AMT MISC

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BONNEVILLE COUNTY RECORDER
1225388 MAY31'06 AM 8 56

PARK PLACE

INSTRUMENT NO. 1225388
DATE 5-31-06
INST. CODE 927
IMAGED PGS 29
FEE 87.00
STATE OF IDAHO)
COUNTY OF BONNEVILLE)
I hereby certify that the within instrument was recorded.
Ronald Longmore, County Recorder
By _____ Deputy
Request of AMT

T/O

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

AmeriTitle
497 N. Capital Ave
Idaho Falls, ID 83402

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF

PARK PLACE

KNOW ALL MEN BY THESE PRESENTS:

PARK PLACE JOINT VENTURE, LLC, an Idaho Limited Liability Company, hereinafter referred to as "**DECLARANT**", is the owner of the property described as:

All of Park Place, Division No. 1, to the City of Idaho Falls, County of Bonneville, State of Idaho, according to the recorded plat thereof,

and does hereby impress the following covenants, conditions and restrictions ("**COVENANTS**") *on said Property:*

1. **DEFINITIONS:**

1.1 "Assessments" shall be paid by the Lot Owners within the Subdivision and the Members of the Association for the operation and management of the Association and the Common Expenses incurred thereby for the maintenance and repair of the Common Areas within the Subdivision. Each Lot Owner's (Member's) Assessment shall be his "proportionate share" of the Common Expense as determined by the total number of Lots owned by an individual Owner divided by the total number of all Lots (not designated as Common Areas or Common Area Lots) within the Subdivision.

1.2. "Association" shall refer to the Park Place Owners Association, Inc., a non-profit corporation, composed of all of the Owners who own Lots within the Subdivision.

1.3. "Board" or "Board of Managers" shall be the Management Body of the Association as selected by Members of the Association.

1.4. "Board Rules" shall mean those rules and/or regulations which the Board adopts to control, regulate and/or restrict the use, management, operation or otherwise of the Common Areas and such other matters which the Association shall have responsibility for.

1.5. "City" shall refer to the City of Idaho Falls Idaho.

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1.6. "City Planting Area" shall refer to the area between the backside of the curb and the property Lot line (being a distance of approximately six (6) feet)(see paragraph 4.11 hereinafter).

1.7. "Committee" shall refer to the Architectural Control Committee and/or its designated representative (see paragraph 5 hereinafter).

1.8. "Common Area" shall refer to those portions of the Subdivision shown on the respective Subdivision Plats as Common Area(s). All Common Areas shall be conveyed to the Association, be general Common Areas and shall be for the use and benefit of the Members of the Association.

1.9. "Common Area Lot" shall mean and refer to a Lot which has been designated on the Subdivision Plat as a Lot reserved for or as a Common Area or a Landscape Lot. Lot 1, Block 1 and Lot 1, Block 2 of Division No.1 are designated as Landscape Lots on the Plat and therefore are Common Area Lots. Common Area Lots shall not be included in the number of total Lots within the Subdivision for purposes of determining an Owner's share of the Common Expense. Since the Association will own all Common Area Lots, the Association shall not have a vote (from ownership of Common Area Lots) in the Association Meetings or matters. Common Area Lots are specifically intended as Common Areas for the use and benefit of the Members of the Association.

1.10. "Common Expense" means any amounts, costs, fees, taxes, water assessments, charges and/or expenses paid or incurred for the care, maintenance, and/or repair of the Common Areas and/or which are established and/or determined by the Board (in its sole discretion) for the common good and benefit of the Owners of the Subdivision and the Members of the Association pursuant to these Covenants, the Articles of Incorporation, and/or the ByLaws.

1.11. "Covenants" shall mean and refer to all conditions, restrictions and covenants contained in this Declaration.

1.12. "Declaration" shall refer to this document upon recordation with the Bonneville County Recorders Office.

1.13. "Declarant's Entities" shall mean and refer to any entity which Allen Ball, Laurence B. Reinhart or Robert W. Utterbeck has an interest in.

1.14. "Documents" shall mean and refer to this Declaration and the Association Articles of Incorporation and By Laws.

1.15. "Improvement" shall mean any structure, facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of a Lot or Common Area, including, but not limited to: buildings, fences, driveways, sidewalks, curbs,

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landscaping, signs, lights, mailboxes, electrical lines, pipes, pumps, ditches and other facilities or fixtures of any kind whatsoever.

1.16. "Lease" means any agreement for the leasing or rental of property.

1.17. "Lot" shall refer to a parcel of property described as a Lot on the Plat of the Subdivision.

1.18. "Member" shall refer to a Member of the Association. Each Owner of a Lot within the Subdivision shall be a Member of the Association. A Member may participate in the Association in compliance with the Articles of Incorporation and By-Laws of the Association.

1.19. "Mortgage" means any mortgage, deed of trust, or other security instrument by which a Lot or any part thereof is encumbered.

1.20. "Mortgagee" means any person, bank, savings and loan association, established mortgage company, or other entity chartered under federal or state laws, or any successor to the interest of such, named as Mortgagee, trust beneficiary, or creditor under any Mortgage, as Mortgage is defined in the immediately preceding subparagraph.

1.21. "Owner" means any person or entity who holds an ownership interest in a Lot in the Subdivision which is reflected in the records of the Recorder's Office of Bonneville County, Idaho. "Owner" shall refer to the record Owner, whether one or more persons or entities, of fee simple title to any Lot, including contract Sellers, but excluding those having such interest merely by security for the performance of an obligation. "Owner" does not refer to any Mortgagee, as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. If ownership of a Lot is held by one or more persons or entities, the multiple Owners of that Lot shall be deemed a single Owner for purposes of voting in any amendment of these Covenants and/or the Association Meetings.

1.22. "Plat" shall mean the recorded Plat(s) of the Subdivision, including any additional phases and/or divisions. Any such Plat(s) and the specifications therein are incorporated and made a part of this Declaration by this reference. Any additional phases and/or divisions of the Subdivision shall be included in the Association as though all additional divisions were part of the original Subdivision Plat.

1.23. "Refuse" shall refer to rubbish, refuse, garbage, or other wastes (see paragraph 4.13 hereinafter).

1.24. "Subdivision" shall refer to Park Place, Division No. 1, as described hereinbefore, inclusive of any amendments and/or additional divisions or phases thereto, which are duly recorded subsequent hereto with the Bonneville County Idaho

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Recorder's Office.

2. **PURPOSES OF COVENANTS:** The purposes of these Covenants include, but are not limited to: to assure, enforce and uphold the covenants, conditions, restrictions, standards, qualities and uses contained in this Declaration; to maintain and increase property values through the proper management and oversight of all improvements within the Subdivision; and to enable and enhance harmony with, conformance to, and assure complementary standards, design, style, aesthetics, architecture, landscape, color scheme, finish, and quality of workmanship and materials of all construction and improvements within the Subdivision.

