

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Nichols Property Management
PO Box 610
Ketchum, ID 83340
208 726-4565

(Space above line for Recorder's use only.)

**AMENDED AND RESTATED COVENANTS, CONDITIONS AND RESTRICTIONS OF
SUN AND POWDER NO. 1**

This AMENDED AND RESTATED COVENANTS, CONDITIONS AND RESTRICTIONS OF SUN AND POWDER NO. 1 (the "CC&Rs") is made effective at the time of its recording by the requisite number of Owners of the Lots (as those terms are defined below), which binds the Owners and of the following described real property, which shall collectively be referred to as "Sun and Powder":

Units 1 through 7, and parcels A and B, in the subdivision plat of SUN AND POWDER NO. 1, recorded as Instrument No. 141464, and Lot 7A, and Parcels A and BB, as defined and described in the plat of SUN AND POWDER NO. 1: LOT 7A, recorded as Instrument No. 422595, records of Blaine County, Idaho.

These CC&Rs completely revoke and replace the Declaration of Covenants, Conditions and Restrictions for Sun & Powder No. 1, recorded on October 10, 1970, as Instrument No. 137034, records of Blaine County, Idaho, and corrected by Instrument No. 137292 on November 10, 1970, records of Blaine County, Idaho, and Amendment No. 1 to Declaration of Covenants, Conditions and Restrictions (Sun & Powder No. 1), recorded December 13, 1971, as Instrument No. 141465, records of Blaine County, Idaho, and Amendment No. 2 to Declaration of Covenants, Conditions and Restrictions (Sun & Powder No. 1), recorded March 16, 1972, as Instrument No. 142823, records of Blaine County, Idaho, and Amendment No. 3 to Declaration of Covenants, Conditions and Restrictions (Sun & Powder No. 1), recorded April 14, 1972, as Instrument No. 143230, records of Blaine County, Idaho, and Amendment No. 4 to Declaration of Covenants, Conditions and Restrictions Sun & Powder No. 1, recorded January 7, 1999, as Instrument No. 422783, records of Blaine County, Idaho.

Under Article VI, Section 3., Amendment, these CC&Rs are signed by not less than seventy-five percent (75%) of the Owners (which means Owners of six out of the seven Units) are adopting the CC&Rs for the benefit and burden of Sun and Powder with the purpose of attempting to preserve value for Owners. Owners will record the CC&Rs in the real property records of Blaine County, Idaho, so that the CC&Rs become a covenant that runs with and encumbers Sun and Powder until the Owners terminate the CC&Rs.

1. Definitions.

a. “Association” means the Sun and Powder Homeowners Association, Inc., an Idaho nonprofit corporation, and the management body of Sun and Powder under these CC&Rs for Sun and Powder, including the Lots and Common Area.

b. “Common Area” means Parcels A and BB and all improvements on the Common Area, including without limitation the physical structures that bound a “Townhouse” as that term is defined below, the caretaker’s apartment, mechanical room/area, walkways, signage and pool/spa/deck structure.

c. “Common Expense” means all expenses, including a reserve if deemed necessary by the Board of Directors (“Board”), incurred for the upkeep, maintenance, improvement, repair, replacement, management and operation of the Common Area, including, but not limited to expenses, such as, , exterior walls, caretaker’s apartment, mechanical room/area, walkways, signage, pool/spa/deck structure, common components or common structural components, exterior trim, common utilities, if any, insurance, wages of workers, costs of materials, accounting fees, legal fees, management fees, and any other expenses and liabilities incurred by the Association for Sun and Powder, including the Common Area or Townhouses by reason of these CC&Rs.

d. “Owner”, singular or plural, is an individual or individuals or other legal entity or entities, including the Association, holding an aggregate fee simple title interest in one Lot or Common Area, but shall not include those having such interest merely as security for the performance of an obligation, such as a mortgagee, trustee or beneficiary of a deed of trust. An Owner is solely responsible for the acts or omissions of that Owner’s lessees, guests or invitees.

e. “Lot”, singular or plural, refers to one or more of Lots 1(currently and commonly referred to as Unit 13), 2(currently and commonly referred to as Unit 12), 3(currently and commonly referred to as Unit 11), 4(currently and commonly referred to as Unit 10), 5(currently and commonly referred to as Unit 9), 6(currently and commonly referred to as Unit 8) and 7A (currently and commonly referred to as Unit 7) within Sun and Powder.

f. “Member” or “Membership” is defined in the Bylaws. A Lot has one Member or Membership appurtenant, but a Lot may have multiple Owners. So each Lot only has one vote, regardless of the number of Owners. As a result, there are seven (7) Members, even though there may be more than seven (7) Owners.

g. “Organizing Documents” refers to these CC&Rs, Articles of Incorporation (the “Articles”) attached to the CC&Rs as Exhibit A, Bylaws, attached as Exhibit B, both of which are adopted by the Members with these CC&Rs, and Rules made by the Association under these CC&Rs, and including any amendments to the CC&Rs, Articles, Bylaws or Rules. The Articles and Bylaws may be amended without attaching them to the CC&Rs or any amendment to the CC&Rs.

h. “Rules” are the rules and regulations governing the use and enjoyment of Sun and Powder, including the Common Area and Townhouses adopted by the Association from time to time.

i. “Townhouse” is the residential dwelling on each Lot bounded by the Common Area.

2. A primary purpose for creation of the CC&Rs is the use, protection and management of the Common Area. The Common Area includes any portion of Sun and Powder designated as Common Area on any recorded plat together with all improvements to the Common Area for the Owners’ use and primary benefit. Specifically, the Common Area includes any common utility system and all improvements that are part of it or part of any other or future common system for the benefit of Owners in all locations in Sun and Powder. The Common Area is subject to the Owners’ reciprocal rights for access and use of the Common Area from and to all lots in Sun and Powder created by the Declaration and these CC&Rs (referred to as the “Easement”). The term Easement shall mean any and all easements over and across the portions of Sun and Powder and each Lot incident and necessary to the Common Area and the use of the Common Area for each Lot. As necessary or desirable by the Owners, the Easement may be expanded or changed, but unless and until the Common Area is no longer necessary, the Easement shall not be terminated and shall be used in accordance with the CC&Rs and any plat. Each Owner shall be entitled to use the Common Area subject to: (1) Each Owner agreeing to comply with the CC&Rs in using the Common Area; (2) The right of the Association to assess the Owners under the CC&Rs, and specifically, for the Common Area; (3) The right of the Association to suspend the rights to use of the Common Area by an Owner for any period during which any assessment against a Lot remains unpaid or for any infraction of the CC&Rs; (4) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for the purposes and subject to conditions agreed to by the Board; and (5) The right of the Association and its agents and assigns to ingress and egress over, upon, and across the Common Area incident to construction, maintenance, repair or replacement of improvements.

3. The Association was formed with the Idaho Secretary of State on December 17, 1971. A Board of Directors (the “Board”) governs the Association, as set out in the Articles and Bylaws. The Association and Board have all of the powers granted in the Idaho Nonprofit Corporation Act (the “Act”) or any applicable successor legislation, and the Organizing Documents, except as limited by the Organizing Documents. And except for the specific authority the Organizing Documents grant the Owners, the Board has the exclusive authority to operate the Association.

