

SECOND AMENDED AND RESTATED DECLARATION

OF

WESTWOOD VILLAGE HOMEOWNERS ASSOCIATION, INC.

**Approved
July 6, 2013**

TABLE OF CONTENTS

ARTICLE I. DECLARATION 2

ARTICLE II. DEFINITIONS 3

 1. Condominium Plat. 3

 2. Westwood Village..... 3

 3. The Project 3

 4. Enabling Documents..... 3

 5. Property..... 4

 6. Common Area..... 4

 7. Limited Common Area. 4

 8. General Common Area. 4

 9. Building..... 4

 10. Unit 4

 11. Condominium 5

 12. Single Family Residence..... 5

 13. Owner..... 5

 14. Association..... 5

 15. Mortgage..... 5

 16. Mortgagee..... 6

ARTICLE III. NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP 6

 1. Estates of an Owner 6

 2. Limited Common Area 6

 3. Revocable License 7

 4. Right to Combine Units 8

 5. Title 8

 6. Inseparability..... 8

 7. Partition Not Permitted 9

 8. Owner’s Right to Common Area. 9

 9. Taxes and Assessments..... 9

 10. Owner’s Rights with Respect to Interiors 9

 11. Owner’s Responsibilities for Damage 9

 12. Easements for Encroachments 9

 13. Easements of Access for Repair, Maintenance and Emergencies 10

 14. Owner’s Right to Ingress and Egress and Support 10

 15. Association’s Right to Use of the Common Area..... 10

 16. Easements Deemed Created..... 11

ARTICLE IV. DESCRIPTION OF CONDOMINIUM UNITS..... 11

 1. Eagle. 11

 2. Tyee..... 11

 3. Coyote 11

 4. Eastern..... 11

 5. Western. 12

 6. Metaline 12

 7. Northern 12

 8. Riverview at Westwood 12

9.	The Court at Westwood	12
10.	Single Family Residences	12
11.	Unit Floor Plans and Specifications.....	12
12.	Legal Description of Unit	13
13.	Legal Description of Single Family Residences.....	13
ARTICLE V. SINGLE FAMILY RESIDENCES		14
1.	Maintenance	14
2.	Access	15
3.	Assessments	15
4.	Insurance	15
5.	Other Restrictions, Rights and Responsibilities.....	15
ARTICLE VI. MARINA		15
1.	Rentable Slips	16
ARTICLE VII. COMMON AREA INTERESTS.....		16
ARTICLE VIII. MECHANIC’S LIEN RIGHTS		16
ARTICLE IX. THE ASSOCIATION		17
1.	Membership	17
2.	Voting Rights	17
3.	Transfer	18
4.	Amplification	18
ARTICLE X. ASSOCIATION’S RIGHTS & OBLIGATIONS		18
1.	The Management Body	18
2.	The Common Area.....	18
3.	Miscellaneous Services	19
4.	Personal Property for Common Use.	20
5.	Rules and Regulations.....	20
6.	Implied Rights.....	20
7.	Agreements with Adjacent Property Owners	20
ARTICLE XI. ASSESSMENTS.....		21
1.	Obligation to Pay Assessment	21
2.	Amount of Total Periodic Assessments.....	21
3.	Apportionment of Periodic Assessments	21
4.	Notice of Periodic Assessments and Time for Payment	22
5.	Special Assessments for Capital Improvements.	22
6.	Late Fee.....	23
7.	Lien for Assessments.	23
8.	Personal Obligation of Owner.	24
9.	Statement of Account.....	25
10.	Personal Liability of Purchaser for Assessments	25
ARTICLE XII. LAND USE RESTRICTIONS		25
1.	Noxious or Offensive Activity.....	25
2.	Sound Devices.	26
3.	Camping	26
4.	Pets	26
5.	Signs.....	26
6.	Mobile Homes and Travel Trailers.....	26

7.	Garbage.....	27
8.	Clotheslines.....	27
9.	Work from Home.....	27
10.	Hunting.....	27
11.	Antenna.....	27
12.	Explosives.....	27
13.	Storage.....	28
14.	Fire Hazards.....	28
15.	Private Roads.....	28
16.	Common Area.....	28
ARTICLE XIII. DESIGN COMMITTEE		28
1.	Design Committee Members.....	29
2.	Right to Appoint and Remove Members.....	29
3.	Right to Appeal Design Committee Decision.....	29
4.	Duty.....	29
5.	Meetings, Records and Compensation.....	29
6.	Design Committee Rules.....	30
7.	Liability.....	30
ARTICLE XIV. OWNERSHIP TRANSFER REQUIREMENTS		31
1.	Conditionally Refundable Transfer Fee.....	31
2.	Arranging and Participating in Orientation.....	31
3.	Transfer Fee Refunded or Forfeited.....	31
4.	Waiver of Transfer Fee.....	32
5.	Transfer Lien.....	32
ARTICLE XV. INSURANCE.....		32
1.	Types of Insurance.....	32
2.	Form.....	34
3.	Insurance Proceeds.....	34
4.	Owner's Own Insurance.....	35
5.	Insurance for Single Family Residences.....	35
ARTICLE XVI. CASUALTY, DAMAGE OR DESTRUCTION		35
1.	Declarations Affect Title.....	35
2.	Association as Agent.....	35
3.	General Authority of Association.....	35
4.	Estimate of Costs.....	36
5.	Repair or Reconstruction.....	36
6.	Funds for Reconstruction.....	37
7.	Disbursement of Funds for Repair or Reconstruction.....	37
8.	Decision Not to Rebuild.....	38
9.	Reconstruction or Repair of Single Family Residences	38
ARTICLE XVII. REVOCATION OR AMENDMENT TO DECLARATION.....		38
ARTICLE XVIII. PERIOD OF CONDOMINIUM OWNERSHIP		38
ARTICLE XIX. DISPUTE RESOLUTION		39
1.	Owner's Compliance.....	39
2.	Default Regarding Assessments.....	39
3.	Other Defaults/Disputes.....	39

ARTICLE XX. MISCELLANEOUS	40
1. Registration of Mailing Address.....	40
2. Owner’s Obligations Continue.	41
3. Severability	41
4. Statute.	41

SECOND AMENDMENT AND RESTATEMENT
OF
WESTWOOD VILLAGE CONDOMINIUM DECLARATION

KNOW ALL MEN BY THESE PRESENTS THAT:

WHEREAS, WESTWOOD, INC., an Idaho corporation, as Declarant, did on July 24, 1973, execute a Declaration of Condominium of Westwood Phase I (subsequently amended to be entitled "Westwood Village") which Declaration was recorded as Instrument No. 153321, records of Bonner County, Idaho, on the 25th day of October, 1973; and

WHEREAS, after the adoption of a number of amendments and revisions and in order to clarify the Condominium Declaration, an Amendment and Restatement of Westwood Village Condominium Declaration ("Restated Declaration") was adopted on December 3, 1983 and recorded on February 12, 1984, as Instrument No. 288945, records of Bonner County, Idaho; and

WHEREAS, since recording of the "Restated Declaration" on February 12, 1984, there have been numerous amendments, as well as additional development within "Westwood Village" and Declarant, Westwood, Inc., is no longer involved with the Project; and

WHEREAS, pursuant to Article XIII of the Amended and Restated Declaration of Condominium, Owners representing an aggregate ownership interest greater than fifty (50%) percent of the units in the project may amend the provisions of the Declaration; and

WHEREAS, at the annual meeting of the Westwood Village Homeowners Association held the 6th day of July, 2013, Unit Owners representing greater than fifty (50%) percent of the Units in Westwood Village did consent to amend and restate the Declaration of Condominium;

NOW THEREFORE, the undersigned hereby adopt and declare the following Second Amended and Restated Declaration of Condominium, which upon filing with the Bonner County Recorder's Office shall supersede and entirely replace all prior forms of this Declaration, as well as any amendments thereto up to the time of recording hereof.

