may access Common Areas unless required by maintenance or authorized in writing by the Board of Directors or its duly authorized agents for special, one-time purposes. Bicycles, electric golf carts and personal motorized chairs are exempt from this restriction.

**Section 3.13 Restricted Access to Inlet.** Not motor boats, jet skis or other motorized vessels may access the inlet. All Site Owners and their guests may use only non-motorized craft such as kayaks, canoes and row boats on the inlet.

## Article IV. Membership and Voting

**Section 4.01 Membership.** Every Owner shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of any Site and ownership of a Site shall be the sole qualification for such membership. In the event that fee title to a Site is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership, if any. The foregoing is not intended to include Mortgagees or any other person who hold an interest in a Site or any portion of the Property merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's membership in the Association. Notwithstanding any of the foregoing to the contrary, no Owner, whether one or more persons, shall have more than one membership per Site. Membership rights in the Association shall include all rights and restrictions imposed thereon as described in this Declaration or as may be promulgated by the Board of Directors pursuant to its authority to impose rules and regulations as described in Article XI below.

**Section 4.02 Voting.** Membership in the Association shall include the right to vote. Each Owner shall be entitled to cast the number of votes equal to the number of Units appurtenant to the Owner's Site as described herein.

- (a) In no event shall more than the number of votes equal to the number of Units appurtenant to such Owner's Site be cast. When more than one person holds an interest in any Site, the vote for such Site shall be exercised as those Owners themselves determine and advise the Secretary or an Assistant Secretary of the Association prior to any meeting. In the absence of such advice, the vote appurtenant to such Site shall be suspended in the event more than one person seeks to exercise it.
- (b) The voting weight appurtenant to each Site shall continue to be based upon the Units appurtenant to such interests upon the addition of all or a portion of the Additional Property to the Development. Each Owner, by acceptance of a deed or other conveyance for a Site, consents and agrees to the dilution of his voting interest in the Association by virtue of the submission from time to time of the Additional Property or any portion thereof to the terms of this Declaration as provided herein.

**Section 4.03 Number of Units – Lots and Dwellings.** With respect to each single-family residential Lot located within the Property, there shall be appurtenant to such Lot two (2) Units, until such time as a Dwelling is constructed on such Site, at which time there shall be appurtenant to such Dwelling a total of four (4) Units, regardless of the size of such Dwelling, once constructed. The determination of when the construction of a dwelling is complete for this purpose shall be made by the Association, in its sole and absolute authority. Such designation shall apply to Lots or Dwellings located on the Additional Property in the event such Additional Property or portions thereof are submitted to this Declaration by amendment hereto.

**Section 4.04 Units for Association and Other Exempt Space.** No Units shall be deemed to exist with respect to a Site owned by Declarant or the Association for Exempt Space on such Site, whether within or without a structure. Exempt Space shall mean space used by an Exempt User or used for an Exempt Use. An Exempt User shall mean the Association or any governmental entity. An Exempt Use shall mean any use for or in connection with the actually supplying of electricity, gas, water, sewer, telephone, television or other utility service within or without the Property or for or in connection with access to any property within or without the Development.

**Section 4.05 Information by Owners as to Sites and Units.** At the time a parcel of property becomes a Site as defined herein, the Owner shall give written notice of this fact to the Association, which notice

shall, in addition, give the legal description of the Site; state the name and form of ownership by which fee simple title to the Site is held; give a single name and address to which notices to the Owner may be sent; give the names and addresses and the nature of the interest of all persons or entities having any right, title or interest in the Site, including mortgages and lessees; state the total number of Units existing on the Site at that time; and state the types of Units and the number of each type existing on the Site at that time. In the event of any change in the facts reported in the original written notice for a Site, including any change of ownership, the Owner of the Site shall give a new written notice to the Association containing all the information required to be covered by the original notice. As against any Owner, and any party claimed by, through, or under such Owner, the Association may, but shall not be obligated to, rely, for any and all purposes, on the information reflected in the most recent written notice furnished with respect to the Site of such Owner. The Association shall keep and preserve the most recent written notice received by the Association with respect to any Site.

# Article V. Maintenance

## Section 5.01 Responsibility of Owners.

- (a) Unless otherwise provided, all maintenance and repair of Sites, together with all other improvements thereon or therein and all lawns, landscaping, and grounds on and within a Site, shall be the responsibility of the Owner of such Site. The maintenance and repair of all areas and elements located within Common Areas shall be the responsibility of the Association. Each Owner and Association shall be responsible for maintaining his or its Site or Common Area, as the case may be, in a neat, clean and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all Dwellings, buildings, and other structures and all lawns, trees, shrubs, hedges, grass, and other landscaping. As provided in Section 5.02(b) hereof, each Owner shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining, or cleaning any item which is the responsibility of such Owner, but which responsibility such Owner fails or refuses to discharge.
- (b) Except for lots designated in Section 5.02(c), each Owner shall construct a private septic system contained entirely within the Lot boundaries and within the applicable set back requirements. No Dwelling shall be occupied unless there is an operable septic system in compliance with the regulations of the Panhandle Health District. Owners constructing a private septic system shall be solely responsible for its construction and maintenance. Owners with private septic systems shall provide the Association with copies of “as built” drawings of the system and relevant operation manuals in order that the Association may maintain the system in an emergency.

## Section 5.02 Association’s Responsibilities.

- (a) Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, which responsibility shall include the maintenance, repair, and replacement of (i) the Recreational Amenities, (ii) all roads, walks, trails, parking lots, landscaped areas, and other improvements situated within the Common Areas or within easements encumbering Lots or Dwellings pursuant to Section 3.08 hereof, (iii) such security systems and utility lines, pipes, plumbing, wires, conduits, and related systems which are part of the Common Areas and which are not maintained by a public authority, public service district, public or private utility, or other person, and (iv) all lawns, trees, shrubs, hedges, grass, and other landscaping situated within or upon the Common Areas. The Association shall not be liable for injury or damage to any person or property (A) caused by the elements or by any Owner or any other person, (B) resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas, or (C) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored in or upon any portion of the Common Areas or any other portion of the Property. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such assessments being a separate and independent covenant on the part of each Owner.
- (b) In the event that Declarant or the Board of Directors determines that: (i) any Owner has failed or

refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair, or replacement of items for which he or it is responsible hereunder, or (ii) that the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, his family, tenants, guest, or invitees, and is not covered or paid for by insurance in whole or in part, then, in either event, Declarant or the Association, except in the event of an emergency situation, may give such Owner written notice of Declarant's or Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner, and setting forth with reasonable particularity the maintenance, cleaning, repairs, or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion with said fifteen (15) day period, to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, Declarant or the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair, or replacement at the sole cost and expense of such Owner and said cost shall be added to and become a part of the assessment to which such Owner and his Site is subject and shall become a lien against such Site. In the event that Declarant undertakes such maintenance, cleaning, repair, or replacement, the Association shall promptly reimburse Declarant for Declarant's costs and expenses.

- (c) **Lots 5 and 6 in Block 1, Lots 9 – 14 in Block 3, and the Restroom at the Common Beach Area** shall be served by a small community drainfield owned and maintained by the Association. All Owners shall share the costs of the maintenance and operation as a Common Expense of the Common Cost Center as described in Article IX. The Association shall maintain the small community drainfield and associated septic facilities to the lot boundary, or to the boundary of any adjacent property using the system. An Owner with a private septic system and any user of the common septic facility, by hooking onto said system, shall be deemed to have granted the Association, its successors, agents, employees and assigns, an irrevocable license on, over, under across and through their respective properties for the purpose of maintaining the sewer facilities. No compensation shall be paid for any use of this license. An Owner shall reimburse the Association for any reasonable cost of repair.
- (d) All Sites and Common Areas with Recreational Amenities shall be served with potable water by the public water system owned, operated and maintained by the Association. Owners shall not drill new water wells on their Sites. The maintenance and operation of the public water system shall be considered a Common Expense of the Common Cost Center as described in Article IX. The Association shall maintain the public water system and associated facilities to the lot boundary, or to the boundary of any adjacent property using the system. An Owner, by hooking onto said system, shall be deemed to have granted the Association, its successors, agents, employees and assigns, an irrevocable license on, over, under across and through their respective properties for the purpose of maintaining, expanding and/or repairing the water system. No compensation shall be paid for any use of this license.