4. The Board has the authority on the Association’s behalf to contract with any third party, independent contractor to perform any and all of the Association’s responsibilities. Any reference to the Association in these CC&Rs includes an independent contractor or employee acting on the Association’s behalf. The Board shall have the authority to retain any and all other necessary or desirable third party contractor services, including without limitation, legal and accounting services, such as, preparing and filing State of Idaho and/or federal income tax return, as necessary, and any other returns necessary for payroll or any other reporting purposes.

5. Maintenance.

a. The Association will maintain all Common Area and Easements. The term “maintain”, and all variations of the word, includes, without limitation, to construct, enforce, improve, modify, operate, repair, replace, remove or rebuild. The Association shall maintain the Common Area. The Townhouse and interior maintenance to the point that it connects with Common Area shall be the responsibility of each Owner. In the event the need for maintenance or repair of the Common Area is caused by negligent, reckless, willful or intentional acts or omissions of an Owner, the cost of such maintenance or repair shall be added to or become part of the assessment to which such Owner is subject.

b. Party Walls. The Townhouses are constructed with a common party wall between them. The party wall and roof structures are situated approximately on the line between the Lots and divide the Townhouses, and to the extent not inconsistent with the provisions of these CC&Rs, the general common law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to the party walls.

(1) Maintenance. The cost of maintaining a specific party wall shall be borne equally by the Owners on either side of that party wall.

(2) Damage to Party Wall. In the event of damage or destruction of the party wall from any cause, other than negligent, reckless, willful or intentional acts or omissions of an Owner, then those Owners shall, at their joint expense, repair and rebuild said wall, and each Owner shall have the right to the full use of such wall so repaired or rebuilt. If either Owner shall neglect or refuse to pay that Owner’s share of the costs, or all of such costs in the case of the above described act or omission, the other Owner may have the wall repaired and restored and shall be entitled to have the Association impose an assessment for those costs and an assessment lien against the other Townhouse, pursuant to all procedures described in these CC&Rs for Assessments.

(3) Repair. Either party or the Association shall have the right to break through the party wall for the purpose of repairing or restoring utilities within the wall, subject to the obligation to restore the wall to its previous structural and aesthetic condition, at an Owner’s sole expense as applicable and the payment to the adjoining Owner of any damages caused by it, if applicable, which shall also be enforced pursuant to the assessment procedures set forth in described in these CC&Rs for Assessments.

(4) Easement. Owners shall not alter or change a party wall in any manner, interior decoration excepted, and a party wall shall always remain in the same location as when erected, and each party to said common or division wall shall have a perpetual easement in that part of the premises of the other on which said party wall is located for party wall purposes.

6. Insurance.

a. Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do

business in Idaho. The provisions of this section shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required, in such amounts and in such forms as the Association deems appropriate from time to time.

(1) Casualty. The Association shall obtain property insurance on the Common Area and Townhouses in such amounts as shall provide for full replacement in the event of damage or destruction from the casualty against which the insurance is obtained and be the primary insurance covering such loss. Such insurance shall include fire and extended coverage, vandalism, and malicious mischief, if available, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection against in the exercise of good business judgment. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business judgment.

(2) Public Liability and Property Damage. The Association shall purchase broad form comprehensive liability coverage in such amounts and such forms as it deems advisable to provide adequate protection. Coverage may include, without limitation, liability for personal injuries, operation of automobiles on the Association's behalf, and activities in connection with the ownership, operation, maintenance and other use of the Common Area.

b. Form. Casualty insurance shall be carried in a form or forms naming the Association the insured as trustee for the Owners, which policy or policies shall specify the interest of each Owner and which policy or policies shall provide a standard loss payable clause providing for payment of insurance proceeds to the Association as trustee for the Owners and for the respective first deeds of trust, which from time to time shall give notice to the Association of such first deeds of trust, such proceeds to be used in accordance with these CC&Rs. Each policy shall also provide that it cannot be canceled by either the insured or the insurance company until after ten (10) days prior written notice is given first to each Owner and each first deed of trust holder. The Association shall furnish to each Owner, who requests it, a true copy of such policy together with a certificate identifying the interest of each Owner. All policies of insurance shall provide the insurance shall only be invalidated or suspended with respect to the interest of any particular Owner guilty of noncompliance with any provision of such policy that would otherwise invalidate or suspend the entire policy. All policies of insurance shall provide further that the insurance under any such policy as to the interest of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect. Public liability and property damage insurance shall name the Association the insured, as trustee for the Owners, and shall protect each Owner against liability for acts of the Association in connection with the ownership and maintenance of the Common Area.

c. Insurance Proceeds. The Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained pursuant to this article. The Association body shall apportion the proceeds to the portions of the project which have been damaged and shall determine the amount of the proceeds attributable to damage to the Townhouses. Each Owner and each trustee and beneficiary of a deed of trust shall be bound by the apportionments of damage and of the insurance proceeds made by the Association.

d. Premiums. The Association shall collect insurance premiums as a periodic assessment, procedures set forth in described in these CC&Rs for Assessments.

e. Owner's Individual Insurance. Each Owner must obtain insurance at an Owner's sole expense providing coverage upon a Townhouse, personal property, for personal liability, and covering such other risks as the Owner may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage or liability arising under insurance policies which the Association obtains. Each Owner may also obtain property insurance at an Owner's sole expense providing coverage on a Townhouse for causes such as flood and earthquake damage.

7. Assessments.

a. The Association has the authority to assess each Member and shall collect from each Member, at any time, amounts sufficient to pay any and all current liabilities and any and all liabilities the Association anticipates in no more than the next twelve (12) consecutive calendar months. The Association shall have the authority to assess each Member and shall collect from each Member, at any time, amounts sufficient to pay any and all current liabilities and any and all liabilities the Association anticipates in greater than the next twelve (12) consecutive calendar months, including without limitation, for capital reserve. The Association shall send by regular mail, postage prepaid any and all invoices for any and all assessments, which shall be due upon the date of mailing and paid by a Member to the Association no later than thirty (30) days after the date of mailing.

b. Except as set out below, assessments to each Member shall be in proportion to the number of individual Lots in Sun and Powder, therefore, each Member will pay ONE SEVENTH (1/7) of the total assessment, unless the Association assesses an individual Member as set out in these CC&Rs.

c. Within one month after the end of each of the Association's fiscal years, upon a Member's request, the Association shall provide a notice to that Member, at that Member's expense, if any, containing an accounting of all receipts and an itemization of all disbursements of the Association for the prior calendar year.

d. Any Member's assessment remaining unpaid more than thirty (30) days after the date of mailing shall begin to accrue interest from the date due (which is the date the assessment is mailed) at the interest rate specified by the Board or if the Board does not specify an interest rate, then the interest rate for money past due in Idaho Code section 28-22-104, as it may be amended, but which is currently twelve percent (12%) per annum, until the Association receives the assessment and any all outstanding interest and other charges in full. The Association shall first credit all amounts a Member pays to charges the Association incurs to collect the assessment, then to accrued interest, then to the principal amount of the then oldest unpaid assessment. Any assessment remaining unpaid more than sixty (60) days after the date of mailing, including accrued interest and charges the Association incurs to collect the assessment, shall automatically become a lien upon that Member's Lot in Sun and Powder. At any time after

the unpaid assessment becomes a lien upon a Member's Lot, the Association may, at the Association's sole discretion and at the Member's sole expense by special assessment on that Member, limit, block or prevent a Member's access to and/or use of the Common Area, and/or record a notice of assessment lien against that Lot stating the amount of the unpaid assessment or assessments, the accrued interest and charges the Association has incurred to collect the assessment through the date of recording the notice. A member of the Board shall sign the notice, have the signature acknowledged by a notary public and record the notice in the real property records of Blaine County, Idaho. The lien continues until the Member has paid in full any and all assessments, accrued interest and charges the Association has incurred to collect the assessment. Under the express terms of the CC&Rs, Owner expressly agrees by purchasing a Lot that unpaid assessments on any Lot, whether or not recorded as a lien, shall be a binding obligation upon the Lot and also the individual Owner and any type of successor in interest, jointly and severally with the former Owner of that Lot. The Association shall enforce such obligations against successors in interest as set forth in these CC&Rs. When a Member has paid a lien, assessment or any new assessments, accrued interest and the charges the Association has incurred to collect the assessment in full, the Association shall sign, have acknowledged and record a notice in the real property records of Blaine County, Idaho that the Member has paid the lien in full. The Association may foreclose a lien that remains unpaid for ninety (90) days in the same manner as provided in the laws of the State of Idaho for the foreclosure of liens on real property and as otherwise provided by law.

