

AMENDED BYLAWS
OF
307509
WESTWOOD VILLAGE HOMEOWNERS ASSOCIATION, INC.

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By J. Zwick, Dep pg 547

ARTICLE I

VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Owner Defined. An "owner", as the term is used in these Bylaws, is a natural person, or persons, a corporation or any other entity who or which (1) holds title to a condominium unit as defined in the Declaration of Condominium of Westwood Phase I, together with all addenda and amendments thereto and re-statements thereof or a lot as defined in Paragraph H, Article IV of Addendum No. 3 to the Declaration of Condominium and who has the immediate right of possession or use of such property or (2) does not hold title to the property but has a vendee's interest or other contract interest in said property coupled with the immediate right of possession or use of such property.

Section 2. Voting Rights. Each owner of a condominium unit, located in Westwood Village, formerly known as Westwood Phase I, as said Westwood Village may now or hereafter be constituted pursuant to Declaration of Condominium and Addenda thereto filed with Bonner County, Idaho Recorder, shall be a member of the Westwood Village Homeowners Association and shall be entitled to one vote for each unit owned. When more than one person holds an interest in a condominium unit, the vote shall be exercised as the owners thereof determine, but votes attributable to the unit shall be cast by only one (1) person. Voting rights shall commence with respect to a unit concurrently with the commencement of liability for assessments pursuant to Section 1, Article VI of these Bylaws.

Section 3. Majority. As used in these Bylaws, the term "majority" shall mean more than 50% of the votes cast in accordance with the provisions of this Article.

Section 4. Quorum. Except as otherwise provided in these Bylaws, the presence, in person or by proxy, of a majority of owners entitled to vote as defined in Section 1 of this Article shall constitute a quorum.

Section 5. Proxies. Votes may be cast in person or by proxy executed in writing by an owner or owners or by an owner's attorney in fact. A proxy shall not be valid after 11 months from the date of its execution unless a longer period is expressly stated in it. Each proxy shall be revocable at the pleasure of the member who executed it.

ARTICLE II

ASSOCIATION DUTIES AND AUTHORITY

Section 1. Association Duties. The owners of the units will constitute the Association which shall have the obligation and duty, subject to the Declaration of Condominium of Westwood Phase I, together with all addenda and amendments thereto and restatements thereof, and Article IV Section 10 rules and regulations, to do and perform each and every one of the following for the benefit of the owners and for the maintenance and improvement of Westwood Village:

(a) The Association shall accept the owner of each condominium unit as a member of the Association.

(b) The Association, at the discretion of the Board of Directors, may accept title to any common property that may be conveyed to it by Westwood, Inc., by the owners, or by others, and may, in order to carry out the purposes of these Bylaws, acquire title to personal property.

(c) The Association shall, as appropriate, maintain, repair, replace and landscape the common area.

(d) To the extent not assessed to or paid by the owners directly, the Association shall pay all real property taxes and assessments levied upon any portion of the common property.

(e) Unless provided by a municipal, county or other governmental agency, or Westwood, Inc., the Association may contract for, employ or otherwise provide police, refuse disposal and other necessary or desirable services.

(f) The Association shall obtain and maintain in force the following policies of insurance:

(i) A policy or policies of fire insurance, with extended coverage endorsement, including, without limitation, insurance against theft, vandalism and malicious mischief, for the full insurable replacement value of any improvements on the common property, or

such other fire and casualty insurance as the Board shall determine gives substantially equal or greater protection, for the benefit of the Association and the condominium unit owners as their interests may appear; and

(ii) A policy or policies insuring against any liability to the public or to the owners, incident to the ownership and use of the common property and any other property or interest owned by the Association, and including the personal liability exposure of the owners with respect to such property. Limits of liability under such insurance shall not be less than \$500,000 for any one person injured, \$1,000,000 for any one accident, and \$100,000 for property damage per occurrence (such limits and coverage to be reviewed by the Board and increased in its discretion). The above policy of liability insurance shall cover as insured the Association, the Board, the owners, and their agents, representatives, members and employees.

(iii) A policy or policies insuring each Director of the Association against liability to the public or to the owners of any lot or unit within Westwood Village arising out of or in connection with any action suit or proceeding to which he may be made a party by reason of his being or having been a director of the Association.

(g) The Association shall approve the annual budget.