**SECOND AMENDED AND RESTATED DECLARATION OF CONDOMINIUM
OF
WESTWOOD VILLAGE**

ARTICLE I. DECLARATION

WESTWOOD VILLAGE HOMEOWNERS ASSOCIATION, INC., an Idaho corporation, hereby amends and restates the Declaration of Condominium of Westwood Village and declares the "Project" (as hereinafter defined) is and will be subject to the provisions of this Second Amended and Restated Declaration of Condominium, each and all of which provisions are hereby declared to be in furtherance of a general plan and scheme of condominium ownership, as hereinafter set forth and pursuant to the provisions of the Idaho Condominium Property Act (Title 55, Chapter 15, Idaho Code). All provisions hereof shall run with the land, and shall constitute benefits and burdens to all present and future Unit Owners of Westwood Village Condominiums.

The Amending Parties do hereby provide for the continuation of the condominium form of ownership of the Project, and all improvements thereon, pursuant to the Condominium Property Act of the State of Idaho. (I.C. §55-1501 et seq.)

ARTICLE II. DEFINITIONS

The following terms shall have the following meaning when used herein, unless the context otherwise requires:

1. Condominium Plat. “Condominium Plat” means the Condominium Plat for Westwood Village Condominiums, attached hereto as a part of Exhibit “A”, consisting of a plat of the surface of the ground of the Property showing the dimensions thereof, the location of each Building with respect to the boundaries of the Property. The Plat shall also include the dimensional drawings of Units as set forth in Exhibits described in Article IV hereof.

2. Westwood Village. “Westwood Village” means the Westwood Village Condominium Project.

3. The Project. The term “Project” means the real Property as defined below, and all existing and future buildings and improvements upon the real Property, including, but not limited to, the landscaped and planted areas, walks, driveways, parking areas, roadways and other facilities used in common; the waterfront area, including the marina and the boat slips associated therewith; the tennis court and swimming pool; central and appurtenant utility services for common use; as well as easements for access, maintenance, repair, reconstruction or replacement of buildings, installations and appurtenances, and for all other services necessary or convenient to the existence, maintenance, safety and use of the Property.

4. Enabling Documents. “Enabling Documents” shall mean the Condominium Property Act (I.C. §55-1501 et seq.), the provisions of this Declaration, the Articles of Incorporation, the Bylaws of the Association and any Rules or Regulations adopted by the Association.

5. Property. "Property" means the real property described in Exhibit "B", attached hereto and incorporated herein by this reference.

6. Common Area. "Common Area" means the entire Project except the Units.

7. Limited Common Area. "Limited Common Area" means that Common Area designated herein for exclusive use by Owners of particular Units, as further defined under Article III of this Declaration.

8. General Common Area. "General Common Area" means all Common Area except the Limited Common Area.

9. Building. "Building" means any of the buildings existing or constructed on the Property, including the single family residences as that term is herein defined.

10. Unit. "Unit" means a separate interest in a condominium as bounded by the interior surfaces of the walls, floors, ceilings and doors and the exterior surface of the windows and window coverings as shown and numbered on the Condominium Plat filed herewith, and described herein, together with all fixtures and improvements therein contained. Notwithstanding the foregoing, the following are not part of a Unit: bearing walls, columns, floors, and roofs (except for the interior surface thereof, if a perimeter wall, floor or ceiling), foundations, clothes chutes, shafts, central heating, reservoirs, tanks, pumps and other services used by more than one Unit, pipes, vents, ducts, flues, chutes, conduits, wires, and other utility installations, wherever located, except outlets thereof when located within the Unit. "Unit" shall also include the attached or unattached garages which are designated for the exclusive use of an Owner, bounded by the interior surfaces of the walls, floors, ceilings, windows and doors, together with all fixtures and improvements therein contained. The Owner of a Unit which

includes an attached or unattached garage shall be responsible for the cost of maintaining the floor of such garage, including the repair and replacement of the concrete.

11. Condominium. "Condominium" means a separate fee interest in a Unit and Unit improvements together with an undivided fee interest in common in the Common Area and Common Area improvements (expressed as a percentage of the entire Common Area) as set forth in Article VII herein.

12. Single Family Residence. Included within Westwood Village are five (5) Single Family Residences, four of which are built on Lots 16, 18, 19 and 42 of Westwood Village according to the plat thereof recorded in Book 3 of Plats, Page 130, records of Bonner County, Idaho. The Bullfrog Unit within Westwood Village shall also be considered a Single Family Residence. There are differences in the nature and incidence of ownership between a Single Family Residence and a Condominium Unit as further set forth in Article V and the other provisions of this Declaration.

13. Owner. "Owner" means any individual, corporation, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal entity with legal rights of ownership in a Condominium or Single Family Residence included within the Project. The term "Owner" shall not refer to any Mortgagee, as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure or a proceeding in lieu of foreclosure.

14. Association. "Association" means the Westwood Village Homeowners Association, Inc., an Idaho not for profit corporation, its successors and assigns, organized as provided herein.

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

16. Mortgagee. "Mortgagee" means any person, or any successor to the interest of such person named as the mortgagee, trust beneficiary, or creditor under any mortgage, as mortgage is defined in Section 14 of this Article, under which the interest of any Owner, or successor to the interest of such Owner, is encumbered.

ARTICLE III. NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

1. Estates of an Owner. The Property is divided into Condominiums, each Condominium consisting of a separate interest in a Unit, Limited Common Area associated with such Unit, if any, and an undivided interest in the General Common Area in accordance with Article VII. The percentage of interest in the Common Area which is to be allocated to each Unit for purposes of tax assessment under Idaho Code §55-1514 and for purposes of liability as provided in Idaho Code §55-1515 shall be the same as set forth in Article VII. Such common interests in the Common Area are hereby declared to be appurtenant to the respective Units.

2. Limited Common Area. "Limited Common Area" shall consist of: balconies, porches, carports, sidewalks which provide exclusive benefits to Owners of particular units, small garden plots, shrubbery installed and maintained by Owner and located right next to a specific unit and such other areas indicated on the Condominium Plat as being Limited Common Area. The balconies or porches adjoining a Unit, the individual heating equipment, and all other Limited Common Area, as referred to above, shall be used in connection with the associated Unit to the exclusion of the use thereof by the other Owners of the Common Area except by invitation. The cost of maintaining the Limited Common Area shall be borne by the Unit Owner who has the exclusive use of such improvement, except that the Association has the right, but not the obligation, to maintain the Limited Common Area if deemed necessary to preserve the value of the Project. In the event the Association undertakes maintenance and repair of the Limited

Common Area, then the Association shall be entitled to obtain reimbursement from the Owner for the reasonable costs of such maintenance and repair. Notwithstanding the foregoing, the Association shall be the party responsible for maintenance and repair of the balconies and porches that are identified on the original plat of Westwood Phase I, recorded October 25, 1973, or were part of the original construction of the condominium unit; however, once the balcony or porch is redesigned or reconstructed by the Owner of a Unit, then the responsibility for future maintenance and repair reverts to the Owner.

