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**MASTER DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
ATLAS WATERFRONT**

**MASTER DECLARATION
FOR
ATLAS WATERFRONT**

Table of Contents

ARTICLE 1. DECLARATION / PURPOSES	1
1.1 General Purposes.	1
1.2 Declaration.....	1
ARTICLE 2. CERTAIN DEFINITIONS	2
2.1 Articles	2
2.2 Assessment.....	2
2.3 Association Documents	2
2.4 Association Facilities	2
2.5 Atlas Design Review Committee or ADRC	2
2.6 Atlas Waterfront.....	2
2.7 Board.....	3
2.8 Bylaws.....	3
2.9 Commercial Site.....	3
2.10 Common Area	3
2.11 Condominium Project	3
2.12 Conversion Date.....	3
2.13 Declarant	3
2.14 Declaration.....	3
2.15 Default Rate	3
2.16 Disposition and Development Agreement or DDA	3
2.17 Exclusive Use Common Area or EUCA.....	4
2.18 Guests and Lessees	4
2.19 Lot.....	4
2.20 Master Association.....	4
2.21 Member	4
2.22 Neighborhood Development Standards	4
2.23 Open Space	4
2.24 Owner.....	5
2.25 Party Walls.....	5
2.26 Person.....	5
2.27 Plat	5
2.28 Property	5
2.29 Property Furnished by Declarant	5
2.30 PUD or Atlas Waterfront PUD	5
2.31 Residential Site	6
2.32 Rules and Regulations.....	6

2.33	Sub-Association	6
2.34	Subdivision	6
2.35	Supplemental Declaration	6
2.36	Unit	6
2.37	Waterfront Park.....	6
ARTICLE 3. ATLAS WATERFRONT ASSOCIATION.....		6
3.1	Organization.....	6
3.2	Membership	7
3.3	Board of Directors.....	7
3.4	Compliance with Association Documents	7
ARTICLE 4. ASSESSMENTS AND OTHER AMOUNTS		7
4.1	Obligation for Assessments and Other Amounts.....	7
4.1.1	Regular Assessments	8
4.1.2	Special Assessments	8
4.1.3	Limited Assessments	8
4.2	Purpose of Assessments and Other Amounts	9
4.3	Time for Payments.....	9
4.4	Right to Enforce.....	9
4.5	Lien for Assessments and Other Amounts.....	10
4.6	Enforcement.....	10
4.7	Liability of Owners, Purchasers and Encumbrances	10
ARTICLE 5. PROPERTY RIGHTS		11
5.1	Open Space	11
5.2	Common Area and Exclusive Use Common Area	12
5.2.1	Common Area.....	12
5.2.2	Exclusive Use Common Area.....	12
ARTICLE 6. CERTAIN OBLIGATIONS AND RIGHTS OF ATLAS WATERFRONT ASSOCIATION.....		13
6.1	Property Maintenance Function.....	13
6.1.1	Association Facilities	13
6.1.2	Association Facilities Owned in Conjunction With Declarant.....	13
6.1.3	Association Facilities Used by Declarant	13
6.2	Operation Function	13
6.3	Parking Function.....	14
6.4	Transportation Function.....	14
6.5	Vehicular Access Limitation Function	14
6.6	Recreation Function	14
6.7	Marketing Function.....	14
6.8	Trash Collection and Disposal Function.....	14
6.9	Recycling Function	15

6.10	Exterior Maintenance for Compliance Function.....	15
6.11	Other Functions.....	15
6.12	Insurance	15
6.13	Indemnification	16
6.14	Right to Make Rules and Regulations	16
6.15	Right to Establish “No-Burn” Policies	16
6.16	Charges for Use of Association Facilities.....	16
6.17	Charges for Functions	17
6.18	Taxes	17
6.19	Right to Dispose of Association Facilities.....	17
6.20	Governmental Successor.....	17
6.21	Implied Rights of the Master Association	17
ARTICLE 7. RESTRICTIONS APPLICABLE TO ATLAS WATERFRONT.....		17
7.1	Land Use Restrictions	17
7.2	Occupancy Limitations; Lease/Rental Restrictions	18
7.3	Maintenance of Property	19
7.4	Trash Collection.....	19
7.5	No Noxious or Offensive Activity.....	19
7.6	No Hazardous Activities	19
7.7	No Unsightliness.....	19
7.8	Restriction on Recreational Vehicles	20
7.9	Fire Protection.....	20
7.10	No Wells	20
7.11	No Drainfields or Septic Tanks.....	20
7.12	Gates	20
7.13	Condominium Ownership.....	20
7.14	Building and Improvement Envelopes.....	21
7.15	Animals	21
7.16	Additional Restrictions	21
7.17	Compliance With Law	21
7.18	General Use Guidelines And Restrictions	21
ARTICLE 8. DESIGN REVIEW		22
8.1	Purpose.....	22
8.2	Objectives	22
8.3	Atlas Design Review Committee.....	23
8.4	ADRC Approval and Control	23
8.5	Neighborhood Development Standards	24
8.6	Amendment of Neighborhood Development Standards.....	24
8.7	Exterior Maintenance.....	25
8.8	Review Fee.....	25
8.9	Enforcement of Restrictions	25
8.10	Commencement and Completion of Construction.....	25

8.11	Lapse of Design Review Approval	28
8.12	Assignment Function	28
8.13	Liability	28
ARTICLE 9. EASEMENTS		28
9.1	Easements Of Encroachment	28
9.2	Easements For Utilities, Etc.....	28
9.3	Easements For Collection Of Storm Water Runoff And Flood Water	29
9.4	Easements To Serve Additional Property Party Walls	29
9.5	Easements For Cross-Drainage.....	30
9.6	Easements For Maintenance, Emergency, And Enforcement	30
9.7	View Impairment	30
9.8	Easements of Owners with Respect to Association Facilities	31
ARTICLE 10. ANNEXATION AND WITHDRAWAL OF PROPERTY		31
10.1	Annexation Without Approval Of Membership	31
10.2	Annexation With Approval Of Membership	31
10.3	Withdrawal.....	32
10.4	Additional Covenants And Easements.....	32
ARTICLE 11. DECLARANT'S DEVELOPMENT RIGHTS, SPECIAL RIGHTS AND RESERVATIONS.....		32
11.1	Declarant's Rights And Reservations	32
11.2	Declarant's Future Development Rights.....	32
11.3	Successor Declarant.....	33
11.4	Future Development.....	33
11.5	Exemption Of Declarant	34
11.6	Exclusive Rights To Use Name Of Development	34
11.7	Declarant's Approval	34
11.8	Rights To Storm Water Runoff And Water Conservation And Reclamation Programs	34
ARTICLE 12. WATERFRONT PARK.....		35
12.1	Ownership and Operations of the Waterfront Park.....	35
12.2	Right To Use	35
ARTICLE 13. STREETS AND ROADS		35
ARTICLE 14. RESERVED.....		35
ARTICLE 15. CERTAIN RIGHTS OF DECLARANT AND OWNERS		35
15.1	Reserved Rights with Respect to Property Furnished by Declarant	35
15.2	No Sale or Abandonment of Property Furnished by Declarant	36
15.3	Owner's Enjoyment of Functions and Association Facilities.....	36
15.4	Owner's Rights and Obligations Appurtenant.....	36

ARTICLE 16. DISPUTE RESOLUTION AND LIMITATION ON LITIGATION	36
16.1 Agreement to Encourage Resolution of Disputes Without Litigation	36
16.2 Dispute Resolution Procedures	38
16.2.1 Notice	38
16.2.2 Negotiation	38
16.2.3 Mediation	38
16.2.4 Settlement	38
ARTICLE 17. MISCELLANEOUS	39
17.1 Duration of Declaration	39
17.2 Amendment	39
17.2.1 By the Board	39
17.2.2 By Owners	39
17.2.3 Validity and Effective Date of Amendments	39
17.3 Effect of Provisions of Declaration	40
17.4 Enforcement and Remedies	40
17.4.1 In General	40
17.4.2 Fines	41
17.4.3 Declarant's Right to Reenter, Repossess and Revest	41
17.5 Protection of Encumbrancer	41
17.6 Limited Liability	42
17.7 Successors and Assigns	42
17.8 Severability	42
17.9 Captions	42
17.10 Construction	42
17.11 No Waiver	42
17.12 Notice Of Sale Or Transfer Of Title	42
17.13 Force Majeure	42

**MASTER DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
ATLAS WATERFRONT**

This Master Declaration of Covenants, Conditions, Restrictions and Easements for Atlas Waterfront (“**Declaration**”) is made this February 17, 2021, by the Urban Renewal Agency of the City of Coeur d’Alene, also known as ignite cda, a public body, corporate and politic (“**Declarant**” or “**Agency**”), organized pursuant to the Idaho Urban Renewal Law, title 50, chapter 20, Idaho Code, as amended (the “**Law**”), and undertaking projects under the authority of the Local Economic Development Act of 1988, title 50, chapter 29, Idaho Code, as amended (the “**Act**”).

ARTICLE 1. DECLARATION / PURPOSES

1.1 General Purposes.

(a) The Declarant, owns the real property located in the City of Coeur d’Alene, County of Kootenai, State of Idaho, which is legally described in Exhibit A attached hereto and by this reference made a part hereof, and hereinafter defined as “**Atlas Waterfront**.”

(b) The Declarant intends to develop said property as a planned unit development community for residential, commercial and mixed-uses, and designed to contain a variety of facilities and services, including professional and office services, lodging, food and beverage services, shops and merchandising areas, and entertainment and recreation opportunities, for all persons residing, visiting or doing business within Atlas Waterfront.

(c) Atlas Waterfront Association, Inc., an Idaho nonprofit corporation, has been or will be formed, to perform certain functions and to hold and manage certain property for the common benefit of Owners within Atlas Waterfront. This Declaration defines certain rights and obligations of Owners within Atlas Waterfront with respect to the Master Association and with respect to functions undertaken and Association Facilities held by the Master Association.

(d) By this Declaration, Declarant also intends to establish a means to provide for and maintain the area within Atlas Waterfront as a pleasant and desirable environment for all persons residing, visiting or doing business therein.

1.2 Declaration. To further the general purposes herein expressed, the Declarant, for itself, its successors and assigns, hereby declares that all real property hereinafter defined as Atlas Waterfront, including any property annexed into Atlas Waterfront as hereinafter provided, shall, at all times, be owned, held, used and occupied subject to the provisions of this Declaration and to the covenants, conditions, restrictions, easements and equitable servitudes herein contained. Declarant, for each Unit and Lot it owns, and each Owner, by acceptance of a deed or

other conveyance of title to a Unit or Lot, HEREBY COVENANTS, PROMISES, AND AGREES to be bound by and to comply in all respects with all provisions of this Declaration, and all applicable Supplemental Declarations, the Articles and Bylaws of the Master Association, all applicable sub-association articles and bylaws, the Neighborhood Development Standards, and all Rules and Regulations promulgated pursuant to any of the above.

ARTICLE 2. CERTAIN DEFINITIONS

2.1 Articles. The Articles of Incorporation for Atlas Waterfront Association, Inc., an Idaho nonprofit corporation.

2.2 Assessment. Any amount levied against any Lot or Unit by the Master Association, including Regular Assessments, Special Assessments, Limited Assessments, fines or other charges as provided in this Master Declaration.

2.3 Association Documents. The various operative documents of the Atlas Waterfront Association, Inc. including: (a) the Articles; (b) the Bylaws; (c) this Declaration; and, (d) the Neighborhood Development Standards; (e) all Rules and Regulations promulgated by the Board; (f) the articles of incorporation and bylaws for any other sub-association which is created within the Atlas Waterfront; (g) all Supplemental Declarations; and, (i) all amendments and supplements to any of the aforementioned documents.

2.4 Association Facilities. All property owned or leased by the Master Association or otherwise held or used by the Master Association, or which is under the Master Association's management or control by, or regarding which the Master Association has accepted responsibility through or under contractual arrangements, licenses or other arrangements, including Property Furnished by Declarant, real property or interests therein, improvements on real property, and personal property and equipment, and including but not limited to Open Space, Common Areas and Exclusive Use Common Areas.

2.5 Atlas Design Review Committee or ADRC. The Atlas Design Review Committee or "ADRC" shall mean the Atlas Design Review Committee established pursuant to Article 8 herein.

2.6 Atlas Waterfront. All of the real property in City of Coeur d'Alene, Kootenai County, Idaho, within the boundaries set forth in the legal description attached hereto as Exhibit A as well as all real property which becomes part of Atlas Waterfront as provided in Article 10 herein. Any property removed from Atlas Waterfront as provided in Article 10 herein shall no longer be part of Atlas Waterfront. Any real property included in the definition of Atlas Waterfront pursuant to this Section which is hereafter incorporated as or becomes a part of a municipal corporation may be excluded from and be deemed outside of Atlas Waterfront by the action of the Board and the written consent of Declarant, upon the recording in the office of the Recorder of Kootenai County, Idaho, of a written instrument signed by Declarant and the Master Association containing a legal description of the real property to be excluded and declaring that said real property shall be deemed to be outside Atlas Waterfront.

2.7 Board. The Board of Directors for Atlas Waterfront Association, Inc.

2.8 Bylaws. The Bylaws for Atlas Waterfront Association, Inc.

2.9 Commercial Site. Any real property for which the use is restricted to commercial use.

2.10 Common Area. Common Area within, on the exterior of or adjacent to buildings which is reserved for the primary benefit of Owners of particular Lots or Units within a Subdivision or Condominium Project, and which is identified as "Common Area" in a Plat. Common Area is further described at Section 5.2. Exclusive Use Common Areas ("EUCAs") are a type of Common Area, which are defined in this Article 2 below, and further described at Section 5.2.

2.11 Condominium Project. A project as defined in Section 55-1503(b) of the Condominium Act of the State of Idaho, i.e., the entirety of an area divided or to be divided into Condominiums for residential, commercial or mixed-use purposes.