Section 2. Powers and Authority. The Association shall have all the powers set forth in this Article, together with its general powers to do any and all things which may be authorized, required or permitted to be done by the Association under and by virtue of the Articles of Incorporation, the Declaration of Condominium of Westwood Phase I, together with all amendments and addenda thereto and restatements thereof, and any Article IV Section 10 rules and regulations, including the power to levy and collect assessments as hereinafter provided. Without in any way limiting the generality of the foregoing, the Association shall have the following powers:

(a) The Association shall have the power and authority at any time and from time to time and without liability to any owner for trespass, damage or otherwise, to enter upon any condominium unit for the purpose of maintaining and repairing any unit if for any reason the owner fails to maintain and repair such unit, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon a unit in violation of the Articles of Incorporation, the Declaration of Condominium

of Westwood Phase I, together with all amendments and addenda thereto and restatements thereof, and any Article IV Section 10 rules and regulations. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and 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 Articles of Incorporation, the Declaration of Condominium of Westwood Phase I, together with all amendments and addenda thereto and restatements thereof, and any Article IV Section 10 rules and regulations, or to enforce them by mandatory injunction or otherwise.

(b) In conjunction with such legal proceedings or as a separate remedy, the Association may enter upon the property in question and remove, remedy or abate the violation or threatened violation after first giving proper notice and a reasonable opportunity for the violator to take action himself to comply with the Articles of Incorporation, the Declaration of Condominium of Westwood Phase I, together with all amendments and addenda thereto and restatements thereof, and any Article IV Section 10 rules and regulations, or to show cause why he is not in violation of the same, as set forth below.

(c) Notice as required in this Paragraph (c) shall be in writing and shall be served on the person or entity concerned and shall specify the violation and/or threatened violation, identify the property, demand compliance with the terms and conditions of the Articles of Incorporation, the Declaration of Condominium of Westwood Phase I, together with all amendments and addenda thereto and restatements thereof, and any Article IV Section 10 rules and regulations, and shall state the action which will be taken under this Paragraph if the violation or threatened violation is not abated, remedied or satisfied. If such notice cannot be personally served after a reasonable effort to locate the person or entity to be served, service may be had by posting a copy of such notice at a conspicuous place on the property which is the subject of such violation and mailing a copy of the notice by Certified Mail, Return Receipt Requested, to the last known address and by publication in a newspaper of general circulation in Bonner County, Idaho, once a week for three weeks.

Such notice must also set forth a time, date and place for a hearing where the owner shall have an opportunity to appear before the hearing officer to respond to the statements as set forth in such notice and to show cause why he is not in violation of the Articles of Incorporation, the Declaration of Condominium of Westwood Phase I, together with all amendments and addenda thereto and restatements thereof, and any Article IV Section 10 rules and regulations. Such

hearing shall be set at least twenty (20) days subsequent to (a) the date of service of notice or (b) the last day of publication, to the owner charged with such violation. Such hearing shall be presided over by an independent hearing officer selected by the Board who shall not be a property owner in the premises and who shall be an attorney at law duly licensed to practice in the State of Idaho. Following such hearing the hearing officer shall rule on whether a violation of the Articles of Incorporation, the Declaration of Condominium of Westwood Phase I, together with all amendments and addenda thereto and restatements thereof, and any Article IV Section 10 rules and regulations has incurred; if a violation is found, the hearing officer shall give the property owner charged with the violation a reasonable period of time within which to remedy such violation, not to exceed ninety (90) days. If not so remedied within the specified time, then the self-help abatement or litigation provision set forth herein may be invoked.

(d) Such self-help or abatement provisions as set forth above shall be in addition to any and all other right or proceedings available at law or in equity and an election of the remedies herein provided shall not operate to exclude other rights, remedies or proceedings.

(e) Actual costs, expenses and reasonable attorney's fees, including fees of the hearing officer, incurred in connection with successfully correcting, remedying, abating, preventing or removing any violation or threatened violation of the Articles of Incorporation, the Declaration of Condominium of Westwood Phase I, together with all amendments and addenda thereto and restatements thereof, and any Article IV Section 10 rules and regulations established either through litigation, entry or self-help following a hearing as provided above, shall constitute a claim by the owners or the Association initiating such action against the owner of the property which is the subject of such violation or threatened violation. If the owner allegedly violating the Articles of Incorporation, the Declaration of Condominium of Westwood Phase I, together with all amendments and addenda thereto, and any Article IV Section 10 rules and regulations, prevails in such an action, he shall be entitled to recover such costs from the persons commencing the action. Such claim shall be enforceable through appropriate court action. The owner or the Association making such claim may file a lien against the subject property in the amount of and for the collection of, the claim by filing a verified statement of the lien with the office of the Clerk and Recorder, Bonner County, Idaho, which shall have the same effect as a mortgage. Such lien statement shall set forth the name of the claimant, a description of the property, the amount of the claim, the date of the claim and a brief statement of the manner in which the costs and expenses constituting the claim were in-

curred. Once filed, the lien shall remain of record as a claim against the property until paid in full or foreclosed in the manner otherwise provided by law for mortgages on real property subject to rights of redemption.

