

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF BEAR LAKE  
WEST PROPERTIES, PLATS B & C & AMENITIES

This Amended Declaration of Covenants, Conditions, and Restrictions for the Bear Lake West Properties, Plats B & C & Amenities supersedes and replaces the 2003 Declaration of Covenants, Conditions, and Restrictions, as recorded in the Bear Lake County Courthouse as instrument 185824 dated August 1, 2003. This new Declaration of Covenants, Conditions and Restrictions is made and executed this 28th day of April, 2014 by Bear Lake West Property Owners' Association, Incorporated, and Idaho corporation (hereinafter referred to as "the P.O.A.").

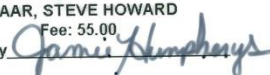
RECITALS:

This Declaration of Covenants, Conditions and Restrictions of Bear Lake West Properties, Plats B & C & Amenities; which creates, declares and establishes the following Covenants, Conditions and Restrictions which shall run with the land and which shall bind and inure to the benefit of all present and future owners of lots and dwellings and which may be enforced by the P.O.A. or any owner by appropriate action in a court of law:

ARTICLE I: Definitions. When used in this Declaration (including that portion hereof headed "Recitals", Exhibit "A", and in the By-laws attached hereto as Exhibit "B") the following terms shall have the meaning indicated.

- A. Declaration shall mean and refer to this instrument as the same may hereafter be modified, amended, supplemented or expanded in accordance with law and the provisions hereof.
- B. The P.O.A. shall mean and refer to Bear Lake West Property Owners 'Association, Incorporated, an Idaho corporation, and/or any successor and assigns to said corporations which, either by the operation of law, or through a voluntary conveyance, transfer, or assignment, comes to stand in the same relation to Bear Lake West Properties, Plats B & C & Amenities as did its predecessor.
- C. Property or Properties shall mean and refer to the land and such portions of any additional land which *may* be annexed to Bear Lake West Properties, Plats B & C & Amenities, the buildings, all improvements and the structures thereon, all recreational amenities, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.
- D. Board shall mean and refer to the Bear Lake West Property Owners 'Association, Incorporated, Board of Directors.
- E. Owner or Unit Owner shall mean and refer to the owner of the fee or equity in a lot and the percentage of undivided interest in the common areas which is appurtenant thereto.
- F. Member shall mean and refer to the owner as described above or a tenant who has a long term lease of a residence of an owner. Long term is defined as at least one year.
- G. Guest shall mean an individual or individuals who are invited to use a member's property as a guest.
- H. Common Area and Common Property shall mean all lands, improvements, buildings, structures, amenities, and equipment owned by the P.O.A. exclusive of the lots owned by members.
- I. Single Family Residential shall mean a structure that is built to accommodate a family on a long term basis. Duplexes, condominiums, short term (less than one year) rental, and time shares do not meet the intent of this definition as used in this Declaration.
- J. Common Expenses shall mean and refer to all sums which are expended on behalf of all the unit owners and all sums which are required by the board to perform or exercise its functions, duties, or rights under this Declaration for operation of the Property and such rules and regulations as the Board may from time to time make and adopt. By way of illustration, but not limitation, common expenses shall include: (1.) expenses of operation, administration, maintenance, repair, replacement, and improvement of those elements of the common area that must be maintained and/or replaced on a periodic basis and reserves as may be from time to time established by the Board; (2.) expenses declared by this Declaration or the By-laws; and (3.) any valid charge against the property as a whole.
- K. Association of Unit Owners or Association shall mean and refer to all of the owners taken as, or acting as, a group and shall also be known as the Bear Lake West Property Owners 'Association, Incorporated (the P.O.A. ).
- L. Land shall mean and refer to and consist of the real property which Article II of this Declaration submits to the terms hereof, together with each and every portion of any additional land which is added to the property.
- M. Lot Owner or Owners shall mean and refer to those who own a lot in Plat B or Plat C and have received, or are entitled to receive, a deed thereto. Sometimes also known as unit owner.

Instrument # 217201

BEAR LAKE COUNTY  
4-28-2014 08:28:57 No. of Pages: 16  
Recorded for : CRAIG SCHAAR, STEVE HOWARD  
KERRY HADDOCK Fee: 55.00  
Ex-Officio Recorder Deputy   
Index to: MISCELLANEOUS

- N. Lot shall mean and refer to a specifically described parcel of land in Plats B or C. Sometimes also known as unit or property unit.
- O. Plat(s) shall mean and refer to a parcel of the land that has been divided into lots, approved by the county and recorded as a plat with the county recorder.
- P. Recreational Facilities, Recreational Amenities or Amenities shall mean and refer to all recreational improvements constructed or to be constructed by the Bear Lake West Home Owners' Association/Property Owners' Association, including but not limited to a clubhouse and associated facilities, golf course, maintenance buildings, swimming pool, tennis courts, beach front, and associated roads and parking areas.
- Q. Improvements shall mean plans, engineering designs, surveys, subdivisions and access roads, as well as water, sewer and power systems constructed or to be constructed on Plats B and/or C.
- R. Improvement Costs shall mean and refer to all of those hard and soft costs related to the construction of the general common area improvements, including but not limited to planning, engineering, surveying, staking, subdividing and construction of or improvements to roads, sewer, water and power systems, and other common area improvements that the Board or the membership may direct to be completed.
- S. Lien shall mean and refer to any charge against or interest in the land, a lot or any part thereof to secure payment of a claim or performance of an obligation.
- T. Quorum of Members shall mean five percent (5%) of unit Owners represented in person or by proxy for the transaction of business.

ARTICLE II: Submission. There is hereby submitted to the provisions of this Declaration, as the land initially associated with the property, the following described parcel or parcels of real property situated in Bear Lake County, State of Idaho: See Exhibit "A" attached hereto and incorporated herein by this reference.

ARTICLE III: Covenants, Conditions and Restrictions. The foregoing submission of the land is made upon and under the following Covenants, Conditions and Restrictions:

- A. Descriptions of Improvements on Land. The major improvements on the property include access roads, a water and sewer system (with at least two operational wells), sewer and electrical power to each lot line, recreation facilities, and amenities, and other such improvements that the Board may direct to be completed.
- B. Descriptions of Recreational Facilities or Amenities on the Land. The recreational facilities or amenities are now or will be located upon the land. The major recreational facilities contained include a clubhouse and associated facilities, golf course, maintenance buildings, swimming pool, tennis courts, beach front, and associated roads and parking areas.
- C. Description and Legal Status of Lots, Limited Common Areas and Common Areas. The land is subdivided into individual lots, all of which shall be capable of being independently owned, encumbered, and conveyed; and common areas. Except as otherwise expressly stated herein, common areas shall mean, refer to and include the following:
1. The real property and interest in real property above-described, but excluding the individual lots.
  2. In general, all equipment, machinery, apparatus, installations, and facilities included within the property and existing for common use.
  3. All portions of the property not specifically included within the individual units or limited common area.
  4. All other parts of the property normally in common use or necessary or convenient to its use, existence, maintenance, safety, or management.
- D. Interest. Interest in the common areas, which, at any point in time, is appurtenant to a lot, shall be equal proportional shares of a total of 402 lots within Plats B and C. Proportional shares of the Amenities is determined at a ratio of 60% Home Owners' Association and 40% Property Owners' Association.
- E. Lot Maintenance. Each owner shall, at his or her own expense, maintain and repair lots and any buildings, structures, or improvements constructed thereon. Each lot shall be maintained so as not to detract from the appearance of the property as deemed by the Board. The Board shall have no obligation regarding care or maintenance which is required to be accomplished by lot owners. Should an owner fail to properly maintain his or her lot and structures thereon, the Board shall notify in writing of the said violations and require any lot owner to

bring said lot, building and improvements to acceptable standards.