However, notwithstanding the foregoing or any provision hereafter, no provision or requirement of this Declaration (and/or the Documents) shall be construed as to prevent or limit Declarant's right to carry out and complete the development of the Subdivison and to construct improvements thereon, nor Declarant's right to maintain model homes, construction, sales or leasing offices or similar facilities on any portion of the Subdivision, nor Declarant's right to post signs incidental to construction, sales or leasing.

3. **NATURE OF OWNERSHIP:**

3.1. **OWNERSHIP OF COMMON AREAS:** The Common Areas (and/or Common Area Lots) shall be conveyed to and owned by the Association. Each Owner (excluding the Association as to the Common Area Lots Ownership) shall be a Member of the Association and shall have the right to use the Common Areas for all purposes incident to the use and occupancy of his Lot and such other incidental uses permitted by the Documents which right and membership shall be appurtenant to and run with his Lot and shall not be separable therefrom. Any conveyance or encumbrance of a Lot shall also be deemed a conveyance or encumbrance of those appurtenant rights or Association Membership interests even though such rights or interests are not expressly referred to in any conveyance or encumbrance.

3.2. **NON SEPARABILITY OF COMMON AREA:** The Common Areas shall remain owned by the Association and shall not be separated from the Association and its Members. No Owner or Member shall bring any action for partition or division of interest in the Common Areas or from the Association.

4. **COVENANTS AND COMPLIANCE:** All Owners shall comply with the covenants, conditions and restrictions contained in this Declaration and such Board Rules as may be adopted by the Board. All Owners shall require compliance from their children, tenants, guests, employees and any other person whom they invite into the Subdivision.

4.1. **PRIOR COMMITTEE APPROVAL:** No Improvements which will be visible above the ground or which will ultimately affect the visibility of any above

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ground Improvements shall be built, erected, placed or materially altered on a Lot, including without limitation, change of exterior colors or materials, unless and until the building or other plans, specifications and plot plan thereof have been reviewed in advance and the same approved by the Committee. The Committee may, in its reasonable discretion, approve or disapprove such Improvements based upon all relevant factors, including without limitation: design and style, mass and form, value, topography, setback requirements, exterior color and materials, quality of materials and workmanship and the physical or aesthetic conformity to surrounding terrain and other Improvements within the Subdivision. Notwithstanding the above provisions, this Declaration is not intended to serve as authority for the Committee to control the interior layout or interior design of buildings except as to the extent incidentally necessitated by use and size requirements.

4.2. **RESIDENTIAL USES:** No Lot shall be used except for residential purposes as permitted and described in these Covenants. No buildings or structures shall be erected, altered, placed, or permitted to remain on any Lot other than **one detached** single family dwelling not to exceed two stories in height, unless approved by the Committee. Non-residence buildings, sheds, outbuildings, and other outbuildings may be located on a Lot in combination with the residence if the structure is harmonious in style and similar in workmanship, materials, design and style as the residence. Mobile homes, move-on homes, manufactured homes, log homes, condominiums, apartments and other multiple dwelling structures shall not be permitted on any Lot.

4.3. **SQUARE FOOTAGE:** The ground floor area of the main structure, exclusive of one story open porches and garages, shall not be less than 1450 square feet on a one story dwelling , nor less than 1800 combined square footage for all floors above ground level for a dwelling of more than one story.

4.4. **GARAGES:** No carports will be permitted and at least a two car enclosed garage is mandatory for each residence. All driveways running from the street to the residence shall be completed at time of completion of construction of the residence.

4.5. **SETBACK:** All setback measurements required hereunder shall be from the foundation. No building shall be located on any Lot nearer to the front Lot line than twenty (25) feet. No building shall be located on any Lot nearer than the applicable side and/or rear set back lines currently in effect under the City Zoning Ordinance applicable to such Lot. No fence or wall shall be erected, placed or altered on any Lot nearer to the front street line than the front building set back line. All sheds or other outbuildings associated with the residence shall be located behind the residence on the Lot and in accordance with the City Zoning Ordinance.

4.6. **CONSTRUCTION:** Construction of all buildings or structures, residential or otherwise, shall be completed not later than twelve (12) months from the date of commencement (deemed to be upon issuance of the building permit) of

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construction thereof or two (2) years from the date of transfer from Declarant, whichever is sooner. Completion of construction of the structure shall be deemed to be upon issuance of the Certificate of Occupancy unless otherwise approved by the Committee. During construction, the Lot shall be maintained and kept by the Owner thereof in a clean and good condition.

4.7. RE-SUBDIVISION: No Lot shall be subdivided or re-subdivided from the Lot size and dimension as reflected on the Plat of the Subdivision without the approval of the Committee.

4.8. EXTERIOR MATERIALS: The exterior of all buildings shall be constructed with minimal maintenance siding materials such as rock, stone, brick, stucco, metal and other low maintenance type products which may be approved by the Committee. In addition, the exterior of all residences shall include a minimum of 40% of the front elevation as rock, stone, brick or stucco. Painted wood, T111, or other painted or paint grade type siding or materials shall not be allowed on the exterior of any buildings.

4.9. SIDEWALK: The Lot Owner shall construct the sidewalk relating to his Lot, at his expense, in compliance with the City specifications and improvement drawings, prior to the date of the issuance of the Certificate of Occupancy for the residence thereon, or within twenty (20) days of the date of occupancy of the residence thereon, whichever occurs first. Each Lot Owner shall remove the snow, maintain, repair, replace, and otherwise care for and keep the sidewalk in a clean and safe condition, and free from obstructions.

4.10. LANDSCAPING: Each Lot shall include lawn and landscaping around the residence located thereon and the City Planting Area. All lawn and landscaping shall be completed within one (1) year of construction completion of the residence (deemed to be the date of the City of issuance of the occupancy permit therefor) or the date of purchase from a Home builder, whichever is later. Until all lawn and landscaping is completed, the Lot shall be kept free from all noxious weeds and maintained in a clean and husbandrylike manner.

4.11. CITY PLANTING AREA: Each Lot Owner, including a home builder building a residence for sale, shall landscape the City Planting Area with grass and other materials as may be approved by the Committee and the City in accordance with paragraph 4.10 above. Such landscaping shall include lawn and a minimum of one (1) Norway Maple (Acer Platanoides "Columnar") with at least a one inch caliper sized trunk. Each Lot Owner shall subsequently mow the grass, prune the trees, and otherwise care for, keep and maintain, inclusive of watering, the City Planting Area in a clean, neat, orderly and husbandry-like manner so as to provide an attractive appearance.

4.12. NUISANCE: No noxious, offensive, hazardous (including the discharging of firearms and open fires except in a self-contained barbecue unit while

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attended and in use for cooking purposes), or annoying activity, nor immoral, improper, or unlawful use shall be allowed or permitted on any Lot. Excluding construction activities of improvements on a Lot, any activity or use which is or becomes an annoyance and/or nuisance to, or interferes with, the peaceful possession and proper use of any Lot, shall be prohibited.