8. The Association shall not be personally liable to any Member or owner of any interest in a Lot, or to any other third party, for any claim, damage, loss or prejudice suffered or claimed by or to persons or property on account of any negligent act or omission of the Association. The term Association shall only include its directors and officers or Members serving the Association without compensation. The Members shall individually release, indemnify and forever hold the Association harmless for and from any acts or omissions of the Association, except for conduct which is willful, wanton, or which involves fraud or knowing violation of the law; intentional breach of a fiduciary duty or duty of loyalty owed the Association; for acts or omissions not in good faith or which involve intentional misconduct, fraud or a knowing violation of law; or for any transaction from which the officer, director or volunteer derived an improper personal benefit.

9. The Association or an Owner, individually, shall have the right to enforce any or all of the provisions of the CC&Rs upon a Lot or Owner. The failure of the Association to enforce any of the provisions of the CC&Rs at any time shall not constitute a waiver by the Association of the right to enforce any such provision or any other provisions of the CC&Rs.

10. Design Review.

a. A Design Review Committee (the "committee") shall consist of the Board. The committee may not act unless at least two (2) members of the committee are present in person. All decisions of the committee shall be made in person and in writing. The committee may make and amend rules governing its process and set, charge and collect from Members prior to issuing a written decision, a fee for obtaining professional review of any item a Member submits to the committee.

b. All Members are required to submit for advance written approval to the committee anything a Member is required to submit to the City of Ketchum Building Department ("Building Department"). However, any modifications exclusively to interior portions of a Townhouse that does not require a building permit does not require committee review or approval.

c. At the time a Member makes a submission to the committee for development, a Member shall submit three (3) sets of the following information to the committee: Schematic drawings at a scale of not less than one-eighth of one inch (1/8") equals one foot (1') including floor plans, elevations, cross sections dimensions of all improvements for which Owner submitted for a building permit. The committee, in its sole discretion, may require other information and/or studies as it deems appropriate for review of the proposed improvement. Additionally, if the plans for an improvement approved by the committee change in any way that alters the improvement in any way from the approved plans, Members are required to obtain written approval for the modification from the committee prior to making an improvement in accordance with a modification to the plans.

d. The committee shall make all reasonable efforts to review proposed development on any Lot within thirty (30) days of its receipt of a complete submittal and with regard to the following standards, criteria and factors:

(1) The proposed development meets reasonable standards, criteria and factors deemed appropriate in the sole discretion of the committee given the nature, character and location of the proposed developments as it relates to the Common Area. Furthermore, the committee may impose reasonable conditions on the committee's approval, which shall be strictly complied with prior to occupancy after the improvement, despite having received a final inspection and/or a temporary or permanent certificate of occupancy from the Building Department. In applying this criteria and all other criteria set out in this paragraph, the committee shall balance its discretion and its determination of the term "reasonable" with whether or not it is imposing conditions that impinge on a Member's private property rights and how or whether those are offset by the protection of other Members' private property rights.

(2) The Member is seeking advance written approval from the committee.

e. The committee may make regular inspections of not less than one (1) per calendar month during the course of construction of any and all improvements approved by the committee. The committee or its authorized representative may inspect the improvement at any reasonable time, with or without advance oral or written notice

f. The committee shall have no authority to grant a variance from the Organizing Documents. In addition to the definition of the term "variance" in any applicable law, it shall also be defined as a modification of the requirements of the ordinance as to Lot area or coverage, particularly if the improvement impacts Common Area. In addition, the term "variance" as used in the CC&Rs shall include a modification of an allowed use. In addition to the definition of the

term “use” in the applicable ordinance, it shall also be defined as the purpose for a Lot or Townhouse is designed, arranged, intended, or for which it may be occupied or maintained.

11. The Association, with Member approval under the Bylaws, shall have the right to make, amend or revoke Rules that are consistent with the CC&Rs governing Sun and Powder, the Common Area and the Owners’ use of Lots and Townhouses.

a. Members shall keep Common Area and Townhouses in a neat, clean, orderly and well maintained appearance. No Member shall commit or allowed to be committed in any Townhouse or on a Lot any waste or nuisance or store any hazardous substances, as those terms are defined by federal law, the Idaho Code and/or applicable ordinance.

b. No improvement, whether to Common Area or a Townhouse within Sun and Powder, shall be permitted to fall into disrepair, and each improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

c. Owners shall not use or park any type of vehicle on any Common Area, without a Member’s express approval.

d. A Lot is limited to a total of two vehicles, whether cars, boats and/or snowmobiles on trailers, campers and/or any other type of recreational vehicle with advance written Association approval.

e. No exotic, dangerous or vicious animals of any kind shall be raised, bred or kept on any property within Sun and Powder, except that household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. Owners must clean up all their own pet’s waste and not leave any outside food dishes, so as to avoid conflict with wild animals or roaming pets.

f. No exterior stand alone satellite dishes, radio or television antenna shall be erected or maintained in Sun and Powder, small satellite dishes of no greater than two (2) feet in diameter may be affixed to the exterior of dwelling units in inconspicuous locations.

g. No sign of any kind, including, but not limited to real estate marketing signs, shall be displayed to the public view without the approval of the committee.

h. No gainful occupation, profession, trade or other non-residential use except for a “home occupation” as that term is defined in applicable ordinances shall be conducted on any Lot. Long term rentals of a Lot for more than one month, defined as four consecutive calendar weeks, are prohibited. Nothing in the CC&Rs shall prevent the rental of an entire Lot for residential purposes, on a short term basis.

i. Trash and recycling must be taken from inside a Townhouse and placed directly into an Association dumpster or other Association approved container, which shall be kept within an enclosed structure or screened from view. No trash or recycling shall be kept outside a Townhouse or Lot at any time in any other place. Any hanging, drying or airing clothing or

household fabrics shall be screened from view; and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk materials or scrap shall be kept, stored or allowed to accumulate on any Lot, except within an enclosed structure or screened from view.

j. No activities shall be conducted or improvements made in Sun and Powder, which are or might be unsafe or hazardous to any person or property, including without limitation no firing of any weapons and no open fires shall be lighted or permitted on any property except while personally attended at all times and in a contained barbecue unit or outdoor fireplace, specifically, fire pits.

2. Enforcement.

a. In addition to any other enforcement rights described in the Organizing Documents or authorized by law and subject to any restrictions on the Association's enforcement rights, including any due process requirements imposed by these CC&Rs or the law, the Association may take any of the following actions against any Owner whose act or failure to act violates or threatens to violate any provision of the Organizing Documents.