F. **Association Membership.** Membership in the Association shall be automatic, shall be appurtenant to the unit in which the owner has the necessary interest and shall not be separated from the unit to which it appertains.

G. **Easement for Encroachment.** If any part of the Association improvements encroaches or shall hereafter encroach upon a lot or lots, an easement for such encroachment and for the maintenance for the same shall and does exist. Such an encroachment shall not be considered to be an encumbrance to the improvements. Encroachments referred to herein include, but are not limited encroachments caused by error in the original construction of the improvements on the tract, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the property or any part thereof.

H. **Access for Repair of Common Areas.** Some of the improvements are or may be located within the lots or may be conveniently accessible only through the lots. The owners of the other lots shall have the irrevocable right, to be exercised by the Board as its agent, to have access to each lot and to all common areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the improvements located therein or accessible therefrom or making emergency repairs therein necessary to prevent damage to the improvements or to another lot or lots. The Board shall also have such rights independent of the agency relationship. Damage to the interior of any part of the common areas, a lot or lots, or structures, buildings, improvements or additions constructed thereon resulting from the maintenance repair, emergency repair, or replacement of any of the improvements or as a result of emergency repairs within another lot at the direction of the Board or of lot owners shall be the responsibility of the association; provided, that if such damage is the result of negligence of the owner of a lot, then such owner shall be financially responsible for all such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to the damage. Amounts owing by lot owners pursuant hereto shall be collected by the Board by assessment; all amounts for such repair or restoration are due and payable within thirty (30) days of the date of invoicing.

I. **Right of Ingress and Egress.** Each lot owner or owners shall have the right to ingress and egress over, upon and across the common areas necessary for access to their lot(s), and to the limited common areas designated for use in connection with their lot(s), and such rights shall be appurtenant to and pass with the title to each lot.

J. **Easement to Board.** The Board shall have non-exclusive easements to make such use of the common areas as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration.

K. **Easement for Utility Services.** There is hereby created a blanket easement upon, across, over and under the land, as the same may be expanded as provided herein for ingress, egress, installation, replacement, repair and maintenance of all utilities, including (but not limited to) water, sewer, gas, telephone, electricity, and other utility services.

L. **Setback Requirements.** To regain desired separation of buildings on adjacent lots, yet to eliminate undesirable rigidity in the pattern of dwellings created by ordinary setback lines, and to encourage greater opportunity for individual freedom for development of the lots, the following guidelines are established :

1. Dwelling shall be in compliance with Bear Lake County setbacks, shall be thirty (30) feet for front yards, along a line paralleling the front property line, five (5) feet for side yards, along a line paralleling side property lines, five (5) feet for rear yards, along a line paralleling the rear yard line, or other designated "open area" within the plat (s), provided that no dwelling shall be constructed nearer than twenty (20) feet from a bordering street. (County requires thirty (30) feet from all County roads and cul-de-sac.)
2. Garage, carport and building setbacks (not habitable rooms) shall be in compliance with County Requirements.
3. Provided, that no dwelling may be constructed nearer than five (5) feet from an accessory building or twenty- five (25) feet from a dwelling on an adjacent lot, and no accessory building may be constructed nearer than fifteen (15) feet from a dwelling on an adjacent lot. (First issued building permit shall prevail in situations where buildings are planned but not yet constructed on adjacent lots. Such permits shall be good for one year only).

M. **Rules for Application of Setback Requirements.** To achieve the desired setback lines and facilitate the implementation of the setback requirements, the following general rules shall apply:

1. If the line with respect to which a setback measurement is to be made is a meandering line or a curved line, the setbacks will be determined by a line parallel to the (lot lines).
2. A corner lot shall be deemed to have a front line on each street on which the lot abuts, and such lot need have only one rear yard line.

3. The setback lines are shown or will be shown on the plat, which is recorded or will be recorded, it being intended hereby that the plat shall take precedence.
4. When siting a dwelling on lots adjacent to an existing dwelling, such dwelling shall be sited in such a manner that it is as unobtrusive as possible to the view from the first floor of any existing dwelling or future dwelling on adjacent lots.
5. When conflicts exist between lot owners, the P.O.A. Board shall meet with owners to determine acceptable variances to accommodate lot owners and substantially comply with location and set-back requirements.

N. Use of Lots and Common Areas/General Prohibitions and Requirements. Existing dwellings that currently do not comply with these CC&Rs are deemed acceptable based upon prior approval of the building plans and will be considered "grandfathered". Any future changes to the existing dwellings must comply with the CC&Rs. The following general prohibitions and requirements shall, prevail as to the construction or activities conducted on any unit in the plat (s) or property or use thereof.

1. All surface disturbances from the natural contour of the lot surface and all building plans require Board approval, and homeowners/contractors are required to appear before the Board, or a member of the Compliance Committee, for plan approval. Further, let it be known that the Board has the right to deny approval for any contractor who, in the past, has not performed as to specified Board requirements. All permanent dwellings must meet the following requirements: No permanent dwelling having a ground floor living area of less than 800 square feet, exclusive of open porches, pergolas or attached garage, if any, shall be erected, permitted or maintained on any of said lots. Prefabricated, those homes that are assembled at a plant and transported on a trailer will require special approval by the Board. All dwellings shall be set on permanent foundations or piers. Architecture/construction and exterior building and roofing color shall be so that all dwellings are conducive to the rustic or mountain setting and must be approved by the Board. Height of buildings is limited to two stories above ground level, interpreted to be a maximum of twenty-nine (29) feet; lofts are considered as a second story. Basements, including walkout basements, are not considered as above ground when one side or corner of the foundation is seventy-five percent (75%) below ground level. Variation from approved plans must have Board approval. For non-compliance with the CC&R's or with any requirements of the Association, bonds will be taken and fines and water may be denied.
2. No outside toilet or individual water well shall be constructed on any lot. All plumbing fixtures, including washing machines, dishwashers, and toilets shall be connected to the central sewage system. Storm water shall not be allowed to flow into the sewage system.
3. No temporary house, trailer, tent, garage, or other out-building intended for long term use, shall be placed or erected on any lot, provided, however, that the Board may grant permission for any such temporary structure for temporary occupancy or storage of materials during construction.
4. Once construction of improvements is started on any lot, the improvements must be completed in accordance with plans and specifications, as approved, within forty eight (48) months from commencement. Though scraps and remains of building materials should be removed throughout the construction period, the last of any scraps or remains of building material shall be appropriately removed from the construction area within thirty (30) days of completion and properly disposed of (not in county refuse containers) and not buried on the lot nor anywhere in Bear Lake West Plats B or C. Construction debris and refuse must be properly disposed of at a county dump or landfill.
5. No animals or livestock of any description, except common household pets, shall be kept on any lot. To avoid harassment of wildlife, and to eliminate public nuisance, dogs must be under the control of the owner at all times.
6. Billboards or advertising structures of any kind are prohibited except upon application to and written permission from the Board. The owner of approved billboards or advertising structures must maintain quality and appearance of such or they may be removed by the Board. Real Estate "for sale" signs shall be no larger than six square feet and must be on the lot for sale.
7. No stripped down, partially wrecked, or junk motor vehicles, or sizeable part thereof, shall be permitted to be parked on any street within the property or on any lot.
8. Every tank for the storage of fuel installed outside any building on the property shall be either buried below the surface of the ground or screened.
9. All outdoor clothes poles, clothes lines and similar equipment shall be so placed or screened by shrubbery as not to be visible from any street within the property.