“Limited Common Area” shall also consist of those portions of the Single Family Residence Lots 16, 18, 19 and 42, excluding, however, the actual residences located thereon. The Owner of the Single Family Residences shall have exclusive use of the associated Limited Common Area, but shall be solely responsible not only for the repair and maintenance of the Single Family Residence but also the Limited Common Area associated therewith and shall also maintain their own insurance on the entire Unit and all improvements within the associated Limited Common Area to which the Owner has exclusive use. No improvement shall be made to the Single Family Residence Limited Common Area without the express written authorization of the Association Design Committee and the Board of Directors.

3. Revocable License. From and after the recording of this Amended and Restated Declaration, Limited Common Area shall be obtainable by an Owner only with written approval of the Design Committee and the Board of Directors. Approval shall be in the form of a revocable, exclusive license in favor of the Owner, subject to such reasonable conditions as deemed appropriate by the Board of Directors. In the event the Owner fails to comply with the conditions imposed, the Association, in addition to remedies available under Idaho Code as well

as those set forth in paragraph 2 immediately above, shall have the right but not the obligation to revoke the license and return the Limited Common Area to General Common Area.

4. Right to Combine Units. A Unit Owner, with written approval of the Association, shall have the right to combine physically the area of space of one Unit with the area or space of one or more contiguous Units. Such combination shall not prevent the separation of ownership of such Condominium after they have once been combined. In the event a Unit is combined with a contiguous Unit, the walls, floors and other structural separations between Units so combined shall become Limited Common Area and such space shall automatically revert to General Common Area if the combined Units become subject to separate ownership after they have once been combined. In the event a Unit is combined with a contiguous Unit as set forth immediately above, the Unit Owner shall remain liable for common expenses and assessments as if the Units were never combined.

5. Title. Title to a Condominium may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Idaho.

6. Inseparability. No part of a Condominium or of the legal rights comprising ownership of a Condominium may be separated from any other part thereof during the period of Condominium ownership prescribed herein, so that each Unit and the undivided interest in the Common Area appurtenant to such Unit shall always be assigned, conveyed, devised, encumbered and otherwise affected only as a complete Condominium. Every gift, devise, bequest, transfer, encumbrance, conveyance or disposition of a Condominium shall be presumed to be of the entire Condominium together with all appurtenant rights created by law or by this Declaration.

7. Partition Not Permitted. The interest in the Common Area shall be owned in common by all Owners of Condominiums, and no Owner may bring an action for partition thereof.

8. Owner's Right to Common Area. Subject to this Declaration, the Articles of Incorporation, Bylaws and such Rules and Regulations as are adopted by the Association, each Owner shall have the nonexclusive right to use and enjoy the General Common Area, and shall have the exclusive right to use and enjoy the Limited Common Area designated for exclusive use by the Owner.

9. Taxes and Assessments. Each Owner shall timely pay the taxes, rates, impositions and assessments levied against their Unit by the Bonner County Assessor's Office.

10. Owner's Rights with Respect to Interiors. Each Owner has the exclusive right to paint, repaint, tile, wash, paper or otherwise maintain, refinish and decorate the interior surfaces of the walls, ceilings and floors, windows and doors forming the boundaries of his/her Unit.

11. Owner's Responsibilities for Damage. The Unit Owner shall be responsible for all damage to Common Area or to another Unit or Units if such damages are the result of negligence of the Owner. Damages shall be repaired and the property shall be restored substantially to the same condition as existed prior to the damage. Any expenses incurred by the Association to remedy damages caused by an Owner shall be collected by the Association in the same manner as assessments are collected as set forth in Article XI below.

12. Easements for Encroachments. If any part of the Common Area encroaches upon a Unit or Units, an easement for such encroachment and for the maintenance thereof will be imposed. If any part of a Unit encroaches upon the Common area, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance thereof will be imposed.

Such encroachments shall not be considered to be encumbrances either on the Common Area or the Units. Encroachments referred to herein, include, but are not limited to, encroachments caused by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

13. Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Area or Limited Common Area is or may be located within the Units or may be conveniently accessible only through the Units. The Association, by and through its agents, shall have access to each Unit and to all Common Area and Limited Common Area from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Area located therein or accessible therefrom or for making emergency repairs to prevent damage to the Common Area or to another Unit or Units.

The Association shall also have an easement of access for emergencies to Limited Common Area as well as for repair and maintenance in those circumstances where the Unit Owner has failed to repair and maintain the Limited Common Area as required by these Declarations.

14. Owner's Right to Ingress and Egress and Support. Each Owner shall have the right of ingress and egress over, upon and across the Common Area necessary for access to the owned Unit and to the Limited Common Area designated for use in connection with this Unit, and shall have the right to the horizontal and lateral support of his/her Unit, and such rights shall be appurtenant to and shall run with the title to each condominium.

15. Association's Right to Use of the Common Area. The Association and its designated agents shall have the right of ingress and egress over, upon and across the Common

Area as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain in the Common Area maintenance and storage facilities, as well as the right to store materials and to make such other use as may be reasonable, necessary, or incident to the maintenance and repair of the property.

16. Easements Deemed Created. All conveyances of Condominiums shall be construed to grant and reserve such reciprocal easements as shall give effect to Sections 12, 12, 14 and 15 above, even though no specific reference to such easements or to those Sections appears in any such conveyance.

ARTICLE IV. DESCRIPTION OF CONDOMINIUM UNITS

The Condominium Units in the Project shall consist of, and be described by Building name and unit number as follows:

1. Eagle. The building denominated "Eagle" on the Condominium Plat consisting of Units 101 through 104, units 201 through 204, and Units 301 through 304, respectively as indicated in Exhibit "C" hereto.

2. Tyee. The building denominated "Tyee" on the Condominium Plat, consisting of Units 1 through 5 respectively, as indicated on Exhibit "D" hereto.

3. Coyote. The building denominated "Coyote" on the Condominium Plat, consisting of Units 1 through 6 respectively as indicated on Exhibit "E" hereto.

4. Eastern. The building denominated "Eastern" on the Condominium Plat, consisting of Units 1 through 8 respectively, as indicated on the Condominium Plat, Exhibit "F" hereto.

5. Western. The building denominated “Western” on the Condominium Plat, consisting of Units 1 and 2 respectively, as indicated on Exhibit “G” hereto.

6. Metaline. The building denominated “Metaline” on the Condominium Plat, consisting of Units 1 through 6 respectively, as indicated on Exhibit “H” hereto.

7. Northern. The building denominated “Northern” on the Condominium Plat, consisting of Units 1 through 8 respectively, as indicated on Exhibit “I” hereto.

8. Riverview at Westwood. The building denominated “Riverview at Westwood” on the Condominium Plat, consisting of Units 1 through 4 respectively, as indicated on Exhibit “J” hereto.

9. The Court at Westwood. “The Court at Westwood” consists of seven buildings comprising 23 condominium units known as Units 1-4, 201-205, 301-307 and 401-407 as indicated on Exhibit “K” hereto.

10. Single Family Residences. Lots 16, 18, 19, 42 and the building denominated “Bullfrog” on the Condominium Plat of Westwood Village are Single Family Residences which are part of the Condominium Project as indicated on Exhibit “A” hereto.