(1) Impose a special assessment against a Lot or Owner constituting liquidated damages for violation of the Organizing Documents, due to the fact that damages to the Association and other Owners at the time of creating the CC&Rs or a schedule of such special assessments or imposition of a special assessment are difficult, if not impossible to determine, based on the unknown quality or quantity of the violation and the impact to other Owners and Lots, as long as in the Board's sole discretion, the liquidated damages imposed are a reasonable approximation of the likely damages to the Association, other Lots and Owners.

(2) Impose monetary fines, including late charges and interest subject to the following conditions:

(a) A majority vote by the Board shall be required prior to imposing any fine on an Owner for a violation of any covenants and restrictions of the Declaration pursuant to the Association Bylaws.

(b) Written notice by personal service or certified mail of the meeting during which such vote is to be taken shall be made to the Owner at least thirty (30) days prior to the meeting.

(c) In the event the Owner begins resolving the violation prior to the meeting, no fine shall be imposed as long as the Owner continues to address the violation in good faith until fully resolved.

(d) No portion of any fine may be used to increase the remuneration of any Board member or agent of the Board.

(3) Require that the violation be corrected within a certain time period;

- (4) Suspend voting rights in the Association;
- (5) Suspend use of the Common Area to the extent possible; and
- (6) Commence a legal action for damages, injunctive relief, or both.

b. The determination of whether to impose any of the above sanctions shall be within the Association's sole discretion. Any legal action may be brought in the name of the Association or on behalf of the Owner who consents and the prevailing party in any such action shall be entitled to recover costs and reasonable attorney's fees. The Association may take more than one of the foregoing enforcement actions against any one violation or threatened violation, provided a monetary fine, liquidated damages to be set by the Association shall not exceed an amount set by the Board and approved by the Owners for any continuing violation, for each day which it continues (excluding late charges imposed for delinquent assessments). The Association, in the Board's sole discretion, may resolve or settle any dispute, including legal action, under such terms and conditions as the Board considers appropriate. Amounts owing by Owners under this section may be collected by the Association by assessment as provided by law, the CC&Rs and any amendments.

c. Prior to the imposition of any sanction, the Association shall serve the alleged violator with written notice describing (1) the nature of the alleged violation, (2) the proposed sanction to be imposed, (3) a period of not less than ten (10) days in which the alleged violator may present a written request for a hearing to the Board, (4) a statement that the proposed sanction shall be imposed as contained in the notice unless the challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanctions stated in the notice shall be imposed; provided the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction further violations of the same or other provisions of the CC&Rs or rules by any party.

d. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held before the Board in an executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery is entered by the officer, director, agent, or Owner delivering such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. If a final judgment or determination of alleged violation is not reached at such meeting, then the Board shall have up to an additional ten (10) days to confirm any sanction. If no notice of a sanction is provided to an alleged violator within that time frame, it shall be assumed no sanction or action will be required.

e. Notwithstanding anything to the contrary in the Organizing Documents, the Board may elect to enforce any provision of the Organizing Documents by suit at law or in equity to enjoin any violation or to recover monetary damages, or both without the necessity of

compliance with the procedures set out above. In any such action, to the maximum extent permissible, the Owner responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

13. Miscellaneous Provisions.

- a. Entire Agreement. This is the entire CC&Rs.
- b. Choice of Law. The CC&Rs shall be interpreted and enforced under the laws of the State of Idaho.
- c. Dispute Resolution. Except for the enforcement of a lien under paragraph 12., of the CC&Rs, the Association and/or Members shall submit any dispute arising out of or related to the CC&Rs to at least two (2) sessions of mediation of at least two (2) consecutive hours each session by any and all Members and/or the Association involved in the dispute prior to commencing any litigation. The parties shall use a mediator or mediators acceptable to both parties and bear equally the costs of mediation. Each party involved in the mediation agrees to pay each party's own attorney fees incurred prior to and during a mediation.
- d. Attorneys' Fees and Costs. The prevailing party in any litigation to enforce any provision or part of the CC&Rs or any of the provisions of the Organizing Documents (including Rules) shall be entitled to reimbursement from the non-prevailing party of all costs and attorney's fees, including without limitation attorney fees incurred on appeal or in bankruptcy court.
- e. Binding Effect. The CC&Rs shall inure to the benefit of and shall be binding upon the Association and the Owner of any interest in a Lot, and all their family, assigns, successors in interest, personal representatives, trustees and heirs.
- f. Interpretation. The parties waive the right to make any argument interpreting any ambiguity in the CC&Rs against the Board or the Association as a result of having the CC&Rs drafted.
- g. No Retroactivity. These CC&Rs shall not apply retroactively or prior to the date of recording, and nothing in these CC&Rs shall have the effect of overturning or changing any approvals given by the Association for Lots prior to recording these CC&Rs, and the recording of these CC&Rs shall not apply new or different criteria or conditions to past approvals.
- h. Amendment. The provisions of these CC&Rs, including this paragraph, may be amended by an instrument in writing signed and acknowledged by the president and secretary of the Association certifying that the amendment has been approved by the vote or written consent of at least six (6) Members. Any amendment shall be recorded in the Blaine County real property records to be effective. The CC&Rs and any amendment shall not defeat or render a beneficiary's rights invalid under a Deed of Trust recorded against a Lot made in good faith and for value, prior to the recording of these CC&Rs or any amendment, provided that after the foreclosure of any Deed of Trust the Lot shall remain subject to the CC&Rs as amended.

(Signatures of each approving Member appear on the following pages.)

LOT 1


George McCown

CALIFORNIA ALL-PURPOSE
CERTIFICATE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

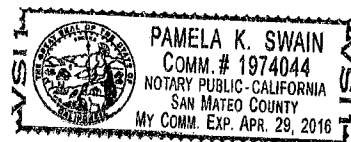
County of San Mateo)

On March 29, 2016, before me, Pamela K. Swain, Notary Public
(insert name and title of the officer) personally appeared George E. Melown
who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~
subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same
in his/~~her~~/~~their~~ authorized capacity(~~ies~~), and that by his/~~her~~/~~their~~ signature(~~s~~) on the instrument
the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.


WITNESS my hand and official seal.

Signature Pamela K. Swain (Seal)



LOT 2

S and P #12, Limited Partnership, an Idaho limited partnership

By: 
(sign name above)

George E. McCowen
(print name above)

Its: General Partner
(print title above)

CALIFORNIA ALL-PURPOSE
CERTIFICATE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Mateo)

On March 29, 2016, before me, Pamela K. Swain, Notary Public
(insert name and title of the officer) personally appeared George E. McCowen
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Signature  (Seal)



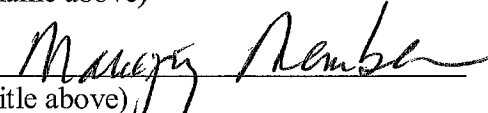
SIGNATURE PAGES FOR AMENDED AND RESTATED COVENANTS, CONDITIONS AND
RESTRICTIONS OF SUN AND POWDER NO. 1

LOT 3

GOLD RUN AVIATION, LLC, an Idaho limited liability company

By: 
(sign name above)

George E. McCown
(print name above)

Its: 
(print title above)

CALIFORNIA ALL-PURPOSE
CERTIFICATE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