10. No owner of any lot shall build or permit the building thereon of any dwelling house that is to be used as a model house or exhibit unless prior written permission to do so shall have been obtained from the Board.
  11. All lots, whether occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such manner as to prevent their becoming unsightly by reason of weather, unattractive growth on such lot or the accumulation of rubbish or debris thereon .
  12. No noxious, offensive or illegal activities shall be permitted on the property or on any lot, nor shall anything be done on any lot that shall or become unreasonable annoyance or nuisance to the neighborhood.
  13. No oil or natural gas drilling, refining, quarrying, or mining operations of any kind shall be permitted upon or in any lot and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any lot.
  14. No commercial type truck, trailer, or equipment used for construction upon a lot, shall be parked for storage overnight or longer, on any lot or common area thereof in such a manner as to be visible to the occupants of the other lots, or the users of any street, except when vehicle is used or is part of construction on said lot, and then use is only to occur on said lot or common area adjacent to said lot, unless the prior written approval of the Board has been obtained.
  15. Any dwellings or outbuildings on any lot which may be destroyed in whole or in part by fire, windstorm or from any other cause or act of God must be rebuilt or all debris removed and the lot restored to a condition with reasonable promptness.
  16. No tree shall be removed from a lot or common area without the written consent of the Board given in the building plan approval process.
  17. No trash, ashes, garbage or other refuse shall be dumped or stored or accumulated on any lot or common area or be thrown into or left on amenities property .
  18. The movement of four-wheel drive vehicles, motorcycles, and other off-road vehicles (ORVs) except snowmobiles shall be restricted to the use of platted roads and designated trails within the property. Snowmobiles must be operated in such a manner that they do not cause damage to property or vegetation.
  19. Occasional usage of owners lots for weekend and vacation usage, using recreation vehicles or tents is permitted if lot improvements are made to accommodate such usage, and usage is of a temporary nature (not to exceed fourteen (14) days). Otherwise, no overnight camping shall be permitted on the property, except in specifically designated areas.
  20. No fires are permitted except under controlled and contained conditions (such as in fire pits). Fires are prohibited when either the Board, County or another agency so prohibits. Common sense should be used at all times and no fires should be used if weather or vegetation conditions so dictate. Absolutely no fireworks are allowed in the Plat B and Plat C area.
  21. No owner of any lot shall build or permit the building thereon of any dwelling house that is to be used for purposes other than single family residential. Building for income purposes such as short term rentals or time shares is prohibited.
  22. No owner of any lot shall use or permit the use of any lot for commercial purposes such as ATV rentals, snowmobile rentals or any other type of use that does not meet the definition of single family residential.
- O. Use of Common Areas: General Prohibitions and Requirements. The following general prohibitions and requirements shall prevail as to the use and activities conducted on common areas:
1. Common areas shall be used solely by the owners, their tenants in residence, guests or invitees for hiking, horseback riding, swimming sports and other recreational uses authorized by By-laws and Rules and Regulations of the Bear Lake West Property Owners' Association, Incorporated.
  2. A non-exclusive and reciprocal easement is reserved to owners of each and every unit to use and enjoy all of the common area for the purposes authorized hereby described. No owner, tenant in resident, guest or invitee shall hinder, obstruct or interfere with the use of the property by other owners, tenants in residence, guests or invitees.
  3. No owner, tenant in resident, guest or invitee will do or permit to be done any act on the property which is or may become a nuisance.
  4. No animals, birds or fowl shall be kept or maintained on any part of the common areas, except in specifically designated areas.

5. No trailers, campers or habitable motor vehicles of any nature shall be kept on or stored on the common areas or any roads unless approval is obtained by the Board or in specifically designated areas.
6. No owner, tenant in possession, guest or invitee shall remove any trees, shrubs, plants or any other natural material from the common areas nor shall there be any alteration to the grade, elevation or surface of the common areas without the prior written approval of the Board.
7. No owner shall keep, or permit to be kept, placed or stored on the common areas any fence, structure, fixture, equipment, motor vehicle, material or materials of any kind, unless approval is obtained from the Board.
8. No owner, tenant in residence, guest or invitee shall hinder, obstruct, or interfere with the use of the property by persons claiming right of access to and use of the property under Reciprocal Use Agreements entered into by and between the Property Owners' Association and other entities for the benefit of such persons claiming rights of access or use.

P. Variations. The Board may allow, by prior approval, reasonable variances and adjustments of the restrictions set forth in this declaration in order to overcome practical difficulties and prevent unnecessary hardships in the applications of the provision contained herein; provided, however, that such is done in conformity with the intent of these restrictions and the adjustment will not be materially detrimental or injurious to the other property or improvements in the neighborhood, or the property.