11. Unit Floor Plans and Specifications. The plans and specifications for specific buildings and units are depicted on the drawings attached hereto as follows:

<u>Building</u>	<u>Exhibit</u>
Eagle	“C”
Tyee	“D”
Coyote	“E”
Eastern	“F”
Western	“G”
Metaline	“H”
Northern	“I”
Riverview at Westwood	“J”
The Court at Westwood	“K”

<u>Single Family Residences</u>	<u>Exhibit</u>
Bullfrog	N/A
Lot 16	N/A
Lot 18	N/A
Lot 19	N/A
Lot 42	N/A

12. Legal Description of Unit. Except for the Single Family Residences which will be addressed below, every contract for the sale of a Condominium and every Deed or other instrument affecting title to a Condominium may describe that Condominium by the Building and the Unit number hereinabove set forth with the appropriate reference to this Declaration as it appears in the records of the County Recorder of Bonner County, Idaho, in the following fashion:

i.e. Unit 2 of Eastern Cluster of Pend Oreille Units of Westwood Village Condominiums, depicted and described in the Second Amended and Restated Declaration of Condominium of Westwood Village, recorded as Instrument No. _____, records of Bonner County, Idaho.

Such description will be construed to describe the separate fee interest in the Unit, together with the appurtenant common interest in the Common Area, and incorporates all of the rights incident to ownership of a Condominium and all the limitations on such ownership as described in this Declaration.

13. Legal Description of Single Family Residences. Every contract for the sale of a Single Family Residence that is part of Westwood Village and every Deed or other instrument affecting title thereto, may be described in the following fashion:

i.e. Lot 18 of Westwood Village Condominiums, according to the Second Amended and Restated Declaration of Condominium of Westwood Village, recorded as Instrument No. _____, records of Bonner County, Idaho.

Such description will be construed to describe the separate fee interest in those Single Family Residences which are part of Westwood Village, together with any appurtenant common interest in the Common Area, and incorporates all of the rights incident to ownership of a Single Family Residence and all the limitations on such ownership as described in this Declaration.

ARTICLE V. SINGLE FAMILY RESIDENCES

Included within Westwood Village are five (5) Single Family Residences, four (4) of which are referred to as Lots 16, 18, 19 and 42 of Westwood Village according to the plat thereof recorded in Book 3 of Plats, Page 130, records of Bonner County, Idaho. There also exists one (1) additional Single Family Residence which is known as "The Bullfrog Unit". The residences identified constitute Condominium Units, which Units shall include, as part of Unit ownership, the exterior walls, roofs and foundations of each Unit and everything enclosed thereby, as well as all incidents of Unit ownership contained in the Idaho Condominium Act, this Declaration, the Articles of Incorporation, Bylaws and Rules and Regulations associated with Westwood Village. The land and other improvements contained within the boundaries of each lot which is not included as part of "Unit Ownership" shall be Limited Common Area reserved for use solely by the Owner of the Single Family Residence.

1. Maintenance. Unlike other units within Westwood Village, Owners of the Single Family Residences shall be solely responsible for repair and maintenance of their entire residences, (and garages), including, but not limited to, the roof, foundation, exterior, windows, doors and such pipes, plumbing, utility installations that benefit the property. Limited Common Areas shall be maintained by the Single Family Residence Owner in the same manner as Limited Common Area throughout the remainder of Westwood Village.

2. Access. Pedestrian and vehicular ingress and egress benefiting the Single Family Residences shall be over and across the existing roadways servicing Westwood Village and shall be nonexclusive with other Owners. The Association shall be responsible for snow removal, maintenance and repair of roadways servicing the Single Family Residences.

3. Assessments. Owners of Single Family Residences shall be assessed in the same manner as other Owners pursuant to Article XI except that the Association shall have the authority to adjust the assessments associated with ownership of the Single Family Residences to fairly reflect responsibilities for maintenance and repair.

4. Insurance. The Single Family Residence Owners shall be individually responsible for maintaining their own insurance on their residence and the improvements that they have installed in the Limited Common Areas surrounding their residence. The proceeds from any loss shall be available to the Owner as they deem appropriate; however, Single Family Residence Owners are required to use insurance proceeds as necessary to maintain a clean and safe condition following a loss.

5. Other Restrictions, Rights and Responsibilities. Unless otherwise set forth herein, Single Family Residence Owners are subject to the land use restrictions, responsibilities, rights and benefits set forth in the Enabling Documents.

ARTICLE VI. MARINA

Included within the Common Area of Westwood Village is the waterfront property and marina as described and depicted on the Condominium Plat for Westwood Village Condominiums attached hereto as Exhibit "A". The waterfront area and the docks are primarily for the benefit of the Owners subject to this Declaration, the Articles of Incorporation, Bylaws and such Rules and Regulations as are adopted.

1. Rentable Slips. Westwood Village Owners and their tenants, and Westwood Terrace Owners and their tenants have the right, subject to availability, to lease a boat slip within the marina evidenced by a written lease agreement and subject to such Rules and Regulations as are periodically adopted. Use, maintenance and repair of the marina and the waterfront property shall be administered by the Association and the costs of maintenance and repair shall be assessed in the same manner as other Common Area improvements.

ARTICLE VII. COMMON AREA INTERESTS

For purposes of Association assessments, each Unit in the Project is declared to be of approximately equal value, and shall include an equal interest in the Common Area, and shall be equally liable for common expenses and assessments. The Project consists of 79 units total, so that each Unit Owner also owns a 1.266% undivided interest in common in the Common Area.

ARTICLE VIII. MECHANIC'S LIEN RIGHTS

No labor or services or material furnished with the consent of or at the request of an Owner or his/her agent or his/her contractor or subcontractor shall be the basis for the filing of a lien against the Condominium of any other Owner, or against any part thereof, or against any other property of any other Owner, except that such lien may apply to the Condominium of such other Owner who has expressly consented to or requested the performance of such labor or furnishing of such materials or services. Such express consent shall be deemed to have been given by the Owner of any Condominium in the case of emergency repairs thereto. Labor performed or services or materials furnished for the Project, if duly authorized by the Association, shall be deemed to be performed or furnished with the express consent of each Owner. Any Owner may remove his/her Condominium from a lien against two or more

Condominiums or any part thereof by payment to the holder of the lien the fraction of the total sum secured by such lien which is attributable to the cost of work upon or materials furnished to his/her Condominium.

ARTICLE IX. THE ASSOCIATION

1. Membership. The Articles of Incorporation and Bylaws of the Westwood Village Homeowners Association, Inc. ("Association") and the Amendments thereto are attached hereto as Exhibits "L", "M", "N", "O" and "P", and are hereby made a part of this Declaration. Every Owner shall be entitled and shall also be required to be a member of the Association. If ownership of a Unit is in something other than a single individual, the membership related to that Unit shall be held in the same proportionate interest and by the same type of tenancy in which the title to the Unit is held.

Membership in the Association is limited exclusively to Owners of Units within the Project, and there is one membership vote in the Association for each Unit owned. No person or entity other than an Owner may be a member of the Association. The memberships in the Association may not be transferred except in connection with the transfer of a Unit. Provided, however, that the rights of membership may be assigned to a Mortgagee as further security for a loan secured by a lien on a Unit, but a Mortgagee may only exercise such rights in the event it obtains title to such Condominium (as contrasted to a lien) by foreclosure or by a proceeding in lieu thereof.

2. Voting Rights. Each Owner shall be entitled to cast one vote for each Unit owned on any matter for which Association members are entitled to vote, as provided in the Articles and Bylaws of the Association.

3. Transfer. Unless expressly reserved, the rights, interests and obligations of the Association may be transferred or assigned to any person, entity or agent; provided, however, that no such transfer or assignment shall relieve the Association of the ultimate responsibility for managing the Condominium Project. Any such transfer or assignment shall not revoke, amend or change any of the rights of any Owners as set forth herein.