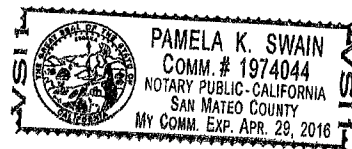
County of San Mateo)

On March 29, 2016, before me, Pamela K. Swain, Notary Public
(insert name and title of the officer) personally appeared George E. McCown
who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~
subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same
in his/~~her~~/~~their~~ authorized capacity(~~ies~~), and that by his/~~her~~/~~their~~ signature(~~s~~) on the instrument
the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



SIGNATURE PAGES FOR AMENDED AND RESTATED COVENANTS, CONDITIONS AND
RESTRICTIONS OF SUN AND POWDER NO. 1

LOT 4

SUN AND POWDER TOWNHOUSE OWNERS NO. 10, a limited partnership

By: Edward A. Weinman
(sign name above)

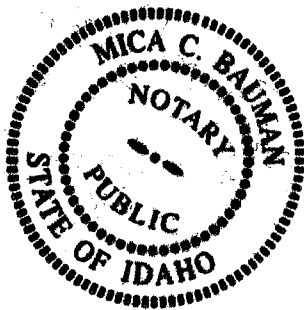
Edward A. Weinman
(print name above)

Its: General Partner
(print title above)

STATE OF IDAHO)
County of Ada) ss.

On this 18th day of March, 2016, before me, the undersigned, personally appeared Edward A. Weinman, known or identified to me to be a member of the limited partnership that executed the instrument, or the person who executed the instrument on behalf of said limited partnership, and acknowledged to me that such limited partnership executed the same.

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



Mica C. Bauman
NOTARY PUBLIC in and for Idaho
Residing at _____
Commission Expires _____

Residing in: **Boise, ID**
Commission Expires: **7/24/19**

LOT 5

Martin Ceredig Roberts

Martin Ceredig Roberts

Hannah J. Roberts

Hannah Jayne Roberts

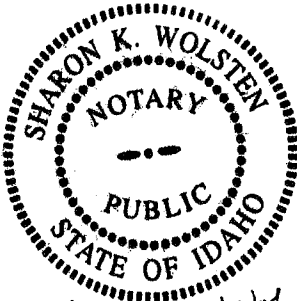
STATE OF IDAHO

County of Ada

)
)
) ss.

On this 1st day of April, 2016, before me, a Notary Public in and for said State, personally appeared Martin Ceredig Roberts and Hannah Jayne Roberts, husband and wife, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

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



Sharon K. Wolsten

Sharon K. Wolsten

NOTARY PUBLIC in and for Idaho

Residing at Boise, Idaho

Commission Expires February 5, 2021

LOT 6

Sun & Powder Unit 8, LLC, a Washington limited liability company

By: Nancy E. Irwin
(sign name above)

Nancy E. Irwin
(print name above)

Its: General Manager
(print title above)

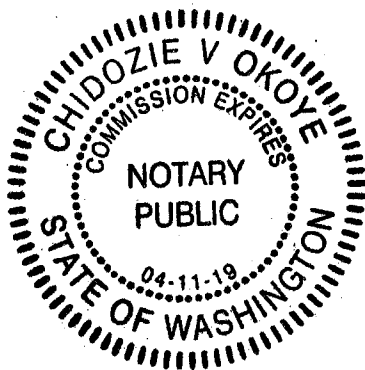
STATE OF WASHINGTON)

County of King)

ss.

On this 28 day of MARCH, 2016, before me, the undersigned, personally appeared NANCY E. IRWIN, known or identified to me to be a member of the limited liability company that executed the instrument, or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such limited liability company executed the same.

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

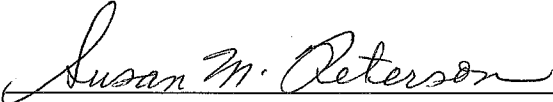


Chidozie V. Okoye
NOTARY PUBLIC in and for KING County, WA
Residing at 3001 98TH AVE SE, MI, WA 98040
Commission Expires 04/11/2019

LOT 7A


Larry L. Peterson

3/22/16


Susan M. Peterson

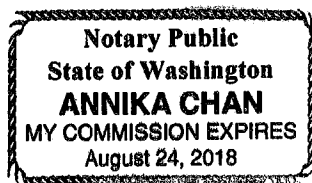
STATE OF WASHINGTON)

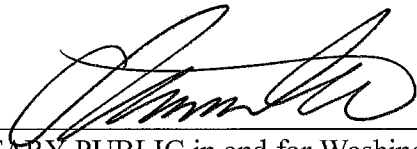
County of King)

ss.

On this 22 day of March 2016, 2016, before me, a Notary Public in and for said State, personally appeared Larry L. Peterson and Susan M. Peterson, husband and wife, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

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 in and for Washington
Residing at Bellevue WA
Commission Expires Aug 24, 2018

FILED EFFECTIVE
2016 SEP -6 AM 10:01
SECRETARY OF STATE
STATE OF IDAHO

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
SUN AND POWDER HOMEOWNERS ASSOCIATION, INC.

The undersigned, acting as incorporators of a corporation under the Idaho Nonprofit Corporation Act, Idaho Code section 30-30-101, *et seq.* (the "Act"), adopt the following Articles of Incorporation (the "Articles").

ARTICLE 1. NAME

The name of the corporation is Sun and Powder Homeowners Association, Inc. (referred to as the "Association").

ARTICLE 2. PROPERTY

All the real property governed by the Association is legally described as follows, which shall collectively be referred to as "Sun and Powder":

Lots 1 through 7, and parcels A and B, in the subdivision plat of SUN AND POWDER NO. 1, recorded as Instrument No. 141464, and Lot 7A and parcel BB, as defined and described in the plat of SUN AND POWDER NO. 1: LOT 7A, recorded as Instrument No. 422595, records of Blaine County, Idaho.

(Lots 1 through 7A are actually known as units 7 through 13 in reverse order)

ARTICLE 3. PRINCIPAL OFFICE AND REGISTERED AGENT

The current physical location of the principal office of the Association is c/o NICHOLS INCORPORATED, Karl Nichols, president, 220 Second Ave. Suite 203, Ketchum, ID 83340, and the mailing address is PO Box 254, Ketchum, Idaho, 83340, or as the addresses may be changed by the Association, with notice to the Secretary of State of Idaho. The registered agent of the Association is Karl Nichols, or as the registered agent may be changed by the Association, with notice to the Secretary of State of Idaho. The Association may change both its addresses and registered agents without amending the Articles of Incorporation.

ARTICLE 4. DIRECTORS AND OFFICERS

The directors and officers and their addresses are as follows:

Director and President	Larry L. Peterson	6220 Hazelwood Lane SE Bellevue, WA 98006 (425) 746-8486 susaninbellevue@gmail.com
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c 44691

EXHIBIT A

Director and Secretary George McCown 525 Middlefield Road #210
Menlo Park, CA 94025

Director Edward Weinman 780 Hearthsteak Dr.
Boise, ID 83702

ARTICLE 5. PURPOSE AND POWERS OF THE ASSOCIATION

The purposes for which the Association is formed are:

5.1 The Association was formed to manage a nonprofit homeowners association in accordance with the AMENDED AND RESTATED COVENANTS, CONDITIONS AND RESTRICTIONS OF SUN AND POWDER NO. 1 (the "CC&Rs") to which these Articles are attached and otherwise to act and be operated with and under the authority granted in the CC&Rs and Bylaws, which is Exhibit B to the CC&Rs (the "Bylaws"), as a "homeowners association" as defined in Section 528 of the Internal Revenue Code of 1986 ("IRC"). All words used in these Articles shall have the same meaning as defined in the CC&Rs and Bylaws. All references to the CC&Rs, Bylaws and applicable law shall be to those currently in effect and as they may be validly amended or replaced. The Association is being incorporated primarily to provide liability protection for the Owners.