(f) Having fulfilled the requirements a, b, c, d, and e, it shall be the duty of the Board of Directors to cause the removal of any additions, alteration or improvement on common property placed or installed by any persons without the express written authorization of the Design Committee. The Board of Directors shall make a special assessment under Article VI, Section 5 against any persons altering common property in violation of the prohibitions, limitations, prescriptions herein in the amount equal to the cost of the removal of the alteration and the restoration of common property, plus such sum as the Board may determine as liquidated damages to defray administrative expenses. Any assessment so made shall bear interest at the highest legal rate provided by Idaho law for money on account. The Board shall have power to initiate such legal action as may be recommended by counsel to enforce these provisions.

(g) In fulfilling any of its duties under these By-laws, or in exercising any of its rights to construct improvements or other work upon any common property, the Association shall have the following power and authority; provided, however, that any contract for goods or services having a term of more than one (1) year shall provide that it may be terminated by either party at the end of the first year or at any time thereafter upon not less than ninety (90) days written notice:

(i) To contract and pay for, or otherwise provide for, construction, maintenance, repair and landscaping of the common property on such terms and conditions as the Association shall deem appropriate;

(ii) To obtain, maintain and pay for such insurance policies or bonds as the Board of Directors may deem appropriate for the protection or benefit of the Association, the members of the Board of Directors, or the owners;

(iii) To contract and pay for, or otherwise provide for, such utility services including, but without limitation, water, sewer, trash, electrical, telephone and gas services as the Board of Directors may from time to time deem desirable;

(iv) To contract and pay for, or otherwise provide for the services of architects, engineers, attorneys and certified public accountants or such other professional or nonprofessional services and the Board of

Directors may deem desirable;

(v) To contract and pay for, or otherwise provide for, fire, police and such other protection services as the Board of Directors deem desirable for the benefit of the owners or any property located within Westwood Village;

(vi) To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment, services and labor as and to the extent the Board of Directors deem necessary, and to pay and discharge any and all liens placed upon any common property on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration, provided, however, that if any such materials, supplies, furniture, equipment, services and labor are provided for particular condominium units, the cost thereof shall be specially assessed to the owners of such condominium units unless covered by insurance.

(h) The Association shall be required to grant and convey to any third parties easements or rights-of-way in, on, over or under any common property without payment to the Association, when required by Westwood, Inc., for the purposes of the development of Westwood village; provided, however, that such easements or rights-of-way must be exercised in such manner as not to materially interfere with the use to which the Association has devoted such common property. The Board shall have the right to dedicate or convey all or any part of the common property, or any interest therein, to any public entity or agency which agrees, in connection with such dedication or conveyance, to hold the same subject to restrictions upon use; identical to, or more restrictive than, those applicable to the particular common property so conveyed or dedicated while it was owned by the Association.

(i) The Association shall have the right, but shall not be obligated, to pay, compromise or contest any or all taxes and assessments levied against all or any part of the common property.

(j) The Association may charge owners or others reasonable fees for use of any facilities on the common property to help defray the costs of construction, maintenance, repair or operation of such facilities.

ARTICLE III

MEETINGS AND NOTICES

Section 1. Place of Meetings. The meetings of the Association shall be held at Westwood Village, Sandpoint, Idaho, or such other suitable place, convenient to the owners, as may be designated by the Board of Directors.

Section 2. Annual Meetings. The Annual Meeting of the Association shall be held at such time as the Board of Directors shall determine. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Article IV of these Bylaws. The owners may also transact such other business of the Association as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by owners having at least one-tenth (1/10th) of the votes entitled to be cast at such meeting or such lesser number as may be specified herein for specific purposes, and having been presented to the Secretary of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least twenty (20) but not more than thirty (30) days prior to such meeting. The deposit of an envelope containing the name and address of an owner at the address on file with the Association, containing the notice, postage prepaid, with the United States Postal Service, shall be considered notice served. A notice shall be mailed also to each mortgagee who has requested service of notice by a written request filed with the Secretary.