2.12 Conversion Date. The Conversion Date, at which time the Declarant's rights shall cease, shall be the earlier of the following events: (i) when the Declarant no longer owns a Lot within the Master Association; or (ii) December 31, 2038, or such earlier date as selected by Declarant. Notwithstanding anything in this Master Declaration to the contrary, the Declarant, following the recordation of this Declaration and until the Conversion Date shall have the exclusive right, power and authority to appoint and elect the Board, appoint the ADRC and otherwise manage the affairs of the Association.

2.13 Declarant. Urban Renewal Agency of the City of Coeur d'Alene, also known as ignite cda, a public body, corporate and politic, and any party which (a) acquires from Declarant all or substantially all of its property at Atlas Waterfront and (b) is designated by a written instrument as a successor or assignee of Declarant under this Declaration. Such instrument may specify the extent and portion of the rights or interests as a Declarant which are being assigned, in which case Urban Renewal Agency of the City of Coeur d'Alene, also known as ignite cda, a public body, corporate and politic, shall retain all other rights as Declarant.

2.14 Declaration. This Master Declaration of Covenants, Conditions, Restrictions and Easements for Atlas Waterfront, and all amendments or supplements hereto, hereafter recorded in the real property records of Kootenai County, Idaho.

2.15 Default Rate. Any delinquent assessment, charge, fine penalty or other amount payable pursuant to the terms of the Association Documents shall bear interest of eighteen percent (18%) per annum.

2.16 Disposition and Development Agreement or DDA. The Disposition and Development Agreement entered into by and between the Declarant and an Owner for the disposition, development and construction of buildings and improvements on a Commercial Site

or Residential Site. The DDA shall be deemed to include and incorporate the following: The Atlas Waterfront PUD application; all conditions of approval of the Atlas Waterfront PUD imposed by the City of Coeur d'Alene Planning Commission; any applicable Plat, and, the terms and conditions of all permits or licenses issued by the City of Coeur d'Alene Planning Commission, the State of Idaho, or any department or agency thereof, related to the PUD. Any inconsistency between the DDA and this Master Declaration, the DDA shall control.

2.17 Exclusive Use Common Area or EUCA. Common Area which is reserved for the exclusive use of the Owner of a Lot or Unit, or a small group of Owners of Lots or Units, and which is identified as Exclusive Use Common Area in a Plat and/or a Supplemental Declaration. Exclusive Use Common Areas are further defined in Section 5.2, and may also be referred to as "EUCA" or "Exclusive Common Area".

2.18 Guests and Lessees. Any occupant, guest, invitee or lessee of an Owner of a Lot or Unit.

2.19 Lot. Each parcel of real property within Atlas Waterfront, as reflected on a recorded Plat for such parcel, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, or occupancy. The term shall refer to the land, as well as any structures and improvements thereon. Notwithstanding the foregoing, the following shall not be considered a Lot: Open Space; Common Area; Exclusive Common Area; the Waterfront Park; Association Facilities; common property of any Association; property dedicated to the public; or, a parcel of property owned, held or used in its entirety by the Master Association, or by any governmental entity, or for or in connection with the distribution of electricity, gas, water, sewer, telephone, television or other utility service or for access to any property within or without Atlas Waterfront. In the case of a parcel of vacant land or land on which improvements are under construction, and for which a Plat has been recorded with Kootenai County, the parcel shall be deemed to contain the number of Lots designated for such parcel on the Plat.

2.20 Master Association. Atlas Waterfront Association, Inc., an Idaho nonprofit corporation, formed and incorporated to be and constituting the Master Association to which reference is made in this Declaration and to further the common interests of all Owners or particular classes of Owners of Lots or Units within Atlas Waterfront.

2.21 Member. A Person entitled to membership in the Master Association pursuant to Section 3.2 hereof.

2.22 Neighborhood Development Standards. The Atlas Waterfront Neighborhood Development Standards, as further described in Article 8 herein and as may be amended from time to time.

2.23 Open Space. All property within the PUD, devoid of buildings or structures, except where necessary for utilities or for the provision of recreation and wildlife habitat improvements, in which Members of the Master Association enjoy common, non-exclusive

rights of use. Open Space is further defined in Section 5.21. Open Space shall not include the Waterfront Park, nor any open space that is dedicated to the City of Coeur d'Alene for public use. Open Space shall be designated as such on each Plat for the PUD.

2.24 Owner. The person or persons, entity or entities who own of record, according to the real property records of Kootenai County, Idaho, fee simple title to a Lot or Unit. Each Owner shall be a Member in the Master Association, as set forth below, which is appurtenant to ownership of such Lot or Unit. The term Owner shall include Declarant to the extent it is the owner of fee simple title to a Lot or Unit.

2.25 Party Walls. Any common wall between two (2) buildings which is also the legal dividing line between the two (2) buildings.

2.26 Person. A natural person, a corporation, a partnership, a trustee, or any other legal entity.

2.27 Plat. Each final Plat of Atlas Waterfront recorded in the Recorder's Office for the County of Kootenai, Idaho and any final Subdivision plats and Condominium Project plats for Property within Atlas Waterfront.

2.28 Property. Any and all real property which is now or may hereafter be included within Atlas Waterfront, including public or private streets, roads and any public or private easements or rights-of-ways and including any and all improvements on any of the foregoing.

2.29 Property Furnished by Declarant. Any real property, any improvement or portion of any improvement on real property and any personal property or equipment with respect to which Declarant grants, assigns or conveys to the Master Association title, interests in, or rights of use, or with respect to which Declarant permits use by the Master Association or some or all Owners, and any replacement of or substitute for any of the foregoing. Property Furnished by Declarant may include, but is not limited to, the access roads or roads serving Atlas Waterfront; open space or unimproved areas within Atlas Waterfront, walks, drives, malls, commons, bike paths, stairs, landscaping, trees, shrubs, ponds, seating benches, aesthetic structures, lighting, walk coverings and other open space improvements; parking areas or structures or facilities; beach areas, docks, playgrounds, game courts, other recreational facilities; conference facilities; cars and trucks or snow removal, maintenance or other equipment, and office space and office furnishings, furniture or fixtures. The Master Association shall be obligated to, and shall accept the title to, interests in, or rights of use with respect to any Property Furnished by Declarant which may be assigned, granted, or conveyed to the Master Association by Declarant, subject to such reservations, restrictions and conditions as Declarant may reasonably request.

2.30 PUD or Atlas Waterfront PUD. The Atlas Waterfront Planned Unit Development, Permit No. 4-19, as platted with and approved by the City of Coeur d'Alene Planning Commission, and as may be amended.

2.31 Residential Site. Any real property for which the use is restricted to single family residential or multi-family residential.

2.32 Rules and Regulations. The Atlas Waterfront Rules and Regulations, as adopted by the Board and as may be amended from time to time.

2.33 Sub-Association. Any nonprofit Idaho corporation or unincorporated association, organized and established pursuant to or in connection with a Supplemental Declaration.

2.34 Subdivision. A parcel of real property within Atlas Waterfront, which has been divided or separated into residential or commercial Lots, as shown on a subdivision plat.

2.35 Supplemental Declaration. Any declaration of covenants, conditions and restrictions, which may be recorded, pursuant to this Master Declaration. Any Supplemental Declaration shall incorporate the Master Declaration therein by reference and shall be subject to this Master Declaration. Such Supplemental Declaration, may but need not, provide for the establishment of a Sub-association to be comprised of Owners of Lots or Units with the area subject thereto.

2.36 Unit. Each parcel of real property within Atlas Waterfront, defined as a Condominium in Section 55-1503(a) of the Idaho Code as part of a Condominium Project, and as reflected on a recorded condominium plat for such parcel, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, or occupancy. Notwithstanding the foregoing, the following shall not be considered a Unit: Open Space; Common Area; Exclusive Common Area; the Waterfront Park; Association Facilities; common property of any Association; property dedicated to the public; or, a parcel of property owned, held or used in its entirety by the Master Association, or by any governmental entity, or for or in connection with the distribution of electricity, gas, water, sewer, telephone, television or other utility service or for access to any property within or without Atlas Waterfront. A Unit shall not include rooms or units within a hotel.

2.37 Waterfront Park. The property abutting the waterfront, and all related and supporting facilities, structures and improvements operated in connection therewith, including, but not limited to the following: all waterfront park areas, playgrounds, picnic areas, food truck parking, pedestrian and bicycle waterfront trails, dog parks, swim areas, kayak launch areas. The Waterfront Park shall be owned and operated by the City of Coeur d'Alene as provided in Article 12.

ARTICLE 3. ATLAS WATERFRONT ASSOCIATION

3.1 Organization. The Master Association, Atlas Waterfront Association, Inc., shall be initially organized by Declarant as an Idaho, non-profit corporation. The Master Association

is charged with the duties and vested with the powers prescribed by law and as set forth in the Articles, the Bylaws, and this Declaration.

3.2 Membership. Each Owner (including the Declarant) of a Lot or Unit by virtue of being such an Owner and for so long as such ownership is maintained shall be a Member of the Master Association and no Owner shall have more than one membership in the Master Association, but shall have such voting rights as hereafter set forth. A membership in the Association shall not be assignable, except to the successor in interest of the Owner and a membership in the Master Association shall be appurtenant to and inseparable from the Lot or Unit owned by such Owner. A membership in the Master Association shall not be transferred, pledged or alienated in any way except upon the transfer of title to said Lot or Unit and then only to the transferee of title to said Lot or Unit. Any attempt to make a prohibited transfer of a membership shall be void and shall not be reflected on the books of the Master Association. The Master Association shall have two (2) classes of membership:

Class A Members – Class A Members shall be all Owners of Lots and Units within the Master Association, with the exception of the Declarant and its successor(s) in title to any Lot, which Lots are held by such successor in an unimproved condition. The Class A Members shall be non-voting Members of the Master Association until such time as voting rights of the Class B Member expires, as provided below. Upon the Class A Members becoming entitled to voting rights, each Class A Member shall be entitled to one (1) vote for each Lot or Unit owned and when more than one (1) person holds an interest in a Lot or Unit, all such persons shall be Class A Members but the vote for such Lot or Unit shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot or Unit owned by a Class A Member(s).

Class B Member – Class B Member shall consist of the Declarant. The Class B Member shall be entitled to five (5) votes for each Lot owned. The Class B membership and the Class B voting rights shall cease and be converted to Class A membership upon the Conversion Date.

3.3 Board of Directors. The affairs of the Master Association shall be conducted by a Board and such officers as elected or appointed, either volunteer or compensated, in accordance with the Articles and Bylaws, as the same may be amended from time to time.

3.4 Compliance with Association Documents. All Members shall comply with the terms and conditions of all Association Documents, as well as all Rules and Regulations which may be enacted by the Board pursuant to the Association Documents.

ARTICLE 4. ASSESSMENTS AND OTHER AMOUNTS

4.1 Obligation for Assessments and Other Amounts. Each Owner hereby, and by acceptance of a deed to a Lot or Unit, covenants and agrees to pay when due all Regular, Special and Limited Assessments, fines and charges made by the Association or a Sub-Association of which the Owner is a Member. All such Assessments, together with interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a charge on the

land and shall be a continuing lien upon the Lot or Unit against which each such Assessment is made, and shall be also the personal obligation of the Owner of such Lot or Unit at the time when the Assessment become due and payable. The personal obligation for delinquent Assessments shall pass to an Owner's successors in title pursuant to Section 4.7 below. No Owner may waive or otherwise avoid liability for any Assessment by non use of Open Space, Common Area or by abandonment of his Lot or Unit. Any of Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

4.1.1 Regular Assessments. Regular Assessments shall be made by the Master Association in such amounts and at times and intervals deemed appropriate by the Board. The Regular Assessments shall be based upon advance estimates of cash requirements as determined by the Board for the maintenance and operation of the Open Space, Common Area, Exclusive Use Common Area and all easement areas, if any, owned or controlled by the Master Association and for the performance by the Master Association of its other duties and responsibilities. Such estimates may include, but shall not be limited to, expenses of management, taxes and special assessments of local governmental units, premiums for all insurance which the Association is required or permitted to maintain hereunder, landscaping and care of grounds, lighting, water charges, trash collection, sewerage charges, repair and maintenance, legal and accounting fees, and any deficit remaining from previous periods and the creation of a reserve, surplus and/or sinking fund(s).

4.1.2 Special Assessments. In addition to Regular Assessments, the Master Association may levy at any time a Special Assessment payable over such period as the Board may deem appropriate for the following purposes:

(a) To defray, in whole or in part, the cost of any construction or reconstruction of improvements in Open Space, Common Area, or Exclusive Use Common Area, unexpected repair or replacement of any facility located on Open Space, Common Area, or Exclusive Use Common Area or an easement area controlled by the Master Association, the furnishing of a special service or services (other than those appropriate for a Limited Assessment), or for any other expenses incurred or to be incurred as provided in this Master Declaration.

(b) To cure a deficit in the common and ordinary expenses of the Master Association for which Regular Assessments for a given calendar or fiscal year are or will be inadequate to pay, as determined by the Board.

4.1.3 Limited Assessments. In addition to Regular and Special Assessments, Owners shall pay Limited Assessments as follows:

(a) Maintenance and Repair. The Master Association shall have the power to incur expenses for maintenance and repair of any Lot or Unit, or any improvements on a Lot or Unit, if such maintenance and repair is necessary, in the opinion of the Board, to protect the Open Space, Common Area, Exclusive use Common Area or any other portion of the Property, and if the

Owner of said Lot or Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity thereof has been delivered by the Board to said Owner. The Board shall perform all such work specified in the written notice provided to the Owner of the Lot or Unit and shall levy a Limited Assessment against the Owner of the Lot or Unit owned by said Owner to pay for the cost of such maintenance and repair, and any other cost or expense, including attorneys' fees, arising out of or incident to such maintenance and repair and the Assessment therefor.

(b) Correction of Violations. The Board, for the failure or refusal of an Owner to correct a violation of this Declaration or the Design and Development Standards, shall have the power to correct any such violation on a Lot or Unit, or any improvement on a Lot or Unit, and incur costs necessary in connection therewith. The cost of such corrective action, together with interest, related expenses and attorneys' fees shall be assessed and collected as set forth in this Declaration.