5.2 Nothing in these Articles shall be construed as being in conflict with the CC&Rs or the Bylaws, Act or other applicable law or providing the Association with greater authority.

5.3 Subject to the provisions of the Declaration, the general purposes and powers of the Association, included, but are not limited to the following:

a. To the extent possible, to preserve the value of Sun and Powder for Members and promote the health, safety and welfare of Owners;

b. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set out in the CC&Rs and Bylaws; and

c. To have and to exercise any and all powers, rights and privileges of the Association and a corporation organized under the Act and applicable law.

This statement of purpose shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. Notwithstanding any of the above statements of purposes and powers, the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the primary purposes of the Association.

EXHIBIT A

ARTICLE 6. MEMBERSHIP

The Association has "Members", as that term is defined in the Bylaws and CC&Rs.

ARTICLE 7. VOTING RIGHTS

The authorized number and qualifications of Members to vote and other rights and privileges of members are set out in the Bylaws and CC&Rs.

ARTICLE 8. BOARD OF DIRECTORS

The Association shall be managed by a board of three (3) directors (and no less than three under the Act) (the "Board"), required to be Members, and as set out in the Bylaws.

ARTICLE 9. DISSOLUTION

The Association may be dissolved as provided by the Bylaws, CC&Rs, Act or applicable law. Upon the dissolution of the Association, the Board shall, after paying or making provision for the payment of all of the Association's liabilities, dispose of all of the assets of the Association exclusively for the Owners in such manner as the Board shall determine with approval by the majority of the Membership. Any such assets not so disposed of shall be disposed of by the District Court of the Fifth Judicial District of the State of Idaho, in and for Blaine County, either in an action for dissolution of the Association or interpleader.

ARTICLE 10. NONPROFIT LIMITATIONS

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to Members, Directors, Officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered to the Association by its employees or third party, independent contractors, and to make payments and distributions for the purposes in Article 5. No substantial part of the activities of the Association shall be for attempting to influence legislation, and the Association shall not participate in, or intervene in, any political campaign on behalf of any candidate for public office (including the publishing or distribution of statements). Notwithstanding any other provision of these Articles, the Association shall not carry on any other activity not permitted to be carried on by a corporation exempt from federal income tax under IRC Section 501(c)(4).

ARTICLE 11. DURATION

The Association shall exist perpetually.

EXHIBIT A

ARTICLE 12. AMENDMENTS

Amendments of these Articles shall require the vote of six (6) of the Members of the Association at a meeting duly called for that purpose, provided that no amendment to these Articles is contrary to the CC&Rs, Bylaws or applicable law.

CERTIFICATE OF ADOPTION

We, the undersigned, certify as follows:

That we are the duly elected, qualified and acting President and Secretary of the Association and that these Articles were approved in writing by seven (7) out of seven (7) of the Members, and are currently effective and completely revoke and replace any and all prior Articles.

We have signed these Articles this 13th day of June, 2016.

By: 

Larry L. Peterson, President

6/13/16

By: 

George McCown, Secretary

IDAHO SECRETARY OF STATE

09/06/2016 05:00

CK:7575 CT:50696 BH:1545082

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF
SUN AND POWDER HOMEOWNERS ASSOCIATION, INC./Page 4 of 4

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AMENDED AND RESTATED BYLAWS
OF
SUN AND POWDER HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1. MEMBERS AND OFFICES

1.1 MEMBERS. The SUN AND POWDER HOMEOWNERS ASSOCIATION, INC. (the "Association") is an Idaho membership nonprofit corporation. The capitalized words, such as Lot and Member or Membership, shall have the same definitions as in the AMENDED AND RESTATED COVENANTS, CONDITIONS AND RESTRICTIONS OF SUN AND POWDER NO. 1 (the "CC&Rs") to which these are attached as Exhibit B. Each Lot and Parcel in SUN AND POWDER ("Sun and Powder") represents one (1) Member or Membership in the Association, which is owned by the fee simple title holder or collectively by multiple title holders to the Lot, referred to as the "Owner" in the CC&Rs. One Membership shall be appurtenant to one Lot and shall not be transferred, pledged, or alienated in any way except upon the transfer of legal and equitable title to a Lot, and then only one Membership to one or more transferees of fee simple title. Any attempt to make a prohibited transfer shall be void. Any transfer of legal and equitable title to a Lot shall operate automatically to transfer one Membership to the new Owner or Owners of that Lot.

1.2 PRINCIPAL OFFICE. The principal office for the transaction of the business of the Association is located at the residence or office of the president of the Association or a manager, as the Board of Directors (the "Board") determines. The Board is granted full power and authority to change the principal office from one location to another in Blaine County.

1.3 REGISTERED OFFICE. The Association shall continuously maintain a registered office and a registered agent in the State of Idaho, as required by the Idaho Nonprofit Corporation Act, Idaho Code section 30-30-101, *et seq.* (the "Act"). The current mailing address is c/o The Nichols Group, PO Box 3534, Ketchum, Idaho 83340, and may be changed from time to time by the Board.

ARTICLE 2. MEETINGS OF MEMBERS

2.1 PLACE OF MEETING. All meetings of Members shall be held at the principal office of the Association or any place the Board approves and designates in the notice of any meeting.

2.2 ANNUAL MEETING. The annual meeting of Members shall be held at a date and time set by the Board with notice to Members in accordance with the Act, as it may be amended or replaced from time to time. At the meeting, Directors shall be elected, reports of the Association's affairs shall be considered and any other business may be transacted which is within the power of the Members.

2.3 SPECIAL MEETINGS. Special meetings of Members, for any purpose or purposes, may be called at any time by the Board, or by a petition signed, dated and presented to the president

by at least three (3) of the Members describing the purpose for which those Members desire to hold a special meeting.

2.4 ADJOURNED MEETINGS. Any Members' meeting, annual or special, whether or not a quorum is present, may from time to time be adjourned by the vote of a majority present. At the adjourned meeting, any business may be transacted, which might have been transacted at the meeting at which such adjournment is taken.

2.5 NOTICE OF MEETINGS. The Association shall give notice of annual or special meetings of Members in writing to each Member, specifying the place, day and hour of the meeting and the general nature of the business to be transacted, and if it is a special meeting, a description of the matter or matters for which the meeting is called, and whether action is proposed to be taken requiring the approval of the Members (such as, electing Directors or modifying the CC&Rs), not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail or other means of written communication, addressed to the Member at a mailing address, email address or fax number the Member has provided to the Association. If the Member has not provided such contact information, the Association shall attempt to contact that Member either personally or by telephone to attempt to obtain that contact information. If the Association cannot contact the Member, the Association shall use the name and address on file for that Member with the Blaine County Assessor's Office for providing all property tax notifications. Providing additional notice of a meeting previously adjourned to a different date, whether annual or special, is not necessary unless the meeting is adjourned for more than forty-five (45) days before the date of the next meeting.