4.12.1. The terms "offensive" and/or "improper" shall include the open storage of junk, old machinery or equipment, non-operating automobiles, trucks, or other vehicles, and/or other forms of bulk storage not normally associated with the residential use of property. Storage of such items may only be permitted if confined to specific locations and defined areas enclosed by a building, which blocks or conceals the visibility thereof from any other portion, location or improvement within the Subdivision. A fence shall not qualify as a building for such purposes.

4.12.2. Without limiting the generality of any of the foregoing provisions, no external speakers, horns, whistles, bells or other sound devices used exclusively for security purposes, shall be located, used, or placed upon any Lot except upon Committee approval.

4.13. CLEAN CONDITION: Each Lot and all improvements thereon shall be kept in a clean and sanitary condition and no refuse (rubbish, garbage, or other wastes) shall be burned, dumped, kept on, allowed to accumulate (except in sanitary containers or equipment as the Committee may approve) or cause a fire hazard on any Lot. All refuse shall be disposed of in accordance with the City and/or the Department of Health regulations, or such regulations and/or requirements as the Committee may determine. The right to enter upon any Lot for the purpose of cleaning and removal of refuse as the Committee may reasonably determine is hereby reserved to the Committee. The costs and expenses thereof shall be the responsibility of the respective Lot Owner and shall become a lien on the Lot upon completion of the work.

4.14. TEMPORARY RESIDENCES: No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used on any Lot at any time as a dwelling or residence either temporarily or permanently.

4.15. SIGNS: Except for the following described signs, no sign of any kind shall be displayed to the public view on any Lot: one sign of not more than five (5) square feet advertising the property for sale or rent; or signs used by Declarant and/or a builder to advertise the property during the construction and sales period. Notwithstanding any provision to the contrary contained hereinbefore, Declarant may construct a Subdivision entrance sign (as maintenance free as is reasonable under the circumstances) at the entrance(s) of the Subdivision and in each event, an easement is hereby reserved, if located on a Lot for the purposes of construction and maintenance of such sign(s). In such event, Declarant shall construct and install a sprinkler system and plant grass around the Subdivision sign(s). The respective Lot

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Owner, shall have the duty and obligation to maintain the sign, including mowing and trimming around such sign, at his own cost and expense.

4.16. ANIMALS: No animals, livestock, or poultry of any kind shall be raised, bred, kept or otherwise permitted on any Lot, without the Committee's approval, except three (3) dogs, three (3) cats and/or three (3) other household pets, provided they are not kept, bred, or maintained for any commercial purposes, nor allowed to become a nuisance or disturbance to the neighborhood. One doghouse per dwelling may be permitted provided that both the doghouse and surrounding area are kept in a neat and orderly fashion, and in a clean and non-offensive manner. No dogs runs, pens or kennels shall be allowed without the approval of the Committee. No animal shall be allowed to roam free in the neighborhood or enter upon other private property.

4.17. RECREATIONAL AND/OR OTHER VEHICLES: No recreational vehicles (including but not necessarily limited to boats, campers, motor homes, or similar vehicles or equipment),nor trucks, tractors or trailers, nor non-operating, dilapidated, un-repaired, or unsightly vehicles or similar equipment but excluding trucks, trailers, or tractors or other construction type equipment used for construction within the Subdivision, shall regularly be parked or stored on any portion of the Subdivision (including streets and/or driveways) unless enclosed by a structure or screened from view in a manner approved by the Committee. Notwithstanding the foregoing, any boat, camper, trailer or recreational vehicle which is in good repair and working order may be stored on a Lot but shall not be kept closer to: 1) any street than the front line of the residence on a Lot, and 2) the applicable rear or side set-back requirements. Any such boat, camper, trailer or recreational vehicle shall be kept behind a fence to screen the visibility and protect the aesthetics of the Subdivision.

4.18. ANTENNA/SATELLITE: Any antenna of any type greater than five (5) feet in height must be approved by the Committee. Satellite dishes shall not be allowed closer to any road than the rear line of the residence and shall not be visible from any street or road. No satellite dishes larger than twenty inches (20") in diameter shall be allowed.

4.19. KINDERGARTENS, SCHOOLS AND HOME BUSINESSES: No Lot or building thereon shall be used as a school, kindergarten, or child care center. No "home business" or "home occupation" shall be allowed on a Lot unless approved by the Committee and allowed by the applicable City Zoning Ordinance.

4.20. EASEMENTS: Easements for the installation and maintenance of utilities are reserved as shown on the recorded Plat or as described herein. No building shall be located within the said easements.

4.21. WATER/SEWER SYSTEM: No individual water supply or sewage disposal system shall be permitted on any Lot.

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4.22. ASSESSMENTS: Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in the deed, is deemed to covenant and agree to pay the Association such Initial, Regular, Special and/or Limited Assessments as set forth in the Association By-Laws and as enacted from time to time by the Board.

5. ARCHITECTURAL CONTROL COMMITTEE:

5.1. INITIAL COMMITTEE: The Committee shall be composed of three (3) persons, and the initial Committee shall consist of: Laurence B. Reinhart, Cortney Liddiard and Robert W. Utterbeck. All decisions of the Committee shall be by a majority vote thereof unless the Committee designates a representative to act therefor. In the event the Committee designates a representative therefor, all submissions shall be to the representative and the representative's decision shall be binding as a decision of the Committee.

5.2. COMMITTEE APPROVAL: Requests for the Committee's approval on any and all matters contained, restricted or to be determined in or under, or any question or dispute as to compliance with these Covenants shall be submitted to the Committee in writing. Detailed construction, improvement (including plot plan, side yards, setbacks, topography and finish grade location specifications, elevations and materials), landscape, and drainage plans and specifications setting forth and including: quality of workmanship, types and quality of materials, and harmony of external design must be submitted and approved by the Committee prior to commencement of construction. The Committee in writing may: a) approve; b) approve conditioned upon changes to the plans and/or specifications; or c) disapprove the plans. In the event, the Committee fails to approve or disapprove such matter within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval shall be deemed to have been given and the related covenant, conditions and/or restrictions shall be deemed to have been duly complied with.

5.3. COMPLIANCE: All construction must be completed in conformance with and comply to the plans and specifications submitted to and as approved by the Committee. All construction which does not conform or comply must be corrected within thirty (30) days of written notice by the Committee to the Owner.

5.4. DECISIONS: The Committee's decision on any matter, dispute, compliance or conformance issue, covenant, condition or restriction shall be final and binding upon all parties concerned and all Owners within the Subdivision. All agreements, decisions and determinations made by the Committee pursuant to these Covenants shall be deemed to be binding on all Owners and shall inure to their benefit.