# Article VI. Insurance and Casualty Losses

## Section 6.01 Insurance.

- (a) The Board of Directors or its duly authorized agents shall have the authority to and shall obtain and continue in effect adequate property insurance, in such form as the Board deems appropriate, against loss or damage by fire or other hazards to Common Areas, Recreational Amenities and common private utility systems, including, without limitation, extended coverage, flood, vandalism, and malicious mischief, such coverage to be in an amount sufficient to cover the full replacement cost (without depreciation but subject to such deductible levels as are deemed reasonable by the Board) of any repair or reconstruction in the event of damage or destruction from any such hazard.
- (b) The board or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy covering all the Common Areas and all damage or injury caused by the negligence of the Association, its members, its directors and officers, or any of its agents. Such public liability policy shall provide such coverages as are determined to be necessary by the Board of Directors.
- (c) The Board or its duly authorized agents shall have the authority and may obtain (i) worker's compensation insurance to the extent necessary to comply with any applicable laws and (ii) such other types and amounts of insurance as may be determined by the Board to be necessary or desirable.
- (d) All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association and costs of all such coverage shall be a Common Expense. Exclusive authority to adjust losses under policies obtained by the Association and hereafter in force with respect to the Development shall be vested in the Board of Directors. Insofar as permitted by law, the Association shall, unless otherwise waived by the Board of Directors, be required to make every effort to secure insurance policies with the provisions hereinafter set forth:
  - (i) All policies shall be written with a company licensed to do business in the State of Idaho and holding a rating of A-XI or better in such financial categories as established by Best's Insurance Reports, if such a company is available or, if not available, its equivalent rating or the best rating possible.
  - (ii) All property insurance policies shall be for the benefit of the Owners and their Mortgagees as their interest may appear.
  - (iii) All policies shall contain a waiver of the insurer's right to cancel without first giving thirty (30) days' prior written notice of such cancellation to the Association and to any Mortgagee to which a mortgagee endorsement has been issued.
  - (iv) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees, and all policies shall contain a provision that the "other insurance" clauses in such policies exclude from consideration policies obtained by individual Owners or their Mortgagees.
  - (v) All policies shall contain a waiver of subrogation by the insurer as to any claims against the Association, the Association's directors and officers, the Owners, and their respective families, servants, agents, tenants, guests, and invitees, including, without limitation, the Association's manager.
  - (vi) All policies shall contain a provision that no policy may be cancelled, invalidated, or suspended on account of the conduct of one or more of the individual Owners, or their respective families, servants, agents, employees, tenants, guests, and invitees, or on account of the acts of any director, officer, employee, or agent of the Association, without prior

demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(vii) All liability insurance shall contain cross-liability endorsements to cover liability of the Association to an individual Owner.

(e) It shall be the individual responsibility of each Owner at his own expense to provide, as he sees fit, public liability, property damage, title, and other insurance with respect to his own Site.

**Section 6.02 Damage or Destruction to Common Area.** Immediately after the damage or destruction by fire or other casualty to all or any part of the Common Areas covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance, and, in any such event, the Board shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damage or destroyed property. Unless within sixty (60) days following any damage or destruction to all or a part of the Common Areas, Declarant, for so long as Declarant owns a Site primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, together with at least seventy-five percent (75%) of the total vote of the Association, shall otherwise agree, the Association shall restore or replace such damaged improvements. If the insurance proceeds, if any, for such damage or destruction are not sufficient to defray the cost thereof, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a special assessment against all Owners, without the necessity of a vote pursuant to Section 9.09 hereof. If it is determined that the damage or destruction for which the insurance proceeds are paid shall not be repaired or reconstructed, such proceeds shall be retained by and for the benefit of the Association, and the ruins of the Common Areas damaged or destroyed by fire or other casualty shall be cleared and the Common Areas left in a clean, orderly, safe, and sightly condition.

**Section 6.03 Damage or Destruction to Sites.** In the event of damage or destruction by fire or other casualty to any Sites, and in the further event that the Owner responsible for the repair and replacement elects not to repair or rebuild, such Owner shall promptly clear away the ruins and debris of any damaged improvements or vegetation and leave such Site in a clean, orderly, safe, and sightly condition. Should such Owner elect to repair or rebuild, such Owner shall repair or rebuild in accordance with all applicable standards, restrictions, and provisions of this Declaration (including, without limitation, Article X hereof) and all applicable zoning, subdivision, building, and other governmental regulations. All such work of repair or construction shall be commenced promptly following such damage or destruction and shall be carried through diligently to conclusion.

## Article VII. Condemnation

**Section 7.01 Condemnation of Common Area.** Whenever all or any part of the Common Areas of the Development shall be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof by the Board acting on the agreement of at least seventy-five percent (75%) of the total vote of the Association and of Declarant, for so long as Declarant owns a Site primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, the award or proceeds made or collected for such taking or sale in lieu thereof shall be payable to the Association and shall be disbursed or held as follows:

- (a) If the taking or sale in lieu thereof involves a portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant, for so long as Declarant owns a Site primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, together with at least seventy-five percent (75%) of the total membership of the Association, shall otherwise agree, the Association shall restore or replace such improvements so taken, on the remaining lands included in the Common Areas which are available therefore. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a special assessment against all Owners, without the necessity of a vote pursuant to Section 9.09 hereof. If such improvements are not to be repaired or restored, the award or proceeds shall be retained by and for the benefit of the Association.
- (b) If the taking or sale in lieu thereof does not involve any improvements to the Common Areas, or if there are net funds remaining after any such restoration or replacement of such improvements in completed, then such award, proceeds, or net funds shall be retained by and for the benefit of the Association.
- (c) If the taking or sale in lieu thereof includes all or any part of a Site and also includes any part of the Common Areas, then a court of competent jurisdiction shall apportion such award or proceeds and such award or proceeds shall be disbursed to the Association and the Owners so affected so as to give just compensation; provided, however, such apportionment may instead be resolved by the agreement of (i) the Board of Directors, and (ii) the Owners of all Sites wholly or partially taken or sold, together with the Declarant for so long as Declarant owns a Site primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

### **Section 7.02 Condemnation of Sites.**

- (a) In the event that all or any part of a Site is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and in the further event that the Owner elects not to restore the remainder of the Site, then such Owner shall promptly clear away any remaining improvements damaged or destroyed by such taking or conveyance and shall leave the Site in a clean, orderly safe, and sightly condition. In addition, if the size or configuration of the Site remaining after such taking or conveyance is insufficient to permit the restoration of the remaining improvements thereon or therein to their condition prior to such taking or conveyance in compliance with all applicable standards, restrictions, and provisions of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations, then the Owner shall have the option, after clearing away all remaining improvements or portions thereof and placing the remainder in a clean, orderly, safe, and sightly condition, of deeding the remaining portion of the Site to the Association as a part of the Common Areas. In such event, an Owner shall have no

further voting rights or membership rights or privileges in the Association or with respect to the Development and shall not be subject to any further assessments imposed by the Association and payable after the date of such conveyance.

- (b) In the event that any part of a Site is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and if the Owner elects to restore the remainder of the Site, the Owner shall restore the Site as nearly as practicable to the same condition it was in prior to such taking or conveyance and in accordance with all applicable standards, restrictions, and provisions of this Declaration and all applicable zoning, subdivision, building and other governmental regulations. All such work of restoration shall be commenced promptly following such taking or conveyance and shall be carried through diligently to conclusion.

## Article VIII. Administration

**Section 8.01 Generally.** The Association, subject to the rights of Declarant and the rights and duties of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon and shall keep the same in a good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions thereof. Except to the extent otherwise required by the provisions of Idaho law relating to nonprofit corporations, this Declaration, the bylaws, or the articles of incorporation, the powers herein or otherwise granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the Owners. As provided in Section 12.01 hereof and notwithstanding any other provision to the contrary contained in any instruments evidencing or establishing the Development, Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events shall occur: (i) the expiration of twenty-five (25) years after the date of the recording of this Declaration; or (ii) the surrender by Declarant of the authority to appoint and remove directors and officers of the Association by an express amendment to this Declaration executed and recorded by the Declarant. Each Owner, by acceptance of a deed to or other conveyance of a Site, vests in Declarant such authority to appoint and remove directors and officers of the Association as provided by this Section 8.01 and by Section 12.01 hereof.

**Section 8.02 Duties and Powers.** Duties and powers of the Association shall be those set forth in the provisions of Idaho law relative to nonprofit corporations, this Declaration, the bylaws, and the articles of incorporation, in that order of priority, together with those reasonably implied to effect the purposes of the Association. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Notwithstanding the foregoing provisions of this Section 8.02 or any other provision of this Declaration to the contrary, for so long as Declarant shall own any interest in the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, the Association shall not, without the consent of Declarant, borrow money or pledge, mortgage, or hypothecate all or any portion of the Common Areas.