Section 5. Adjourned Meetings. If any meeting of the owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the scheduled meeting to a time not less than seventy-two (72) hours from the time the original meeting was called, and at such adjourned meeting, provided a quorum is then present, any business that could have been conducted at the original scheduled meeting may be conducted at such adjourned meeting.

Section 6. Order of Business. The order of business at all meetings of the owners of the units shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of committees.
- (f) Unfinished business.
- (g) New business.

- (h) Presentation and approval of annual budget.
- (i) Election of Board of Directors.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number, Qualifications, and Term of Office. The Association shall be governed by a Board of Directors (herein "Board") of seven (7) persons. The members of the Board shall be elected by the owners of condominium units. The Directors of the Association shall be owners of property within Westwood Village and shall be elected by a majority of such owners. Not more than one individual representing a single unit shall serve on the Board at the same time.

Section 2. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 3. Removal of Directors. At any regular or special meeting of the Association any one or more of the Directors may be removed with or without cause by a majority of the owners present, and a successor may then and there be elected by a majority of the owners present to fill the vacancy thus created. Provided, however that no action for removal of a director shall be taken until the following conditions are met:

(a) The meeting notice must specify the proposed action.

(b) The challenged director must be given the opportunity to be heard at the meeting and prior to any vote.

Section 4. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least three such meetings shall be held during each fiscal year. The Board shall have an organizational meeting, for the purpose of election of officers and such other business as may come before the Board, immediately after the adjournment of the annual meeting of the Association. Notice of regular meetings of the Board shall be given to each Director, personally, by mail, telephone or telegraph, at least two (2) days prior to the day named for such meeting.

Section 5. Special Meetings. Special meetings of the Board may be called by the President on two (2) days notice to each Director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

Special meetings of the Board shall be called by the President or Secretary in like manner, and on like notice on the written request of at least two (2) Directors, or at the request of the Community Design Committee.

Section 6. Waiver of Notice. Before or at any meeting of the Board any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent of having received notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 7. Board Quorum. A majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the scheduled meeting from time to time. At any such adjourned meeting, if a quorum is then present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 8. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners.

Section 9. Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board shall be responsible for the following:

(a) Care, upkeep and surveillance of the project and the common areas and facilities and the limited common areas and facilities.

(b) Collection of assessments from the owners.

(c) Designation and dismissal of the personnel necessary for the maintenance and operation of the project, the common areas and facilities and the limited common areas.

Section 10. Rules and Regulations. The Board may at any time and from time to time adopt such reasonable rules and regulations as it may deem necessary pertaining to operation and use of the common areas. Such rules and regulations may be amended from time to time by the Board, provided however, that upon request by twenty-five percent (25%) of the unit owners the Secretary shall call a special meeting of the Association for the purpose of discussing, ratifying or amending such rules and regulations.

Section 11. Management Agent. The Board may employ the services of a manager to manage the affairs of the Association; provided, however, that no such employment shall be by contract having a term of more than one (1) year. The Board may delegate to the manager any of its duties hereunder; provided, however, the Board cannot delegate to such manager the power to execute any contract binding on the Association for a sum in excess of \$1,000 or such other limit imposed by the Board from time to time; nor for the performance of any work or services, which work or services are not to be completed within one hundred twenty (120) days; nor the power to sell, convey, mortgage or encumber any common property.

Section 12. Fidelity Bonds. The Board shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 13. Payment of Vouchers. At quarterly or such other convenient intervals as the Board may determine, the Board shall review the claims and vouchers for services and materials furnished for the benefit of the common areas and elements and shall approve and pay all such reasonable claims. The Board is further authorized to anticipate reasonable expense claims to be presented within the next ensuing quarter or other convenient interval and to authorize the Treasurer to pay the same if the Treasurer is reasonably satisfied that the service has been performed and/or the material for such claim is made has been furnished.

Section 14. Compensation. Directors shall be paid their reasonable and necessary expenses incurred, and may be otherwise compensated in such amount as may be determined at the annual, or any special meeting, of the Association.

Section 15. Miscellaneous. The Board shall have the power and authority to retain and discharge such personnel as may be necessary for the maintenance, repair and replacement of the common areas.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board. The Board may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of president of an Association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint some other member of the Board to so do on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board.

ARTICLE VI

ASSESSMENTS

Section 1. Responsibility. Each owner of any condominium unit or lot shall be deemed to covenant and agree to pay his proportionate share of assessments commencing as follows:

(a) When Westwood, Inc., or it's successor, is the first owner of any condominium unit, the first day of the fifth (5th) month after completion of the unit.