2.6 QUORUM OF MEMBERS. Four (4) Members must be represented in person, by proxy, by mailed, written ballot or by absentee ballot at a meeting of Members to constitute a quorum on that matter. In the absence of a quorum at the beginning of a meeting, any meeting may be adjourned, but no other business may be transacted, unless voting on an agenda item or other matter is conducted by absentee ballot sufficient to provide a quorum.

2.7 VOTING. A vote in favor or against a matter by a majority of a quorum of the Members, as set forth above, shall decide the matter. Only Members on the date of a mailed, written ballot or absentee ballot or the date of any meeting shall be entitled to vote at such meeting, unless some other period is fixed by resolution of the Board. Each such Member is entitled to one vote. The vote for each such Lot shall, if at all, be cast as unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that Member is acting with the authority and consent of all other Owners of the same Lot. Only another Member may represent a Member by a written proxy. Unless six Members or sixty percent (60%) or more of the voting power is present in person, by proxy, by mailed, written ballot or by absentee ballot, the only matters that may be voted upon at an annual or special meeting of Members are those matters that are described in the meeting notice.

2.8 ACTION BY WRITTEN CONSENT OR ABSENTEE BALLOT. Any action required or permitted by law to be taken by the Members may be taken without a meeting or any action proposed to be taken at a meeting can be approved by written consent signed by all of the Members entitled to vote with respect to the subject matter thereof, or by written ballot provided that the ballot procedure complies with the following:

2.8.1 A written ballot shall be sent to each Member and shall:

- (a) Set forth each proposed action; and
- (b) Provide an opportunity to vote for or against each proposed action.

2.8.2 Approval by written ballot alone, when a meeting is not held, shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

2.8.3 All solicitations for votes by written ballot shall:

- (a) Indicate the number of responses needed to meet the quorum requirements;
- (b) State the percentage of approvals necessary to approve each matter other than election of Directors; and
- (c) Specify the time by which a ballot must be received by the Association in order to be counted.

2.8.4 Once cast, a written ballot may not be revoked, even if submitted as an absentee ballot and the Member attends the meeting.

2.9 CONSENT TO MEMBERS' MEETING. No defect in the calling or noticing of a Members' meeting, either annual or special, will affect the validity of any action at the meeting if a quorum is present; or if each Member entitled to vote, but not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting or an approval of the minutes, either before or after the meeting and such waivers, consents or approvals are filed with the corporate records or made a part of the meeting minutes. Attendance by a Member at a meeting shall be that Member's waiver of notice of that meeting, except when the Member objects, at the beginning of a meeting to the transaction of any and all business because the meeting is not lawfully called or convened. Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting, if the Member objects orally or in writing at the beginning of the meeting.

ARTICLE 3. BOARD OF DIRECTORS

3.1 GENERAL POWERS. The Board shall exercise all corporate powers of the Association allowed under the Act, and they shall be exercised under the authority of the Board. As a result, Directors have all the powers conferred by law, but shall act only as a Board, and an individual Director has no power as an individual. The Board shall control the business and affairs of the Association; subject, however, to such limitations as are imposed by law, the Articles or Bylaws. The Board may give general or limited or special power and authority to an independent contractor or employee of the Association to transact the business and affairs of the Association, and may give powers of attorney to agents of the Association to transact any special business requiring that authorization.

3.2 SPECIFIC POWERS AND DUTIES. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things authorized by the CC&Rs, the Articles of Incorporation ("Articles") and Bylaws, and any amendments to those organizing documents. The Board shall not have power to take action which by law or the CC&Rs, Articles or Bylaws may not be delegated to the Board by Members. Such powers and duties of the Board shall include, but shall not be limited to the following:

3.2.1 Improvement, operation and maintenance of the elements and areas common to all lots or sites, including, without limitation, the private roads and central water system (referred to as "Common Area" in the CC&Rs). This includes, without limitation, making repairs, additions, restorations, maintenance or alternations to the Common Area, if any, after damage or destruction by any cause or as a result of condemnation or eminent domain.

3.2.2 Determination of Common Expenses required for the affairs of the Association, including, without limitation, the improvement, operation and maintenance of the Common Area.

(a) The Board shall from time to time, and at least annually, prepare a budget for the Association, determining the amount of assessments payable by the Members to meet the Association's common expenses and allocate and assess those assessments among the Members on an individual or pro rata basis.

(b) Common Expenses shall include, but not be limited to real and personal property taxes on the Common Area, the cost of premiums on all policies of insurance required or which the Board has obtained, improvement, operation and maintenance of the Common Area. Common Expenses may also include amounts the Board deems proper, generally, for the improvement, operation and maintenance of the Common Area, including within limitation, working capital of the Association, general operating reserve, capital reserve fund, and to make up any deficit.

(c) Common Expenses shall also be used for the purposes set out in the Articles of this Association as provided in the CC&Rs.

EXHIBIT B

(d) The Board shall advise all Members promptly, in writing, of the amount of assessments payable by each of them, respectively, as determined by the Board, and shall furnish copies of such budget on which such assessments are based, to all Members.

3.2.3 Collection of assessments from the Members.

3.2.4 Employment of or contracting with and the dismissal of personnel necessary for the management, maintenance and operation of the Association.

3.2.5 Adoption and amendment of rules and regulations covering the details of the operation and the use of the Common Area.

3.2.6 Opening of bank accounts on behalf of the Association.

3.2.7 Purchase and maintain Association insurance.

3.3 NUMBER, CLASSIFICATION AND ELECTION. The authorized number of Directors of the Association shall be three (3) until changed by amendment of the Articles. Also until changed by amendment of the Articles, one (1) Director shall be elected every year by the Members of the Association appointed by the Board then entitled to vote, and shall hold office until the earlier of their respective successors being elected or until their death, resignation or removal. Directors may be elected to unlimited successive terms. However, initial directors at the time of adoption of these Bylaws, or any other applicable time, must decide by majority vote, who will have the one, two and three year terms, respectively.

3.4 VACANCIES. Vacancies in the Board shall exist in the case of any of the following events: (1) the death, resignation, or removal of any director; (2) the authorized number is increased.

3.5 DECLARATION OF VACANCY. The Board may declare the office of a director vacant in any of the following cases: (1) if the holder of said office is declared to be of unsound mind by a final order of court; or (2) if convicted of a felony; (3) if within sixty (60) days after notice of election the director does not accept the office either in writing or by attending a meeting of the Board; or (4) if, in the judgment of a majority vote of the Board, the business interests of the Association will be served thereby.

3.6 FILLING VACANCIES. Vacancies on the Board may be filled by a majority of the remaining Directors, although less than a quorum, or by a sole remaining director. If the Board accepts the resignation of a director tendered to take effect at a future time, the Board may elect a successor to take office when the resignation becomes effective. A reduction of the authorized number of Directors does not remove any director prior to the expiration of his term of office.

3.7 ANNUAL AND REGULAR MEETINGS. Annual and/or regular meetings of the Board shall be held at any place within Blaine County at such times and on such dates as authorized and provided from time to time by the president or Board resolution, or by written consent of all

EXHIBIT B

Directors. In the absence of such designation, other regular meetings of the Board shall be held at the principal office of the Association. Should any meeting date fall on a legal holiday, then the meeting shall be held on the next business day that is not a legal holiday. Notice of regular meetings is not required.

3.8 SPECIAL MEETINGS. Special meetings of the Board for any purpose may be called at any time by two Directors. Written notice of special meetings stating the time, place and in general terms, the purpose or purposes thereof, shall be mailed, emailed, faxed or personally delivered to each director not later than three (3) business days before the meeting.