**Section 8.03 Agreements.** Subject to the prior approval of Declarant for so long as Declarant owns an interest in the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, all agreements and determinations lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, legal representatives, successors, and assigns, and all others having an interest in the Development or the privilege of possession and enjoyment of any part of the Development; and in performing its responsibilities hereunder, the Association, through its Board of Directors, shall have the authority to delegate to persons of its choice such duties of the Association as may be determined by the Board of Directors. In furtherance of the foregoing and not in limitation thereof, the Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall deem necessary of desirable for the proper operation of the Development. All costs and expenses incident to the employment of a manager shall be a Common Expense. During the term of such management agreement, such manager may, if authorized by the Board of Directors, exercise all of the powers and shall be responsible for the performance of all the duties of the association, excepting any of those powers or duties specifically and exclusively reserved to the directors, officers, or members of the Association by this Declaration or the

bylaws. In addition, the Association may pay for, and the Board of Directors may hire and contract for, such legal and accounting services as are necessary or desirable in connection with the operation of the Development or the enforcement of this Declaration, the bylaws, or the rules and regulations of the Association.

**Section 8.04 Management Agreement.** Salishan Point, LLC or an affiliate may be employed as the manager of the Association and the Development for such period of time as Declarant has the right to appoint and remove officers and directors of the Association. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, shall be deemed to ratify such management agreement.

**Section 8.05 Personal Property and Real Property for Common Use.** The Association, through action of its Board of Directors, may acquire and hold tangible and intangible personal property and real property and may dispose of the same by sale or otherwise. All funds received and title to all properties acquired by the Association and the proceeds thereof, after deducting therefore the costs incurred by the Association in acquiring or selling the same, shall be held by and for the benefit of the Association.

**Section 8.06 Rules and Regulations.** As provided in Article XI hereof, the Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Sites and Common Areas, which rules and regulations shall be consistent with the rights and duties established by this Declaration.

## Article IX. Assessments

**Section 9.01 Purpose of Assessments.** The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Development, and maintaining the Development and improvements therein, all as may be more specifically authorized from time to time by the Board of Directors.

**Section 9.02 Common Expenses.** "Common Expenses" shall be those expenses, charges, reserves, and other costs which are, or are reasonably expected to be, incurred by the Association for the purpose of: (i) Association administration, including, without limitation, overhead, insurance, taxes, legal and other similar costs; (ii) construction and maintenance of Common Areas and Recreational Amenities; (iii) construction and maintenance of stormwater, road, water, septic and other similar commonly owned facilities and systems; (iv) enforcement of the Declaration; and (v) any other similar costs and expenses which are properly classified as Common Expenses by the Board of Directors. All Common Expenses of the Association shall be allocated to a Common Cost Center (as defined below) or to a Special Cost Center (as defined below), as determined by the Board of Directors.

**Section 9.02.01 Common Cost Centers.** Expenses deemed by the Association to relate to all Owners and which benefit all Owners more or less equally shall be allocated to a "Common Cost Center." The Common Cost Center shall include all Units in the Development. Common costs shall include but not be limited to the expenses of general administration, maintenance, transportation and recreational expenses of the Association.

**Section 9.02.02 Special Cost Centers.** There shall be established, in accordance with this Declaration, certain "Special Cost Centers" as deemed necessary or advisable by the Association. Each Special Cost Center shall include one or more but less than all Units in the Development. All Units for the benefit of which an Association facility or function is primarily held or used shall be included in a Special Cost Center. All Association facilities or functions held or used primarily for the benefit of the Units in a Special Cost Center shall be included in the same Special Cost Center with such Units. A separate accounting shall be kept and maintained by the Association with respect to each Special Cost Center. Initially, there shall be a Marina Special Cost Center which shall include all Units appurtenant to boat slips as defined herein.

**Section 9.02.03 Marina Special Cost Center.** Owners of sites with boat slips at the Salishan Point Marina shall constitute the members of the Marina Special Cost Center. Units used to determine the annual assessment for each member shall be calculated by multiplying the member's number of Units as provided in Section 4.03 by the number of boat slips owned by the member.

**Section 9.02.04 New Special Cost Centers.** No Special Cost Center, other than the Marina Special Cost Center, shall be established except as provided in this Section 9.02.04. Prior to the establishment of a new Special Cost Center, the Board of Directors of the Association: (i) shall prepare, in reasonable detail, a written estimate of the initial cost and subsequent income, costs and expenses of the new Special Cost Center; (ii) shall prepare a written definition of the type of Units which will be included in the New Special Cost Center; (iii) shall identify the Units known to then exist within the Development which would fall within such new Special Cost Center; (iv) shall call a meeting of Owners who own Sites with any such Units and give at least thirty days' notice of the time and place thereof to

Declarant and to all such Owners; (v) shall furnish a copy of its estimate and definition to Declarant and all such Owners at least thirty days prior to such meeting; and (vi) shall obtain the written consent, either at or after such meeting, to the establishment of such new Special Cost Center by the Owners of 60% of the then existing Units which would fall within such new Special Cost Center.

**Section 9.03 Assignment of Units, Costs and Income to Cost Centers.** The Board of Directors, governed by and consistent with the provisions of this Declaration, shall: (i) determine which Units exist with respect to any Site and what Units fall within the definitions of the type of Units deemed to benefit from the functions and facilities within any Special Cost Center, including, without limitation, such determinations with respect to Units coming into existence after the establishment of a Cost Center; and (ii) determine which costs and expenses should be charged to and which income or funds should be credited to any Cost Center.

**Section 9.04 Multiple Use of a Facility.** A facility or an employee performing a function within a particular Cost Center may be used in part for another Cost Center, but, in such case, if the use is more than casual, a charge which the Board of Directors of the Association may fix and determine as fair and reasonable, shall be made to and paid by the Cost Center using the facility or employee and paid and credited to the Cost Center within which the facility or employee is primarily included.

**Section 9.05 Common Cost Center Assessments.** Each Owner shall be obligated to pay and shall pay to the Association amounts based on each of the Units applicable to the Site of such Owner which amounts are herein called Common Cost Center Assessments. The amount of the Common Cost Center Assessment for any fiscal period, payable for each Unit of an Owner for that fiscal period, shall be computed by multiplying the total amount to be raised by the Common Cost Center Assessments for that fiscal period by a fraction, the numerator of which shall be one and the denominator of which shall be the total number of Units existing for that fiscal period. The amount of the Common Cost Center Assessment for any fiscal period of the Association payable for each Unit of an Owner coming into existence after the beginning of such for that fiscal period shall be computed by multiplying the Common Cost Center Assessment per Unit for that fiscal period by a fraction, the numerator of which shall be the number of days remaining in that fiscal period after the Unit comes into existence and the denominator of which shall be the total number of days in that fiscal period. Subject to the foregoing provisions, the Board of Directors of the Association shall have the power and authority to determine all matters in connection with Common Cost Center Assessments, including, without limitation, the power and authority to determine where, when and how Common Cost Center Assessments should be paid to the Association, and each Owner shall be required to comply with any such determinations.

**Section 9.06 Special Cost Center Assessments.** Each Owner who owns a Site with Units in a Special Cost Center shall be obligated to pay and shall pay to the Association amounts based on each of the Units of such Owner included in such Special Cost Center. Any such amount is herein called a Special Cost Center Assessment. The amount of the Special Cost Center Assessment for each Special Cost Center for any fiscal period payable for each Unit of an Owner within that Special Cost Center for that fiscal period, shall be computed by multiplying the total amount to be raised by the Special Cost Center Assessments for that Special Cost Center for that fiscal period by a fraction, the numerator of which shall be one and the denominator of which shall be the total number of Units existing for that fiscal period which are within that Special Cost Center. The amount of the Special Cost Center Assessment for each Special Cost Center for any fiscal period of the Association payable for each Unit of an Owner coming into existence and within a Special Cost Center after the beginning of that fiscal period shall be computed by multiplying the Special Cost Center Assessment per Unit for that Special Cost Center for that fiscal period by a fraction the numerator of which shall be the number of days remaining in that

fiscal period after the Unit comes into existence and the denominator of which shall be the total number of days in that fiscal period. Subject to the foregoing provisions, the Board of Directors of the Association shall have the power and authority to determine all matters in connection with Special Cost Center Assessments, including the power and authority to determine where, when and how Special Cost Center Assessments should be paid to the Association, and each Owner shall be required to comply with any such determinations.