Q. Status and General Authority of the Board. Notwithstanding anything herein contained to the contrary, the property shall be managed, operated, and maintained by the Board exclusively as agent of, and in the name of, the Association and any act performed by the Board pursuant to this Declaration or the By-laws, as the same may be amended from time to time, shall be deemed to be performed by the Board for and on behalf of the Association as its agent. The Board shall have, and is hereby granted, the following authority and powers:

1. The authority, without the vote or consent of the owners or of any other person(s) to grant or create, on such terms as it deems advisable, utility and similar easements over, under, across, and through the common areas.
2. The authority to execute and record, on behalf of all the owners, any amendment to the Declaration which has been approved by the vote or consent necessary to authorize such amendment.
3. The authority to establish rules, clarifications and regulations as intended by these declarations.
4. The power to sue and be sued.
5. The authority to enter into contracts to manage, implement, maintain and improve roads, water systems and other infrastructure that benefits unit owners. Any other proposed contract will require the vote or consent of the owners.
6. The power and authority to convey or transfer any interest in real property authorized by the Owners having an interest therein.
7. The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.
8. The authority to license persons not otherwise entitled to use any of the recreational areas and facilities to use the same from time to time as the Board deems appropriate upon payment of fees prescribed by it to help defray the cost of maintenance thereof.
9. The power and authority to borrow money.
10. The authority to promulgate such reasonable rules and regulations, and procedures as may be necessary or desirable to aid the Board in carrying out any of its functions or to insure that the property is maintained and used in a manner consistent with the interests of the owners and the CC&Rs. And the authority to assign Fee's, Assessments, Penalties, and Fines for Non-Compliance with CC&Rs, rules, regulations, and procedures.
11. The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Board to perform its functions as agent of the Association.
12. The power and authority to assess interest and fees on owners for past due bills to the P.O.A. for services provided by the P.O.A. pursuant to any other declaration heretofore recorded against said land, and collect the same.
13. Enforce charges, restrictions, conditions and covenants existing upon and created for the benefit of Bear Lake West Property

Owners' Association, Incorporated, the owners thereof, and shall pay all expenses incidental thereto, shall enforce the Rules and Regulations of the Association and pay all of the expenses in connection therewith; and shall reimburse the P.O.A. for all costs and expenses incurred or paid by it in connection with the enforcement of any of the conditions, covenants, restrictions, rules, regulations, charges, assessments or terms set forth in, or attached to, this declaration. In compliance with Idaho law liens shall be placed on properties when arrearage on assessments has reached two (2) years; if payment in full is not received or arrangements made to bring past-due fees up to date within forty-five (45) days of the filing of said lien, legal procedures shall be followed in process to sheriff's sale of such properties.

Any instrument executed by the Board that recites facts which, if true, would establish the Board's power and authority to accomplish thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

R. **Manager.** The Board may carry out any of its functions which are capable of delegation through a manager. The manager so engaged shall be responsible for managing the property for the benefit of the owners and shall, to the extent permitted by law and under the direction of the Board, be authorized to perform any of the functions or acts required or permitted to be performed by the Board itself.

S. **Composition of Board.** The Board shall be composed of at least five members. Board members shall be elected for four (4) year terms. At each annual meeting of the Association thereafter any vacant seat on the Board shall be filled with a member elected for a four-year term. The Board, upon the death or resignation of a Board member may fill that vacancy for the remainder of the vacant term. Only owners and officers and agents of owners other than individuals shall be eligible for Board membership.

T. **Agreement to Pay Assessments.** The Board shall annually approve a budget to be presented to the membership for vote at the annual meeting of said membership. Each owner of any lot by the acceptance of a deed therefore, whether or not it be so expressed in the deed, or by entering into a sale and purchase contract, shall be deemed to covenant and agree with each other and with the Association to pay to the Association annual assessments made by the Association for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in these Articles.

1. **Amounts of Total Annual Assessments.** The total annual assessments against all units shall be based upon advance estimates of cash requirements by the Board to provide for the payments of all estimated expenses growing out of or connected with the maintenance and operation of the common areas, which estimates may include, among other things expenses of management, taxes and special assessments, premiums for all insurance which the Board is required or permitted to maintain pursuant hereto, depreciation of equipment, repairs and maintenance of the common areas that must be replaced on a periodic basis, wages for Board employees, legal and accounting fees, any deficit remaining from a previous period; and the creation of a reasonable contingency reserve; and any other expenses and liabilities which may be incurred by the Association for the benefit of the owners under or by reason of this Declaration.
2. **Apportionment of Annual Assessments.** Expenses attributable to the property as a whole shall be apportioned among all Owners in proportion to their respective interests in the common areas through unit ownership.
3. **Notice of Annual Assessments and Time for Payment Thereof.** Annual assessments shall be made on a calendar year basis. The Board shall give written notice to each Owner as to the amount of the annual assessments with respect to their Unit(s) not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year. Such assessments shall be due and payable by January 1st of each year.

Each assessment shall accrue compound interest at the rate of three percent (3%) over the prime rate per annum, determined quarterly beginning January 1st from the date it becomes due and payable if not paid within thirty (30) days after such date unless otherwise determined by the Board. Moreover, the Board can impose a late payment service charge equal to seventy-five dollars (\$75.00) for each delinquent assessment and/or fees (e.g. water usage fees and other services) at the end of the calendar year. Failure of the Board to give timely notice of any assessment as provided herein shall not affect the liability of the owner of a unit for such assessment, but the date when payment shall become due in such case shall be deferred to a date thirty (30) days after such notice shall have been given.

Each time a legal title to a Unit passes from one person to another, within thirty (30) days after the effective date of such title transaction the new unit owner shall pay to the Association, in addition to any other required amounts, the sum of \$50.00 or such other reasonable sum as the Board deems proper. Transfers within an immediate family shall be exempt.

4. **Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above (as approved by the membership in attendance at the annual meeting), the Board may levy in any assessment year a special assessment, payable over such a period as the Board may determine, for the purpose of defraying, in whole or in part, the cost of any construction or

reconstruction, unexpected repair or replacement on the property or any part thereof, or for any other expense incurred or to be incurred as authorized and provided in this Declaration. This section shall not be construed as an independent source of authority for the Board to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other sections hereof. Any amounts assessed pursuant hereto shall be assessed to owners in proportion to their respective interests in the Common Areas through unit ownership. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall accrue compound interest at the rate of at least three percent (3%) over the prime rate per annum from the date it becomes due and payable if not paid within thirty (30) days after such date unless otherwise determined by the Board.

5. Lien for Assessments. All sums assessed to any unit pursuant to this Declaration, together with interest thereon as provided herein, shall be secured by a lien on such unit in favor of the Association when such sum is equal or greater than the total of two (2) years assessments. Such lien shall be superior to other liens and encumbrances on such unit, except only for valid tax and special assessments liens on the unit in favor of any governmental assessing authority. All other lien holders acquiring liens on any unit after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed hereunder, the Board may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the owner of the unit and a description of the unit. Such a notice shall be signed by the Board or its nominee and may be recorded in the office of the County Recorder. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Board in the same manner in which mortgages on real property may be foreclosed in Idaho. In any such foreclosure, the owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all court costs and reasonable attorneys' fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The owner shall also be required to pay to the Board any assessments against the unit which shall become due during the period of foreclosure. The Board shall impose a lien filing fee of one hundred fifty dollars (\$150.00) for each lien recorded. In the event of foreclosure, after the institution of the action the unit owner or owners shall pay a reasonable rental for their use of the unit and the Board shall, without regard to the value of the unit, be entitled to the appointment of a receiver to collect any rentals due from the owner or any other person. The Board shall have the right and power to bid an amount equal to or more than its then existing lien at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the owner thereof.