4. Amplification. The provisions of this Article are amplified by the Articles of Incorporation of the Association and the Bylaws of the Association; provided, however, that no present or future provision of such Articles of Incorporation or Bylaws shall substantially alter or amend any of the rights or obligations of the Owners set forth herein except upon the vote or consent of the Owners pursuant to Article XVII herein.

ARTICLE X. ASSOCIATION'S RIGHTS & OBLIGATIONS

1. The Management Body. The Association is hereby designated to be the "Management Body" as provided in Idaho Code §55-1503 and §55-1506 and shall administer the Project in accordance with the Condominium Property Act (I.C. §55-1501 et seq.), the provisions of this Declaration, the Articles of Incorporation, the Bylaws of the Association and any Rules or Regulations adopted by the Association.

2. The Common Area. The Association, subject to the rights of the Owners set forth in Article III hereof, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair; however, each Owner of a Unit shall keep the Limited Common Area designated for use in connection with the Owner's Unit in a clean, sanitary and attractive condition. The Association shall be responsible for the maintenance and repair of exterior surfaces of buildings

and improvements located on the Project, including without limitation, the painting of the same as often as necessary, the replacement of trim and caulking, the maintenance and repair of roofs, the maintenance and repair of the Common Area, including the maintenance and repair of the roads and sidewalks within the Project. Unit Owners shall be responsible for broken or failed windows, doors and garage doors associated with their particular Unit. The Association shall maintain in a proper manner all landscaping and natural vegetation constituting part of the Common Area, including assuring the preservation of good visual continuity between landscaped areas and natural vegetation, except that vegetation and landscaping considered by the Association and the Owner to be Limited Common Area shall be maintained by the Owner.

The Association shall have the right to grant easements for utility purposes over, upon, across, under or through any portion of the Common Area or the Limited Common Area, and each Owner hereby irrevocably appoints this Association as attorney in fact for such purpose.

3. Miscellaneous Services. The Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Association may arrange with others to furnish electrical, water, sewer, trash collection services, and other common services to each Unit.

4. Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Area. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners.

5. Rules and Regulations. The Association may make reasonable Rules and Regulations pertaining to use of the Common Area, as well as individual Units, which Rules and Regulations shall be consistent with the rights and duties established in this Declaration. Subject to Article XIX, the Association may take action against any Owner to enforce compliance with such Rules and Regulations, or to obtain damages for noncompliance, all to the extent permitted by law and this Declaration.

6. Implied Rights. The Association may exercise any other right or privilege given to it expressly by the Enabling Documents or reasonably necessary to effectuate any such right or privilege.

7. Agreements with Adjacent Property Owners. Subject to approval by the Owners, the Association shall have the authority to negotiate and enter into cross access, use and easement agreements that are deemed to be beneficial and advantageous to the Association and its members. That certain cross-use agreement with Westwood Terrace Owners Association entered into on the 3rd day of December, 1983, and as amended on or about January 16, 2013, and recorded as Instrument No. 838466, records of Bonner County, Idaho, is hereby confirmed.

ARTICLE XI. ASSESSMENTS

1. **Obligation to Pay Assessment.** Each Owner of a Condominium (whether or not the covenant be so expressed in the deed) is obligated to pay to the Association periodic and special assessments made by the Association for the purposes provided in this Declaration and the other Enabling Documents. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

2. **Amount of Total Periodic Assessments.** The total periodic assessments against all Condominium Units shall be based upon advance estimates of cash requirements by the Association to provide for payment of common charges associated with maintenance and operation of the Project. Common charges shall include, but not be limited to the furnishing of electricity, water, sewer, trash collection services and other common services associated with operation and maintenance of the Common Area; premiums for all insurance which the Association is required or permitted to maintain; landscaping and care of grounds; repairs and maintenance; wages for Association employees; legal and accounting fees; any deficit remaining from an insufficient advance estimate from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking fund; and other expenses and liabilities which may be incurred by the Association for the benefit of the Owners.

3. **Apportionment of Periodic Assessments.** Expenses attributable to the Common Area and to the Project as a whole shall be apportioned equally among all Owners in the proportion as set forth in Article VII. Notwithstanding the foregoing, the Association shall have the authority to adjust the assessments associated with ownership of the Single Family Residences (Lots 16, 18, 19 and 42 and Bullfrog).

4. Notice of Periodic Assessments and Time for Payment. The Association shall provide notice of assessments on an annual, quarterly or monthly basis as determined by the Association. The Association may, in its discretion, allow assessments to be paid in installments. Written notice of assessment shall be given to each Owner specifying the amount of the assessment and the payment due date which cannot be less than twenty (20) days from date of notice. A payment will be deemed delinquent unless paid within ten (10) days of the payment due date. Failure of the Association to give timely notice of any assessment as provided herein will not affect the liability of the Owner of any Unit for such assessment, but the date when payment is due in such a case shall be deferred to a date thirty (30) days after written notice has been given.

5. Special Assessments for Capital Improvements. In addition to periodic assessments authorized by this Declaration, the Association may levy at any time a "special assessment", payable over such a period as the Association may determine, for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement, or for any other expense incurred or to be incurred as provided in the Enabling Documents. This section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing authorized expenses. Any amounts assessed pursuant hereto shall be assessed to Owners (including Single Family Residence Owners) in proportion to the interest in the Common Area owned by each. Notice in writing of the amount of such special assessments and the time for payment shall be given promptly to the Owners, and no payment shall be due less than twenty (20) days after such notice is given. A payment will be deemed delinquent unless paid within ten (10) days of the payment due date.

6. Late Fee. The Association shall have the right to impose a late fee on any delinquent assessment, which late fee shall be published in the Rules and Regulations.

7. Lien for Assessments. All sums assessed to any Unit, together with such penalties as are imposed by the Association on a delinquent Owner will result in a lien on the Owner's Unit in favor of the Association upon recordation of a Notice of Assessment as herein provided. Such lien shall be superior to all other liens and encumbrances on such Unit except for previously recorded: (1) valid tax and special assessment liens in favor of any governmental assessing authority; (b) mortgage liens duly recorded in the records of Bonner County, Idaho; and (c) labor and materialmen's liens, to the extent permitted by law. All other lienors acquiring liens on any Unit shall be inferior to any assessment lien as provided herein.

To create a lien for sums assessed pursuant to this Article, the Association shall prepare a written Notice of Assessment setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the record Owner of the Unit and a description of the Unit. Such notice shall be signed by the Association and recorded in the office of the County Recorder of Bonner County, Idaho. No Notice of Assessment shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by the sale of the Unit by the Association after failure of the Owner to pay such an assessment in accordance with its terms, such sale to be conducted in the manner permitted by law in Idaho for the exercise of power of sale in deeds of trust, or in any other manner permitted by law. At any time prior to the actual sale of a Unit, an Owner may cure the delinquency by satisfying all assessments, accrued interest, together with the costs and expenses associated with the Notice of Assessment, including reasonable attorney's fees. The Owner shall also be required to pay any assessments against the Unit which become due during the process of foreclosure of the lien. The

Association shall be entitled to credit bid at the time of sale the amounts owing under its Notice of Assessment, together with interest, fees and costs and may also be entitled to purchase the Unit at the time of sale in the same manner as any third party.

A further notice stating the satisfaction and release of any such lien shall be executed by the Association and recorded in the records of Bonner County, Idaho, upon payment of all sums secured by a lien which has been made the subject of a recorded Notice of Assessment.

Any person or entity holding a lien on a Condominium may pay, but shall not be required to pay, the assessment lien created by this Section, and upon such payment shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall report to any mortgagee/lienholder any unpaid assessment remaining unpaid for longer than ninety (90) days after the same shall have become due; provided, however, that such mortgagee/lienholder shall first have furnished to the Association written notice of such encumbrance.