**Section 9.07 Creation of Lien and Personal Obligation of Assessments.** Each Owner, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Association: (a) annual assessments established and collected as provided in Section 9.08 hereof; (b) special assessments established and collection as provided in Section 9.09 hereof; (c) individual or specific assessments against any particular Site which are established pursuant to the terms of this Declaration, including but not limited to, fines as may be imposed in accordance with Article XI hereof. Any such assessments, together with late charges, simple interest at the rate of fifteen percent (15%) per annum, and court costs and attorneys' fees incurred to enforce or collect such assessments, shall be an equitable charge and a continuing lien upon the Site, the Owner of which is responsible for payment. Each Owner shall be personally liable for assessments coming due while he is the Owner, and his grantee shall take title to such interest in Property subject to the equitable charge and continuing lien therefore, but without prejudice to the rights of such grantee to recover from his grantor any amounts paid by such grantee therefore; provided, however, the lien for unpaid assessments shall not apply to the holder of any first priority institutional Mortgage or to the holder of any Mortgage securing a loan made by Declarant, its affiliates, successors, or assigns, and who takes title through foreclosure, or through purchase at a foreclosure sale. In the event of co-ownership, all of such co-Owners shall be jointly and severally liable for the entire amount of such assessments. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors.

**Section 9.08 Computation of Annual Assessments.** It shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses, including Common Cost Center expenses and Special Cost Center expenses, during the coming year, such budget to include a capital contribution and/or reserve account, if deemed appropriate for the capital needs of the Association. Such annual assessment for the following year shall be delivered to each Owner at least fifteen (15) days prior to such meeting. Upon the addition of the Additional Property or any portion thereof to the Development, assessments shall continue to be based upon the Units owned by Owners of Sites in the Development, including the Additional Property. In such event, the Association's budget shall be accordingly revised by the Board, without the necessity of approval by the Owners, to include Common Expenses and assessments related to such Additional Property. The budget and the annual assessments shall become effective unless disapproved at the annual meeting by either: (i) Declarant, for so long as Declarant has the authority to appoint and remove directors and officers of the Association or has the unexpired right to add the Additional Property, or any portion thereof, to the Development, or (ii) a vote of a majority of the then existing Units who are voting in person or by proxy at such meeting. In the event the proposed budget is not approved, or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual assessments in effect for the current year shall be increased in proportion to the percentage increase, if any, for the then current year, in the Consumer Price Index (all Urban Consumers, United States City Average, All Items 1957-59=100), or its successor index, and such increased budget shall be implemented for the succeeding year, until a new budget shall have been approved as provided above. If any budget at any time proves inadequate for any reason, then the Board may call a meeting of the Association for the approval of a

special assessment as provided in Section 9.09 hereof.

**Section 9.09 Special Assessment.** In addition to the annual assessments authorized above, the Association, acting through its Board of Directors, may levy, in any assessment year, special assessments for Common Expenses, applicable to that year only, provided that except as otherwise permitted in Sections 6.02 and 7.01 hereof, any such assessment shall be approved by: (i) Declarant, for so long as Declarant owns any interest in the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property, or any portion thereof, to the Development, and (ii) by a majority of the then existing Units voting in person or by proxy at a meeting duly called for this purpose. The Board of Directors may make such special assessments payable in installments over a period which may, in the Board's discretion, extend in excess of the fiscal year in which adopted. Such special assessments are to be prorated among the Units appurtenant to an Owner's interest in the Property as provided with respect to annual assessments.

**Section 9.10 Individual Assessments.** Any expenses of the Association occasioned by the conduct of less than all of the Owners, or by the family, tenants, agents, guests, or invitees of any Owner, shall be specially assessed against such Owners and their respective Sites. The individual assessments provided for in this Section 9.10 shall be levied by the Board of Directors, which shall determine the amount and due date of such assessments so levied.

**Section 9.11 Notice of Meeting and Quorum.** Written notice of any meeting of the Association, as well the quorum and voting requirements, shall be set forth in the bylaws of the Association, except as may otherwise explicitly be provided herein.

**Section 9.12 Effect of Nonpayment; Remedies of the Association.** Any assessments of an Owner, or any portions thereof, which are not paid when due shall be delinquent. Any assessment delinquent for a period of more than ten (10) days after the date when due shall incur a late charge in an amount as may be determined by the Board from time to time, and shall also commence to accrue simple interest at the rate of fifteen percent (15%) per annum. The continuing lien and equitable charge of such assessment shall include the late charge established by the Board of Directors, interest on the principal amount due at the rate of fifteen percent (15%) per annum, all costs of collection (including reasonable attorneys' fees and court costs), and any other amounts provided or permitted hereunder or by law. In the event that the assessment remains unpaid after sixty (60) days from the original due date, the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. The equitable charge and lien provided for in this Article shall be in favor of the Association, and each Owner, by his acceptance of a deed or other conveyance to a Site, vests in the Association and its agents the right and power to bring all actions against him personally for the collection of such assessments as a debt and/or to foreclose the aforesaid lien in the same manner as other liens for the improvements of real property. The Association shall have the power to bid at any foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of his Site, and an Owner shall remain personally liable for assessments, interest, and late charges which accrue prior to the sale, transfer, or other conveyance of his Site.

**Section 9.13 Certificate.** The Treasurer, any Assistant Treasurer, or the manager of the Association shall, within ten (10) days of a written request and upon payment of such fee as is from time to time determined by the Board of Directors, furnish to any Owner or such Owner's Mortgagee which requests the same, a certificate in writing signed by said Treasurer, Assistant Treasurer, or manager setting forth whether the Assessments for which such Owner is responsible have been paid, and if not paid, the outstanding amount due and owing, together with all fines, accrued interest, and other penalty charges.

Such certificate shall be conclusive evidence against all but such Owner of payment of any assessments stated therein to have been paid.

**Section 9.14 Date of Commencement of Annual Assessments.** The annual assessments provided for herein shall commence as to each Site on the day on which such Site is conveyed to a person other than Declarant, and shall be due and payable in such manner and on such schedule as the Board of Directors may provide. Annual assessments and any outstanding special assessments shall be adjusted according to the number of days then remaining in the then fiscal year of the Association. Annual and special assessments for Sites in portions of the Additional Property hereafter submitted to the terms of this Declaration shall commence on the later of (i) the day on which such Site is conveyed to a person other than Declarant; or (ii) the day of the recording of the amendment to the Declaration so submitting such parcels, and shall be adjusted according to the number of days then remaining in the fiscal year of the Association. Anything contained herein to the contrary notwithstanding, Declarant shall not be responsible for the payment of annual or special assessments on Lots, Dwellings, boat slips, or any other property within the Development which it or its affiliates own and which do not contain occupied residences.

## Article X. Architectural Standards and Restrictions

**Section 10.01 Purpose.** In order to preserve the natural setting and beauty of the Development, to establish and preserve a harmonious and aesthetically pleasing design for the Development, and to protect and promote the value of the Development, the Sites and all improvements located therein or thereon shall be subject to the restrictions set forth in this Article X. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article X.

**Section 10.02 Architectural Standards Committee.** The Board of Directors shall establish the Architectural Standards Committee (ASC) which shall consist of up to five (5) but not less than three (3) members, all of whom shall be Owners and who may or may not be members of the Board of Directors, provided that prior to the termination of Declarant's right to appoint and remove officers and directors of the Association, such members do not have to be Owners. The regular term of office for each member shall be two years with staggered terms, such that each year the Board shall appoint no more than three members (or two members if the ASC consists of four or less members) and no fewer than two members (or one member if the ASC consists of three members). Each year of a member's term shall coincide with the fiscal year of the Association. Any member appointed by the Board may be removed with or without cause by the Board at any time by written notice to such appointee, and a successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. Notwithstanding the foregoing to the contrary, any member appointed to the ASC by the Board shall be subject to the prior approval of Declarant until that date which is three (3) years from and after the date on which Declarant's right to appoint and remove officers and directors of the Association is terminated. The ASC shall elect a chairman and he, or in his absence, the vice chairman, shall be the presiding officer at its meetings. The ASC shall meet once in each calendar month, as required, as well as upon call of the chairman, and all meetings shall be held at such places as may be designated by the chairman. Three (3) members shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of those present in person at a meeting of the ASC shall constitute the action of the ASC on any matter before it. The ASC is authorized to retain the services of consulting architect, landscape architects, urban designer, engineers, inspectors, and/or attorneys in order to advise and assist the ASC in performing its functions set forth herein. Each member of the ASC may be paid a stipend or honorarium as from time to time determined by the Board.

**Section 10.03 Permitted Improvements.** No improvements of any nature whatsoever shall be constructed, altered, added to, or maintained upon any Site or any part of the Development, except (i) for Dwellings and other improvements which are constructed by Declarant, (ii) such improvements as are approved by the ASC in accordance with this Article X, or (iii) improvements which pursuant to this Article X do not require the consent of the ASC.