A release of notice of lien shall be executed by the Board and recorded in the office of the County Recorder upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a lien on a unit may pay, but shall not be required to pay, any amounts secured by the lien created hereunder, and upon such payment such encumbrancer shall be subrogated to all rights of the Board with respect to such lien, including priority.

The Board shall report to any encumbrancer of a unit any unpaid assessments remaining unpaid for thirty days after the same shall become due; provided, however, that such encumbrancer first shall have furnished to the Board written notice of such encumbrance.

6. Personal Obligation of Owner. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Board without foreclosing or waiving the lien securing the same. No owner or owners may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the common areas or by abandonment of their unit.

U. Insurance. The Board shall secure and at all times maintain the following insurance coverage:

1. A multi-peril policy or policies of fire and other hazard insurance covering the common areas and common property with extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgages investors for properties similar in construction, location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost). Each such policy shall contain the standard mortgagee clause which must be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of mortgagees as their interests may appear. The insured shall be the Association as a trustee for the owners, or their authorized representative. Such insurance must provide protection against at least the following: loss by fire and other hazards covered by the standard extended coverage policy.



2. A comprehensive policy of public liability insurance covering all of the common areas insuring the Association, the Board, and the unit owners against any liability incident to the ownership, use, or operation of the common areas and public ways of the property or to any invitee's, or tenants of the property, or at the unit owners. Limits of liability under such insurance shall be not less than five hundred thousand dollars (\$500,000) covering all claims for personal property injury and/or property damage arising out of a single occurrence, including protection against water damage liability, flood or mud slide, liability for non-owned and hired automobiles and liability for property of others. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a unit owner because of negligent acts of the Association or other unit owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for similar properties in location, construction and use.
3. The Association shall maintain fidelity coverage to protect against dishonest acts on the part of board members, employees, or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the obligee and shall be written in an amount sufficient to provide protection which in no event shall be less the 100% of the insured's estimated annual operating expenses and reserves unless a greater amount is required by majority of the mortgagees, or their designees. In connection with such coverage an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. All fidelity bond coverage shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment or premium) without at least thirty (30) days' prior written notice to the servicer on behalf of mortgagees.

The following additional provisions shall apply with respect to insurance:

- a. In addition to the insurance and bond coverage described above, the Board shall secure, and at all times maintain, insurance against such risks as are or hereafter may be customarily insured against in connection with all recreational development properties similar to the property in construction, nature and use.
  - b. Policies are unacceptable where (1.) under the terms of the carrier's charter, by-laws or policy, contributions or assessments may be made against the borrower or the lender; or (2.) by the terms of the carrier's charter, by-laws or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders, or members; or (3.) the policy includes any limiting clauses (other than insurance conditions) which could prevent the borrower or the lender from collecting insurance proceeds.
  - c. Insurance secured and maintained by the Board shall not be brought into contribution with insurance held by the owners or their mortgagees.
  - d. Each policy of insurance obtained by the Board shall provide: standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the property is located; a waiver (if available) of the insurer's subrogation rights with respect to the Board, the unit owners, and their respective servants, agents, and guests; that it cannot be canceled, suspended or invalidated due to the conduct of any member, officer, or employee of the Board without a prior written demand that the defect be cured; that any "no other insurance clause therein shall not apply with respect to insurance held individually by the owners; and that a mortgagee clause endorsement which must provide that the insurance carrier shall notify in writing any and all insured, including the servicers on behalf of borrowers thereof at least thirty (30) days in advance of the effective date of any substantial modification or cancellation of the policy.
  - e. Insurance coverage required by this section must not be prejudiced by (I.) any act or neglect of the unit owners when such act or neglect is not within the control of the Association, or (II.) any failure of the Association to comply with any warranty or condition regarding any portion of the property over which the Association has no control.
  - f. All policies of property insurance must provide that notwithstanding any provision affording the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the insurance may be a party, or any requirement of law.
  - g. The foregoing provisions of this section shall not be construed to limit the power or authority of the Board or Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Board or Association may deem proper.
  - h. The Association shall maintain such other coverage of such kinds and amounts as may be required.
- V. **Damage to the Property.** In the event of damage to or destruction of part or all of the improvements in the property, the following procedures shall apply:
1. If proceeds of the insurance maintained by the Board are alone sufficient to repair or reconstruct the damage or destroyed

improvement, such repair or reconstruction shall be completed.

2. If less than seventy-five percent (75%) of the property's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Board are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all the owners shall be assessed for any deficiency on the basis of their respective interest through unit ownership.

W. **Amendment.** Except as hereinafter provided, the vote of at least fifty-one percent (51%) of the percentage interest of the unit owners in person or represented by proxy at a meeting of the Association at which a quorum is present (quorum is defined as not less than five percent (5%) of the percentage interest of the unit owners) shall be required to amend the Declaration. Editorial and spelling errors can be corrected without amending the Declaration by vote of a quorum of the members at the Annual Meeting or a Special Meeting.

X. **Duty of Owner to Pay Taxes on Unit Owned.** It is understood that under the laws of the State of Idaho and this Declaration each unit (and its percentage interest in the common areas) on the property is subject to separate assessment and taxation of each taxing authority and the special district for all types of taxes and assessments authorized by law, and that as a result thereof, no taxes will be assessed or levied against the property as such, except for certain personal properties thereof. Accordingly, each unit owner or owners will pay and discharge any and all taxes and assessments which may be assessed against them on their unit.

Y. **Covenants to Run with Land: Compliance.** This Declaration and all the provisions hereof shall constitute covenants running with the land or equitable servitudes, as the case may be, and shall be binding upon and shall insure to the benefit of the P.O.A., all parties who hereafter acquire any interest in a unit or in the property, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each owner or occupant of a unit shall comply with, and all interests in all units shall be subject to, the terms of the Declaration, the by-laws, and the provisions of any rules, regulations, clarifications, agreements, instruments, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Board on behalf of unit owners, or, in a proper case, by an aggrieved unit owner. By acquiring any interest in a unit or in the property, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

Z. **Liability and Indemnification of Board.** No member of the Board shall be liable to the unit owners for any mistake of judgment, for negligence, or on other grounds, except for such member's own individual and willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each member of the Board from and against all liability to third parties arising out of any contract made by the Board on behalf of the owners, unless such contract was made in bad faith or contrary to the provisions of the act or this Declaration. The liability of any unit owner arising out of any contract made by the Board or out of the indemnification provision set forth in the foregoing portion of this section shall be limited to the total liability concerned multiplied by such owner's ownership interest in the common areas.

AA. **Invalidity.** The invalidity of any provisions of this Declaration, or any portion thereof, shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provisions had never been included herein.

BB. **Waiver.** No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

CC. **Topical Headings.** The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of reference and are not intended to describe, interpret, define, limit, extend, or otherwise affect the content, meaning or intent of this Declaration or any paragraph or provision hereof.