(c) Limited Benefit. The Board shall have the discretion to designate groups of Lots or Units which have like interests or needs, or may be some other grouping of Lots or Units with like interests or needs, and levy Limited Assessments to those Lots or Units for the following purposes: construction, maintenance, assessment and budgeting for all other Assessments; and/or, any other benefit, service or obligation related to certain Lots or Units.

(d) Limited Purpose. The Master Association shall have the power to levy a Limited Assessment against Owners and Lots or Unit for any limited special purpose, which the Board believes necessary with respect to certain Lots or Unit but not an appropriate expense for payment by the Master Association. Such Limited Assessment shall not be made until the Owners of said Lots or Units subject thereto have been given an opportunity, after notice, to participate in a hearing with respect to said Limited Assessment.

4.2 Purpose of Assessments and Other Amounts. The assessments and any charge, fine, penalty or other amount levied, fixed, established and collected by the Master Association shall be used exclusively to pay expenses that the Master Association may incur in performing any actions or functions permitted or required under this Declaration, or its Articles or Bylaws as from time to time are in force and effect, including the funding of reserve and contingency accounts.

4.3 Time for Payments. The amount of any assessment, charge for interest or otherwise, fine, penalty or other amount payable by any Owner shall become due and payable as specified by the Board.

4.4 Right to Enforce. The right to collect and enforce payment of the Assessments made by the Master Association is vested in the Master Association. Each Owner of a Lot or Unit hereby agrees to the enforcement of the payment of all Assessments in the manner herein provided. In the event an attorney is employed for the collection of an Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of any of the terms and

conditions of this Declaration, the Owner against whom such enforcement is sought shall pay reasonable attorneys' fees in connection therewith.

4.5 Lien for Assessments and Other Amounts. In addition to any other remedies specified herein or in the Bylaws, or allowed by law, the Master Association shall have a lien against each Lot or Unit to secure payment of any Assessment, charge, fine, penalty or other amount due and owing to the Master Association.

4.6 Enforcement. Upon the failure of an Owner to pay an Assessment in accordance with its terms, the lien for Assessment herein created may be enforced by sale by the Master Association, such sale to be conducted in the manner provided by law in Idaho for the exercise of the power of sale in deeds of trust or in any other manner permitted by law elected by the Board. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, including all reasonable attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Master Association any Assessments against the Lot or Unit, which shall become due during the period of foreclosure. The Master Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire and thereafter hold, convey, lease, rent, encumber, use and otherwise deal with and in said Lot or Unit as the Owner thereof. Notwithstanding anything to the contrary contained in this Declaration, no action may be brought to foreclose the lien for any Assessment, whether by power of sale or otherwise, until the expiration of thirty (30) days after written Notice of Default has been deposited in the United States mail, certified or registered mail, postage prepaid, return receipt requested, addressed to the Owner of the Lot or Unit described in such Notice at the last known address of the Owner as shown on the books and records of the Master Association. Said Notice shall specify the amount and due date of the unpaid Assessment(s) and the legal description of the Lot or Unit. The remedies set forth in this Article or elsewhere in this Declaration shall not be deemed to be an exclusive remedy and the Master Association may pursue all other remedies available at law or in equity, including but not limited to pursuit of legal action for costs and damages incurred by the Declarant or the Master Association as a result of the Owner's non performance, seeking injunctive relief as may be appropriate, and undertaking commercially reasonable collection measures.

4.7 Liability of Owners, Purchasers and Encumbrances. The amount of any assessment, charge, fine or penalty payable by any Owner shall also be a joint and several personal obligation to the Master Association of such Owner and such Owner's Guests and Lessee's, heirs, personal representatives, successors and assigns. A party acquiring fee simple title to a Lot or Unit, shall be jointly and severally liable with the former Owner of the Lot or Unit for all such amounts which had accrued and were payable at the time of the acquisition of fee simple title to the Lot or Unit by such party, without prejudice to such party's right to recover any of said amounts from the former Owner. Each such amount, together with interest thereon at the Default Rate and reasonable attorney's fees and costs, may be recovered by suit for a money judgment by the Master Association without foreclosing or waiving any lien securing the same. Notwithstanding the foregoing, the holder of a mortgage, deed of trust or other lien on a Lot or Unit shall not be liable for any such assessment, charge, fine or penalty and the lien for any such

assessments, charges, fines or penalties shall be junior to any first lien on a Lot or Unit taken in good faith and for value and perfected by recording in the office of the Recorder of Kootenai County, Idaho, prior to the time a notice of failure to pay any such amount is recorded in said office, describing the Lot or Unit and naming the Owner of the Lot or Unit.

ARTICLE 5. PROPERTY RIGHTS

5.1 Open Space. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Open Space and, subject to the terms of any applicable Supplemental Declaration, Common Areas, subject to:

- (a) The Association Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Master Association;
- (c) The right of the Board to adopt rules regulating the use and enjoyment of the Open Space, including rules restricting use of any recreational facilities to Owners of Lots or Units and their Guests and Lessees, and rules limiting the number of Guests and Lessees who may use the Open Space;
- (d) The right of the Board to suspend the right of an Owner to use any Open Space or any recreational facilities located within the Open Space (i) for any period during which any Assessment against such Owner's Lot or Unit remains delinquent; and, (ii) for any violations of the Declaration, any applicable Supplemental Declaration, the Bylaws, the Rules and Regulations, after notice and a hearing for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation;
- (e) The right of the Master Association, acting through the Board, to dedicate or transfer all or any part of the Open Space pursuant to the terms of this Declaration;
- (f) The right of the Board to impose membership requirements and/or charge membership, admission or other fees for the use of any recreational facility which may be situated upon the Open Space and to allow the use thereof by persons other than Owners, or such Owner's Guests and Lessees;
- (g) The right of the Board to permit use of any Open Space, or any recreational facilities which may be situated on the Open Space, by persons other than Owners, or such Owner's Guests and Lessees, with or without payment of use fees;
- (h) The right of the Master Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (i) The right of Declarant to place utilities within any Open Space; and,

(j) The right of the Declarant to convert Open Space to a Commercial Site or Residential Site, provided: any such conversion will be subject to necessary approvals from City of Coeur d'Alene, Kootenai County, and any other required regulatory entities, will maintain the overall density limits established in the PUD, and will maintain the material balance between open space and developed property within the PUD.

Any Owner may extend his or her right of use and enjoyment to the Owner's Guests and Lessees, subject to reasonable Board regulation. An Owner who leases his or her Lot or Unit shall be deemed to have assigned all such rights to the lessee of such Lot or Unit, unless provided to the contrary in the lease.

5.2 Common Area and Exclusive Use Common Area.

5.2.1 Common Area. Certain areas within, on the exterior of or adjacent to buildings may be designated as Common Area and reserved for the primary benefit of Owners of Lots or Units within a particular Subdivision or Condominium Project. All costs associated with maintenance, repair, replacement, and insurance of Common Areas shall be assessed as a Limited Assessment.

Declarant may construct any improvement, utilities, or fixtures within a Common Area that Declarant, in Declarant's discretion, determines will benefit the Owners of a particular Subdivision or Condominium Project assigned the exclusive use of or who primarily benefit from such Common Area. Additionally, the Owners of Lots or Units assigned the exclusive use of or who primarily benefit from such Common Area may propose to the Board any improvement to such Common Area that they feel will benefit such Owners with the sole cost of such improvement being the responsibility of such Owners.

The Declarant shall have the right to designate any Common Area as such and shall assign the exclusive use thereof in a Plat or Supplemental Declaration; provided, any such assignment shall not preclude the Declarant from later assigning use of the same Common Area to additional Lots or Units and/or additional Subdivisions or Condominium Projects, so long as the Declarant has a right to subject additional property to this Declaration pursuant to Section 10.1. Thereafter, Common Area may be assigned or reassigned by the Board. Prior to the Conversion Date, any such assignment or reassignment shall also require the Declarant's consent.

5.2.2 Exclusive Use Common Area. Certain areas within, on the exterior of or adjacent to buildings may be designated as Exclusive Use Common Area and reserved for the exclusive use of a particular Lot or Unit, or a particular small group of Lots or Units, within a particular Subdivision or Condominium Project. All costs associated with maintenance, repair, replacement, and insurance of Exclusive Use Common Areas shall be assessed as a Limited Assessment.

Declarant may construct any improvement, utilities, or fixtures within an Exclusive Use Common Area that Declarant, in Declarant's reasonable discretion, determines will benefit the

Owners of Lots or Units assigned the exclusive use of such Exclusive Use Common Area. Additionally, such Owners may propose to the Board any improvement to such Exclusive Use Common Area that they feel will benefit such Owners with the sole cost of such improvement being the responsibility of such Owners.

The Declarant shall have the right to designate any Exclusive Use Common Area as such and shall assign the exclusive use thereof in a Plat or Supplemental Declaration, so long as the Declarant has a right to subject additional property to this Declaration pursuant to Section 10.1. Thereafter, Exclusive Use Common Area may be assigned or reassigned by the Board. Prior to the Conversion Date, any such assignment or reassignment shall also require the Declarant's consent.

ARTICLE 6. CERTAIN OBLIGATIONS AND RIGHTS OF ATLAS WATERFRONT ASSOCIATION

6.1 Property Maintenance Function.

6.1.1 Association Facilities. The Master Association shall provide for the care, operation, management, maintenance, repair and replacement of all Association Facilities, including but not limited to Open Spaces, Common Areas, Exclusive Use Common Areas.

6.1.2 Association Facilities Owned in Conjunction With Declarant. Unless otherwise agreed in writing, the Master Association shall be obligated to and shall provide for the care, operation, management, maintenance and repair of any Association Facilities consisting of only a portion of, or defined space within, a building or other improvement owned by Declarant, and shall be obligated to and shall bear and pay to Declarant a proportionate share of Declarant's costs and expenses relating to such building or improvement as a whole, including without limitation, maintenance, taxes and assessments, insurance and depreciation. The proportionate share of the Master Association's costs and expenses relating to such building or improvement as a whole shall be determined by Declarant based on the actual amounts of such costs and expenses relating to such building or improvement as a whole multiplied by the ratio with a numerator which is the number of square feet of floor area of such defined space within the building or improvement and a denominator which is the number of square feet of floor area of the entire building or improvement.

6.1.3 Association Facilities Used by Declarant. If Declarant reserves the right to use all or part of such Association Facilities, Declarant shall have the right to permit third parties to use all or part of such Association Facilities. Declarant shall have the obligation, or shall impose on any such third party the obligation to restore any such Association Facilities to a clean and orderly condition after each use.

6.2 Operation Function. The Master Association may do all things that are not prohibited by applicable laws or ordinances which may be reasonably necessary or desirable to keep and maintain Atlas Waterfront as a safe, attractive and desirable community.

6.3 Parking Function. The Master Association may construct, purchase, lease, care for, operate, manage, maintain, repair or replace parking areas to accommodate Owners, and such Owner's Guests and Lessees, including, but not limited to, signs, landscaping and other similar facilities appurtenant to said parking areas and the removal of snow from and the cleaning of any of said parking areas. To the extent practicable, the Master Association shall maintain such parking areas so as to meet any requirements imposed on the Master Association or on Declarant with respect to Atlas Waterfront by the any federal, state or local governmental agency.

6.4 Transportation Function. The Master Association may provide for the operation of public transportation within Atlas Waterfront. Such transportation system may include any facilities deemed necessary or appropriate for the proper operation and maintenance of such system, including but not limited to bus stops, bus benches and bus shelters.

6.5 Vehicular Access Limitation Function. The Master Association shall provide control over vehicular access to Atlas Waterfront in accordance with all requirements with respect to Atlas Waterfront imposed on the Master Association or on Declarant or otherwise by any other governmental entity or which it deems necessary or desirable for the health, safety or welfare of persons within Atlas Waterfront. Said obligation may include, without limitation, constructing, operating and maintaining access road control gates, restricting non-commercial vehicular traffic within Atlas Waterfront except for Owners, Guests and Lessees who have overnight accommodations at Atlas Waterfront and who obtain parking spaces within Atlas Waterfront, and restricting commercial vehicular traffic within Atlas Waterfront. All Owners may be required to keep the Master Association completely informed of all persons who have overnight accommodations at such Owner's property in order to enforce its Rules and Regulations appropriately.

6.6 Recreation Function. The Master Association may provide a year-round recreational program of suitable variety and such miscellaneous equipment as may be necessary therefore, including, but not limited to, informing visitors of recreation available and encouraging their participation therein; conducting, caring for, operating, managing, maintaining, repairing and replacing recreational amenities, and such miscellaneous equipment as may be appropriate for use in connection therewith; and removing snow from and cleaning such facilities as necessary to permit their full use and enjoyment.

6.7 Marketing Function. The Declarant and/or Master Association may provide a marketing program to promote Atlas Waterfront, including but not limited to, advertising the sale of Atlas Waterfront property, advertising and coordinating the use of the Waterfront Park.

6.8 Trash Collection and Disposal Function. The Master Association may provide for the collection, removal and disposal of all trash, garbage and other solid waste in Atlas Waterfront, through any program offered therefor by or through the City of Coeur d'Alene or Kootenai County. The Master Association shall have the power to adopt, amend and enforce Rules and Regulations applicable within Atlas Waterfront to provide for the orderly collection and disposal of such trash, garbage and other solid waste.

6.9 Recycling Function. The Master Association may establish a recycling program and recycling center within the Atlas Waterfront, through or in addition to any program offered therefor by or through City of Coeur d'Alene or Kootenai County. In such event, all occupants of Lots or Units shall support such program by recycling, to the extent reasonably practical, all materials which the Master Association's recycling program or center is set up to accommodate.