**Section 10.04 Architectural Approval.** To preserve the architectural and aesthetic appearance of the Development, no construction of improvements of any nature whatsoever shall be commenced or maintained by any Owner other than Declarant, with respect to the construction or exterior of any Dwelling or with respect to any other portion of the Development, including, without limitation, the constructions or installation of sidewalks, stairways, driveways, parking lots, mail boxes, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses, awnings, walls, fences, docks, wharves, bulkheads, boat slips, boathouses, exterior lights, garages, guest or servants' quarters, or other outbuildings, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface), unless and until two (2) copies of the plans and specifications and related data (including, if required by the ASC, a topographical and

boundary survey by a licensed surveyor and a site drawing showing the location of trees of six (6) inches in diameter at a height of four (4) feet and other significant vegetation of such Site) showing the nature, color, type, shape, floor plan, height, materials, and location of the same shall have been submitted to and approved in writing as to the harmony of external design, location, and appearance in relation to surrounding structures and topography by the ASC. The plans and specifications submitted to the ASC shall be prepared to that degree of detail, precision and completeness required for procuring all necessary permits to build and to allow for adequate review by the ASC; and one copy of such plans, specifications, and related data so submitted shall be retained in the records of the ASC, the second copy shall be returned to the Owner marked "approved" or "disapproved." If the second copy is returned to the Owner marked "disapproved," an explanation of why the plans were disapproved will accompany the Owner's copy. The ASC shall establish a fee sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, urban designers, inspectors, or attorneys retained in accordance with the terms hereof. The fee initially established for such review shall be \$100.00 for each submission, and the ASC shall have the right to increase this amount from time to time. Notwithstanding the foregoing, an Owner may make interior improvements and alterations within a Dwelling or any building or structures which it owns or maintains, without the necessity of approval or review by the ASC. The ASC shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association. In connection with approval rights and to prevent excessive drainage or surface water run-off, the ASC shall have the right to establish a maximum percentage of a Site which may be covered by Dwellings, building, structures, or other improvements, which standards shall be promulgated on the basis to topography, percolation rate of the soil, soil types and conditions, vegetation cover, and other environmental factors. Following approval of any plans and specifications by the ASC, representatives of the ASC shall have the right during reasonable hours to enter upon and inspect any Site or other improvements with respect to which construction is underway to determine whether or not the plans and specifications therefore have been approved and are being complied with. In the event the ASC shall determine that such plans and specs have not been approved or are not being complied with, the ASC shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications. In the event the ASC fails to approve or disapprove in writing any proposed plans and specifications within forty-five (45) days after such plans and specifications shall have been submitted, such plans and specifications will be deemed to have been expressly approved. Upon approval of plans and specifications, no further approval under this Article X shall be required with respect thereto, unless such construction has not substantially commenced within six (6) months of the approval of such plans and specifications, (e.g., clearing and grading, pouring of footings, etc.) or unless such plans and specifications are materially altered or changed. Refusal of approval of plans and specifications may be based by the ASC upon any ground which is consistent with the objects and purposes of this Declaration, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

**Section 10.05 Limit on Liability.** Neither the Declarant, the Association, nor the Architectural Standards Committee shall be responsible or liable for any defects in any plans or specifications submitted, revised or approved pursuant to the terms of this Article X, nor any defect in construction undertaken pursuant to such plans and specifications. Similarly, no approval of plans and specifications and no publication of architectural standards shall be construed as representing or implying that such plans, specifications or standards will, if followed, result in properly designed improvements. Without limiting the foregoing:

**10.05.01** Neither the Declarant, the Association nor the Architectural Standards Committee shall be responsible or liable for any alleged or actual defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as

a result of (i) faulty or incorrect design or architectural plans, (ii) improper soil testing, (iii) inadequate or insufficient protection from subsoil, groundwater or earth movement or a subsidence, (iv) the construction, manufacture or assembly of any tangible property, (v) the failure to provide construction related goods or services as represented or to pay for such goods or services, or (vi) the supervision of such activities.

**10.05.02** Neither the Declarant, the Association nor the Architectural Standards Committee shall be responsible or liable for any direct or indirect bodily injury, personal injury, sickness, disease or a death of any person nor for the actual, alleged, threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of fungi or microbes, or the actual, alleged or threatened failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of, or in any way respond to, assess the effects of or advise of the existence of any fungi or microbes.

### **Section 10.06 Construction of Improvements.**

- (a) All buildings, structures, or other improvements (excepting sidewalks, driveways and retaining walls approved by the ASC) on or with respect to any Site shall be located only within the setback lines specified on the Site Plan and permitted by government regulation. To assure that Dwellings and other structures will be located so that the maximum view, privacy, and solar exposure will be available to each Dwelling or structure, Dwellings and structures will be located with regard to the topography of each Site taking into consideration the location of trees and vegetation and other aesthetic and environmental considerations, as well as the location of any other Dwellings or structures within the Development. No Dwelling or other structure shall be constructed on a Lot which has a height to roof peak exceeding thirty-five (35) feet above the average adjacent natural grade. All Dwellings constructed on Lots shall have a minimum of 1,300 square feet of living space on the ground floor, and not less than 2,000 square feet of total living space. Total impervious site development (excluding swimming pools) shall not exceed 35% lot coverage, and total building footprint (including area under all decks, and architectural projections more than 3 feet above grade with the exception of roof eaves) shall not exceed 25% of the total lot area. The ASC shall be empowered to grant variances with respect to setback, lot coverage, height and bulk restrictions contained herein because of exceptional topographic, geologic or other extraordinary conditions, provided that such variances shall not violate local zoning or land use regulations, shall not be granted on an arbitrary basis, shall not unfairly discriminate between Owners and shall further the common purposes of the Development.
- (b) No construction of improvements on any Sites shall be undertaken or conducted on any Sundays, or holidays as established by the ASC, except for (i) construction activities of Declarant, (ii) emergency situations involving the potential loss, injury, or damages to person or property, and (iii) as otherwise permitted by the ASC.
- (c) Dwellings may not be temporarily or permanently occupied until the exteriors thereof have been completed. No temporary house, trailer, shack, tent, barn, or other outbuilding shall be permitted on any Site at any time, except as provided in Section 10.18 hereof and except for temporary structures for social functions as may be permitted by rules and regulations promulgated by the Board, nor shall any stable, poultry house or yard, rabbit hut, or other similar yard structure be constructed or allowed to remain on any Site. During the continuance of construction by an Owner the Site at all times shall be maintained in a reasonably clean and uncluttered condition and, to the extent possible, all construction trash and debris shall be kept within refuse containers. Tracking of mud and dirt upon traveled roadways will be cleaned each day during construction. Upon completion of construction, all equipment, tools, and construction material and debris shall be removed from the Site.
- (d) All construction of improvements shall conform in all respects with local, state and federal land use,

building, mechanical, electrical, plumbing and environmental codes and regulations, as applicable.

**Section 10.07 Design Regulations - Site.** To preserve the aesthetic appearance of the Development, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed by any Owner other than Declarant, unless and until the plans therefore have been submitted to and approved in writing by the ASC.

- (a) The provisions of Section 10.04 hereof regarding time for approval of plans, right to inspect, right to enjoin and/or require removal, etc., shall also be applicable to any proposed landscaping, clearing, grading, excavation, or filling. Such plans shall include a calculation of the ratio of the area to be covered by grass lawns versus the area to be left in a natural state, and the ASC shall be entitled to promulgate standards with respect to such ratios.
- (b) No hedge or shrubbery planting on any Sites or within any Common Areas shall be placed or be permitted to remain which obstructs sight-lines or otherwise in the determination of the ASC poses any hazard to safe vehicular or pedestrian traffic above or adjacent to any roads or Common Areas in the Development.
- (c) Unless located within ten (10) feet of a building or a recreational or parking facility, no Owner other than Declarant, shall be entitled to cut, remove, or mutilate any trees, shrubs, bushes, or other vegetation having a trunk diameter of six (6) inches or more at a point of four (4) feet above ground level, without obtaining the prior approval of the ASC provided that dead or diseased trees which are inspected and certified as dead or diseased by the ASC or its representative, as well as other dead or diseased shrubs, bushes, or other vegetation, shall be cut and removed promptly from any Site by the Owner.
- (d) All of the landscaping of Sites, if any, must be completed within ninety (90) days of occupancy or substantial completion of the improvements located thereon, whichever date shall first occur. Owners shall be responsible to maintain all Sites and to clear unsightly and/or noxious weeds or undergrowth as reasonably deemed necessary by the ASC even though no improvements have been constructed on the Site.
- (e) The ASC shall have the authority to promulgate, alter, amend and enforce a view control plan for the purpose of providing a uniform and equitable system for the maintenance and maximum utilization of views from each Site within the Development. Such plan may obligate Owners to prune, trim or remove trees, shrubs or other vegetation as necessary to protect and maximize views from Sites within the Development. The expense of such required pruning shall be borne as agreed between affected parties or as determined by the ASC.
- (f) In areas adjacent to structures, fuel modification provisions are hereby included for the purposes of establishing and maintaining defensible space. Based on the low urban-wildland interface area rating on the subject property, a fuel modification distance of not less than ten (10) feet shall be maintained. Lot owners shall be responsible for modifying or removing non-fire resistive vegetation on each lot. Trees are allowed within the defensible space, provided the horizontal distance between crowns of adjacent trees and crowns of trees and structures, overhead electrical facilities or unmodified fuel is not less than 10 feet. Dead wood and litter shall be removed annually from trees. Where ornamental vegetative fuels or cultivated ground cover, such as green grass, ivy, succulents or similar plants are used as ground cover, they are allowed to be within the designated defensible space, provided they do not form a means of transmitting fire from the native plant growth to any structure (2003 International Urban-Wildland Interface Code, Section 603).