DD. **Effect of Recorded Instruments.** At any point in time the Declaration concerning each phase which is then a part of the property shall constitute but constituent parts of a single Declaration and map affecting the entire property. Accordingly, in the event the provisions of the separate instruments, if any conflict irreconcilably, the terms of that instrument which is last recorded shall control.

EE. **Effective Date.** This declaration shall take effect upon recording in the office of the County Recorder of Bear Lake County, State of Idaho.

FF. **Duration.** All of the foregoing covenants, conditions reservations and restrictions shall continue and remain in full effect once and at all times as against the owner of any interest in the property, regardless of how title is acquired.

EXECUTED

On the day and year first above written.  
BEAR LAKE WEST PROPERTY OWNERS' ASSOCIATION, INCORPORATED

By: Craig Schaar, Chairperson & Steve Howard, Manager

By: Craig Schaar, Chairperson

By: Steve Howard, Manager

State of Idaho  
County of Bear Lake

On this 28 day of April 2014, Craig Schaar and Steve Howard did personally appear before me, and being by me duly sworn, did say that they are the Chairperson and Manager of the Bear Lake West Property Owners' Association, Incorporated; and the foregoing instrument was signed on behalf of said Corporation by authority of a resolution of its Board of Directors, and they acknowledged to me that said Corporation executed the same.

217201

Notary Public

Karla J. Eborn  
Montpelier ID

My commission expires:

12/20/2019

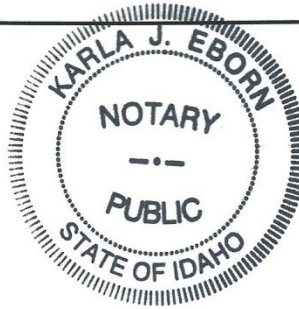


Exhibit "A"

Boundary Descriptions

Plat B

Beginning at the northwest corner of Section 22, Township 16 South, Range 43 East, Boise Meridian, and running thence north 1034' 09" west along the section line 970.91 feet; thence north 89033' 31" east, 145.66 feet; thence along the arc of a 750.00 foot radius curve to the left 561.64 feet (chord bears south 51034' 29" east, 548.61 feet); thence along the arc of a 150.00 foot radius curve to the right 235.62 feet (chord bears south 28001' 40" east, 212.13 feet); thence along the arc of a 2370.00 foot radius curve to the left 868.66 feet (chord bears south 6028' 20" west, 863.80 feet); thence along the arc of a 310.00 foot radius curve to the right 302.99 feet (chord bears south 23058' 20" west, 291.07 feet); thence along the arc of a 320.00 foot radius curve to the left 418.88 feet (chord bears south 14028' 20" west, 389.61 feet); thence along the arc of a 150.00 foot radius curve to the right 217.29 feet (chord bears south 18° 28' 20" west, 198.79 feet); thence along the arc of a 200.00 foot radius curve to the left 160.57 feet (chord bears south 36058' 20" west, 156.29 feet); thence south 89° 10' 44" west, 4142.43 feet to the National Forest boundary; thence north 0° 10' 03" east along said boundary 1420.71 feet to the northwest corner of the northeast 1/4 of the northwest 114, Section 21, said Township and Range; thence north 89051' 14" east along the north line of said Section 21, 3959.30 feet to the point of beginning, containing 151.70 acres.

Plat C

Beginning at a point south 0025' 55" east, 2633.78 feet from the northwest corner of Section 22, Township 16 South, Range 43 East, Boise Meridian and running thence south 10 18' 32" west, 511.80 feet; thence north 82° 48' 00" west, 230.00 feet; thence south 81° 48' 00" west, 530.00 feet; thence north 67024' 00" west, 360.00 feet; thence north 76054' 00" west, 246.94 feet; thence north 0003' 01" west, 358.86 feet;

thence-south 89050' 41" west, 1852.45 feet; thence north 583.73 feet; then west 795.06 feet to the National Forest boundary; thence north 0° 10' 03" east along said boundary 629.29 feet, thence north 89° 10'44" east, 4142.43 feet; thence along the arc of a 200.00 foot radius curve to the left 254.82 feet (chord bears south 22031' 40" east, 237.93 feet); thence along the arc of a 180.00 foot radius curve to the right 241.90 feet (chord bears south 20° 31' 40" east, 224.11 feet); thence along the arc of a 900.00 foot radius curve to the right 571.14 feet (chord bears south 36009' 07" west, 561.60 feet); thence south 0025' 55" east, 379.15 feet to the point of beginning, containing 121.03 acres.

Exhibit "B"

By-laws  
of  
BEAR LAKE WEST  
PROPERTY OWNERS' ASSOCIATION, INCORPORATED  
(An Idaho Not for Profit Corporation)

Article I  
Membership

Section A: Members.

1. Plat B and Plat C members. Every person acquiring legal or equitable title to any lot in Bear Lake West, Plats B and C, located in Bear Lake County, State of Idaho, becomes a member of the Bear Lake West Property Owners' Association, Incorporated (hereinafter referred to as the Corporation), an Idaho not for profit corporation and with such ownership and membership in the Corporation becomes subject to the requirements and limitations imposed in the By-laws, Articles of Incorporation and in the Declaration of Covenants, Conditions and Restrictions that run with the land and to the regulations and assessments of the Corporation, with the exception, however, of such person or persons who hold an interest in any such lot merely as security for the performance of an obligation to pay money, that is mortgages, deeds, trusts, or real estate contract purchases. However, if such person should realize upon his security and become the real owner of one or more lots within the plats, such person shall then assume the status of a regular member and be subject to all of the foregoing restrictions and assessments.

2. Other members. On those properties that are adjacent to or adjoining Plat B and/or Plat C for the purpose of acquiring services (water, roads, maintenance, etc.), those property owners can become limited members of the Corporation with the rights of membership as identified by majority vote of the Corporation's governing Board .

Section B: Shares in the Corporation. Membership in the Corporation for Plats B and C shall be evidenced by one share of stock in the Corporation for each lot owned by the member, each such share bearing the number of the lot in the plat for which it is designated. The person or persons owning any such lot in the plat(s) shall automatically become the owner(s) of such share of stock and the ownership of such share of stock shall immediately and automatically pass to each succeeding owner or owners of such lot in the plat(s). Members shall be entitled to one vote which may be exercised in person or by written proxy at any regular or special of the members for each share of sock they hold as shown by the records of the Corporation.

Section C: Membership Rights. Members shall have the right to use all parks, private or public roads, recreational facilities, utility systems and all other services including, but not limited to, water, sewer, garbage disposal, and all other amenities within the plat(s) or owned by the Corporation. Limited members shall have the right to use amenities as identified by the majority vote of the governing board.

Section D: Reciprocal Easement. Members shall each have a non-exclusive and reciprocal right and easement to use the common areas, roadways, and recreational facilities within the plat(s) or owned by the Corporation for all uses authorized by the Corporation. No member shall hinder or obstruct the use or enjoyment, thereof, by any other such member or guests for such recreational purposes. No portion of such facilities shall be used in such manner as to obstruct or interfere with the enjoyment of members or their guests, or to annoy them by unreasonable noises or otherwise, nor shall any nuisance, immoral or illegal activity be committed or permitted to occur in or about such facilities.