6.10 Exterior Maintenance for Compliance Function.

(a) If any Owner fails to maintain his Lot or Unit or improvements on such Lot or Unit or fails to perform any acts of maintenance or repair required under this Declaration or the Neighborhood Development Standards, the Master Association may provide exterior maintenance and repair upon such Lot or Unit and improvements thereon, in response to a request from the ADRC, pursuant to the provisions of Section 8.7, or, on its own volition, after 30 days prior written notice to the Owners. In addition, the Master Association may, without notice, make such emergency repairs and maintenance as may in its judgment be necessary for the safety of any person or to prevent damage to any other property. The cost of such exterior maintenance and repair shall be assessed against the Owner of such Lot or Unit as a compliance Assessment; shall be a lien and obligation of the Owner pursuant to Section 4.5 herein; shall be a joint and several liability of the Owners of the Lot or Unit; and, shall become due and payable in all respects as set forth in Section 4.3 herein. For the purpose of performing the exterior maintenance authorized by this Section, the Master Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to any Owner, to enter upon such Lot or Unit during reasonable hours on any day except Saturday or Sunday. The Master Association or its designee is hereby granted an easement over all property in Atlas Waterfront to inspect (in a reasonable manner so as not to unreasonably interfere with the use and operations of the applicable Lot or Unit) property within Atlas Waterfront in order to determine whether any maintenance or repair is necessary under this Section.

(b) Neither Declarant, the Master Association, nor any of their respective directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any Lot or Unit of improvements or portion thereof or to repair or maintain the same. Absent willful or wanton malfeasance or gross negligence, Declarant, the Master Association or any other person, firm or corporation undertaking such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any Lot or Unit, improvements or portion thereof.

6.11 Other Functions. The Master Association may undertake and perform other functions as it deems reasonable or necessary to carry out the provisions of this Declaration.

6.12 Insurance. The Master Association shall obtain in its name and keep in full force and effect at all times at least the following insurance coverage: (a) casualty insurance with respect to all insurable Association Facilities, insuring such Association Facilities for the full replacement value thereof, and including coverage for fire and extended coverage, vandalism and malicious mischief; and (b) broad form comprehensive liability coverage, covering both public

liability and automobile liability, with limits and deductible provisions as good business practice may dictate. All insurance shall name Declarant as an additional insured and shall, to the extent reasonably possible, cover each Owner without each Owner being specifically named. The Master Association shall provide to Declarant or any Owner, upon request, certificates evidencing such insurance and copies of the insurance policies.

6.13 Indemnification. The Master Association shall be obligated to and shall indemnify Declarant and hold it harmless from all liability, loss, cost, damage and expense, including attorneys' fees, arising with respect to any operations of the Master Association or any Association Facilities or functions.

6.14 Right to Make Rules and Regulations. The Master Association shall be authorized to and shall have the power to adopt, amend and enforce the Rules and Regulations applicable within Atlas Waterfront with respect to the Property, any Association Facility or function, and to implement the provisions of this Declaration, the Articles or Bylaws, including but not limited to, rules and regulations to prevent or reduce fire hazard; to prevent disorder and disturbances of the peace; to regulate pedestrian and vehicular traffic; to regulate animals; to regulate the budgeting and assessment procedures according to the Association Documents; to regulate signs; to regulate use of any and all Association Facilities to assure fullest enjoyment of use by the persons entitled to enjoy and use the same; to promote the general health, safety and welfare of persons within Atlas Waterfront; and to protect and preserve property and property rights. Such Rules and Regulations may differentiate between different categories of Residential Sites and Commercial Sites, and of Lots or Units, as established by the Board from time to time. The Master Association may provide for enforcement of any such Rules and Regulations through reasonable fines and penalties, through exclusion of violators from Association Facilities or from enjoyment of any functions, or otherwise. Each Owner and such Owner's Guests and Lessees shall be obligated to and shall comply with and abide by such Rules and Regulations and pay such fines or penalties upon failure to comply with or abide by such Rules and Regulations and such unpaid fines and penalties shall be enforceable in accordance with Section 4.5.

In the promulgation of such Rules and Regulations, the Master Association shall have broad discretion and shall endeavor to maintain a community standard consistent with the intents and purposes of the Association Documents, without being limited to the literal language thereof.

6.15 Right to Establish "No-Burn" Policies. Assuming the availability of locally reliable air quality monitoring data, the Master Association, through its Board, may establish enforceable "no-burn" Rules and Regulations for Atlas Waterfront. Such "no-burn" Rules and Regulations shall be adopted by the Board and Declarant shall have the right to unilaterally promulgate such Rules and Regulations at any time prior to the Conversion Date.

6.16 Charges for Use of Association Facilities. The Master Association may establish charges for use of Association Facilities in offsetting the costs and expenses of the Master Association, including depreciation and capital expenses. All charges established under this Section 6.16 shall be reasonable and may differentiate between reasonable categories of

Residential Sites and Commercial Sites, and of Lots or Units. Each Owner shall be obligated to and shall pay any such charges for use.

6.17 Charges for Functions. The Master Association may establish charges for providing any service as required or permitted by any function on a regular or irregular basis to an Owner and such Owner's Guests and Lessees to assist the Master Association in offsetting the costs and expenses of the Master Association, including depreciation and capital expenses. All charges established under this Section 6.17 shall be reasonable and may differentiate between reasonable categories of Residential Sites and Commercial Sites, and of Lots or Units. Each Owner shall be obligated to and shall pay any such charges for such services.

6.18 Taxes. The Master Association shall pay all ad valorem real estate taxes, special improvement and other assessments (ordinary and extraordinary), ad valorem personal property taxes, and all other taxes, duties, charges, fees and payments required to be made to any governmental or public authority which shall be imposed, assessed or levied upon, or arise in connection with any Association Facilities or functions.

6.19 Right to Dispose of Association Facilities. Subject to the provisions of this Declaration requiring the consent of Declarant with respect to Property Furnished by Declarant, the Master Association shall have full power and authority to sell, lease, grant rights in, transfer, encumber, abandon or dispose of any Association Facilities.

6.20 Governmental Successor. Any Association Facility and any function may be turned over to a governmental entity which is willing to accept and assume the same upon such terms and conditions as the Master Association shall deem to be appropriate.

6.21 Implied Rights of the Master Association. The Master Association shall have and may exercise any right or privilege given to it expressly in this Declaration or, except to the extent limited by the terms and provisions of this Declaration, given to it by law and shall have and may exercise every other right of privilege or power and authority necessary or desirable to fulfill its obligations under this Declaration, including the right to engage labor and acquire use of or purchase property, equipment or facilities; employ personnel; obtain and pay for legal, accounting and other professional services; maintain accounts and reserve accounts; enter into contracts and subcontracts; and, to perform any Function by, through or under contractual arrangements, licenses, or other arrangements with any governmental or private entity as may be necessary or desirable.

ARTICLE 7. RESTRICTIONS APPLICABLE TO ATLAS WATERFRONT

7.1 Land Use Restrictions. In addition to the restrictions found in this Article 7, all of any portion of the Property to be sold or leased by Declarant may be further restricted in its use, density or design according to the Neighborhood Development Standards and/or one or more Supplemental Declarations for Atlas Waterfront recorded with the Kootenai County Recorder, prior to the time Declarant transfers or conveys any such Property to the Master Association or to any third party, and by the promulgation of Rules by the Master Association.

7.2 Occupancy Limitations; Lease/Rental Restrictions. No portion of any Property shall be used as a residence or for living or sleeping purposes other than a room designed for living or sleeping in a completed structure for which a certificate of occupancy has been issued. No room in any structure shall be used for living or sleeping purposes by more persons than it was designed to accommodate comfortably. Except as expressly permitted in writing by the ADRC, no trailers or temporary structures (other than for construction purposes upon the development of the Subdivision or Condominium) shall be permitted on any Property.

An Owner is prohibited from using their Lots or Units in the following manner: (1) as a short term rental, AirBNB, VRBO, vacation rental, or similar transient-type rentals, (2) "room for rent" or dormitory type rentals, or (3) rentals for less than six (6) months in duration or term; provided, however, a Lot or Unit used as temporary corporate housing, as such use is approved in writing by the Association, may be rented for a term no less than one (1) week. Each Lot or Unit may be rented (collectively "**Rental Activity**") only in strict accordance with the following: (a) a written document shall be executed between the Owner and the person(s) occupying the Lot or Unit authorizing such Rental Activity (the "**Lease**"); (a) Owner shall not enter into any Lease for any Lot or Unit with a duration or term of less than six (6) months, except any Unit designated as temporary corporate housing shall not have a term of less than one (1) week; (b) all Leases must specifically require that any subleasing of the Lot or Unit shall comply with the conditions and restrictions contained herein; (c) Owner shall notify the Association, within fifteen (15) days, of any Rental Activity or Lease, or change in Rental Activity or Lease, and (d) Owner shall not enter into any Lease unless the lessee shall agree in writing that the Lease shall be subject in all respects to the conditions and restrictions of this Declaration and the Bylaws, and that such lessee shall comply with the conditions and restrictions of this Declaration and the Bylaws.

The Board shall have the exclusive authority in its sole and unfettered discretion to grant, on a case-by-case basis, for reasons of hardship or such other reasons as the Board may deem compelling, a written variance from the requirements of this Section, with respect to a particular Lot or Unit. Any Rental Activity or Lease that does not conform with the foregoing requirements in this Section, or any other terms, conditions or provisions set forth in this Declaration, is in violation of this Declaration and is subject to all of the Association's rights and remedies provided for in this Declaration, in equity, or in law, including taking any action it deems reasonable and necessary to enforce these restrictions, including without limitation, levying fines and/or seeking injunctive relief in court. The provisions of this Section shall apply regardless of whether the Owner and their tenant and/or occupant enter into a written lease agreement. Each Owner shall be responsible for the actions and omissions of its tenants and/or occupants and shall be responsible for curing any violations of its tenants and/or occupants with this Declaration, Bylaws, Articles of Incorporation, and any other rules and regulations promulgated by the Board. Any assessments, fees, fines, and/or damages associated with any Rental Activity, any Lease, or any violation by an Owner's tenant or occupant shall be the responsibility of the Owner.

7.3 Maintenance of Property. All Lots, including any improvements on such Lots, and all Units, shall be kept and maintained by the Owner (or the Master Association for all parts of the Property owned by the Association) thereof in a clean, safe, attractive and sightly condition and in good repair.

7.4 Trash Collection. Not later than the date when a certificate of occupancy is issued for any Lot or Unit, the Owner of such Lot or Unit shall contract for the year-round removal of trash for the Lot or Unit with a trash collection company to be specified by the Association. Trash removal requirements during the period of construction of any improvements shall be governed by the Neighborhood Development Standards. The Association shall have the option to provide for trash collection, as provided at Section 6.8. The Association shall participate in such collection program as may be offered by the City of Coeur d'Alene or Kootenai County.

7.5 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Property nor shall anything be done or placed on any Property which is or may become a nuisance or cause any significant embarrassment, disturbance or annoyance to others, including each Owner and such Owner's Guest or Lessee.

7.6 No Hazardous Activities. No activities shall be conducted on any Property and no improvements constructed on any Property which are or might be unsafe or hazardous to any person or Property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Property, and no open fires shall be lighted or permitted on any Property except as follows: (a) in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed fireplace; (b) campfires at picnic fires on Property designated for such use by Declarant or by the Master Association; (c) controlled and attended fires authorized in writing by Declarant or the Master Association and required for clearing or maintenance of land; and, (d) such other exceptions or restrictions as may be implemented pursuant to the Neighborhood Development Standards or other rules or regulations. Notwithstanding the foregoing, any restriction on burning put in place from time to time by any governmental agency shall be strictly adhered to; and, the Board may create such additional Rules and Regulations with regard to burning as it deems appropriate and set forth herein.

7.7 No Unsightliness. No unsightliness shall be permitted on any Property. Without limiting the generality of the foregoing: (a) All unsightly structures, facilities, equipment, objects and conditions shall be enclosed within an approved structure; (b) trailers, mobile homes, commercial trucks (including pickups), boats, tractors, campers not on a truck, snow removal equipment and garden or maintenance equipment shall be kept in an enclosed structure at all times, except when in actual use; provided that such vehicles and equipment may be parked on parking lots or other areas specifically designated by the ADRC for such vehicles and equipment; (c) refuse, garbage and trash shall be kept in a covered container at all times and any such container shall be kept within an enclosed structure; (d) service areas and facilities for hanging, drying or airing clothing or fabrics shall be kept within an enclosed structure; (e) pipes for water, gas, sewer, drainage or other purposes; wires, poles, antennas and other facilities for

the transmission or reception of audio or visual signals or electricity; utility meters or other utility facilities; gas, oil, water or other tanks; and, sewage disposal systems or devices shall be kept and maintained within an enclosed structure or below the surface of the ground; and (f) no lumber, grass, shrub or tree clippings or plant waste, compost, metals, bulk materials or scrap or refuse or trash or unused items of any kind shall be kept, stored or allowed to accumulate on any Property. All enclosed structures shall comply with the rules and regulations of the ADRC as in effect from time to time. The ADRC shall have the power to grant a variance from the provisions of this Section 7.7 from time to time as it deems necessary or desirable.

7.8 Restriction on Recreational Vehicles. No snowmobile, ATV or other motorized recreational vehicle shall be operated within Atlas Waterfront except as may be otherwise specifically permitted by the Rules and Regulations.

7.9 Fire Protection. The following shall be applied within the PUD with regard to fire protection and shall be enforced by the ADRC: such portions of the International Urban-Wildlands Interface Fire Code as the Master Association determines are applicable to Atlas Waterfront; or, such other alternate methods or materials as may be listed by the ADRC in the Neighborhood Development Standards, or as may be proposed by an Owner and approved by the ADRC, to provide protection comparable to the International Urban-Wildlands Interface Fire Code. The Board shall have the authority to create a separate Fire Wise Committee to act as a subcommittee of the ADRC, for the purpose of adopting and enforcing such fire protection measures.

7.10 No Wells. No water wells, other than those maintained by Declarant or Declarant's assigns, shall be permitted on any Property without the prior written approval of the Master Association. All Owners shall be obligated to obtain water for all purposes from the Atlas Waterfront central water system, unless approved otherwise in writing by the Master Association.

7.11 No Drainfields or Septic Tanks. No individual drainfields or septic tanks will be permitted on any Property, except as may be used by Declarant on a temporary basis pursuant to a permit from the appropriate governmental authority.

7.12 Gates. Gates are prohibited, except as allowed in limited applications under the Neighborhood Development Standards and require compliance with all emergency service providers' requirements related to gates, including but not limited to requirements related to locks and emergency access.