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5.5. VARIANCES: The Committee may grant and authorize variance from compliance with any of the architectural provisions of this Declaration, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when it deems such action reasonable and appropriate under the circumstances, which may include, but not be limited to: topography, natural obstructions, hardship, aesthetic or environmental considerations. Such variances must be evidenced in writing, must be signed by at least two (2) Committee Members, and shall be recorded in the Association records. If such a variance is granted, no violation of the Covenants contained in this Declaration shall be deemed to have occurred. The granting of such variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose, except as to the particular property and particular provision covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting use of his Lot or premises, including but not limited to, zoning ordinances and Lot setbacks lines or requirements imposed by any governmental or municipal authority.

5.6. VACANCY: In the event of the death, inability to serve, or resignation of any Committee Member, the remaining Committee Members shall have full authority to designate a successor.

5.7. ACTIONS OF COMMITTEE: The actions, non-actions or negligence of the Members of the Committee shall not be actionable under any circumstances.

5.8. COMMITTEE DUTIES PASS TO ASSOCIATION BOARD: At such time as Declarant and Declarant's Entities no longer own any Lots within the Subdivision, including additional divisions, the Committee shall automatically dissolve and the Board shall assume the duties, obligations and responsibilities of the Committee.

6. PARK PLACE OWNERS ASSOCIATION, INC. CREATED: Simultaneously with recordation of this Declaration, the **PARK PLACE OWNERS ASSOCIATION, INC.,** a non-profit Corporation, shall be created. The purposes, powers and limitations of the Corporation shall be all of the purposes, powers and limitations set forth in the Association Articles of Incorporation, By-Laws and this Declaration (except as to those purposes and powers reserved to the Committee until the Committee is dissolved as described in paragraph 5.8 above. Said Association shall provide for and establish a Board of Managers (**"Board"**) for the management of the Association. The Board shall perform the duties and enforce the covenants, conditions and restrictions as set forth herein. A copy of the Articles of Incorporation and By-Laws are attached hereto as Exhibit "A" and "B", respectively, and are hereby incorporated herein as though set forth in full.

6.1 PERSONAL LIABILITY: No member of the Board or any committee of the Association (including but not limited to the Architectural Control Committee) or any officer of the Association, or the Declarant, or the manager, if any, shall be

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personally liable to any Owner or Member, or any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error, or negligence; provided such person has, upon the basis of such information as may be possessed by him, acted in good faith without willful or intentional misconduct.

6.2. BOARD RULES: Subject to the approval of Declarant (until Declarant and Declarant's Entities no longer own any Lots within the Subdivision) the power to adopt, amend and repeal by majority vote of the Board such management, use and/or operational rules and regulations (**"Board Rules"**) as the Board deems reasonable for the maintenance, operation, management, occupation and control of the Common Areas, the Subdivision, and which are consistent with the Documents described above. The Board may adopt the initial Board Rules without giving notice to the Owners; however, subsequent Board Rules shall be adopted only after due notice of the proposed Rules are given to the Owners, and the Owners are given an opportunity to present arguments for or against such Rules. When an amendment, alteration, or repeal of any Rules is or are made, the effective date shall be when a copy thereof is delivered to the mailbox of each Owner.

7. IRRIGATION DISTRICT WATER RIGHTS: The Property within this Subdivision remains within the Idaho Irrigation District. Pursuant to the provisions of the Water Use and Assessments Agreement between the Idaho Irrigation District, the City of Idaho Falls and the Declarant, the irrigation water rights associated with this Subdivision have been assigned to the City of Idaho Falls. The City of Idaho Falls shall be responsible for and shall pay all irrigation water assessments associated therewith. In the event the Water Use and Assessment Agreement is terminated or voided for any reason whatsoever, the Committee shall petition the Idaho Irrigation District for exclusion of the Subdivision from the District in order to terminate and/or prevent any assessments from the District to the Owners within the Subdivision. The power to execute, any and all requisite instruments and/or documents to facilitate and complete the Exclusion of the Subdivision from the Idaho Irrigation District is hereby reserved to the Committee and each Owner (present and future) hereby grants to the Committee an irrevocable power of attorney to execute for and in the name of such Owner, such instruments and/or documents as may be necessary to effectuate the aforesaid Exclusion.

8. EXPANSION OF SUBDIVISION:

8.1 RIGHT TO EXPAND: The Property described hereinbefore is the first phase or division of the Subdivision which shall be developed. Declarant contemplates developing and constructing additional phases and Divisions in the Subdivision. Therefore, Declarant hereby reserves the right to expand the Subdivision to include additional phases and/or divisions consisting of Lots of the same general size, use and nature, and Common Areas of the same general use and nature as those in Division 1, to be constructed on other real property then owned by

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Declarant. Upon completion of each expansion or Division, the then existing Owner's percentage of ownership (membership) in the Association and share of Common Expenses shall be diminished in a proportion equal to the number of Lots added in the new completed Division. Division 1 and all new Divisions or expansions shall be managed and governed as one Subdivision and one Association without regard to the Divisions or Phases. "Completion" for purposes of this paragraph shall mean at such time as when the new Division's Plat has been recorded and the improvements to the Common Areas contained therein have been substantially completed.

8.2 **Method of Expansion.** The expansion of the Subdivision pursuant to this paragraph may be accomplished by Declarant's filing for record in the Bonneville County Idaho Recorder's Office, no later than ten (10) years from the date this Declaration is recorded in that office, supplements to the Declaration containing:

8.2.1. Legal descriptions of the real property on which additional Lots and/or Common Areas will be built;

8.2.2. Supplemental plans containing the information with respect to the new Lots and/or Common Areas (Common Area Lots); and

8.2.3. The expansion may be accomplished in phases (additional divisions) by successive supplements or in one supplemental expansion.

9. COVENANT ENFORCEMENT: Enforcement of the covenants, conditions and restrictions contained in this Declaration shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any said covenant, condition, or restriction. Remedies shall include but not be limited to: restraining the violation; restoring the properties to the proper condition; and/or recovering damages. Each Owner, any group of Owners, and/or the Committee shall have standing authority unless otherwise provided, to enforce by any legal means, including suit for specific performance, injunctive relief or damages, the provisions of this Declaration. All costs and expenses thereof, including attorneys' fees, shall be paid by the defaulting party whether such is incurred by the filing of suit or otherwise. In the event an action is brought by the Committee for enforcement and/or restriction and the costs and expenses thereof are not recoverable from the defaulting party for any reason, said costs and expenses shall be paid equally by all Lot Owners within the Subdivision.

10. CONTINUING COVENANTS: The covenants, conditions and restrictions contained herein may be altered, amended and/or modified by the unanimous consent of the Unit Owners. Upon approval of Declarant (so long as Declarant or one of Declarant's Entities still owns a Lot within the Subdivision), a two-thirds (2/3rds) majority vote of the Lot Owners within the Subdivision (each Lot having one vote except the Common Area Lot Owner) is required to amend or modify these Covenants.

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11. CONSTRUCTION:

11.1 SEVERABILITY: Invalidation of ay phrase, sentence, clause, paragraph or provision contained herein by judgement or court order shall in no course operate or render this Declaration invalid, nor be construed to invalidate or affect any other phrase, sentence, clause, paragraph or provision in this Declaration.