Section E: Suspension of Membership. Breach by any member or guest of any member of the regulations imposed by the Corporation and the Declaration of Covenants, Conditions, and Restrictions, or failure to pay any assessment or fee lawfully imposed by the Corporation, shall constitute grounds for suspension of all membership rights, including voting rights, at the discretion of the Board of Directors of the Corporation . No delay or omission on the part of the Board of Directors in exercising any right, power, or remedy herein provided, in the event of any breach of the conditions continued herein, shall be considered as a waiver thereof or acquiescence therein. A waiver of any breach of the conditions contained herein shall not be construed as a waiver of any succeeding breach or violation, and no such waiver shall result in or impose any liability on the Board of Directors.

Article II  
Meetings of Members

**Section A: Annual Meetings.** The Annual Meeting of the members shall be held at the office of the Corporation or at any other address specified in the "Notice of the Annual Meeting" of each year on the date and at the time specified in said notice.

**Section B: Special Meetings.** Special meetings of the members for any purpose may be called at any time by the Chairperson of the Board or as requested by any Director. The Secretary shall request a special meeting upon written request of at least five percent (5%) of the members who have a right to vote.

**Section C: Notices.** Notice of meetings shall be given to the members by the Secretary. Notice may be given to the member either personally or by mailing a copy of the notice, postage prepaid, to the address appearing on the books of the Corporation. (Each member shall register his or her address, and any change to that address, with the Secretary.) Notice of any meeting, regular or special, shall be mailed not fewer than ten (10) days nor more than thirty-five (35) days in advance of the meeting and shall set forth the purpose(s) of the meeting.

**Section D: Proxy Voting.** At any membership meeting, the presence (whether in person or by proxy) of members entitled to vote (but not less than five percent (5%) of the total shares) shall constitute a quorum for the transaction of business. All proxies shall be in writing and be filed with the Secretary at the commencement of the meeting. Any proxy given by a person who shall not be a qualified member on the date of the meeting, as well as any proxy given more than eleven (11) months prior to the date of the meeting, shall be void.

Article III  
Board of Directors

**Section A: Membership and Powers.** The Corporation shall be governed by a Board of Directors consisting of no fewer than five (5) directors in accordance with Article IX of the Articles of Incorporation of the Corporation. Without limiting the generality of the preceding sentence, or any power vested in it by law, the Board of Directors shall have the power (1) to appoint and remove, with or without cause, all officers, agents and employees of the Corporation, to prescribe their duties, fix their compensation and require of them security or fidelity bonds as it may deem expedient (nothing contained in these By-laws shall be construed to prohibit the employment of any member, officer or Director of the Corporation in any capacity whatsoever); (2) to establish, levy, assess and collect the annual assessments and all other charges; (3) to maintain and manage property and community facilities belonging to the Corporation, and the personal conduct of members and their families, their tenants, and their guests with respect thereto; (4) to exercise for the Corporation all powers, duties, and authority vested in or delegated to this Corporation, except those expressly reserved to the members; (5) in the event any member of the Board of Directors of this Corporation shall be absent from two consecutive regular meetings without the approval of the Board, the Board may take action at the meeting in which such second absence occurs to declare the office of said absent Director to be vacant; and (6) no Director, nor any appointed committee member, acting on behalf of the Board shall be involved with any decision, advise said members, or influence the decision making process where he or she might be party to or may receive benefits from the final decision. This includes any other arrangement that might be determined to be for a Director's or appointed committee member's benefit. It would be expected that said persons would make it known to the Board of any conflict of interest and excuse themselves from the decision making process. It is the prerogative of the Board, if such a conflict of interest has been discovered after the fact, to review said decision and vote again if the added information would affect the outcome of the decision.

**Section B: Duties.** It shall be the duty of the Board of Directors (1) to cause to be kept a full, true and accurate record of its acts and corporate affairs and to present a statement thereof to the members at the Annual Meeting of the members or at any special meeting when requested in writing by at least five percent (5%) of the full membership ;(2) to supervise all officers, agents and employees of this Corporation , and to see that their duties are properly performed ;(3) (a) to fix the amount of the annual assessment against each share of stock in the Corporation as soon as may be practical after the beginning of each calendar year (b) to prepare a roster of the properties and the annual assessments applicable thereto which shall be kept in the office of the Corporation ; and (c) to send written notice of each assessment to every owner subject thereto.

**Section C: Vacancies.** Vacancies on the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors, and any such appointed Director shall hold office for the unexpired term of his predecessor in office.

Article IV  
Meeting of the Board of Directors

**Section A: Annual Meetings.** The Annual Meeting of the Board of Directors shall be held immediately following adjournment of the Annual Meeting of the members in each year.

**Section B: Regular Meetings.** A regular meeting of the Board of Directors shall normally be held on the second Saturday of each month, April through November, provided that the Board of Directors may, by resolution change the time and frequency of holding each regular meeting.

**Section C: Special Meetings.** Special meetings of the Board of Directors shall be requested by the secretary upon request by any officer of the

Corporation or by any two directors. The action of a majority of the Board, although not at a regularly scheduled meeting, shall be valid and effective in all respects if the record of the meeting shall be assented to in writing by all members of the Board.

**Section D: Notices and Waivers.** No notice need be given for the Annual Meeting or any regular meeting of the Board. Notice of any special meeting shall be sufficient if mailed to each Director, postage prepaid, at their address as it appears on the records of the Corporation, at least ten days before the meeting, or given personally or by telephone not later than seven days before the meeting. No notice need be given to any Director who attends the meeting or to any Director, who, in writing (before or after the meeting), waives such notice.

**Section E: Quorum.** At all meetings of the Board, a majority of the Board of Directors shall constitute a quorum; and, except as otherwise provided by law or by the By-laws, the act of a majority of the Directors present shall be the act of the Board.

#### Article V Election of Directors

**Section A: Ballots.** The election of directors shall be by written ballot as hereinafter provided. At each Annual Meeting or at any special meeting called for the purpose of electing directors, the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to through lot ownership under the Articles of Incorporation of the Corporation. The nominees receiving the largest number of votes shall be elected.

**Section B: Nomination and the Nominating Committee.** Nomination for election to the Board of Directors shall be made by the Nominating Committee, which shall consist of a Director, who shall be the chairperson of the Nominating Committee, and one or more members of the Corporation. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the members, to serve during such Annual Meeting and until the next Annual Meeting or until its successor shall have been provided that the Board of Directors may, by resolution change the time and frequency of holding each regular meeting.

**Section C: Special Meetings.** Special meetings of the Board of Directors shall be requested by the secretary upon request by any officer of the Corporation or by any two directors. The action of a majority of the Board, although not at a regularly scheduled meeting, shall be valid and effective in all respects if the record of the meeting shall be assented to in writing by all members of the Board.