**Section 10.08 Building Materials, Roof Slope.** All roofs shall have no less than a minimum 4:12 slope and no more than a maximum 12:12 slope, and only 25% of the plan area of a roof may be flat. The surface color of all flat areas on a roof shall be subject to the approval of the ASC. Roof surface materials on all sloped roofs shall be natural wood shingle or shakes, or a substitute roofing material

which looks like shingles or shakes in size, thickness, texture and color, from an approved list of substitutes as established by the Board of Directors. No roof top mechanical equipment shall be allowed except flues and vent stacks less than 4" in diameter, and solar collectors and skylights (not to exceed 20% of the total roof area) mounted in the roof surface plane. Exterior wall materials shall be restricted to wood siding or wood shingles and exposed wood structural elements, provided that brick, stone and stucco accents shall be permitted. Exterior finish shall be of earth tone hues acceptable to the ASC. Natural aluminum glazing sash shall not be permitted. Foundations shall not be exposed more than six (6) inches above grade.

**Section 10.09 Service Yards, Driveways and Parking.** Each Site shall provide visually-screened areas to serve as service yards in which garbage receptacles, fuel tanks, gas and electric meters, mechanical equipment, and vehicles, materials, supplies, and equipment which are stored outside must be placed or stored in order to conceal them from view from roads and adjacent properties. Any such visual barrier shall be at least six (6) feet high and may consist of either fencing or landscaping and planting which complements the dwelling and is approved by the ASC in accordance with the terms of this Article X. Such service yards which are on a Lot must be enclosed and contiguous to the Dwelling. No service yard enclosures shall be constructed of chain link, poultry or wire fencing. Development of each Site shall include a provision for parking of two cars per Dwelling Unit within the building setback lines, unless otherwise specified by local zoning or land use regulations. Driveway material shall be asphaltic, concrete, brick cementitious pavers or compacted gravel with a minimum thickness of 4". Retaining walls shall be constructed from placed stone, brick, concrete masonry units, or be surfaced in wood siding.

**Section 10.10 Use of Lots and Dwellings in Single Family Residential Areas.** Except as permitted by Sections 3.10 and 10.18 hereof, each Lot and Dwelling located within the Development shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. The use of a portion of a Dwelling as an office by an Owner or his tenant shall not be considered to be a violation of this covenant if such use does not create customer, client, or employee traffic, provided that in no event shall any Lot or Dwelling be used as the storage area for any business. Lease or rental of a Dwelling for residential purposes shall not be considered to be a violation of this covenant so long as the lease (i) is for not less than the entire Dwelling and all the improvements thereon, (ii) is for a term of at least three (3) months, and (iii) is otherwise in compliance with rules and regulations as may be promulgated and published from time to time by the Board of Directors. Any lessee or tenant shall in all respects be subject to the terms and conditions of this Declaration and the rules and regulations adopted hereunder.

**Section 10.11 Exterior Appearance.** No perimeter or other permanent fencing shall be allowed, except with regard to maintenance areas within the Common Areas. Also, any unenclosed garages or carports must be adequately screened from street views. Further, no foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades, or other purpose, nor shall any window-mounted heating or air-conditioning units be permitted. Except within screened service yards, outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed, or maintained, nor shall any clothing, rugs, or other item be hung on any railing, fence, hedge, or wall. Except as otherwise provided below in this Section, all exterior lighting shall be indirect. "Indirect" shall mean having its light source shielded and not visible from adjoining Sites, Common Areas or streets. In submitting plans for approval, all proposed exterior fixtures must be indicated on exterior elevation plans. Whether indicated on plans submitted to the ASC or not, the location and type of all exterior lighting shall be subject to ASC approval. Acceptable "indirect" exterior light fixtures include recessed can or pot lights, below ground up-lighting low-louvered landscape lights and wall mounted shielded up/down lights. The ASC, in its sole discretion, may permit

limited “direct” exterior lighting for use with security systems provided such systems are not triggered by movement outside the Site boundaries, or for Owners who can demonstrate unusual circumstances that warrant “direct” exterior lighting. However, in no event shall an Owner be entitled to “direct” exterior lighting that exceeds 25 watts per fixture. Mailboxes shall be consistent with a criteria to be established by the ASC for the Development.

**Section 10.12 Signs.** Except as may be required by legal proceedings, no signs or advertising posters of any kind shall be maintained or permitted within any windows, on the exterior of any improvements, or on any Sites located within the Development, without the express written permission of the ASC. Generally, each signage for Lots shall include one allowed sign with the Owner’s last name and/or address according to size and material specifications to be established by the ASC. Notwithstanding the foregoing, the restrictions of this Section 10.12 shall not apply to Declarant. In addition, the Board of Directors, on behalf of the Association, shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas and within those easement areas established in Section 3.08 hereof.

**Section 10.13 Antennas.** Except as otherwise provided for herein, no television antenna, radio receiver, or other similar device shall be attached to or installed on any portion of the Development, unless contained entirely within the interior of a building or other structure, nor shall radio or television signals, nor any other form of electromagnetic radiation, be permitted to originate from any Site which may unreasonably interfere with the reception of television or radio signals within the Development; provided, however, that Declarant and the Association shall not be prohibited from installing equipment necessary for master antenna, security, cable television, mobile radio, satellite signal reception or other similar systems within the Development. Satellite dishes eighteen inches (18”) in diameter or less may be allowed if unobtrusive, so as to blend with the surroundings. Approval for installation must be obtained from the Architectural Standards Committee prior to placement.

**Section 10.14 Security Systems.** In the event that either Declarant or the Association shall install a central security system within the Development, with the capability of providing security services to each Site or Dwelling within the Development, then no Owner shall be entitled to install or maintain any alternative security systems within a Dwelling, other than security systems which are appurtenant to and connected with such central security system, without obtaining the prior written consent and approval of the Board of Directors.

**Section 10.15 Pets.** No animals, livestock, birds, or poultry of any kind shall be raised, bred, or kept by any Owner upon any portion of the Development, provided that a reasonable number of generally recognized house pets may be kept in Dwellings, subject to rules and regulations adopted by the Association, through its Board of Directors, and further provided that such pet or pets are kept or maintained solely as domestic pets and not for any commercial purpose. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Areas. Dog kennels, where authorized by the ASC, must be constructed with the long dimension contiguous to an adjacent Dwelling or detached garage/shop and shall be screened from public roadways. Pets shall be under leash at all times when walked or exercised in any portion of the Common Areas, and no pet shall be permitted to leave its excrement on any portion of the Common Areas, and the Owner of such pet shall immediately remove the same. Upon the written request of any Owner, the Board of Directors may conclusively determine, in its sole and absolute discretion, whether, for purposes of this Section 10.15, a particular pet is a generally recognized house pet or such pet is a nuisance, and the Board shall have the right to require the owner of a particular pet to remove such pet from the Development if such pet is found to be a nuisance or to be in violation of these restrictions. The Board of Directors shall have

the further right, subject to Section 11.03 hereof, to fine any Owner (in an amount not to exceed \$50.00 per violation) for the violation of these pet restrictions by such Owner or an occupant of his Site, and an Owner shall be liable to the Association for the cost of repair of any damage to the Common Areas caused by the pet of such Owner or of an occupant of such Owner's Site. Any such fine or cost of repair shall be added to and become a part of that portion of any assessment next coming due to which such Site and its Owner are subject.