11.2 GENDER AND NUMBER: 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 individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

11.3 WAIVERS: No Provisions contained herein shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

11.4 TOPICAL HEADINGS: The topical headings of the paragraphs contained herein are for convenience only and do not define, limit or construe the contents of the paragraphs herein.

DATED: May 30, 2006

PARK PLACE JOINT VENTURE, LLC

By: _____
Laurence B. Reinhart, Manager

By: _____
Cortney Liddiard, Manager

STATE OF IDAHO)
) SS.
COUNTY OF BONNEVILLE)

On May 30, 2006, before me, the undersigned, personally appeared Laurence B. Reinhart and Cortney Liddiard, known or identified to me to be Managers of the Limited Liability Company that executed the within instrument and acknowledged to me that such Limited Liability Company executed the same.

NOTARY PUBLIC
LANE R. ARCHIBALD
STATE OF IDAHO
My Commission Expires: 04/15/2011

_____
NOTARY FOR THE STATE OF IDAHO
Commission Expires: _____

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EXHIBIT "A"

ARTICLES OF INCORPORATION
OF

PARK PLACE OWNERS ASSOCIATION, INC.

an Idaho Non-Profit Corporation

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, acting as the incorporators under the provisions of the Idaho Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation.

1. **NAME:** The name of this corporation shall be:

PARK PLACE OWNERS ASSOCIATION, INC.

and said corporation is and shall be a non-profit corporation.

2. **THE PURPOSE OF THE CORPORATION MAY BE:**

2.1. To care for and maintain (including snow removal) the property, improvements, landscaping, including sprinkler systems located in the Common Areas of Park Place, a Subdivision located in the City of Idaho Falls Idaho and as enacted by the Board of Managers.

2.2. To aid and cooperate with the Owners of said Subdivision in the enforcement of all conditions, covenants and restrictions on or appurtenant to their Lots.

2.3. Exercise any and all power that may be delegated to it from time to time by the Owners (Members) of said Corporation (Association).

3. **POWERS:** Pursuant to the purposes of the Corporation, the Corporation is hereby authorized and empowered to do and act, and to carry on any business authorized by the Laws of the State of Idaho and as the Board of Managers my enact (pursuant to and in accordance with these Articles, the By-Laws and the Declaration of Covenants, Conditions and Restrictions for Park Place Division No. 1 recorded as Instrument No. _____, Bonneville County Recorders Office (**"Declaration"**) and the State of Idaho, as necessary to

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complement and augment the general purposes of the Corporation. The Articles, By-Laws and Declaration shall be jointly referred to as **"the Documents".**

4. EXISTENCE: This Corporation shall have perpetual existence.

5. MEMBERSHIP:

5.1. Membership shall be composed of and restricted to persons or duly organized entities who own Lots in Park Place, Division 1, a Subdivision within the City of Idaho Falls Idaho, hereinafter referred to as the **"Property"**.

5.2. No Membership certificates shall be issued. "Member", as referred to herein, shall mean all the Owners of each Lot within the Subdivision. If ownership of a Lot is held by one or more persons or entities, the multiple Owners of the Lot shall be deemed a single Owner or Member for purposes of voting in meetings of the Corporation. Each Lot shall be entitled to one (1) vote in any Members Meetings. The Corporation shall be the Owner of all Common Areas and any Lots designated as Common Area on the Plat of the Subdivision. There shall be no voting rights associated with the Common Area Lots.

5.3. Membership interests shall be transferred upon transfer or disposition of a Member's interest or ownership in and to a Lot. Membership qualifications shall be further delineated, described, and resolved by the Board of Managers.

5.4. If, following a hearing after due notice, the Board of Managers shall find that a Member has refused to or has not paid all sums due to the Corporation within thirty (30) days after demand for the same, it may suspend his rights as Member or terminate his Membership. On termination of such Membership in the Corporation all rights and interest of such Member in the Corporation shall cease.

5.5. A Member may not withdraw from Membership at any time unless the Common Areas of the Subdivision are terminated and vacated.

6. REGISTERED AGENT: The name of the initial registered agent and the location of the office of the Corporation are:

Cortney Liddiard
330 Shoup Avenue, Suite 300
Idaho Falls, ID 83402

7. INCORPORATORS AND INITIAL DIRECTORS AND/OR MANAGERS:

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The management of the Corporation shall be carried out by a Board of Managers consisting of three (3) persons unless expanded by and as allowed by the By-Laws. The Incorporators and Initial Board of Managers are and shall be:

Cortney Liddiard 330 Shoup Avenue, Suite 300 Idaho Falls, ID 83402	Incorporator and Manager
Laurence B. Reinhart P.O. Box 50540 Idaho Falls, ID 83405	Incorporator and Manager
Robert W. Utterbeck 645 W. 25th Street Idaho Falls, ID 83402	Incorporator and Manager

The Term of each Manager shall be as set forth in the By-Laws of the Corporation.

8. ASSESSMENTS: The Board of Managers shall determine the amount and method of payment of any Initial, Regular, Special and/or Limited Assessments, in accordance with the By-Laws of the Corporation.

9. DISSOLUTION/LIQUIDATION: In the event of the dissolution and liquidation of this Corporation, to the extent allowed or permitted under applicable laws, the property and assets of the Corporation shall be, as determined by the Board of Managers, distributed to the Members prorata or sold with the proceeds distributed to the Members prorata.

IN WITNESS WHEREOF, the undersigned here executed these Articles of Incorporation in duplicate and certify to the truth of the facts herein.

Dated:_____

_____ _____

Cortney Liddiard Laurence B. Reinhart

_____

Robert W. Utterbeck

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STATE OF IDAHO)
) SS.
COUNTY OF BONNEVILLE)

On _____, before me, the undersigned, personally appeared Cortney Liddiard, Laurence B. Reinhart and Robert W. Utterbeck, known or identified to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

_____
NOTARY FOR THE STATE OF _____
Commission Expires: _____

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EXHIBIT "B"

BY-LAWS OF

PARK PLACE OWNERS ASSOCIATION, INC.

1. OFFICES:

1.1 PRINCIPAL OFFICE: The principal office of the Corporation (also to be known as "**Association**") in the State of Idaho shall be located at the address designated in the most recent annual report filed with the Idaho Secretary of State. The Corporation shall maintain at its principal office a copy of the corporate records.

1.2 REGISTERED OFFICE AND AGENT: The registered office of the Corporation required by law to be maintained in the State of Idaho may, but need not, be identical with the principal office. The Corporation may change its registered office or registered agent from time to time in the manner required by law.

2. MEMBERSHIP:

2.1 OWNERSHIP: Membership shall be composed of and restricted to persons or duly organized entities who own Lots in Park Place, Division No. 1, to the City of Idaho Falls Idaho, inclusive of any amendments and/or additional divisions or phases thereto (hereinafter referred to as "**Subdivision**") as recorded in the Bonneville County Idaho Recorders office. A Lot is as described on the recorded Plat of the Subdivision.