(b) When the Owner of any condominium unit is not Westwood, Inc., the first day of the month following the closing of a sale of such unit if assessments are not otherwise

already in force, whether or not it shall be so expressed in any contract, deed, or any other conveyance, and if already in force, assessments shall continue unabated by a sale.

Each owner of any lot, as defined in Paragraph H. Article IV of Addendum No. 3 to the Declaration of Condominium, other than Declarant, shall be deemed to covenant and agree to pay assessments amounting to fifty percent (50%) of the proportionate share of assessments imposed on an owner of a condominium unit commencing on the date the sale of his lot is closed.

Section 2. Assessments shall be fixed, allocated and collected from time to time as provided herein.

Section 3. General Assessment. At least thirty (30) days prior to the commencement of each fiscal year, the Board shall prepare a budget for operation of the common property in accordance with generally accepted accounting practices. Such budget shall include the estimated costs for the care, upkeep, insurance, surveillance, repair and replacement of the common areas for such fiscal year, the estimated receipts for such fiscal year from such persons as may utilize the common areas and a reserve fund in an amount deemed adequate by the Board. The excess of the estimated costs plus the amount of the reserve fund less the estimated receipts, other than assessments, shall be allocated equally among the owners who are obligated to pay assessments under Section 1 of this Article. If the owner of property shall be obligated to pay for only a portion of a year, pursuant to Section 1 of this Article, assessments shall be prorated from the commencement date of the assessments for that unit. Each owner shall pay assessments so levied against his condominium unit to the Association in equal quarterly or monthly installments or in such other reasonable manner as the Board shall designate. A copy of the estimated budget shall, within ten (10) days after adoption, be mailed to each owner in the Association and each mortgagee who has filed a request for the same with the Secretary of the Board. If twenty-five percent (25%) or more of the owners petition the Secretary for a hearing on such budget within twenty (20) days from the date of the mailing of such estimated budget, the Secretary shall, notwithstanding any provision herein to the contrary, call within ten (10) days a special meeting of the owners for the purpose of discussing, ratifying or adopting an amended estimated budget. Notice of such changes shall be furnished to each unit owner by the Treasurer. The Treasurer shall keep a separate account (ledger) for each such owner and shall upon ten (10) days notice, and payment of a reasonable fee for the same, furnish to the owner demanding the same a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing.

Section 4. Purpose. The assessments levied by the Association shall be used exclusively for the purposes provided for in these Bylaws. Each owner of a lot in Westwood Village shall be equally liable for real property taxes of assessments assessed against the common property of Westwood Village in an amount equal to fifty per-

cent (50%) of the liability of each owner of a unit commencing on the date of the sale of the lot was closed.

Section 5. Special Assessments. In addition to the assessment authorized above, the Board shall also levy an assessment against any owner for monies expended by the Association in performing its functions under the Articles of Incorporation, the Declaration of Condominium of Westwood Phase I, together with all amendments and addenda thereto and restatements thereof, and any Article IV Section 10 rules and regulations, which functions were directly or indirectly caused by such owner's act or failure or refusal to act or otherwise comply with the Articles of Incorporation, the Declaration of Condominium of Westwood Phase I, together with all amendments and addenda thereto and restatements thereof, and any Article IV Section 10 rules and regulations. Such assessment shall be in the amount so expended and shall be due and payable to the Association when levied. Monies so expended shall include without limitation, reasonable engineers', architects', attorneys' and accountants' fees incurred by the Association.

Section 6. Lien and Default. Each assessment under this Article shall be a separate, distinct and personal debt and obligation of the owner against whom it is assessed, and each owner by acceptance of or entry into, a purchase and sale agreement or deed, or other transfer, including by operation of law, whether or not it shall be so expressed in any such purchase and sale agreement, deed, or other transfer, shall be deemed to covenant and agree to pay the same to the Association, provided that no mortgagee, or any officer, director or trustee thereof, shall be personally obligated to pay any assessment although the assessment will be a charge against the condominium unit subject to the assessment as provided hereafter. If the owner does not pay such assessment or any installment thereof when due, the owner shall be deemed in default and the amount of the assessment not paid, together with the amount of any subsequent default, plus interest at the statutory rate for money on account, and costs, including reasonable attorneys' fees, shall be and become a lien upon the property of such owner upon filing by the Association of a notice of default in the Office of the Bonner County Recorder. Such lien shall be subject to and subordinate to the lien of certain mortgages as more particularly set out in Section 9 of this Article, and to the lien of any water or sewer assessments. Association liens may be foreclosed through suit in like manner as a mortgage of real property, and the Association shall have power to bid on the condominium unit at foreclosure sale and to acquire and hold, lease, mortgage or convey the same. A suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same. The foregoing remedies shall be in addition to any other remedies provided by law for the enforcement of such assessment obligation.