**Section 10.16 Nuisances.** No rubbish or debris of any kind shall be dumped, placed, or permitted to accumulate upon any portion of the Development, nor shall any nuisance or odors be permitted to exist or operate upon or arise from the Development, so as to render any portion thereof unsanitary, unsightly, offensive, or detrimental to persons using or occupying any other portions of the Development. Noxious or offensive activities shall not be carried on in any Site or in any part of the Common Areas, and each Owner, his family, tenants, guests, invitees, servants, and agents shall refrain from any act or use of a Site or of the Common Areas which could cause disorderly, unsightly, or unkempt conditions, or which could reasonably cause embarrassment, discomfort, annoyance, or nuisance to the occupants of other portions of the Development or which could result in a cancellation of any insurance for any portion of the Development, or which would be in violation of any law or governmental code or regulation. Without limiting the generality of the foregoing provisions, no exterior speakers, horns, whistles, bells, or other sound devices, except security and fire alarm devices used exclusively for such purposes, shall be located, used or placed within the Development. Any Owner, or his family, tenants, guests, invitees, servants, or agents, who dumps or places any trash or debris upon any portion of the Development shall be liable to the Association for the actual costs of removal thereof or the sum of \$25.00, whichever is greater, and such sum shall be added to and become a part of that portion of any assessment next becoming due to which such Owner and his Site are subject.

**Section 10.17 Motor Vehicles, Trailers, Boats, Etc.** Each Owner shall provide for parking of automobiles off streets and roads within the Development prior to occupancy of the Dwellings owned or maintained by such Owner. Except as otherwise provided for herein, there shall be no outside storage or parking upon any Site or within any portion of the Common Areas (other than areas provided therefore within the Common Areas or Commercial Spaces) of any mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than pick-up trucks), commercial vehicles of any type, camper, motorized camper or trailer, boat or other watercraft (other than in boat slips, boathouses, or other docking facilities), boat trailer, motorcycle, motorized bicycle, motorized go-cart, or any other related forms of transportation devices. Furthermore, although not expressly prohibited hereby, the Board of Directors may at any time prohibit mobile homes, motor homes, campers, trailers of any kind, motorcycles, motorized bicycles, motorized go-carts, and other similar vehicles, or any of them, from being kept, placed, stored, maintained, or operated upon any portion of the Development if in the opinion of the Board of Directors such prohibition shall be in the best interests of the Development. No Owners or other occupants of any portion of the Development shall repair or restore any vehicle of any kind upon or within any Site or within any portion of the Common Areas, except (i) within enclosed garages or workshops or (ii) for emergency repairs, and then only to the extent necessary to enable the movement thereof to a proper repair facility. The Declarant or the Association may designate a portion of the Common Area south of Dufort Road acceptable for storage of Owners' trailers, motor homes, boats and other similar items. However, neither the Declarant nor the Association shall bear any liability for the safekeeping of such stored items.

**Section 10.18 Sales and Construction Activities.** Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant and its agents, employees, successors, and assigns to maintain and carry on such facilities and activities as may

be reasonably required, convenient, or incidental to the completion, improvement, and sale of Sites or the developing of Sites, Common Areas, and the Additional Property, including, without limitation, the installation and operation of sales and construction trailers and offices, signs and model Dwellings, provided that the location of any construction trailers of any assignees of Declarant's rights under this Section 10.18 shall be subject to Declarant's approval. The right to maintain and carry on such facilities and activities shall include specifically the right to use Dwellings as model residences, and to use any Dwelling as an office for the sale of Sites and for related activities.

**Section 10.19 Enforcement of Architectural Standards by ASC.** In the event an Owner fails to comply with the procedures and requirements set forth in this Article X or with the orders, rules and regulations issued by the ASC under the authority granted to it under this Article X, and the ASC determines that such noncompliance is material, then the ASC shall send by registered or certified mail a written notice of noncompliance to the Owner notifying Owner of the noncompliance and requesting a written response from the Owner within fourteen (14) days advising what action the Owner will take to cure the noncompliance. If the ASC does not receive a satisfactory reply, or if the Owner fails to diligently carry out the curative actions agreed to by the Owner and the ASC, then the ASC shall notify the Board of Directors of the noncompliance and request the Board of Directors to take appropriate actions per Section 11.03.

**Section 10.20 Fish and Game Restrictions.** The following conditions are hereby adopted to protect local wildlife populations. These conditions may not be repealed or altered by any future action of the Declarent and/or Association, and will remain in full force and effect regardless of any other future modifications to this Declaration:

- (a) Residential garbage may not be left outside and bear-proof dumpsters should be used.
- (b) Residents shall avoid attracting bears, raccoons and skunks. Cleaning barbeque grills frequently, not leaving pet food outside, and protecting compost piles and fruit trees can all help reduce human/wildlife conflicts.
- (c) Wild animals may not be purposely fed. Purposely feeding wild animals creates an unnatural situation and may cause local population increases, which may create an unwanted nuisance for neighboring residents and eventually, the resident that is providing the food. An increase in the local deer population creates a hazard for motorists and animals. Many animals are hit by cars and dogs, deer can become tangled in garden fences, run through picture windows, or dart into the street into oncoming traffic. Also, concentrating a large number of animals in a small area can facilitated local disease outbreaks.
- (d) Bird seed or corn or distributed on the ground may attract wild turkeys. This unnatural situation often increases the local turkey population, which frequently causes damage to private property and leads to human/wildlife conflicts. Idaho Department of Fish and Game will not be responsible for property damage caused by wild turkeys nor will the Department trap and remove animals that have become accustomed to being fed by residents.
- (e) Standing timber (including dead snags) and natural vegetation (including shrubs) should be retained outside building envelopes to provide cover, food, nesting sites, perching sites, etc. for indigenous wildlife, provided that such vegetation does not pose an undue fire hazard under Bonner County's Bon/Fire program.
- (f) Pets shall be kept kenneled, leashed, indoors other otherwise restrained from chasing or disturbing wildlife per Section 10.15.
- (g) No domestic stock such as horses, llamas, and cows or domestic fowl is permitted.
- (h) When observing wildlife maintain a safe distance. Do not disturb their normal activities. Resist the temptation to "save" baby animals, as their parent(s) are generally nearby.

- (i) Animals that appear injured may simply have a pulled muscle, bruised bone, or torn tendon. And, just like humans, the injury will heal over time. Wild animals are very resilient and heal quickly. There is no reason to “put these animals out of their misery.”
- (j) Providing food (particularly sunflower seeds) for song birds during the summer months also attracts bears to feeders. Residents are not recommended to feed song birds during the summer months. Bird feeders should be routinely cleaned to prevent the spread of disease.

## Article XI. Rule Making

**Section 11.01 Rules and Regulations.** Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of Sites and the Common Areas and facilities located hereon, including, without limitation, the Recreational Amenities. In particular but without limitation, the Board of Directors may promulgate from time to time rules and regulations which shall govern activities which may, in the judgment of the Board of Directors, be environmentally hazardous, such as application of fertilizers, pesticides, and other chemicals. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners, their families, tenants, guests, invitees, servants, and agents, until and unless any such rule or regulation shall be specifically overruled cancelled, or modified by the Board of Directors or in a regular or special meeting of the Association by the vote of the Owners, in person or by proxy, holding a majority of the total votes in the Association, provided that in the event of such vote, such action must also be approved by Declarant, for so long as Declarant owns any interest in the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

**Section 11.02 Authority and Enforcement.** Subject to the provisions of Section 11.03 hereof, upon the violation of this Declaration, the Bylaws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any assessments, the Board shall have the power (i) to impose reasonable monetary fines which shall constitute an equitable charge and a continuing lien upon the Site, the Owners, occupants or guests of which are guilty of such violation, (ii) to suspend an Owner's right to vote in the Association, or (iii) to suspend an Owner's right (and the right of such Owner's family, guest, and tenants and of the co-Owners of such Owner and their respective families, guests, and tenants) to use any of the Recreational Amenities, and the Board shall have the power to impose all or any combination of these sanctions. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, his family, guests, or tenants or by his co-Owners or the family, guests, or tenants of his co-Owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter not to exceed thirty (30) days.