2.2 CERTIFICATES/ENTITIES: No Membership certificates shall be issued. "Member", as referred to herein, shall mean all the Owners of each Lot within the Subdivision. If ownership of a Lot is held by one or more persons or entities, the multiple Owners of the Lot shall be deemed a single Owner or Member for purposes of voting in meetings of the Corporation. Each Lot shall be entitled to one (1) vote in any Members Meetings. The Corporation shall be the Owner of all Common Areas and any Lots designated as a Common Area on the Plat of the Subdivision. There shall be no voting rights associated with the Common Area Lots.

2.3 TRANSFERRAL: Membership interests shall be transferred upon transfer or disposition of a Member's interest or ownership in and to a Lot. Membership qualifications shall be further delineated, described, and resolved by the Board of Managers (also hereinafter referred to as "**Board**").

2.4 SUSPENSION: If, following a hearing after due notice, the Board of Managers shall find that a Member has refused to or has not paid all sums due to the Corporation within thirty (30) days after demand for the same, it may suspend his rights as Member or

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terminate his Membership. On termination of such Membership in the Corporation, all rights and interest of such Member in the Corporation shall cease.

2.5 **WITHDRAWAL:** A Member may not withdraw from Membership at any time unless the Corporation is terminated or vacated.

3. CORPORATE MEETINGS:

3.1 **PLACE OF MEETINGS:** Meetings of the Corporation shall be held at such place within the State of Idaho as the Board of Managers (hereinafter referred to as "Board" or as "Managers") may specify in the notice.

3.2 **ANNUAL MEETINGS:** The Annual Meetings of the Corporation shall be held on the second Tuesday of February of each year, at such place as the Board shall determine, provided that the Board may by resolution fix the date and place of the Annual Meeting on such other date or at such other place as the Board may deem appropriate.

3.3 **SPECIAL MEETINGS:** Special meetings of the Corporation may be called at any time by written notice signed by a majority of the Board, or by Owners holding twenty-five percent (25%) of the total votes, delivered not less than ten (10) days prior to the date fixed for said meetings. Such meetings shall be held at such place as the Board may specify and the notice thereof shall state the date, time and matters to be considered.

3.4 **NOTICE OF MEETING:** A written notice of each Owners meeting stating the place, day and hour of the meeting, and in case of a special meeting, the purpose or purposes of the meeting shall be given by the Secretary of the Corporation, or upon the Secretary's failure to call immediately, by the person or persons authorized to request the call of the meeting, to each Owner of record entitled to vote at the meeting. This notice shall be sent at least ten (10) days before the date named for the meeting (unless a greater period of notice is required by law in a particular case) to each Owner by United States Mail or in lieu thereof by personal delivery to each Owner, which personal delivery may be proved by affidavit.

3.5 **QUORUM:** A Corporation meeting, duly called, can be organized for the transaction of business whenever a quorum is present. The presence, in person or by proxy, of the holders of a majority of the voting power of all Owners entitled to vote shall constitute a quorum. The Owners present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough Owners to have less than a quorum. If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting to such time and place as they may determine, but in case of any meeting called for election of a Board of Managers, those who attend the second of such adjourned meetings, although less than a quorum as fixed in this section, shall nevertheless constitute a quorum for the purpose of electing a Board of Managers.

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3.6 **VOTING:** When a quorum is present at any meeting, the vote of Owners representing at least fifty-one percent (51%) or more of the voting rights of the Owners, present in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the Board of Managers, unless the question is one upon which, by express provision of the statutes, or of the Declaration, a different vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing, and in the case of proxies for the annual meeting, they shall be delivered to the Secretary at least ten (10) days prior to said annual meeting. Proxies for special Owners' meetings must be of record with the Secretary at least two (2) days prior to said special meeting.

3.7 **WAIVER OF NOTICE:** Any Owner may at any time waive any notice required to be given under these By-Laws, or by statute or otherwise. The presence of an Owner in person at any meeting of the Owners shall be deemed such waiver.

3.8 **INFORMAL ACTION BY OWNERS:** Any action that may be taken at a meeting of the Owners may be taken without a meeting if a consent in writing setting forth the action shall be signed by all of the Owners entitled to vote on the action and shall be filed with the Secretary of the Corporation. This consent shall have the same effect as unanimous vote at a meeting of Owners.

4. BOARD OF MANAGERS:

4.1. **NUMBER AND QUALIFICATIONS:** The Corporation's affairs shall be governed by a Board of Managers composed of not less than three (3) persons subject to approval by Declarant (as defined in the Declaration). Declarant's approval of all Board of Managers decisions shall be waived when Declarant and Declarant's Entities (as defined in the Declaration) no longer hold or own any Lots in the Subdivision. All Managers must be Owners of (or representatives and officers of an entity which owns) Lots in the Subdivision.

4.2. **ELECTION AND TERMS OF OFFICE:** At the Annual Meeting of the Corporation, the Owners shall elect one Manager to succeed each Manager whose term has expired. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to service for a term of one (1) year. Each Manager shall hold office until his successor has been elected and met with the other Members of the Board.

4.3. **VACANCIES:** Vacancies on the Board caused by any reason whatsoever shall be filled by a vote of a majority of the remaining Board Members thereof even though they may consist of less than a quorum and each person so elected shall be a Member of the Board until his successor is elected by the Corporation at the next annual meeting.

4.4. **REGULAR MEETINGS:** A regular Annual Meeting of the Board of Managers shall be held immediately after the adjournment of each annual Corporation meeting. Regular meetings, other than the Annual Meeting, shall or may be held at regular

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intervals at such places and at such times as the President of the Corporation may from time to time designate.

4.5. SPECIAL MEETINGS: Special meetings of the Board shall be held whenever called by the President, the Vice-President, or by two (2) or more Members. By unanimous consent of the Board of Managers special meetings may be held without call or notice at any time or place.

4.6. QUORUM: A quorum for the transaction of business at any meeting of the Board shall consist of a majority of the Members of the Board then in office.

4.7. COMPENSATION: Members of the Board of Managers, as such, shall not receive any stated salary or compensation; provided that nothing herein contained shall be construed to preclude any Member of the Board of Managers from serving the Corporation in any other capacity and receiving compensation therefor, i.e., the Secretary for the Corporation may be compensated and a Manager may act as such Secretary.

4.8. WAIVER OF NOTICE: Before or at any meeting of the Board of Managers, any Member thereof may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member of the Board of Managers at any meeting thereof shall be a waiver of notice by him of the time and place thereof.

4.9. ADJOURNMENTS: The Board of Managers may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty (30) days.

4.10. INDEMNIFICATION: The Board of Managers may require that all officers and employees of the Board of Managers handling or responsible for funds provide adequate fidelity bonds. The premium on such fidelity bonds shall be a common expense.