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#### Article V Election of Directors

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**Section B: Nomination and the Nominating Committee.** Nomination for election to the Board of Directors shall be made by the Nominating Committee, which shall consist of a Director, who shall be the chairperson of the Nominating Committee, and one or more members of the Corporation. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the members, to serve during such Annual Meeting and until the next Annual Meeting or until its successor shall have been duly designated and qualified. The members of the Nominating Committee shall be announced at each Annual Meeting of the members.

**Section C: Nominees.** The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall determine necessary (but not fewer than the number of vacancies to be filled). Such nominations may be made from among members as the Committee shall determine with discretion. Nominations shall be placed on a written ballot as provided in Section D and shall be made in advance of the times fixed in Section D for the mailing of such ballots to the members.

**Section D: Procedures.** All elections of the Board of Directors shall be made on written ballots which shall (1) describe the vacancies to be filled; (2) set forth the names of those nominated by the Nominating Committee for such vacancies; and (3) contain a space for a write-in vote by the members for each vacancy. Such ballot shall be prepared and mailed by the Secretary to the members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the day before the Annual Meeting or any special meeting called for the purposes of electing Directors).

Section E: Terms. Directors shall be elected for four (4) year terms.

#### Article VI Officers

Section A: Offices. The officers of the Corporation shall be a Chairperson, Vice- Chairperson, Secretary, and a Treasurer. The Chairperson shall be a member of the Board of Directors.

Section B: Election by Board of Directors. The Chairperson shall be elected at such Annual Meeting of the Board, and each officer shall hold office until the next Annual Meeting of the Board and until his successor shall have been duly elected and qualified or until his earlier death, resignation, or removal in accordance with the By-laws. The officers shall be chosen by a majority vote of the Directors.

Section C: Chairperson and Duties. The Chairperson shall be the chief executive officer of the Corporation and as such shall have general supervision of the affairs and property of the Corporation and over its several officers, subject to the direction of the Board of Directors. The Chairperson shall, if present, preside over all meetings of the Board of Directors and shall generally do and perform all acts incident to the office of Chairperson. The Chairperson may sign in the name and on behalf of the Corporation all notes, leases, mortgages, deeds and all other written instruments authorized by the Board, except where the Board shall delegate the execution thereof to some other officer or agent of the Corporation.

Section D: Vice-Chairperson and Duties. In the event the Chairperson is unable to perform his or her duties, the Vice-Chairperson shall act as defined in Section C above.

Section E: Secretary and Duties. The Secretary shall act as Secretary of the Board of Directors and shall record the votes and keep the minutes of all proceedings in a book or on a computer disk to be kept for the purpose of historical record. The Secretary shall sign all certificates of membership and shall keep the records of the Corporation. The Secretary shall record the names and address of all members of the Corporation, shall see that all notices are duly given as required by the By-laws or applicable law.

Section F: Treasurer and Duties. The Treasurer or his or her appointed officer of the Corporation shall, at the direction of the Board of Directors, send written notice of annual assessments to every member and shall receive and maintain proper books of account for all assessments paid. The treasurer or said appointed officer shall deposit in bank accounts approved by the Board all monies of the Corporation. All checks issued require the signature of an officer of the Board as identified on the signature card maintained by the financial institution upon which the monies are withdrawn. Disbursements made outside of the ordinary course of business conducted within the limits of a budget adopted by the Board will require approval of the Board, except in the case of emergency as determined by the Chairman and for which Board Members will be notified within 72 hours of said emergency. The Treasurer or appointed officer shall keep proper books of account and prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its Annual Meeting.

#### Article VII Annual Assessments

Section A: Assessments. In order to enable the Corporation to properly maintain the private roads, common areas, recreational facilities and other amenities within the plats and/or owned by the Corporation, to provide utility systems and services, including but not limited to water, sewer, and garbage collection, and to construct, maintain, or repair any improvements upon property within the plats and/or owned by the Corporation and to pay any taxes due on common areas, the Board of Directors of the Corporation shall be empowered to annually assess the stock of the Corporation held by the members, thereof. Any sums collected from the members for the purpose of constructing improvements upon property within the plats and/or owned by the Corporation, or for the purpose of establishing reserves for the construction and maintenance of such improvements, shall be deemed contributions to the capital of the Corporation, to be distributed pro rata to the members upon dissolution of the Corporation.

Section B: Amount. The Board of Directors will annually consider and adopt a budget in an amount sufficient to maintain, operate, pay taxes, and manage the facilities available to the members, which will be the basis for the determination of the annual assessments on the stock of the Corporation held by the members. The budget shall include amounts for the maintenance and repair of improvements; the purchase, maintenance and repair of equipment; liability insurance and general property taxes on the property comprising the common areas and private roads in the plats and/or owned by the Corporation; and any such other amounts as are necessary to carry out the purposes of the Corporation set forth in the total number of shares of stock in the Corporation owned by the members to arrive at an assessment per share. Accordingly, each member's total assessments will be determined by the number of shares in the Corporation owned by him or her. In no event shall the annual assessments be less than twenty-four dollars (\$24.00) per share.

Section C: Due Dates. The annual assessments shall be payable by the members to the Corporation on or before the first day of January of each year, for the ensuing year. The Board of Directors of the Corporation shall fix the amount of the annual budget and assessments by the first day of October of each year, and written notice of fees so fixed shall be sent to each member in the event that they are changed from the previous year.

Section D: Past Due Penalties. All assessments thirty (30) days past due will have interest applied to the balance at three percent (3%) above the then current prime rate (as established on a quarterly basis beginning the first day of January) or as determined by the Board. A service charge of seventy-five dollars (\$75) will be charged at the end of the fiscal year by the Board.

Article VIII  
Committees

The Board of Directors may appoint such committees as it deems desirable, except that the Nominating Committee shall be appointed in accordance with Article V, Section B, above.

Article IX  
Books and Papers

Section A: Availability. The books and written records of the Corporation shall at all times, during reasonable business hours, be subject to inspection by any member upon written request specifying the reason thereof.

Article X  
Amendments

Section A: Amendment Procedures. A vote of at least fifty-one percent (51%) of the percentage interest of the lot owners in person or represented by proxy at a regular or special meeting of the Corporation at which a quorum is present shall be required to amend these By-laws. Documentation of the vote will be maintained in the records of the Association and will be available for inspection upon a written request. Editorial and spelling errors can be corrected without amending the By-Laws by vote of a quorum of the Board of Directors at any Board Meeting.

Section B: Resolution of Conflicts. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; and, in the case of By-laws, the Declaration of Covenants, Conditions and Restrictions shall control.

Adopted this 26th day of April, 2014 at the Special Membership Meeting at which 74 members of the Association were by Proxy or present and 56% of the members voted in the affirmative to approve the CC&R's and By-Laws.



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Chairman