Unless sooner satisfied and released or the enforcement thereof (foreclosure) initiated as provided earlier in this Section, any lien created pursuant to this Section shall expire and be of no further force or effect one year from the date of recordation of said Notice of Assessments, provided, however, that said one year period may be extended by the Association for not to exceed one additional year by a written extension signed by the Association and recorded in the records of Bonner County, Idaho, prior to the expiration of said first one-year period.

8. Personal Obligation of Owner. The amount of any periodic or special assessment which is assessed against a Unit after ownership is acquired shall become the personal obligation

of such Owner. Judicial action to recover a money judgment for a past due assessment shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish such obligation by waiver of the use and enjoyment of any of the Common Area or by abandonment of his/her Unit.

9. Statement of Account. Upon payment of a reasonable fee not to exceed \$25.00 and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Condominium, the Association shall issue a written statement setting forth: the amount of the unpaid Assessments, if any, with respect to such Condominium; the amount of the most recent periodic assessment and the date that such assessment becomes or became due; the amount of credit for the benefit of such Condominium for advanced payments. Said statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith.

10. Personal Liability of Purchaser for Assessments. A purchaser of a Condominium Unit shall be jointly and severally liable with the Seller for all unpaid assessments to the time of the grant or conveyance. This joint and several liability shall be valid unless the Association has failed to either disclose or to timely respond to a written request by a potential purchaser. This joint and several liability shall be without prejudice to the purchaser's right to recover from the seller the amount paid by purchaser for such unpaid prior assessment.

ARTICLE XII. LAND USE RESTRICTIONS

The following restrictions and limitations shall apply to the use of all property located within the Project.

1. Noxious or Offensive Activity. No noxious or offensive activity shall be carried on, upon or in a Unit, nor shall anything be done or placed thereon which may be or become a

nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to the other owners in the enjoyment of their units or the Common Area.

2. Sound Devices. Without limiting any of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively to protect a Unit shall be placed or used upon any Unit without prior written approval of the Design Committee (herein "Committee") organized pursuant to Article XIII below.

3. Camping. There shall be no overnight camping upon any Common Area.

4. Pets. Subject to such Rules and Regulations as are adopted by the Association, Owners of Units shall be entitled to house pets so long as they do not become a nuisance or cause unreasonable disturbance or annoyance to other Owners in the enjoyment of their Units or Common Area.

5. Signs. No signs whatsoever shall be erected or maintained upon a Unit, except:

- (a) Such signs as may be required by legal proceedings;
- (b) Such signs as the Association may erect or maintain on a Unit;
- (c) Any sign which does not comply with the above, but has been allowed by written permission of the Design Committee, provided such sign complies with such permission.

6. Mobile Homes and Travel Trailers. No mobile home or travel trailer shall be placed or stored upon any Common Area except upon areas designated for such purposes by the Association, and then only in strict accordance with the Rules and Regulations in effect from time to time. No stripped down, wrecked or junk motor vehicles shall be kept, parked, stored or maintained on the Common Area. No commercial vehicle bearing commercial insignias or names shall be parked on Common Area except within an enclosed structure or a screened area which prevents a view thereof from adjoining units, roads and common area, unless such vehicle

is temporarily parked for the purpose of service to a Unit. The parking of vehicles on the roads shall at all times be subject to and in accordance with applicable laws and further restrictions established by Association Rules and Regulations.

7. Garbage. All garbage, rubbish and trash shall be kept in covered containers within Units, or in areas designated for such purpose by Association Rules and Regulations. In no event shall such container be maintained so as to be visible from neighboring Units, roads, or Common Area. The storage, collection and disposal of garbage, rubbish and trash shall be in strict compliance with Association Rules and Regulations.

8. Clotheslines. Outside clotheslines or other outside clothes drying or airing facilities may be maintained only in such a manner and in such location as not to be visible from neighboring Units, roads or Common Area.

9. Work from Home. No gainful occupation, profession or trade shall be maintained in any Unit without the prior approval of the Association except that this provision shall in no way limit or prevent owners from renting their Units.

10. Hunting. There shall be no hunting or discharge of firearms within the Project.

11. Antenna. No exterior antenna or satellite dish of any sort shall be installed or maintained on a Unit except of a height, size and type approved by the Design Committee, provided, however, that this restriction shall not apply to any cable facility installed by the Association. No activity shall be conducted within the Project which interferes with televisions or radio reception in the Project, except with the prior written permission of the Association.

12. Explosives. There shall be no blasting or explosives within the Project except as approved in writing by the Association or as set forth in the Rules and Regulations.

13. Storage. No furniture, fixtures, appliances or other goods shall be stored in such a manner that such property is visible from neighboring Units, roads or Common Area.

14. Fire Hazards. There shall be no exterior fires, except fires within the Common Area fire-pit located on the beach near the Marina and excepting barbeque fires contained within safe and appropriate facilities and receptacles or in areas designated by the Association for such purpose. No Owner shall permit any condition which creates a fire hazard, creates a nuisance, or is in violation of any fire prevention regulations.

15. Private Roads. All roads within the Project are part of the Common Area of Westwood Village and will be maintained by the Association unless approved by a majority vote of the Owners and accepted by the City of Sandpoint as a public street.

16. Common Area. The use of Common Area shall be at all times subject to the Rules and Regulations prescribed pursuant to the Enabling Documents.

No improvement, excavation or other work which in any way alters any Common Area shall be made except upon written approval of the Design Committee and the Association Board of Directors.

There shall be no use of Common Area which injures, erodes or scars the Common Area or the vegetation thereon, or increases the cost of maintenance thereof, unless expressly permitted in writing by the Board of Directors of the Association and in any event, there shall be no use of Common Area which causes unreasonable embarrassment, disturbance or annoyance to owners in the enjoyment of their Units.

ARTICLE XIII. DESIGN COMMITTEE

A Design Committee (the "Design Committee") is hereby created, subject to the following:

1. Design Committee Members. The Design Committee shall consist of one (1) or more Owners, who shall be appointed by the Board of Directors annually. Each of said Design Committee members shall hold office until their resignation, removal or until their successor has been appointed.

2. Right to Appoint and Remove Members. The members of the Design Committee shall serve at the pleasure of the Board of Directors which has the sole discretion to appoint or remove members of the Design Committee with or without cause.

3. Right to Appeal Design Committee Decision. Any person aggrieved by a decision of the Design Committee shall have the right, within thirty (30) days after such decision, to appeal the Design Committee action to the Board of Directors. The appeal shall be in writing and shall briefly and concisely identify the issue being appealed. In the event an Owner disagrees with the appeal decision of the Board of Directors, an Owner shall be required to comply with the dispute resolution process set forth in Article XIX prior to seeking any judicial determination.

4. Duty. It shall be the duty of the Design Committee to consider and timely act upon such proposals or plans from time to time submitted to it regarding the Land Use Restrictions in Article XII herein, and shall also adopt and maintain Design Committee Rules and perform such other related duties from time to time delegated to it by the Board of Directors.

5. Meetings, Records and Compensation. The Design Committee shall meet from time to time as necessary to perform its duties. The vote or written consent of a majority of the Committee members shall constitute an act by the Committee unless the unanimous decision of its members is otherwise required. The Design Committee shall keep and maintain a record of all action taken by it at such meetings or otherwise and report such activity to the Board for entry

into the minutes. Unless authorized by the Board of Directors, the members of the Design Committee shall not receive any compensation, but all members shall be entitled to reimbursement from the Association for reasonable expenses incurred in the performance of any Design Committee function. The Design Committee shall not be entitled to other compensation.