5. POWERS: The property and business of the Corporation shall be managed, operated, and maintained by the Board of Managers, conditioned upon approval of Declarant. Declarant's approval on all Board of Managers decisions shall be waived when Declarant and Declarant's Entities no longer own any Lots in the Subdivision. Subject to Declarant's approval, the Board of Managers may exercise all such powers of the Corporation and do all such lawful acts and things as are provided for by the Declaration, the Articles, these By-Laws (the Declaration, the Articles, and these By-Laws are jointly referred to as **"Documents"**), or by rules and regulations as may be adopted from time to time by the Board (hereinafter referred to as **"Board Rules"**). The powers of the Board of Managers shall specifically include, but are not limited to:

5.1. ASSESSMENTS: The power to levy Initial, Regular, Special and Limited Assessments to the Owners of Lots and to enforce payment of such Assessments, all in accordance with the provisions of the Documents and the Board Rules.

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5.1.1. Purposes of Assessments: The purposes of the Assessments are:

5.1.1.1 Initial Assessments: Initial Assessments shall be used exclusively to reimburse (and pay) the Declarant for Declarant's cost and expense of constructing and making improvements to the Common Areas.

5.1.1.2. Regular Assessments: Regular Assessments shall be used exclusively to promote the recreation, health, safety and welfare of the Owners in the Subdivision; and to pay for the improvement, operation and maintenance of the Common Areas, including but not limited to: property taxes and other assessments, snow removal (if applicable), and such other reasonable costs and expenses which are incurred in the carrying out the duties, obligations and business of the Association.

5.1.1.3. Special Assessments: Special Assessments may be levied for capital improvements, other non repeating expenses or costs, or for the purpose of defraying, in whole or in part, costs and expenses of the Association which exceed the Regular Assessments, for that year only, provided any such Special Assessment shall be approved by a majority vote of the Members at a meeting duly called for such purpose.

5.1.1.4. Limited Assessments: Limited Assessments may be levied against any Owner in an amount equal to the costs and expenses incurred by the Association, including legal fees, of corrective action necessitated by or as a result of an act or omission by such Owner, and further including without limitation, costs and expenses incurred for the repair and replacement of any property maintained by the Association damaged by negligent or willful acts of any Owner or occupant of a Lot who is occupying the Lot with the consent of such Owner.

5.1.2. Amounts and Payment: The Assessments are payable:

5.1.2.1. Initial Assessment: in the amount of **Two Hundred Dollars ($200.00),** shall be paid in cash **to the Declarant, at Closing** (upon Lot conveyance to an Owner by the Declarant and/or a Declarant's Entity);

5.1.2.2. Regular Assessment: in the amount of **Fifty Dollars ($50.00)** per year, commencing on the date of Closing (the date of recording conveyance to an Owner of a Lot by the Declarant and/or a Declarant's Entity), being prorated for the number of days remaining in the then current year, and shall be paid in cash **to the Association at such Closing.** Subsequent Annual Regular Assessments (the amount of $50.00 being the first annual base amount and 2006 being the base year) may be increased by the Board annually by not more than ten percent (10%) above the Regular Assessment for the previous year without a majority vote of the Owners (Membership) of the Association. Excluding the first Regular Assessment being due at Closing, all subsequent Regular Assessments shall be due annually on January 15th, or as the Board may establish.

5.1.2.3. Special Assessment: in an amount as established by the

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Board, and shall be paid as determined by the Board; and

5.1.2.4. Limited Assessment: as provided in paragraph 5.2.4 hereinafter.

The Initial, Regular, Special and Limited Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge and continuing lien on the Lot which each such Assessment is made. Each Assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligations of the Lot Owner at the time when the Assessment fell due. No Assessment shall be chargeable to the Declarant or Declarant's Entities for any Lots owned thereby except or unless a Lot owned by Declarant (or Declarant's Entity) has been leased or sold on Contract (for Deed).

5.1.3. Uniform Rate of Assessment: Except as otherwise specifically provided herein, both Regular and Special Assessments must be fixed at a uniform rate (prorata) for each Lot within the Subdivision and may be collected on an annual or other basis as determined by the Board.

5.1.4. Notice to Owners: The annual Regular Assessments or any Special Assessments then in effect, as provided for herein, shall commence as to a Lot on the first day of the first year following the conveyance of the Lot from Declarant or Declarant's Entity to an Owner. The Board shall establish the due date(s) and the amount of the annual Regular Assessment at least thirty (30) days in advance of each annual assessment period and provide written notice thereof to each Owner. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of Assessments on a Lot is binding upon the Association as of the date of its issuance.

5.1.5. Non-Payment and Remedy: Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate of eighteen percent (18%) per annum. The Association may bring an action at law against the Lot Owner personally obligated to pay the same, or foreclose the lien against the Lot . No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

5.1.6 Lien for Non-Payment: A lien shall attach to each Owner's Lot and all real property situated thereon for unpaid Assessments and interest accruing thereon as set forth herein.

5.1.7. Lien Subordinate to Mortgage: The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage. (Mortgage as used in this context includes conventional mortgages and Deed of Trust arrangements). However, the sale or transfer of any Lot pursuant to mortgage

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foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such Assessments as to payment which became due prior to such sale or transfer but shall not extinguish personal liability of the Owner or any lien for assessments due after transfer. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

5.2. COMMON AREAS: The power to control, manage, maintain and care for the Improvements within the Common Areas and the Common Areas located within the Subdivision, to maintain the same for the benefit of the Subdivision, to levy assessments and pay and provide for the maintenance of said Common Areas, and to take all necessary and proper action to provide for the management and use of the same.

5.3. ENFORCEMENT: The power and authority, from time to time, in its own name, or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Documents and to enforce by mandatory injunction or otherwise, all provisions thereof.

5.4. DELEGATION OF POWERS: The authority to delegate its power and duties to committees, officers and employees, or to appoint any person, firm or corporation to act as manager. Neither the Corporation nor the members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power to be delegated.

5.5. BOARD RULES: Subject to the approval of Declarant (until Declarant and Declarant's Entities no longer own any Lots within the Subdivision) the power to adopt, amend and repeal by majority vote of the Board such building, management, use and/or operational rules and regulations (**"Board Rules"**) as the Board deems reasonable for the maintenance, operation, management, occupation, and control of the Common Areas, the Subdivision, and which are consistent with the Documents. The Board may adopt the initial Board Rules without giving notice to the Owners; however, subsequent Board Rules shall be adopted only after due notice of the proposed Rules are given to the Owners, and the Owners are given an opportunity to present arguments for or against such Rules. When an amendment, alteration, or repeal of any Rules is or are made, the effective date shall be when a copy thereof is delivered to the mailbox of each Owner.

5.6. EMERGENCY POWERS: The Association or any person authorized by the Association may enter upon any Lot in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which it is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable and any damage caused thereby shall be repaired.