Section 7. Exemption. The common property shall be exempt from assessment pursuant to the provisions of this Article.

Section 8. Estoppel Certificate. When requested by an owner, the Association shall execute a certificate stating the indebtedness secured by lien upon the property of the owner, and such certificate shall be conclusive upon the Association and the owners in favor of all persons who rely thereon in good faith as to the amount of such indebtedness as of the date of the certificate. The Association shall be entitled to a reasonable fee as a condition to issuing the certificate.

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Section 9. Mortgagee Protection. Notwithstanding all other provisions of this Article:

(a) The lien which may be created hereunder upon any condominium unit shall be subject and subordinate to the indebtedness secured by any recorded first mortgage (meaning a mortgage or deed of trust with first priority over other mortgages and deeds of trust) upon such interest which is made in good faith and for value and to any recorded purchase money mortgage; provided, however, that after the foreclosure of any such mortgage a lien may be created pursuant to Section 6 of this Article on the interest of the purchaser at such foreclosure sale to secure all assessments, assessed hereunder to such purchaser as an owner, after the date of such foreclosure sale;

(b) No amendment to this Article shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof;

(c) By subordination agreement authorized by the Board, the benefits of (a) and (b) above may be extended to mortgages not otherwise entitled thereto.

ARTICLE VII

OBLIGATIONS OF OWNERS

Section 1. Assessments. All owners are obligated to pay at intervals adopted by the Board, assessments imposed by the Association to meet all project communal expenses as provided in Article VI of these Bylaws.

Section 2. Maintenance and Repair.

(a) Every owner must perform promptly all maintenance and repair work within or upon his own unit (as such unit is defined in the Declaration or Addenda) which, if omitted, would affect the project in its entirety or, in a part, belonging to other owners. Where the exterior of a structure is part of a unit, painting or alteration shall be sub-

ject to Design Committee approval. Every owner shall be expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit owner shall be at the owner's expense.

(c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damaged through the intentional, negligent, recklessness, or careless act of the owner or the owner's guest.

Section 3. Use of Family Units--Internal Changes.

(a) All units shall be utilized for residential purposes only.

(b) An owner shall not make structural modifications or alterations in his unit or installations located therein unless such owner complies with the procedures established in the Declaration and Addenda thereto.

Section 4. Right of Entry.

(a) An owner shall be deemed to grant the right of entry to the management agent or to any other person authorized by the Board or the Association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, when so required to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

Section 5. Rules of Conduct. All owners and residents shall comply with (a) all Rules and Regulations which the Board may adopt pursuant to Section 10, Article IV of these Bylaws, (b) all Land Use Restrictions set forth in the Declaration and all Addenda thereto, and (c) all rules promulgated by the Community Design Committee.

ARTICLE VIII
AMENDMENTS TO BYLAWS

Section 1. Bylaws. These Bylaws may be amended by the Association in a meeting called for such purpose and no amendment shall take effect unless approved by more than fifty percent (50%) of the owners entitled to vote as set forth in Article I, Section 1 of these Bylaws.

ARTICLE IX
MORTGAGEES

Section 1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Management Agent, if any, or the President of the Board in the event there is no Management Agent, of the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Units".

Section 2. Notice of Unpaid Assessments. The Association shall, at the request of a mortgagee of a unit, report any unpaid assessments due from the owner of such unit.

ARTICLE X
COMPLIANCE

These Bylaws are set forth to comply with the requirements of Chapter 15, Title 55, Idaho Code. In case any of these Bylaws conflict with the provisions of said statutes, it is hereby agreed and accepted that the provisions of the statute will apply.

ARTICLE XI
PREVIOUS BYLAWS REPEALED

All Bylaws heretofore adopted are hereby repealed.

CERTIFICATION OF ADOPTION

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The undersigned President and Secretary certify that the foregoing Bylaws were duly adopted on the 3rd day of September, 1983 at a meeting of the members of the association called for that purpose.

James R. Willis
President

Gaye Rulon
Secretary

SUBSCRIBED AND SWORN TO before me this 3rd day of September, 1983.



[Signature]
Notary Public-State of Idaho
Residing at: Sandpoint