6. Design Committee Rules. The Design Committee shall have the exclusive power to adopt, amend and repeal rules subject to approval of the Board of Directors, to be known as "Design Committee Rules", which interpret or implement the provisions of the Declaration insofar as they relate to matters within the jurisdiction of the Design Committee. A copy of the Design Committee Rules, as they may from time to time exist or be amended, shall be maintained with the records of the Association and shall be available for inspection by any Owner. The Design Committee shall have specific authority to review the design of any Unit or building to be constructed or reconstructed within the Project, as to quality and compatibility with structures and improvements then existing, specifically including exterior finishes, subject to the limitation that Design Committee actions shall be taken in good faith. No new structure shall be constructed without prior submission of plans and specifications to the Design Committee prior to initiation of construction.

7. Liability. Neither the Design Committee, nor any member thereof, shall be liable to the Association, or to an Owner (provided, that such Design Committee member has acted in good faith) for any damage, loss, or prejudice suffered or claimed on account of (a) the approval or rejection of or the failure to approve or reject, any plans, drawings, or specifications whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, or (c) the development or manner of development of any property within the Project.

ARTICLE XIV. OWNERSHIP TRANSFER REQUIREMENTS

1. Conditionally Refundable Transfer Fee. There is hereby imposed upon any new Owner, whether by gift, devise, bequest, conveyance, purchase or any other type of transfer, a Conditionally Refundable Transfer Fee of \$500.00 to be delivered to Westwood Village Association at the time of transfer of ownership. The aforementioned Transfer Fee shall be delivered to the Association along with a copy of any instrument of conveyance identifying both the Unit being transferred, as well as the name and address of transferee.

2. Arranging and Participating in Orientation. Within in thirty (30) days following the recording of an instrument of transfer, the new Owner shall contact the manager of Westwood Village Association or a member of the Board of Directors to arrange an orientation relating to governing documents for Westwood Village Condominiums, including an overview of Covenants, Conditions and Restrictions, Rules and Regulations; and Design Committee Rules in effect as of the date of transfer. Within sixty (60) days following the recording of an instrument of transfer, the new Owner shall meet with a representative of Westwood Village Homeowners Association designated by the Board of Directors to conduct said orientation. The new Owner, as well as the representative of Westwood shall acknowledge in writing that they have participated in the orientation and the new Owner understands the documents which govern home ownership within Westwood Village Condominium.

3. Transfer Fee Refunded or Forfeited. If the orientation and written acknowledgment are completed within sixty (60) days of the recording of the instrument of conveyance (or such other date as agreed upon in writing), the Transfer Fee shall be refunded to the new Owner. Should the new Owner fail within sixty (60) days of transfer (or such extended period as agreed upon in writing) to meet with a representative of the Association to complete

the orientation and acknowledge in writing the review of the underlying documentation, the Transfer Fee shall be deemed forfeited and the Association will direct the Transfer Fee into the general fund for the benefit of the Association.

4. Waiver of Transfer Fee. Existing Owners within Westwood Village Condominium who are acquiring a new property within the subdivision may obtain a written waiver of the Transfer Fee from the Association. A written waiver may also be obtained if an Owner and a past or present member of the Board of Directors have acknowledged in writing that the Owner has previously participated in the orientation and understands the documents which govern home ownership within the Westwood Village Condominium. The Board of Directors shall also have the right to waive, in writing, the requirement for a personal one on one orientation in lieu of an electronic or telephonic meeting to discuss the governing documents for Westwood Village Condominium.

5. Transfer Lien. In the event a new Owner fails to deposit with the Association the necessary Transfer Fee, the Association shall have the right to assess a lien in the sum of \$500.00, together with such additional amounts as are incurred by the Association for obtaining the lien, including any attorney's fees or costs, which lien shall be filed of record in the office of the Bonner County Recorder. Such Transfer Lien may be enforced by the Association in the same manner as Assessment Liens as set forth in Article XI of this Declaration.

ARTICLE XV. INSURANCE

1. Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Idaho. The provisions of this Article shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any

insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

(a) Property Insurance. The Association shall obtain insurance on the Project, excluding the Single Family Residences (see provision #5 below), in such amounts as shall provide for full replacement thereof in the event of damage or destruction from the perils against which such insurance is obtained, all in the manner in which a corporation owning similar multiple family residential buildings in the vicinity of the Project would, in the exercise of prudent business judgment, obtain such insurance. Such insurance shall include fire and extended coverage, vandalism and malicious mischief and such other risks and hazards against which the Association shall deem appropriate.

(b) Comprehensive Liability Insurance. The Association shall purchase comprehensive general liability coverage in such amounts and in such forms as it deems advisable.

(c) Workmen's Compensation and Employer's Liability Insurance. The Association shall purchase workmen's compensation and employer's liability insurance and all other similar insurance in respect of employees of the Association in the amounts and in the forms now or hereafter required by law.

(d) Fidelity Insurance. The Association shall purchase, in such amounts and in such forms as it shall deem appropriate, coverage against dishonesty of employees, destruction or disappearance of money or securities and forgery.

(e) Other. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project, including any personal property of the Association located thereon.

2. Form. Property Insurance shall be carried in a form or forms naming the Association as the insured, as trustee for the Owners, and which policy or policies shall provide a standard loss payable clause providing for payment of insurance proceeds to the Association as trustee of the Owners, and for the respective first Mortgagees which from time to time shall give notice to the Association of such first Mortgages, such proceeds to be used in accordance with this Declaration. Each policy shall also provide that it cannot be canceled by either the insured or the insurance company until after thirty (30) days prior written notice is first given to each Owner and to each first Mortgagee who has notified the Association in writing of its mortgage. The Association shall furnish to each Owner who requests it a true copy of such policy together with a certificate identifying the interest of the Owner.

Public liability and property damage insurance shall name the Association as the insured, as trustee for the Owners, and shall protect each Owner against liability for acts of the Association or of each other in connection with the ownership, operation, maintenance or other use of the Condominiums and the real property within the Project.

3. Insurance Proceeds. The Association shall receive the proceeds of any property damage insurance payments received under policies obtained and maintained pursuant to this Article. The Association shall apportion the proceeds to the portions of the Project which have been damaged and shall determine the amount of the proceeds attributable to damage to the Common Area. To the extent that reconstruction is required, the Proceeds shall be used for such purpose. To the extent that reconstruction is not required and there is a determination that the damaged buildings shall not be rebuilt, the proceeds shall be distributed to the Owners of damaged Units in such a manner as to fairly and proportionately, to the largest practical extent, reimburse the Unit Owner for his loss.

4. Owner's Own Insurance. Notwithstanding the provisions of paragraphs 1 and 2 of Article XV above, each Owner shall maintain at its own expense general liability insurance covering the Unit with single limit coverage of not less than \$300,000.00 and shall provide proof thereof to the Association. Each Owner may obtain at its expense such coverage for personal property and such other risks as they deem appropriate. Nothing contained within this provision shall diminish the Association's responsibility for maintaining such coverage as required by this Article.

5. Insurance for Single Family Residences. The Owners of the Units constructed on Lots 16, 18, 19 and 42 and the Bullfrog Unit shall be individually responsible for maintaining their own insurance on their residence and the improvements they have installed in the Limited Common Area surrounding their residence and shall provide proof of such coverage to the Association upon request.