5.7. LICENSES, EASEMENTS, AND RIGHTS OF WAY: The power to grant and convey to any third party such licenses, easements, rights-of-way or fee title in, on, through or under the Common Areas as may be necessary or appropriate for the orderly maintenance, preservation, and enjoyment of such Common Areas and for the preservation of health, safety, convenience and welfare of the Owners, for the purpose of constructing,

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erecting, servicing, operating or maintaining underground lines, cable, wires, pipes, conduits, and other devices for the transmission of any utility service or other public or quasi public service.

5.8. **ENTRY:** To enter into and upon the Lots when necessary and at as little inconvenience to the Owner as possible in connection with the maintenance, care and preservation of the Common Areas and/or Lots.

5.9. **BANKING:** To open bank accounts on behalf of the Corporation and to designate the signatories to such bank accounts.

5.10. **INSURANCE:** To insure and keep insured:

5.10.1. the Common Areas and any and all interests appurtenant or associated therewith (naming the Association as insured) with reputable insurance companies in the amounts and coverage as the Board may determine.

5.10.2. the Board and the Owners against any liability arising from the ownership, use or maintenance of any portion of the Subdivision, including use of Lots or Common Areas by anyone, in the amounts and coverages as the Board determines reasonable under the circumstances. Any such policy or policies shall deny subrogation rights against Owners.

5.10.3. The Board shall be deemed trustee of the interest of all Members for any insurance proceeds payable under any insurance policies, and shall have full and exclusive authority and power to adjust losses under any insurance policies maintained by the Corporation.

5.10.4. The cost of any insurance shall be a Common Expense of the Association and included in the Regular Assessments to the Owners.

5.11. **HIRING:** To employ workmen, janitors and gardeners and to purchase supplies and equipment, to enter into contracts, and generally to have the power of manager in connection with any of the matters set forth herein.

5.12. **ACQUIRE:** To acquire Lots in foreclosure or as a result of abandonment and to take any all steps necessary to repair or renovate any Lot so acquired and to vote as an Owner, offer such Lot for sale or lease or take any other steps regarding such Lot as shall be deemed proper by the Board.

5.13. **CONSENSUS OF MEMBERS:** To respond to any and all resolutions imposed upon the Board by a majority vote of the Members (subject to approval of the Declarant).

5.14. **INDEMNITY:** To be indemnified and held harmless by the Corporation against all costs, expenses and liabilities whatsoever, including without limitation, attorney's fees reasonably incurred in connection with any proceeding because of Membership therein. Said expenses shall be a Common Expense (Regular Assessment or a Special Assessment

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basis) and be limited to the extent such liability, damage, or injury is covered by any type of insurance.

5.15. COMMITTEES: The Board of Managers, may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least one (1) Manager which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Corporation and may have power to sign all papers which may be required, provided the said resolution or resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Committees established by resolution of the Board shall keep regular minutes of their proceedings and shall report the same to the Board as required.

6. ASSOCIATION OBLIGATIONS AND DUTIES:

6.1. REPAIR AND MAINTENANCE: The Board shall have the obligation and duty (together with the power and authority) to operate, maintain, repair and/or replace (including pay any and all costs, fees and expenses associated therewith) the Common Areas and any Improvements thereto. The Board shall also have the power and authority to employ and compensate such personnel, contractors, workmen, suppliers, material men, accountants, attorneys or otherwise to accomplish the purposes described under the Documents. Any contract for services, material and or/suppliers shall be terminable for cause upon thirty (30) days written notice and the terms thereof shall not exceed one year, renewable by agreement of the parties for successive one year periods, if applicable.

6.2. TAXES AND COUNTY ASSESSMENTS: The Board shall pay all taxes and assessments which would be a lien upon the Common Areas and the Improvements thereto. All such Taxes and Assessments shall be in and part of the Regular Assessment to the Owners.

7. OFFICERS:

7.1. DESIGNATION AND ELECTION: The principal officers of the Corporation shall be President, Vice-President, Secretary and Treasurer, all of whom shall be elected by and from the Board of Managers. The Board may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as in its judgment may be necessary or desirable.

7.2. PRESIDENT: The President shall be the chief executive officer of the Corporation, and shall exercise general supervision over the Corporation's property and affairs. The President may also function as Managing Agent and/or as Manager. The President shall sign on behalf of the Corporation and shall do and perform all acts and things

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which the Board may require of him. He shall preside at all meetings of the Corporation and the Board. He shall have all of the general powers and duties which are normally vested in the office of the president of a corporation including but not limited to, the power to appoint committees from among the Members from time to time as he may in his discretion decide appropriate.

7.3. **VICE-PRESIDENT:** The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint some other Member thereof to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be prescribed by the Board.

7.4. **SECRETARY:** The Secretary shall keep the minutes of all meetings of the Board of Managers and of the Corporation; he shall have charge of the books and papers as the Board may direct; and he shall in general, perform all the duties incident to the office of Secretary.

7.5. **TREASURER:** The Treasurer shall have the responsibility for the funds and securities of the Corporation and shall be responsible for keeping full and accurate accounts of all receipts and all disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all monies and all other valuable effects in the name, and to the credit of, the Corporation in such depositories as may be from time to time designated by the Board.

7.6. **OTHER OFFICERS:** The Board may appoint such other officers, in addition to the officers herein above expressly named, as it shall deem necessary who shall have authority to perform such duties as may be prescribed from time to time by the Board. Any other officers need not be Members of the Corporation.

7.7. **REMOVAL OF OFFICERS AND AGENTS:** All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative vote of the majority of the then Members of the Board of Managers.

7.8. **COMPENSATION:** No compensation shall be paid to the officers for their services as officers unless otherwise authorized by a resolution of the Members.

8. ACCOUNTING:

8.1. **BOOKS AND ACCOUNTS:** The books and accounts of the Corporation shall be kept under the direction of the Treasurer and in accordance with reasonable standards of accounting procedures.

8.2. **REPORT:** At the close of each accounting year, the books and records of the

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Corporation shall be reviewed by a person or firm approved by the Corporation. A report of such review shall be prepared and submitted to the Owners at or before the annual meeting of the Corporation.

8.3. INSPECTION OF BOOKS: Financial reports, such as are required to be furnished, shall be available at the principal office of the Corporation for inspection at reasonable times by any Owner. Any mortgage holder of a first mortgage on a Lot in the Subdivision will, upon request, be entitled to inspect the books and records of the Corporation during normal business hours and receive an annual financial statement of the Corporation within ninety (90) days following the end of any fiscal year.

9. AMENDMENT: Upon the approval of Declarant (until Declarant and Declarant's Entities no longer own any Lots within the Subdivision) these By-Laws may be altered, amended, modified at any duly called Owners Meeting, proviced:.

9.1. NOTICE: The notice of the Meeting shall contain a full statement of the proposed amendment; and

9.2. APPROVAL: The amendment shall be approved by two-thirds (2/3rds) of the Owners in number.

Dated:_____

Adopted and Approved by the Board of Managers:

_____
Cortney Liddiard

_____
Laurence B. Reinhart

_____
Robert W. Utterbeck