7.13 Condominium Ownership. Prior to the recording in the real property records of Kootenai County, Idaho of an instrument submitting any portion of the Property to condominium ownership, the Owner of such property shall submit to the Atlas Design Review Committee for its review and approval, copies of all development documents related to the Condominium Project and copies of the proposed condominium declaration, articles of incorporation and bylaws of the condominium owners association. On or before 20 days after the submittal of such documents to the Atlas Design Review Committee, the Atlas Design Review Committee shall

approve or disapprove the documents by written notice to such owner of such approval or disapproval. If such documents are disapproved by the Atlas Design Review Committee, the Atlas Design Review Committee shall set forth the specific reasons for such disapproval. If notice of approval or disapproval is not given by the Atlas Design Review Committee on or before such 20-day period, such documents shall be deemed to be approved. The approval or disapproval of the Atlas Design Review Committee under this Section shall be based on the purposes and provisions of the Association Documents, and/or the Atlas Waterfront PUD.

7.14 Building and Improvement Envelopes. Building and Improvement Envelopes are that portion of a lot within which structures and improvements can be constructed, and are applicable only to those Lots specified in the Neighborhood Development Standards. Building and Improvement Envelopes, and which Lots they apply to, are further defined and described in the Neighborhood Development Standards. For good cause shown, the ADRC may, in its sole discretion, modify the Building and Improvement Envelopes specified therein, upon request from the Owner of the Lot, as provided in the Neighborhood Development Standards.

7.15 Animals. No animals, of any kind, except for household pets shall be raised, bred, or kept on any portion of the Property. It is specifically noted that horses, cattle, pigs, llamas, sheep, and other livestock, reptiles poultry (except hens may be permitted pursuant to City of Coeur d'Alene code) and wild animals are not to be considered household pets. Household pets may be kept for personal or non-commercial recreational purposes only if the presence of such pets does not constitute a nuisance. Pets must be kept within the boundaries of the Lot or Unit unless accompanied by and under the control of the owner of such pet. Consistent and/or chronic barking by dogs, or threatening or aggressive behavior by an animal, shall be considered a nuisance. The Board may create such additional Rules and Regulations with regard to animals as it deems appropriate, including but not limited to the number of animals that may be in a Lot or Unit at any one time, and the disallowance of pets in certain portions of Atlas Waterfront.

7.16 Additional Restrictions. Upon such conditions as are deemed necessary by the ADRC to maintain compliance with the intents and purposes of the Association Documents, and the Atlas Waterfront PUD, as applicable, additional restrictions on the use of Property within Atlas Waterfront shall be provided in Supplemental Declarations, the Neighborhood Development Standards and/or Rules and Regulations promulgated by the Board.

7.17 Compliance With Law. No Property shall be used, occupied, altered, charged, improved or repaired except in compliance with all present and future laws, rules, requirements, orders, directions, ordinances and regulations of the United States of America, State of Idaho, County of Kootenai, City of Coeur d'Alene and all other municipal, governmental or lawful authority whatsoever, affecting Atlas Waterfront or the improvements thereon or any part thereof.

7.18 General Use Guidelines And Restrictions. The following guidelines and restrictions are applicable to all Property within Atlas Waterfront:

- (a) All terms and conditions of the Atlas Waterfront PUD;
- (b) All terms and conditions of the Association Documents;
- (c) All Notes contained on any Plat, and all terms and conditions of Supplemental Declarations imposed pursuant to Plat approval (these restrictions apply only to that portion of the PUD to which each Plat applies); and
- (d) All terms and conditions imposed by any state or federal agency.

ARTICLE 8. DESIGN REVIEW

8.1 Purpose. In order to preserve the natural beauty of Atlas Waterfront and its setting, to maintain Atlas Waterfront as a pleasant and desirable environment, to establish and preserve a harmonious design for the community, and to protect and promote the value of property, exterior design, landscaping and use of all new development and additions, changes or alterations to existing use, landscaping and exterior design and development shall be subject to design review.

8.2 Objectives. Design review shall be directed towards attaining the following objectives for Atlas Waterfront:

- (a) Preventing excessive or unsightly grading, indiscriminate earthmoving or clearing of property, removal of trees and vegetation which could cause disruption of natural watercourses or scar natural landforms;
- (b) Ensuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the Lot or Unit and with surrounding Lots or Units and structures;
- (c) Ensuring that the architectural design of structures and their materials and colors are visually harmonious with Atlas Waterfront's over-all appearance, history and cultural heritage, with surrounding development, with natural landforms and native vegetation, and with development plans, zoning requirements and other restrictions officially approved by Declarant, the Master Association or any government or public authority, if any, for the areas in which the structures are proposed to be located;
- (d) Ensuring that plans for the landscaping of open spaces provide visually pleasing settings for structures on such Lots or Units and on adjoining and nearby Lots or Units and blend harmoniously with the natural landscape;
- (e) Ensuring that any development, structure, building or landscaping complies with the provisions of this Declaration, including but not limited to, those provisions set forth in Article 7, and all applicable provisions of the other Association Documents; and,

(f) Ensuring that building design and construction techniques respond to energy consumption and environmental quality considerations such as heat loss, air emissions, and run-off water quality.

8.3 Atlas Design Review Committee.

(a) The Master Association shall establish the Atlas Design Review Committee which shall consist of five (5) members appointed by the Board. The members need not be Owners of Lots or Units, and may be volunteer or may receive compensation as determined by the Board. The regular term of office for each member shall be one year, coinciding with the fiscal year of the Master Association, and may serve multiple terms. Any such member may be removed with or without cause by the Board at any time by written notice to such appointee. A successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member.

(b) The ADRC shall operate in accordance with its own rules of procedure. Said rules shall be filed with the Master Association and maintained in the records of the Master Association and shall be available to members of the Master Association.

(c) The ADRC is hereby authorized to retain the services of one or more consulting architects, landscape architects, urban designers, engineers, building contractors, consultants, inspectors and such other staff or consultants who shall be reasonably necessary to advise and assist the ADRC in performing the design review functions prescribed in this Article 8. Such consultants may be retained to advise the ADRC on a single project, on a number of projects, or on a continuing basis.

8.4 ADRC Approval and Control.

(a) Neither the Master Association nor any Owner, but excluding the Declarant prior to the Conversion Date, shall perform any of the following without prior approval by the ADRC of the plans and specifications for the project and the construction procedures to be used to insure compliance with Article 7: grading, clearing, or other ground disturbance; landscaping; construction of a building, fence, deck, patio, or other structure; erection of a sign; installation of exterior lighting; cutting, grubbing or removal of trees or vegetation; modification, change or alteration of the exterior of any existing structure, including staining or painting if a color materially different from the existing color; paving; the construction or exterior alteration of any improvements to any Lot or Unit or other property or building or structure thereon; or the change of the use of any Lot or Unit or other property or building or structure thereon. Alterations or remodeling which are completely within a building of structure and which do not change the exterior appearance and are not visible from the outside of the structure may be undertaken without ADRC approval, provided such alterations or remodeling do not change the use of, or the number of dwelling units (as such term is defined in the PUD), or amount of commercial space in, the building or structure. All actions taken by the ADRC shall be in accordance with Neighborhood Development Standards, any supplemental design standards adopted by the Association and any City of Coeur d'Alene design standards

applicable to such property. In the case of any challenge to a decision of the ADRC, the decision shall be upheld unless the Board finds by clear and convincing evidence the decision to be: (i) in express violation of the Association Documents and the Atlas Waterfront PUD; (ii) in express violation of an applicable federal, state, county or district statute, ordinance or regulation; or, (iii) arbitrary, capricious, unreasonable and oppressive. The ADRC or its designated representative may inspect any approved project to the extent required to insure that the construction or work on such project complies with any and all approved plans and construction procedures as well as any conditions of approval proposed by the ADRC. The ADRC or its designated representatives may enter upon any Property at any reasonable time or times to inspect the progress, work status, or completion of any project. In addition to the remedies described in Section 17.4, the ADRC may withdraw approval of any project thereby stopping all activity at such project, as provided in the Neighborhood Development Standards.

(b) Any material to be submitted or notice to be given to the ADRC shall be submitted at the address on file for the ADRC as may be changed from time to time.

(c) All actions requiring approval of the Master Association pursuant to the provisions of Articles 7 or 8 shall be deemed approved if such approval is obtained in writing from the ADRC.

(d) Approvals obtained under an applicable DDA for the Final Construction Documents or any Substantial Changes, as such terms are defined in the DDA, shall also constitute ADRC approval under this Section 8.4 of the Declaration.

8.5 Neighborhood Development Standards. The Neighborhood Development Standards applicable to the property provide for the general design theme of all projects in Atlas Waterfront, specific design requirements, and the general construction procedures that will or will not be allowed in Atlas Waterfront. The Neighborhood Development Standards may contain general provisions applicable to all of Atlas Waterfront, as well as specific provisions which vary from one portion of Atlas Waterfront to another depending upon the location, unique characteristics, and intended use. The ADRC, the Declarant, and/or the Master Association (as provided below) may also promulgate and publish supplemental design standards and /or rules and regulations that set forth the procedures to be followed and material which must be provided by any member of the Master Association or such member's authorized agents in order to obtain review of proposed construction by the ADRC. Each Owner shall be subject to and shall comply with such Neighborhood Development Standards, and any supplemental design standards and/or rules and regulations promulgated as provided above, but shall not be required to retroactively apply or institute any design standards promulgated after written approval by the ADRC of proposed construction.

8.6 Amendment of Neighborhood Development Standards. The Neighborhood Development Standards may be amended as follows:

(a) Subject to Section 8.6(b) below, the ADRC may propose amendments to the Board, or the Board may adopt amendments of their own volition; and, until such time as the

Declarant is no longer a member of any Class of the Master Association, the amendment must be approved in writing by the Declarant.

(b) Notwithstanding the foregoing, all amendments to the Neighborhood Development Standards shall be submitted to the City of Coeur d'Alene Planning Commission.

Any amendments to the Neighborhood Development Standards shall apply to construction and modification of structures and improvements commenced after the date of such amendment only and shall not apply to require modifications to or removal of Structures previously approved once the approved construction or modification has commenced; provided, the construction or modification has proceeded in accordance with the plans and specification therefore, as approved.

The ADRC shall make the Neighborhood Development Standards available to Owners and Developers/Builders who seek to engage in development or construction within Atlas Waterfront, and all such Persons shall conduct their activities in accordance with such Neighborhood Development Standards. THE BURDEN SHALL BE ON THE OWNER AND THE DEVELOPER/BUILDER TO ENSURE THAT THEY HAVE THE MOST CURRENT NEIGHBORHOOD DEVELOPMENT STANDARDS.

8.7 Exterior Maintenance. Pursuant to the provisions of Section 6.10, the ADRC may, by vote of a majority of the members present at any meeting, after 30 days notice to the Owner of the Lot or Unit, request that the Master Association provide exterior maintenance and repair upon any Lot or Unit in the event such Owner is in default of its maintenance obligations hereunder as determined by the Association.

8.8 Review Fee. The ADRC may set a review fee schedule sufficient to cover all or part of the cost of ADRC time, consultant's fees, and incidental expenses. Applicants for design review may be required to deposit with the ADRC a fee which the ADRC deems sufficient to cover the costs of design review from which the actual costs shall be deducted when determined and the balance returned to the applicant following completion of the design review procedure.

8.9 Enforcement of Restrictions. The Board shall be responsible for the enforcement of the restrictions set forth in Article 7 of this Declaration, the Neighborhood Development Standards, any supplemental design standards and/or rules and regulations promulgated as provided in this Article, and any restrictions set forth in any Supplemental Declaration recorded in the records of Kootenai County; and, in the event that the ADRC is unable through the process and procedures provided in the Neighborhood Development Standards to secure compliance, then the ADRC shall refer the matter to the Board. This provision shall not limit the right of Declarant or the Master Association to act under Section 17.4. Subsequent to the completion of construction or action subject to review under Section 8.4, the Master Association shall have primary responsibility to enforce such restrictions.

8.10 Commencement and Completion of Construction. By taking title to a Lot or Lots, each Owner acknowledges and agrees that time is of the essence in the completion of

residential, commercial or mixed-use buildings, as applicable, on the Lots, and that the Declarant, as the Urban Renewal Agency of the City of Coeur d'Alene, requires the completed construction of such buildings for the development of the Atlas Waterfront project. Accordingly, each Owner shall follow the construction commencement and completion requirements set forth below, as applicable:

(a) **Developer/Builder of Subdivision/Multiple Lots.** Owner shall, at all times, commence and continue construction pursuant to the timeline set forth in the Phasing Plan as set forth in the applicable DDA, or if no Phasing Plan is set forth in the applicable DDA, then Owner shall, within six (6) months from the date such Owner takes title to Lots that will be developed as a Subdivision, commence and continue construction of no less than twenty-five percent (25%) of the total number of residential or commercial buildings to be constructed, as applicable, on such Lots in accordance with the requirements of this Declaration, the Neighborhood Development Standards, any supplemental design standards and any DDA applicable to the Owner of such property. No such Owner shall transfer or convey, or attempt to transfer or convey, any of the Lot or Lots to any third party without completing such construction unless first having obtained approval from the Declarant. The phrase "commence and continue construction" as used in this subparagraph shall mean the start of actual physical construction activities of residential or commercial buildings, as applicable, upon their respective Lots, and diligently working towards the completion (issuance of a certificate of occupancy) of such residential or commercial buildings, as applicable, in compliance with the restrictions of this Declaration, the Neighborhood Development Standards, any supplemental design standards and any DDA applicable to the Owner of such property.

Once an Owner of such Lots shall have commenced construction of the Subdivision Lots, such Owner shall not cease construction of the Subdivision in accordance with the Phasing Plan set forth in the DDA, or if no Phasing Plan is set forth in the DDA, then Owner shall not cease construction of the Subdivision for more than three (3) months. The phrase "cease construction" as used in this subparagraph shall mean the stoppage of actual physical construction activities of residential or commercial buildings, as applicable, upon the Lots. Upon violation of the above stated conditions, Declarant (or its successors and assigns) shall have the right to terminate said Owner's estate in the said Lot or Lots and to re-enter and take possession of said Lot or Lots and said Lot or Lots shall revert to and become the property of the Declarant as provided in Section 17.4.3 of this Declaration.