**Section 11.03 Procedure.** Except with respect to the failure to pay assessments or as otherwise provided in Section 11.04; the Board shall not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other occupant of the Development for violations of the Declaration, the Bylaws, or any rules and regulations of the Association, unless and until the following procedure is followed:

- (a) Written demand to cease and desist from an alleged violation shall be served upon the Owner responsible for such violation specifying:
  - (i) the alleged violation;
  - (ii) the action required to abate the violation;
  - (iii) a time period of not less than fourteen (14) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Declaration, the Bylaws or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.
- (b) Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice of a hearing to be held by the Board in executive session. The notice shall contain:

- (i) the nature of the alleged violation;
  - (ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice;
  - (iii) an invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and
  - (iv) the proposed sanction to be imposed.
- (c) The hearing shall be held in executive session of the Board of Directors pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer, director, or other individual who delivered such notice. The notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

**Section 11.04 Enforcement of Architectural Standards by Board of Directors.** If pursuant to Section 10.19 the Architectural Standards Committee requests that the Board of Directors take action to address an Owner's noncompliance with the requirements of Article X, then the Board of Directors shall be empowered to take any or all of the following actions on behalf of the Association:

- (a) Pursue a legal action against the Owner for damages and/or injunctive relief pursuant to Section 12.04;
- (b) Impose fines, suspend the Owner's voting rights and/or suspend the Owner's rights to the Recreational Amenities in accordance with the powers and procedures set forth in Sections 11.02 and 11.03; and
- (c) If, as a result of legal action, an Owner is ordered to correct a noncompliance and fails to commence the corrective action within fourteen (14) days of the order or thereafter fails to diligently pursue the corrective action to its completion, the Board of Directors may, upon fourteen (14) days written notice sent to Owner by registered or certified mail, have its contractor or agent enter the Site of the Owner and bring the Site and the improvements located thereon in compliance. To recover the cost and expense of bringing the Site into compliance, the Association shall then have a claim for the cost and expense against the Owner, which claim the Association may treat as an Individual Assessment on the Owner's Site in accordance with Section 9.10.

The foregoing remedies are non-exclusive and cumulative, and the Board of Directors, in its sole discretion, may pursue some, all or none of the foregoing remedies.

**Section 11.05 No Changes To Maintenance and Use Requirements.** These Articles may not be amended by any party as they pertain to the following:

- Maintenance and operation of the stormwater system;
- Maintenance and use of the Common Areas;
- Maintenance and use of the road system;
- Requirements to meet all applicable land use codes;
- Requirements for individual lot stormwater/erosion control management;
- Maintenance and operation of the water and sewage disposal system.

## Article XII. General Provisions

**Section 12.01 Control by Declarant.** NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION, IN THE ARTICLES OF INCORPORATION, OR IN THE BYLAWS OF THE ASSOCIATION, Declarant hereby retains the right to appoint and remove any member or members of the Board of Directors of the Association and any officer or officers of the Association as provided by and for the term set forth in Section 8.01 hereof. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove directors and officers of the Association in accordance with the foregoing provisions of this Section 12.01 and the provisions of Section 8.01. Upon the expiration of the period of Declarant's rights to appoint and remove directors and officers of the Association pursuant to the provisions of Section 8.01 and this Section 12.01, such right shall pass to the Owners, including Declarant if Declarant then owns one or more Sites, and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board of Directors, and Declarant shall deliver all books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession.

**Section 12.02 Amendments by Declarant.** During any period in which Declarant retains the right to appoint and remove any directors and officers of the Association, Declarant may amend this Declaration by an instrument in writing filed and recorded in the Records of Bonner County, Idaho, without the approval of any Owner or Mortgagee; provided, however, that, with the exception of the addition of any portion of the Additional Property to the terms of this Declaration, (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of his Site or the Common Areas as set forth in this Declaration or adversely affects the title to any Site, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Owners affected thereby, or (ii) in the event that such amendment would materially and adversely affect the security title and interest of any other Mortgagee such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected. Notwithstanding the foregoing to the contrary, the expiration or termination of the right of Declarant to appoint and remove any directors and officers of the Association shall not terminate Declarant's right to amend the Declaration for the purpose of submitting the Additional Property or any portion thereof to the provisions of this Declaration as provided in Section 2.02 hereof. Any amendment made pursuant to this Section 12.02 shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if required, and shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Site, agrees to be bound by such amendments as are permitted by this Section 12.02 and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to the development (A) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule, or regulation or any judicial determination which shall be in conflict therewith, or (B) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure other Common Area improvements subject to this Declaration.

**Section 12.03 Amendments by Association.** Amendments to this Declaration, other than those authorized by Section 12.02 hereof, shall be proposed and adopted in the following manner:

- (a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be

delivered to each member of the Association.

- (b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by members of the Association. Such amendment must be approved by Owners holding at least two-thirds (2/3) of the total votes in the Association entitled to be cast; provided, however, (i) that any amendment which materially and adversely affects the security title and interest of any Mortgagee must be approved by such Mortgagee, and (ii) during any period in which Declarant owns an interest in the Property primarily for the purpose of sale or has the unexpired option under this Declaration to add the Additional Property or any portion thereof to the Development, such amendment must be approved by Declarant.
- (c) The agreement of the required percentage of the Owners and, where required, Declarant and any Mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, the sworn statement of the President of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself.

**Section 12.04 Enforcement.** Each Owner shall comply strictly with the Bylaws and the published rules and regulations of the Association adopted pursuant to this Declaration and with the covenants, conditions and restrictions set forth in this Declaration and in the deed or other instrument of conveyance to his Site, if any. Failure to comply with any of the same shall be grounds for imposing fines, for suspending voting rights or right of use in and to the Recreational Amenities, or for instituting an action to recover sums due, for damages, and/or for injunctive relief, such actions to be maintainable by Declarant, the Board of Directors on behalf of the Association, or, in a proper case, by an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of this Declaration, the Bylaws, and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that Declarant, the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation or breach. No delay, failure, or omission of the part of Declarant, the Association, or any aggrieved Owner in exercising any right, power, or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to enforce such right, power, or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any person of the provisions of this Declaration, the Bylaws, or any rules and regulations of the Association, however long continued.

**Section 12.05 Duration.** The provisions of this Declaration shall run with and bind title to the Property, shall be binding upon and inure to the benefit of all Owners and Mortgagees and their respective heirs, executors, legal representatives, successors, and assigns, and shall be and remain in effect for a period of thirty (30) years from and after the date of the recording of this Declaration, provided that rights and easements which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed for successive ten (10) year periods provided, however, that there shall be no renewal or extension of this Declaration,

if during the last year of any ten (10) year period or the last year of the initial thirty (30) year period, seventy-five percent (75%) of the total votes of the Association then entitled to be cast are cast in favor of terminating this Declaration at the end of the then current term. In the event that the Association votes to terminate this Declaration, an instrument evidencing such termination shall be filed of record in the Records of Bonner County, Idaho, such instrument to contain a certificate wherein the president of the Association swears that such termination was duly adopted by the requisite number of votes.

**Section 12.06 No Multiple Ownership.** No Sites may be sold under any time-sharing, time-interval, or similar right-to-use programs. Notwithstanding the foregoing to the contrary, a Site may be owned by a corporation, partnership or other legal entity so long as, in the sole determination of the Declarant and/or the Association, such corporation, partnership or other legal entity has not been formed in order to circumvent the restrictions contained herein. The foregoing prohibition shall not apply to Declarant, its affiliates, or their respective successors or assigns.

**Section 12.07 Interpretation.** In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effective notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration shall be the date of its filing for record in the Records of Bonner County, Idaho. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of Idaho.

**Section 12.08 Gender and Grammar.** The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

**Section 12.09 Severability.** Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

**Section 12.10 Notice of Sale, Lease, or Mortgage.** In the event an Owner sells, leases, mortgages, or otherwise disposes of any Site, the Owner must promptly furnish to the Association in writing the name and address of such purchaser, lessee, mortgagee, or transferee.

**Section 12.11 No Trespass.** Whenever the Association, Declarant, the Architectural Standards Committee, and their respective successors, assigns, agents, or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve, or do any other action within any portion of the Development, the entering thereon and the taking of such action shall not be deemed to be a trespass.

**Section 12.12 Notices.** Notices required hereunder shall be in writing and shall be delivered by hand or

sent by United States Mail, postage paid. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association, or if no address has been so designated, at the addresses of such Owners' respective Site. All notices to the Association shall be delivered or sent in care of Declarant to the Declarant's main office or to such other address as the Association may from time to time notify the Owners. All notices to Declarant shall be delivered or sent to Declarant's main office or to such other address as Declarant may from time to time notify the Association. Notices to Mortgagees shall be delivered or sent to such addresses as such Mortgagees specify in writing to the Association.

IN WITNESS WHEREOF, duly authorized officers of the undersigned Declarant have executed this Declaration this \_\_\_\_ day of \_\_\_\_\_, 2008.

DECLARANT:  
Salishan Point, an Idaho Limited Liability Company

\_\_\_\_\_  
By Keith G. Carpenter, Manager

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On this \_\_\_\_ day of \_\_\_\_\_ in the year 20\_\_\_\_ before me, a Notary Public in and for said State, personally appeared \_\_\_\_\_ known or identified to me to be the person(s) whose name(s) is (are) subscribed to the within instrument, and acknowledged to me that he (she, they) executed the same, I have hereunto set my hand and seal to date last above written.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_ My commission expires: \_\_\_\_\_