ARTICLE XVI. CASUALTY, DAMAGE OR DESTRUCTION

1. Declarations Affect Title. Title to each Condominium is hereby made subject to the terms and conditions hereof, which bind the current Owners and all subsequent Owners, whether or not it be so expressed in the deed by which any Owner acquires his/her Unit.

2. Association as Agent. All of the Owners irrevocably constitute and appoint the Association their true and lawful Attorney-in-Fact in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided.

3. General Authority of Association. As Attorney-in-Fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of a Unit Owner which may be necessary or appropriate in the exercise of the powers herein granted. Repair and reconstruction of the

improvements as used in the succeeding subparagraphs mean restoring the Project or a particular building to substantially the same condition in which it existed prior to damage, with each Unit and the Common Area having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair and reconstruction unless the Owners and all first Mortgagees having interests in a particular Building unanimously agree not to rebuild.

In the event any Mortgagee should not agree not to rebuild, the Association shall have the option to purchase such Mortgage by payment in full of the amount secured thereby if the Owners of the affected building or buildings are in unanimous agreement not to rebuild. The Association shall obtain the funds for such purchase by special assessments under Article XI of this Declaration and shall repay said assessments from the proceeds of the insurance pertaining to the Owner whose mortgagees refuse to agree to rebuild.

4. Estimate of Costs. As soon as practicable after an event causing damage to, or destruction of, any part of the project, the Association shall obtain estimates that it deems reliable and complete for the costs of repair or reconstruction of that part of the Project damaged or destroyed.

5. Repair or Reconstruction. As soon as practicable after receiving estimates, the Association shall diligently pursue to completion the repair or reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith if the insurance proceeds are adequate to pay the costs of such repair or reconstruction. Such repair or reconstruction shall be in accordance with the original plans and specifications of the Project or may be in accordance with

any other plans and specifications the Association may approve, provided that in such latter event the number of cubic feet and the number of square feet of any Unit may not vary by more than five (5%) percent from the number of cubic feet and the number of square feet for such Unit as original constructed pursuant to such original plans and specifications and the location of the Buildings shall be substantially the same as prior to damage or destruction.

6. Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, the Association, pursuant to Article XI hereof, may levy in advance a special assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Such assessment shall be allocated and collected as provided in that Article except special assessments for reconstruction costs of a Building or a Unit shall be assessed to Owners of Units in the Building or Buildings affected by the damage or destruction and not to those who are not affected. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

7. Disbursement of Funds for Repair or Reconstruction. The insurance proceeds held by the Association and the amounts received from the assessments provided for in Section 6 hereinabove constitute a fund for the payment of cost of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair or reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners in proportion to the contributions (if any) which could be required from each Owner pursuant to the assessments by the Association under Section 6 hereinabove.

8. Decision Not to Rebuild. If all Owners and all holders of first Mortgages on Units in a particular building agree not to rebuild, as provided herein, the insurance proceeds shall be proportionately disbursed to said Owners, after payment of any cleanup or restoration costs associated with or arising from the decision not to rebuild.

9. Reconstruction or Repair of Single Family Residences. In the event a Single Family Residence is damaged or destroyed, the Owner may take all necessary or appropriate action to effect the repair or reconstruction of their Single Family Residence and shall be entitled to use the insurance proceeds as they deem appropriate. However, in the event of total destruction should the Owner decide not to rebuild, they shall be required to use insurance proceeds to restore the lot to a clean and safe condition. Further, in the event the decision is made not to replace the Single Family Residence, the lot shall revert to Common Area of Westwood Village.

ARTICLE XVII. REVOCATION OR AMENDMENT TO DECLARATION

This Declaration shall not be revoked nor shall any of the provisions herein be amended except upon the vote or consent of more than fifty (50%) percent of the voting power of the Owners in the Project. Any such revocation or amendment shall be binding upon every Owner and every Unit whether the burdens thereon are increased or decreased by any such amendment and whether or not the Owner of each and every Condominium consents thereto.

ARTICLE XVIII. PERIOD OF CONDOMINIUM OWNERSHIP

The Condominium ownership created by this Declaration shall continue until the Declaration is revoked in the manner provided in Article XVII of the Declaration.

ARTICLE XIX. DISPUTE RESOLUTION

1. Owner's Compliance. Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation, the Bylaws of the Association, as well as the Rules and Regulations and any decisions and resolutions of the Association lawfully adopted or amended from time to time. Failure to comply with the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, maintainable by the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

2. Default Regarding Assessments. In any proceeding arising because of an alleged default by a Unit Owner in paying either regular, periodic or special assessments, the Association may, without pursuing alternate dispute resolution, initiate Court action or the foreclosure of an assessment lien to recover sums due. The prevailing party in such action shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be incurred.

3. Other Defaults/Disputes. In any dispute arising because of alleged default by a Unit Owner for anything other than the failure to pay assessments as they come due or in the event a Unit Owner is challenging non-assessment actions taken by the Association, the parties to the dispute shall pursue resolution as follows:

- (a) The parties shall first attempt to negotiate a resolution in good faith;
- (b) In the event negotiation is not effective to fully resolve the dispute, the parties will attempt to mediate the dispute through the use of an independent third party. If the parties are unable to agree on a mediator, each party shall select an independent third party and those two selected will then choose a mediator. The fees charged by the mediator shall be shared equally between the parties.

(c) In the event mediation is not successful to resolve the dispute, the parties agree to submit the matter to a single arbitrator pursuant to the Idaho Uniform Arbitration Act (I.C. §7-901 et seq). The prevailing party in any arbitration shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be determined by the arbitrator.

(d) In the event of an emergency, the foregoing dispute resolution process can be dispensed with and the Association or an aggrieved Owner may petition a Court for injunctive relief. The prevailing party in such an action shall be entitled to recover reasonable attorney's fees and costs as determined by the Court.

ARTICLE XX. MISCELLANEOUS

1. Registration of Mailing Address. Each Owner shall register his/her mailing address with the Association and all notices or demands intended to be served upon any Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices or demands intended to be served upon the Association shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the Bylaws of the Association. All notices or demands to be served on Mortgagees pursuant hereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished the Association in writing. Unless the Mortgagee furnishes the Association such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Declaration. All notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section.

2. Owner's Obligations Continue. All obligations of the Owner under and by virtue of the provisions contained in this Declaration shall continue notwithstanding that he may have leased or rented such interest, but the Owner of a Condominium shall have no obligation for expenses or other obligations accruing after he makes a valid conveyance of his/her Unit, except to the extent that subsequent expenses arise from collection efforts of the Association as to obligations arising prior to such conveyance.

3. Severability. If any of the provisions of this Declaration or any clause, paragraph, sentence, phrase or word or the application thereof, in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstance shall not be affected thereby.

4. Statute. The provisions of this Declaration shall be in addition and supplemental to the Condominium Property Act of the State of Idaho and to all other provisions of law.

This Amended and Restated Declaration of Condominium is executed and adopted as of this _____ day of _____, 2013.

WESTWOOD VILLAGE HOMEOWNERS ASSOCIATION, INC.,
an Idaho corporation

By: _____
Jerry Binder, President

By: _____
Rocky Seelbach, Secretary

STATE OF IDAHO)
) ss.
County of Bonner)

On this ____ day of _____, 2013, before me, a Notary Public in and for said state, personally appeared JERRY BINDER and ROCKY SEELBACH, known or identified to me to be the President and Secretary, respectively, of WESTWOOD VILLAGE HOMEOWNERS ASSOCIATION, INC., an Idaho corporation, the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

NOTARY PUBLIC–State of Idaho
Residing at: Sandpoint, Idaho
Commission Expires: _____