For violations of this Section, the Declarant shall also the right to levy daily fines up to \$500.00 per day against an Owner for each day an Owner fails to commence and continue construction pursuant to the Phasing Plan, or on less than twenty-five percent (25%) of the total number of residential or commercial buildings to be constructed, as applicable, within the Subdivision, and for each day construction ceases in violation of the Phasing Plan, or for more than three (3) months on construction of the Subdivision, as applicable. Declarant may pursue any other remedies provided for in this Declaration including without limitation to injunctive relief. No act or omission on the part of the Declarant shall be or constitute a waiver of the operation or enforcement of the above stated conditions.

(b) **Developer/Builder of Condominium Project or Single Commercial Lot.** Within six (6) months of the date an Owner takes title to a Lot or Lots, such Owner shall commence construction of a residential, commercial or mixed-use condominium building, as applicable, on such Lot or Lots in accordance with the requirements of this Declaration, the Neighborhood Development Standards, any supplemental design standards and any DDA applicable to the Owner of such property. No such Owner shall transfer or convey, or attempt to transfer or convey, the said Lot or Lots to any third party without completing such construction unless first having obtained approval from the Board. The phrase "commence construction" as used in this subparagraph shall mean the start of actual physical construction activities of a residential, commercial or mixed-use condominium building, as applicable, upon such Lot or Lots.

Once an Owner of a Lot or Lots shall have commenced the construction of a residential, commercial or mixed use condominium building, as applicable, such Owner shall have completed construction within eighteen (18) months and in compliance with the restrictions of this Declaration, the Neighborhood Development Standards, any supplemental design standards and any DDA applicable to the Owner of such property. The phrase "completed construction" as used in this subparagraph shall mean the issuance of a certificate of occupancy of such residential, commercial or mixed-use condominium building, as applicable, upon such Lot or Lots. Upon violation of the above stated conditions, Declarant (or its successors and assigns) shall have the right to terminate said Owner's estate in the said Lot or Lots and to re-enter and take possession of said Lot or Lots and said Lot or Lots shall revert to and become the property of the Declarant as provided in Section 17.4.3 of this Declaration .

For violations of this Section, the Declarant shall also the right to levy daily fines up to \$500.00 per day against an Owner for each day an Owner fails to commence construction and for each day construction is not complete on any residential, commercial or mixed-use commercial building, as applicable, on any given Lot or Lots. Declarant may pursue any other remedies provided for in this Declaration including without limitation to injunctive relief. No act or omission on the part of the Declarant shall be or constitute a waiver of the operation or enforcement of the above stated conditions.

(c) **Owner of Single Residential Lot.** Within six (6) months of the date an Owner takes title to a Lot, such Owner shall commence construction of a residential building, on such Lot in accordance with the requirements of this Declaration, the Neighborhood Development Standards, and any supplemental design standards. No such Owner shall transfer or convey, or attempt to transfer or convey, the said Lot to any third party without completing such construction unless first having obtained approval from the Board. The phrase "commence construction" as used in this subparagraph shall mean the start of actual physical construction activities of a residential or commercial building, as applicable, upon such Lot.

Once an Owner of a Lot shall have commenced the construction of a residential building, such Owner shall have completed construction within eighteen (18) months in compliance with this Declaration, the Neighborhood Development Standards, and any supplemental design

standards. The phrase "completed construction" as used in this subparagraph shall mean the issuance of a certificate of occupancy of such residential building, upon such Lot. Upon violation of the above stated conditions, Declarant (or its successors and assigns) shall have the right to terminate said Owner's estate in the said Lot and to re-enter and take possession of said Lot and said Lot shall revert to and become the property of the Declarant as provided in Section 17.4.3 of this Declaration .

For violations of this Section, the Declarant shall also the right to levy daily fines up to \$50.00 per day, against an Owner for each day an Owner fails to commence construction and for each day construction is not complete on any residential building, on any given Lot. Declarant may pursue any other remedies provided for in this Declaration including without limitation to injunctive relief. No act or omission on the part of the Declarant shall be or constitute a waiver of the operation or enforcement of the above stated conditions.

8.11 Lapse of Design Review Approval. Approval of the design of a project shall lapse and become void eighteen months following the date of final approval of the project. An Owner may request an extension prior to expiration of the eighteen month period by filing a written request therefore with the ADRC, which request shall be reasonably granted; however, the ADRC may grant such an extension subject to reasonable restrictions or conditions.

8.12 Assignment Function. Any function to be performed by the ADRC pursuant to Article 7 or Article 8 may be assigned to the Master Association in whole or in part at any time or from time to time at the sole discretion of the Master Association.

8.13 Liability. Neither Declarant, the Master Association nor the ADRC nor any of their respective officers, directors, employees or agents shall be responsible or liable to any person for any defects in any plans or specifications submitted, revised or approved under this Article 8 nor for any defects in construction performed pursuant to such plans and specifications. Approval of plans and specifications under this Article 8 shall not relieve the Owner of strict compliance with applicable governmental laws or regulations.

ARTICLE 9. EASEMENTS

9.1 Easements Of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and adjacent Open Space and between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, Guest or Lessee, or the Master Association.

9.2 Easements For Utilities, Etc. There are hereby reserved unto Declarant, so long as the Declarant owns any Property subject to this Declaration, the Master Association, and the

designees of each (which may include, without limitation, City of Coeur d'Alene, Kootenai County and any utility) access and maintenance easements upon, across, over, and under all of Atlas Waterfront to the extent reasonably necessary for the purpose of constructing, replacing, repairing, and maintaining: cable television systems, master television antenna systems, security and similar systems, communications systems, roads, walkways, bicycle pathways, underground parking facilities, trails, ponds, wetlands, drainage systems, surface water management facilities, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, and electricity, and for the purpose of installing any of the foregoing on property which it owns or within easements designated for such purposes on recorded plats of Atlas Waterfront. This easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing dwelling on a Lot or Unit, and any damage to a Lot or Unit resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Lot or Unit and, except in an emergency, entry onto any Lot or Unit shall be made only after reasonable notice to the Owner or occupant.

9.3 Easements For Collection Of Storm Water Runoff And Flood Water. The Declarant reserves for itself, and its successors, assigns, and designees the nonexclusive right and easement, but not the obligation, to enter upon any property to (a) install, keep, maintain, and replace irrigation ditches, equipment or systems; (b) construct, maintain, and repair any structure designed to divert, collect or retain water; and (c) remove trash and other debris. The Declarant's rights and easements provided in this Section shall be transferred to the Master Association at such time as the Declarant shall cease to own any property subject to the Declaration, or such earlier time as Declarant may elect, in its sole discretion, to transfer such rights by a written instrument. The Declarant, the Master Association, and their designees shall have an access easement over and across any of Atlas Waterfront abutting or containing any portion of any water course, stream, wetlands or area covered by a conservation easement, to the extent reasonably necessary to exercise their rights under this Section.

9.4 Easements To Serve Additional Property Party Walls. The Declarant hereby reserves for itself and its duly authorized agents, representatives, employees, successors, assigns, licensees, and mortgagees, an easement over any Open Spaces or any roads, streets or drives depicted on any Plat of any portion of the Property, for the purposes of access to adjoining property which may now or later be owned by Declarant. This easement includes, but is not limited to, a right of ingress and egress over the Open Space for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Open Space as a result of vehicular traffic connected with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Declaration, the Declarant, its successors or assigns shall enter into a reasonable agreement with the Master Association to share the cost of maintenance of any access roadway serving such property.

To the extent any Party Wall exists, there is hereby created a common reciprocal easement for the location of such Party Wall. Each Lot Owner shall have the right to use the surface of any Party Wall contained within the interior of the Owner's Lot, provided that an Owner shall not drive, place or cause to be driven or placed any nail, bolt, screw or other object into a Party Wall which penetrates a Party Wall equal to or greater than half the Party Walls' width. The Owner shall respectively own to the centerline of any Party Wall. The cost of reasonable repair and maintenance of a Party Wall shall be shared equally by the Owners of such Party Wall. Such Party Wall shall be maintained in good condition by the Owners thereof, free of structural defects and using reasonable care to avoid injury to the adjoining property. Any Owner who by negligent or willful act(s) causes a Party Wall to be damaged and/or exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements and/or repair to such Party Wall. If such Party Wall is destroyed or damaged by fire or other casualty, either Owner may restore such Party Wall and the other Owner shall contribute one-half (1/2) of the cost of such restoration, subject to the liability for any negligent or willful acts or omissions of either Owner.

9.5 Easements For Cross-Drainage. Every Lot or Unit and the Open Space shall be burdened with easements for natural drainage of storm water runoff from other portions of Atlas Waterfront; provided, no Person shall alter the natural drainage on any Lot or Unit so as to materially increase the drainage of storm water onto adjacent portions of Atlas Waterfront without the consent of the Owner of the affected property and Declarant, for so long as Declarant owns property in the PUD, and, thereafter, from the Board. Notwithstanding the foregoing, Declarant shall have the right to modify drainage patterns.

9.6 Easements For Maintenance, Emergency, And Enforcement. Declarant grants to the Master Association easements over Atlas Waterfront as necessary to enable the Master Association to fulfill its maintenance responsibilities under Article 6. The Master Association shall also have the right, but not the obligation, to enter upon any Lot or Unit for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce the Association Documents, after prior written notice to the Owner(s) of the Lot or Unit. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the Owner. This right of entry shall include the right of the Master Association to enter upon any Lot or Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board, but shall not authorize entry into any single family detached dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.

9.7 View Impairment. Neither the Declarant, nor the Master Association, guarantees or represents that any views from Lots or Units will be preserved without impairment. Neither Declarant, nor the Master Association, shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in its sole and absolute discretion, to add buildings,

improvements, trees and other landscaping. In addition, the Declarant and the Master Association may, in its sole and absolute discretion, change the location, configuration, size and elevation of buildings, improvements, trees and other landscaping from time to time. Any such additions or changes may diminish or obstruct any view from the Lots or Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

9.8 Easements of Owners with Respect to Association Facilities. Each Owner, and Owner's Guests and Lessees, shall have a non-exclusive easement over, upon, across and with respect to any Association Facilities as appropriate and necessary for: access, ingress and egress to the Lot or Unit of such Owner and Owner's Guests and Lessees; encroachment by improvements caused by the settling, rising or shifting of earth; and horizontal and lateral support of improvements; subject, however, in the case of easements for access, ingress and egress, to such reasonable rules and regulations as the Master Association may impose to assure reasonable use and enjoyment of Association Facilities by all persons entitled to such use and enjoyment.

ARTICLE 10. ANNEXATION AND WITHDRAWAL OF PROPERTY

10.1 Annexation Without Approval Of Membership. Declarant may unilaterally annex into the Atlas Waterfront development and, thereby, subject the following to the provisions of this Declaration: any other real property which is owned by Declarant or in which Declarant has an equitable interest and which adjoins or is within 2 miles of Atlas Waterfront. Declarant may transfer or assign this right to annex property, provided that the assignee is the owner of property adjacent to Atlas Waterfront, and provided that such transfer is memorialized in a written, recorded instrument executed by Declarant. Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any additional property in any manner whatsoever.

Such annexation shall be accomplished by recording a Supplemental Declaration with the Office of Recorder of Kootenai County, describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Such Supplemental Declaration shall not require the consent of any Member other than the Class B Members. Any such annexation shall be effective upon the recording of such Supplemental Declaration unless otherwise provided therein.

10.2 Annexation With Approval Of Membership. The Master Association may subject any real property other than that provided for at Section 10.1 to the provisions of this Declaration with the consent of the owner of such property and with the consent of a majority of the membership.

Such annexation shall be accomplished by recording a Supplemental Declaration with the Office of Recorder of Kootenai County, describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Master Association, and by the owner of the annexed

property. Any such annexation shall be effective upon recording unless otherwise provided therein.

10.3 Withdrawal. The Declarant reserves the right to amend this Declaration, until the Conversion Date, without prior notice and without the consent of any Person, for the purpose of removing property then owned by the Declarant, from the coverage of this Declaration, to the extent originally included in error or as a result of any changes in the Declarant's plans for Atlas Waterfront, provided such withdrawal is not materially contrary to the overall, uniform scheme of development for Atlas Waterfront, or the terms of the PUD.

10.4 Additional Covenants And Easements. Declarant may unilaterally subject any portion of the property subject to this Declaration initially or by Supplemental Declaration to additional covenants and easements. Such additional covenants and easements shall be set forth in a Supplemental Declaration recorded either concurrent with or after the annexation of the subject property; and, shall require the written consent of 2/3 of the Owner(s) of such property, if owned by other than the Declarant or the Master Association, provided: such additional covenants shall not be materially inconsistent with or establish lesser standards than this Declaration, or any Supplemental Declaration covering such property or any Neighborhood Development Standards or procedures which apply to such property.

ARTICLE 11. DECLARANT'S DEVELOPMENT RIGHTS, SPECIAL RIGHTS AND RESERVATIONS

11.1 Declarant's Rights And Reservations. In addition to those easements and rights reserved by Declarant in Article 9 above, and as otherwise provided in this Declaration, Declarant shall have, retain and reserve certain rights as hereinafter set forth with respect to the Master Association and Atlas Waterfront. The rights and reservations reserved above and hereinafter set forth shall be deemed accepted and reserved in each conveyance of any Lot or Unit or other property within Atlas Waterfront by Declarant, whether or not specifically stated therein, and in each deed or other instrument by which any property within Atlas Waterfront is conveyed by Declarant. The rights, reservations and easements reserved above and hereinafter set forth shall be prior and superior to any other provisions of the Master Association Documents and may not, without Declarant's written consent, be modified, amended or rescinded or affected by any amendment of the Association Documents. Declarant's consent to any one such amendment shall not be construed as a consent to any other amendment.

11.2 Declarant's Future Development Rights. Declarant, and Declarant's assigns, shall have the following development rights, which rights shall not require the consent of Owners before Declarant's exercise of such rights:

(a) Declarant may further develop Atlas Waterfront; and, may further divide any Lot or adjust lot lines between Lots prior to Declarant's sale of such Lot(s), subject to approval from the City of Coeur d'Alene. As noted elsewhere herein, such development and subdivision may deviate from the PUD, provided that such deviation is approved City of Coeur d'Alene and any other regulatory entity with jurisdiction.

(b) Until the Conversion Date, the Declarant may designate and transfer ownership of sites within Atlas Waterfront for fire, police, utility facilities, public schools and parks, and other public facilities. The sites may include Open Spaces.

(c) Declarant or Declarant's assigns may add or annex any real property pursuant to the terms of Article 10. Such annexation(s) and associated Supplemental Declaration(s) may alter the rights and responsibilities of the Master Association and Owners in the following ways:

(i) Additional owners may be added to the Master Association, thereby diluting the relative effect of an Owner's vote;

(ii) Additional Open Spaces and amenities may be created and may be either conveyed, leased or made available to the Master Association, in which case the Master Association may incur expenses related to upkeep, improvement and/or maintenance; and,

(iii) The Master Association may incur other expenses as a result of such annexation.

(d) Until the Conversation Date, Declarant, or Declarant's designee or permittee shall have the right to store construction materials and maintain construction offices within Open Spaces; and, shall have the right to locate and operate sales offices within Open Spaces and on unsold properties.

(e) Until the Conversion Date, Declarant shall have the right to extend roads and rights of way through the Open Space to other property, as provided at Section 9.4.

(f) Until the Conversion Date, Declarant or Declarant's designee shall have the right to install utilities and utility related equipment and fixtures within any Open Space.

11.3 Successor Declarant. For purposes of the rights, reservations and easements reserved and created in favor of Declarant herein, Declarant shall have the option of notifying the Master Association in writing of an assignee or successor who will hold and exercise Declarant's aforesaid rights and whom the Master Association shall notify as required by this Declaration, the successor or assignee must own at least one Lot or Unit in Atlas Waterfront. The special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred to other Persons in whole or in part, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or the Bylaws. Absent such transfer, the Declarant herein named shall retain the Declarant rights described herein until the Conversion Date.

11.4 Future Development. Each purchaser of a Lot or Unit in Atlas Waterfront and their heirs and assigns, acknowledges that, as provided in Section 11.2, Declarant or Declarant's successors intend to fully develop Atlas Waterfront, and may develop real property which

adjoins Atlas Waterfront. Such development may involve any uses or densities allowed by the PUD, as modified. All Owners consent to such future development and waive any claim that such development is incompatible with or otherwise diminishes the value of Atlas Waterfront or any Lot or Unit therein, or that any views enjoyed by any Lot or Unit are a property right thereof.

11.5 Exemption Of Declarant. Nothing contained herein shall limit the right of Declarant to excavate, grade and construct improvements to and on any portion of Atlas Waterfront owned by Declarant, in furtherance of the terms of the PUD and other applicable Permits, and so as to not negatively impact the subsurface and structural integrity of adjacent properties with constructed improvements. Declarant need not seek or obtain Board or ADRC approval of any such improvements constructed or placed by Declarant on any portion of Atlas Waterfront owned by Declarant or an affiliate of Declarant. The rights of Declarant hereunder may be assigned by Declarant to any successor in interest in connection with Declarant's interest in any portion of Atlas Waterfront by an express written assignment.

11.6 Exclusive Rights To Use Name Of Development. No person shall use the name "Atlas Waterfront" or any derivative of such name or in logo or depiction in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "Atlas Waterfront" in printed or promotional matter where such term is used solely to specify that the particular property is located within Atlas Waterfront and the Master Association shall be entitled to use the words "Atlas Waterfront" in its name.

11.7 Declarant's Approval. None of the rights, reservations, or easements granted to or reserved by Declarant herein may ever be modified or amended without the prior written consent of Declarant or Declarant's successor, which consent may be withheld by Declarant for any reason whatsoever. Additionally, until the Conversion Date, the Master Association shall not, without first obtaining the prior written consent of the Declarant, which consent shall not be unreasonably withheld: make any amendment or repeal of any other provision of this Declaration (i.e. a provision not involving any of the rights, reservations or easements granted to or reserved by Declarant); make any amendment to any other Association Documents; make any amendment to the Development and Design Guidelines; make any new declaration or guidelines or similar instrument; or promulgate, change or repeal any rules of the Master Association. Any attempt to do so without such consent shall result in such instrument being void and of no force and effect unless subsequently approved in writing by the Declarant. Declarant may extinguish any of the aforesaid rights by giving written notice thereof to the Master Association.

11.8 Rights To Storm Water Runoff And Water Conservation And Reclamation Programs. The Declarant hereby reserves for itself and its designees all rights to ground water, surface water, and storm water runoff within Atlas Waterfront and each Owner agrees, by acceptance of a deed to a Lot or Unit, that the Declarant shall retain all such rights, except as otherwise provided in this Section 11.8. No Person other than the Declarant and its designees shall claim, capture or collect rainwater, ground water, surface water or storm water runoff within Atlas Waterfront without prior written permission of the Declarant or its designee. The Declarant or its designee may establish programs for reclamation of storm water runoff and

wastewater for appropriate uses within Atlas Waterfront and may require Owners and occupants of Lots or Units to participate in such programs to the extent reasonably practical. No Owner or Guest or Lessee of a Lot or Unit shall have any right to be compensated for water claimed or reclaimed from Lots or Units.

ARTICLE 12. WATERFRONT PARK

12.1 Ownership and Operations of the Waterfront Park. All or a portion of the Waterfront Park is located on land that is currently or will be owned and operated by the City of Coeur d'Alene. The City of Coeur d'Alene shall have the exclusive right to determine from time to time, in its sole discretion and without notice or approval of any change, how and by whom the Waterfront Park shall be used. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant or any other Person with regard to the perpetual existence, ownership or operation of the Waterfront Park; and, no purported representation or warranty in such regard, either written or oral, shall ever be effective without an amendment to this Declaration executed or joined into by the Master Association, the Declarant and the City of Coeur d'Alene. The City of Coeur d'Alene shall have the exclusive right and discretion to determine the use, the terms of such use, to limit the availability of such use, to change, eliminate or cease any or all Waterfront Park.

12.2 Right To Use. Rights to use the Waterfront Park will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the City of Coeur d'Alene. The Master Association shall have no power to promulgate Rules and Regulations affecting activities on or use of the Waterfront Park owned by the City of Coeur d'Alene without the prior written consent of the City of Coeur d'Alene.

ARTICLE 13. STREETS AND ROADS

All streets, roads and alleys within the PUD shall be public and dedicated to the City of Coeur d'Alene, by a written declaration by Declarant and accepted by the City of Coeur d'Alene. The City of Coeur d'Alene shall have responsibility for the maintenance, repair or upkeep of any of such roads unless, and to the extent, such responsibility is accepted in writing in whole or in part by the City of Coeur d'Alene. Declarant shall complete the construction of such roads to the standards depicted in the documents submitted to and approved by City of Coeur d'Alene. Some private driveways or alleys will be permitted on a case-by-case basis if they meet the intent of the Neighborhood Development Standards.

ARTICLE 14. RESERVED.

ARTICLE 15. CERTAIN RIGHTS OF DECLARANT AND OWNERS

15.1 Reserved Rights with Respect to Property Furnished by Declarant. Whether or not expressed at the time, all Property Furnished by Declarant shall be deemed accepted by

the Master Association and shall at all times remain subject to: existing or future easements for utilities, including gas, electricity, water, sewer, telephone, television or other utility services, and for intercommunication, alarm or other similar systems; existing easements for parking purposes; existing easements for ingress, egress and access for the benefit of other property in the vicinity of Atlas Waterfront; and easements as provided in Section 9.8.

15.2 No Sale or Abandonment of Property Furnished by Declarant. No Property Furnished by Declarant may be sold, conveyed, encumbered, leased, transferred, abandoned or otherwise disposed of without the prior written consent of Declarant. No improvements which may be included in Property Furnished by Declarant may be destroyed, permitted to deteriorate or waste, or disposed of by the Master Association without the prior written consent of Declarant.

15.3 Owner's Enjoyment of Functions and Association Facilities. Each Owner and Owner's Guests and Lessees shall be entitled to use and enjoy any Association Facilities suitable for general use or the services provided by any functions, subject to Sections 6.14 and 6.16. There shall be no obstruction of any Association Facilities nor shall anything be stored in or on any part of any Association Facilities without the prior written consent of the Master Association. Nothing shall be altered on, constructed in or removed from any Association Facilities except with the prior written consent of the Master Association. Nothing shall be done or kept on or in any Association Facilities which would result in the cancellation of the insurance or any part thereof which the Master Association is required to maintain pursuant hereto or increase the rate of the insurance or any part thereof over what the Master Association, but for such activity, would pay, without the prior written consent of the Master Association. Nothing shall be done or kept on or in such Association Facilities which would be in violation of any statute, rule, ordinance, regulation, permit or other requirement of any governmental body. No damage to, or waste of Association Facilities shall be committed, and each Owner shall indemnify and hold the Master Association and the other Owners harmless against all loss resulting from any such damage or waste caused by such Owner or Owner's Guests and Lessees.

15.4 Owner's Rights and Obligations Appurtenant. All rights, easements and obligations of an Owner under this Declaration and all rights of an Owner with respect to membership in the Master Association under this Declaration are hereby declared to be and shall be appurtenant to the title to the Lot or Unit owned by such Owner and may not be transferred, conveyed, devised, bequeathed, encumbered or otherwise disposed of separate or apart from fee simple title to such Owner's Lot or Unit. Every transfer, conveyance, grant, devise, bequest, encumbrance or other disposition of a Lot or Unit shall be deemed to constitute a conveyance, grant, devise, bequest, encumbrance or transfer or disposition of such rights and obligations.

ARTICLE 16. DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

16.1 Agreement to Encourage Resolution of Disputes Without Litigation.

(a) Declarant, the Master Association and its officers, directors, all classes of Members, and any Person not otherwise subject to this Declaration who agrees to submit to this

Article (collectively, "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving Atlas Waterfront without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection (b) unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 16.2 in a good faith effort to resolve such Claim.

(b) As used in this Article, the term "Claim" shall refer to any claim, tort claim, grievance or dispute arising out of or relating to:

(i) the interpretation, application or enforcement of the Association Documents;

(ii) the rights, obligations, and duties of any Bound Party under the Association Documents; or,

(iii) the decisions of the ADRC;

(iv) The following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 16.2:

(v) any suit by the Association to collect Assessments or other amounts due from any Owner;

(vi) any suit by the Association to obtain a temporary restraining order and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Master Association's ability to enforce the provisions of Neighborhood Development Standards, or any of the Association Documents;

(vii) any suit between Owners, which does not include Declarant or the Master Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Association Documents;

(viii) any suit in which any indispensable party is not a Bound Party;

(ix) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 16.2.1, unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article; and,

(x) any suit by the Association to enjoin a continuing violation of or to enforce the provisions of the Neighborhood Development Standards or any other Association Document.

16.2 Dispute Resolution Procedures.

16.2.1 Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice to each Respondent and to the Board stating plainly and concisely:

- (i) the nature of the Claim, including the person involved and the Respondent's role in the Claim;
- (ii) the legal basis of the Claim (i.e. the specific authority out of which the Claim arises);
- (iii) the Claimant's proposed resolution or remedy; and,
- (iv) the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

16.2.2 Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

16.2.3 Mediation. If the parties have not resolved the Claim through negotiation within 30 days after the date of the Notice (or within such other time period as the parties may mutually agree upon), the Claimant shall have 45 additional days to submit the Claim to mediation with an entity designated by the Master Association (if the Master Association is not a party to the Claim) or to a mutually acceptable individual providing dispute resolution services in Idaho.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the Parties do not settle the Claim in mediation, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit.

Each party shall bear its own costs of the mediation, including attorney's fees, and each Party shall share equally all fees charged by the mediator.

16.2.4 Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, the other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set

for this in this Section. In such event the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover for the non-complying party (or if more than one non-complying party, from all such parties) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

ARTICLE 17. MISCELLANEOUS

17.1 Duration of Declaration. This Declaration shall run with and bind all property within Atlas Waterfront, and shall inure to the benefit of and shall be enforceable by the Master Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of 50 years from the date this Declaration is recorded. After such time, this Declaration shall be automatically extended for successive periods of 10 years, unless an instrument in writing, is approved by 90% of the Class A Members and approved by 90% the Class B Members so long as the Class B Members have not converted to Class A Members, is recorded, agreeing to terminate this Declaration, in which case this Declaration shall be terminated as specified therein.

17.2 Amendment.

17.2.1 By the Board. Except as limited or committed to action by the members, either by the Articles, the Bylaws, or this Declaration, the Board shall have the power to amend the Declaration at any regular meeting of the Board or at any special meeting called for that purpose at which a quorum is represented. However, if the members shall amend any portion of the Declaration, the directors shall not thereafter amend the same in such manner as to defeat or impair the object of the members in taking such action. The Board shall not amend any Section of the Declaration that has a material adverse effect upon any right of any Owner or member without obtaining approval by Owners pursuant to Section 17.2.2.

17.2.2 By Owners. This Declaration may also be amended upon the approval of a majority of Owners of the Master Association, by the recording of a written instrument or instruments specifying the amendment or the repeal.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

17.2.3 Validity and Effective Date of Amendments. Amendments to this Declaration shall become effective upon recordation in the land records of Kootenai County, Idaho, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

If an Owner consents to any amendment to any of the Association Documents, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary

provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. No amendment shall be contrary to the terms or conditions of any valid county, state, or federal permit applicable to the PUD; nor, shall any Amendment divest any Owner of any material and substantial vested property rights.

No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.

17.3 Effect of Provisions of Declaration. Each provision of this Declaration and the Bylaws, and an agreement, promise, covenant and undertaking to comply with each provision of this Declaration and the Bylaws, and any necessary exception or reservation or grant of title, estate, right or interest to effectuate any provision of this Declaration and the Bylaws: (a) shall be deemed incorporated in each deed or other instrument by which any right, title or interest in any real property within Atlas Waterfront is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument; (b) shall, by virtue of acceptance of any right, title or interest in any real property within Atlas Waterfront by an Owner or the Master Association, be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner or the Master Association, as the case may be, (c) shall, as a personal covenant, be binding on such Owner or the Master Association and such Owner's or the Master Association's respective heirs, personal representatives, successors and assigns; (d) shall, as a personal covenant of an Owner, be deemed a personal covenant to, with and for the benefit of Declarant and to, with and for the benefit of the Master Association but not to, with or for the benefit of any other Owner; shall, if a personal covenant of the Master Association, be deemed a personal covenant to, with and for the benefit of Declarant and to, with and for the benefit of each Owner; (f) shall be deemed a real covenant by Declarant, for itself, its successors and assigns, and also an equitable servitude, running, in each case, as a burden with and upon the title to each parcel of real property within Atlas Waterfront; (g) shall, as a real covenant and also as an equitable servitude, be deemed a covenant and servitude for the benefit of any real property now or hereafter owned by Declarant within Atlas Waterfront and for the benefit of any and all other real property within Atlas Waterfront; and (h) shall be deemed a covenant, obligation and restriction secured by a lien, binding, burdening and encumbering the title to each parcel of real property within Atlas Waterfront which lien with respect to any Lot or Unit shall be deemed a lien in favor of Declarant and the Master Association, jointly and severally, and, with respect to any real property owned by the Master Association, shall be deemed a lien in favor of Declarant.

17.4 Enforcement and Remedies.

17.4.1 In General. Each provision of this Declaration with respect to the Master Association or property of the Master Association shall be enforceable by Declarant, or by any Owner who has made written demand on the Master Association to enforce such provision and 30 days have lapsed without appropriate action having been taken, by a proceeding for a prohibitive or mandatory injunction. In addition to any other remedy available at law or in any of the Association Documents, each provision of this Declaration with respect to an Owner or property of an Owner shall be enforceable by Declarant or the Master Association by a

proceeding for a prohibitive or mandatory injunction and/or by a suit or action to recover damages, and/or, in the discretion of the Master Association, for so long as any Owner fails to comply with any such provisions. If court proceedings are instituted in connection with the rights of enforcement and remedies provided in this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fees and injunction bond premiums.

17.4.2 Fines. In addition to the provisions of Section 17.4.1 and the Assessments that may be levied in Article IV, the Board shall be entitled to impose fines and penalties for violations of this Declaration in amounts to be provided in the Neighborhood Development Standards and/or Rules and Regulations. Fines and penalties may be assessed against any Member of the Master Association, and Member's may be is assessed for violations of the Member's family or a guest, invitee, lessee, contractor, subcontractor, employee or agent. Fines and penalties may be increased in the case of a continuing violation, where the Member has failed to abate the violation within the time allowed therefore by the Board in written notice to the Member. In the case of a single incident, the fine or penalty may not be assessed unless the Member has received at least one prior written notice from the Board that the violation may subject the Member to fine(s). Fines and penalties imposed pursuant to this Section may be collected as an Assessment as provided in this Declaration and the Bylaws.

17.4.3 Declarant's Right to Reenter, Repossess and Revest. In the event of a breach, or failure to comply with, any of the covenants, restrictions or conditions contained in Section 8.10 of this Declaration or any similar provision in any supplemental declaration, then Declarant shall have the right, at its option, immediately or at any time during the continuation of such breach or failure, to re-enter and take possession of such Lot, with all improvements thereon, and, upon the exercise of this right of re-entry, repossession and revesting, title to such Lot shall thereupon revest in the Declarant the estate conveyed to such Owner, and its assigns and successors in interest. If court proceedings are required to enforce the rights of the Declarant, the Declarant shall be entitled to recover its costs including reasonable attorneys' fees. The right of re-entry and for vesting of title provided under this Section shall be subject to the provisions of this Declaration and provisions of any DDA applicable to a given Owner. Declarant's right to reenter, repossess and revest shall be subordinate and subject to and be limited by and shall not defeat, render invalid, or limit the lien of any mortgage, deed of trust, or other lien on any property as provided in Section 17.5 herein.

17.5 Protection of Encumbrancer. No violation or breach of, or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any mortgage, deed of trust or other lien on any property taken in good faith and for value and perfected by recording in the office of the Recorder of Kootenai County, Idaho, prior to the time of recording in said office of an instrument describing such property and listing the name or names of the Owner or Owners of fee simple title to the property and giving notice of such violation, breach or failure to comply, nor shall such violation, breach, failure to comply or action to enforce affect, defeat, render invalid or impair the title or interest of the holder of any such mortgage, deed of trust, or other

lien or title or interest acquired by any purchaser upon foreclosure of any such mortgage, deed of trust or other lien or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser upon foreclosure shall, however, take subject to this Declaration with the exception that violations or breaches of, or failures to comply with, any provisions of this Declaration which occurred prior to the vesting of fee simple title in such purchaser shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, his heirs, personal representatives, successors or assigns.

17.6 Limited Liability. Neither Declarant, the Master Association, the ADRC, the Board nor any member, agent or employee of any of the same shall be liable to any party for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice.

17.7 Successors and Assigns. Except as otherwise provided herein, this Declaration shall be binding upon and shall inure to the benefit of Declarant, the Master Association, and each Owner and their respective heirs, personal representatives, successors and assigns.

17.8 Severability. Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Declaration.

17.9 Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provisions of this Declaration.

17.10 Construction. When necessary for proper construction, the masculine of any word used in this Declaration shall include the feminine or neuter gender, and the singular the plural, and vice versa.

17.11 No Waiver. Failure to enforce any provisions of the Association Documents shall not operate as a waiver of any such provision or of any other provision of the Association Documents.

17.12 Notice Of Sale Or Transfer Of Title. Any Owner desiring to sell or otherwise transfer title to his or her Lot or Unit shall give the Master Association at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Master Association may reasonably require.

17.13 Force Majeure. Force majeure means circumstances beyond a party's reasonable control causing delay or preventing performance of the party's obligation and covenants under this Master Declaration due to any (i) strikes, lockouts or labor disputes; (ii) inability to obtain labor or materials or reasonable substitutes therefor; (iii) acts of God, governmental intervention, civil commotion, fire, flood or casualty; or (iv) other conditions similar to those enumerated in this Section that are beyond the reasonable control of the Party obligated to perform. Financial inability to perform is not force majeure. Where a party's performance under this Master Declaration is subject to force majeure, the party's time to

perform an obligation will be extended by one day for every day during which force majeure prevented the party from performing its obligation.

IN WITNESS WHEREOF Declarant has executed this Master Declaration of Covenants, Conditions, Restrictions and Easements For Atlas Waterfront dated effective as of the day and year first above written.

DECLARANT:

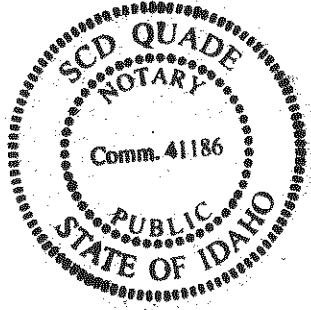
Urban Renewal Agency of the City of Coeur d'Alene,
also known as ignite cda,
a public body, corporate and politic

By: AB
Name: Tony Berns
Title: Executive Director

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 12th day of February, 2021, before me, SCD Quade, the undersigned notary public in and for said county and state, personally appeared Tony Berns, known or identified to me to be the Executive Director of the Coeur d'Alene Urban Renewal Agency dba ignite cda, the public body, corporate and politic, that executed the within instrument on behalf of said Agency, and acknowledged to me that such Agency executed the same for the purposes herein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public for Idaho
Commission Expires 11/24/21

EXHIBIT A

Legal Description

Those portions of the Atlas Waterfront Plat recorded in Book L of Plats, Page 291, records of Kootenai County, Idaho located within Section 10, Township 50 North, Range 4 West, Boise Meridian, City of Coeur d'Alene, Kootenai County, Idaho and described as follows:

Lot 1, Block 1 and Lot 2, Block 1, of said Atlas Waterfront Plat, together with the following two areas of Lot 3, Block 1 of said Atlas Waterfront Plat described as follows;

AREA 1: Commencing at the southeast corner of said Lot 2; said point being on the North line of said Lot 3; thence westerly along said North line, along a 572.50 foot radius curve to the left through an arc length of 242.34 feet, a central angle of $24^{\circ}15'13''$, a chord bearing of North $77^{\circ}17'18''$ West and a chord distance of 240.54 feet to the **TRUE POINT OF BEGINNING;**

Thence South $10^{\circ}41'38''$ West a distance of 261.14 feet to the beginning of a 240.00-foot non-tangent radius curve to the right;

Thence northwesterly along said curve through an arc length of 179.33 feet, a central angle of $42^{\circ}48'46''$, a chord bearing of North $61^{\circ}02'11''$ West and a chord distance of 175.19 feet;

Thence North $39^{\circ}37'48''$ West a distance of 127.75 feet to the beginning of a 262.00-foot radius curve to the left;

Thence northwesterly along said curve through an arc length of 108.86 feet, a central angle of $23^{\circ}48'24''$, a chord bearing of North $51^{\circ}32'00''$ West and a chord distance of 108.08 feet to said North line and the beginning of a 527.50 foot non tangent curve to the left;

Thence easterly along said North line along said curve through an arc length of 220.68 feet, a central angle of $23^{\circ}58'09''$, a chord bearing of South $87^{\circ}26'52''$ East and a chord distance of 219.07 feet;

Thence along said North line, North $80^{\circ}34'04''$ East a distance of 50.00 feet to the beginning of a 572.50-foot curve to the right;

Thence easterly along said North line along curve through an arc length of 100.09 feet, a central angle of $10^{\circ}01'02''$, a chord bearing of North $85^{\circ}34'34''$ East and a chord distance of 99.96 feet to the **TRUE POINT OF BEGINNING;**

AREA 2: Commencing at the northwest corner of said Lot 3; thence along the North line of said Lot 3, South $83^{\circ}14'10''$ East a distance of 61.64 feet to the **TRUE POINT OF BEGINNING;**

Thence along said North line, South $83^{\circ}14'10''$ East a distance of 181.74 feet;

Thence South 07°00'33" West a distance of 41.41 feet;

Thence North 82°59'27" West a distance of 20.00 feet to the beginning of a non-tangent 594.00-foot radius curve to the right;

Thence westerly along said curve through an arc length of 91.99 feet, a central angle of 08°52'22", a chord bearing of North 85°27'14" West and a chord distance of 91.89 feet to the beginning of a 77.00-foot radius curve to the right;

Thence northwesterly along said curve through an arc length of 70.78 feet, a central angle of 52°39'57", a chord bearing of North 54°41'05" West and a chord distance of 68.31 feet to the beginning of a 131.00-foot radius curve to the left;

Thence northwesterly along said curve through an arc length of 15.64 feet, a central angle of 06°50'26", a chord bearing of North 31°46'19" West and a chord distance of 15.63 feet to the **TRUE POINT OF BEGINNING**;

TOGETHER WITH AND INCLUDING:

That portion of Lot 4, Block 1 of said Atlas Waterfront Plat lying northerly and westerly of the following described line;

Commencing at the southwest corner of said Lot 4; thence along the south line of said Lot 4 and along a non-tangent 572.50 foot radius curve to the right through an arc length of 321.94 feet, a central angle of 32°13'11" and a chord distance of 317.71 feet to the beginning of a non-tangent 300.50 foot radius curve to the left, said point being the **BEGINNING** of said line;

Thence northwesterly along said curve through an arc length of 157.64 feet, a central angle of 30°03'24", a chord bearing of North 21°26'12" West and a chord distance of 155.84 feet;

Thence North 62°26'46" East a distance of 128.35 feet;

Thence North 12°51'01" East a distance of 258.37 feet;

Thence South 72°15'26" East a distance of 61.63 feet to the east line of said Lot 4 and the **END** of said line;

EXCEPT therefrom the following two areas of Lot 2, Block 1, Atlas Waterfront Plat:

EXCEPTION AREA 1: Commencing at the southwest corner of said Lot 2; thence along the South line of said Lot 2, South 83°14'10" East a distance of 243.38 feet to the **TRUE POINT OF BEGINNING**;

Thence North 07°00'33" East a distance of 43.55 feet to the beginning of a non-tangent 237.00-foot radius curve to the left;

Thence southeasterly along said curve through an arc length of 122.63 feet, a central angle of 29°38'43", a chord bearing of South 62°11'22" East and a chord distance of 121.26 feet to the south line of said Lot 2;

Thence along said South line, North 83°14'10" West a distance of 113.36 feet to the **TRUE POINT OF BEGINNING**;

EXCEPTION AREA 2: BEGINNING at the southwest corner of said Lot 2; thence along the West line of said Lot 2; thence North 00°59'33" East a distance of 39.70 feet to the beginning of a 131.00-foot non-tangent curve to the right;

Thence southeasterly along said curve through an arc length of 77.74 feet, a central angle of 34°00'02", a chord bearing of South 52°11'33" East and a chord distance of 76.60 feet to the South line of said Lot 2;

Thence along said South line, North 83°14'10" West a distance of 61.64 feet to the **POINT OF BEGINNING**;

Containing 1,981,201 square feet or 45.482 acres more or less.

TRIANGLE PARCEL

That portion of Government Lots 1 and 2 of Section 10, Township 50 North, Range 4 West, Boise Meridian, City of Coeur d'Alene, Kootenai County, Idaho, described as follows:

Commencing at the North Quarter corner of said Section 10;

Thence South 81°10'43" West, 1091.76 feet, to the South right of way line of Seltice Way and the **POINT OF BEGINNING** of this description;

Thence North 89°23'05" West, along said right of way line, 666.00 feet;

Thence South 00°36'55" West, 92.77 feet;

Thence South 75°07'40" East, 110.00 feet;

Thence South 69°55'42" East, 120.00 feet;

Thence South 54°38'41" East, 543.04 feet;

Thence North 00°36'55" East, 469.29 feet, to the **POINT OF BEGINNING**.

TOGETHER WITH that portion of vacated Seltice Way right of way that attaches by operation of law.