3.9 ADJOURNED MEETINGS. A quorum of the Directors may adjourn any Board meeting, to meet again at a stated time and place; provided, however, that, in the absence of a quorum, a majority of the Directors present at any Board meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors, if the time and place is fixed at the adjourned meeting. Otherwise notice of the time and place shall be given before the time of the adjourned meeting, as specified in Section 3.8, to the Directors who are not present at the time of the adjournment.

3.10 QUORUM. At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present shall be regarded as the act of the Board, unless a greater number is required by law or by the Articles.

3.11 ACTION WITHOUT MEETING. Any action required or permitted by law to be taken by the Board may be taken without a meeting, if each member of the Board signs a written consent to that action and all the consents are filed with the corporate records. Action by written consent shall have the same force and effect as a unanimous vote of those Directors or committee members. Any certificate or other document, which relates to action taken, shall state that the action was taken by unanimous written consent of the Board or committee without a meeting.

3.12 MANIFESTATION OF DISSENT. A director of the Association who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless his dissent is entered in the meeting minutes, or unless a written dissent to such action is filed with the Association before the adjournment of the meeting, or shall forward such dissent by registered mail to the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of an action.

ARTICLE 4. COMMITTEES

4.1 COMMITTEES OF THE BOARD. The Board may create one (1) or more Board committees and appoint Directors or Members to serve on them. Each committee shall be comprised of at least one (1) Director, unless all members of the committee are required to be Directors for purposes of obtaining insurance coverage, and have one (1) or more Directors, who

serve at the pleasure of the Board. The Board may delegate to a committee any of the power and authority of the Board in the management of the business and affairs of the Association. The Board shall have the power to prescribe the manner in which the proceedings of the committees shall be conducted.

4.2 CREATION OF COMMITTEES. The creation of new committees and appointment of members to it or the termination of a new committee must be approved by the greater of:

4.2.1 A majority of all the Directors in office when the action is taken; or

4.2.2 The number of Directors required by these Bylaws to take action.

4.3 CONDUCT OF COMMITTEE MEETINGS. Committees shall only hold meetings as necessary to conduct the business of the committee. The portion of these Bylaws governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board, apply to Board committees and their members as well.

ARTICLE 5. OFFICERS

5.1 TITLE AND APPOINTMENT. The Board shall elect at least a president to conduct Board and Members' meetings and a treasurer and a secretary. The president shall in general supervise and control all of the business and affairs of the corporation. The same individual may simultaneously hold more than one (1) office, except the office of president and secretary. If there is no secretary, the board shall delegate to one (1) of the officers responsibility for giving the Board and Members notice in accordance with the Bylaws and Idaho law, preparing minutes of the Board and Members' meetings and for keeping and authenticating corporate records. Otherwise, the secretary will be responsible for those actions. If there is no treasurer, the board shall delegate to one (1) of the officers responsibility for the charge and custody of all funds, to collect funds due and payable from any source and deposit all corporate funds in the name of the corporation in banks or other depositories as shall be selected by the Board. Otherwise, the treasurer will be responsible for those actions.

ARTICLE 6. CORPORATE INSTRUMENTS AND INDEMNIFICATION

6.1 CORPORATE INSTRUMENTS. The Board may, in its sole discretion, determine the method and designate the person or persons, to execute any corporate instrument, check or other document, or to sign the corporate name, without limitation; except where otherwise provided by law or by the Bylaws; and that execution or signature shall be binding upon the Association.

6.2 INDEMNIFICATION. The Association shall not be personally liable to any Member or Owner of any interest in a lot, or to any other third party, for any claim, damage, loss or prejudice suffered or claimed by or to persons or property on account of any negligent act or omission of the Association. The term Association shall only include its Directors and officers or Members serving the Association without compensation. The Members shall individually release, indemnify and forever hold the Association harmless for and from any acts or omissions

of the Association, except for conduct which is willful, wanton, or which involves fraud or knowing violation of the law; intentional breach of a fiduciary duty or duty of loyalty owed the Association; for acts or omissions not in good faith or which involve intentional misconduct, fraud or a knowing violation of law; or for any transaction from which the officer, director or volunteer derived an improper personal benefit.

ARTICLE 7. CORPORATE RECORDS AND REPORTS

7.1 CORPORATE RECORDS. The Association shall keep as permanent records at the office of the property manager of the Association, which is currently The Nichols Group, in written form or in another form capable of conversion into written form within a reasonable time, the following:

7.1.1 Minutes of all meetings of the Members and Board and all actions taken by the Members or Board without a meeting, and a record of all actions taken by Board committees;

7.1.2 Appropriate accounting records that include at least a balance sheet as of the end of each fiscal year and statement of operations for that year and any and all tax filings;

7.1.3 A record of its Members in a form that permits preparation of a list of the names and addresses of all Members, in alphabetical order, showing the number of votes each Member is entitled to cast;

7.1.4 Articles or restated articles of incorporation and all amendments currently in effect;

7.1.5 Bylaws or restated bylaws and all amendments currently in effect;

7.1.6 Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations and obligations of Members;

7.1.7 All written communications (e.g., notices and announcements) that the Association makes to the general Member population within the past seven (7) years, including the financial statements furnished for the past seven (7) years under Idaho Code section 30-3-134;

7.1.8 A list of the names and business or home addresses of its current Directors; and

7.1.9 The most recent annual report delivered to the Idaho Secretary of State.

7.2 INSPECTION OF RECORDS BY MEMBERS. Subject to Idaho Code and these Bylaws, a Member is entitled to inspect and copy, at a reasonable time and location specified by the Association, any of the above-described records of the Association, if the Member gives the Association written notice or a written demand at least fifteen (15) business days before the date on which the Member wishes to inspect and copy.

EXHIBIT B

7.2.1 A Member may inspect and copy the records identified in this section only if:

- (a) The Member's demand is made in good faith and for a proper purpose reasonably related to the Member's interest as a Member of the Association;
- (b) The Member describes with reasonable particularity the purpose and the records the Member desires to inspect;
- (c) The records are directly connected with this purpose; and
- (d) The Board shall determine whether a Member's request is for a proper purpose.

7.2.2 The provisions of this section do not affect:

- (a) The right of a Member to inspect records under Idaho Code section 30-3-54, which concerns a Member's right to inspect a Membership list at or prior to a noticed meeting of the Members, or, if the Member is in litigation with the Association, to the same extent as any other litigant; or
- (b) The Board may restrict or deny inspection of personnel and employment records, and confidential attorney-client communications if it determines that such restriction or denial of access to said records or information is in the best interests of the Association.

7.2.3 The right to copy records, includes, if reasonable, the right to receive photocopies, fax copies or copies by other electronic means as long as each copy is a true and legible reproduction of the original or Association's copy.

7.2.4 The Association may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the Member. The charge may not exceed the estimated cost of production or reproduction of the records.

7.2.5 The Association may comply with a Member's demand to inspect the record of Members, by providing the Member with a list of its Members that was compiled no earlier than the date of the Member's demand.

7.3 LIMITATIONS ON USE OF MEMBERSHIP LIST. Without consent of the Board, a Membership list or any part may not be obtained or used by any person for any purpose unrelated to a Member's interest as a Member.

7.3.1 Without the Board's consent, a Membership list or any part may not be:

- (a) Used to solicit money or property unless that money or property will be used solely to solicit the votes of the Members in an Association election;

EXHIBIT B

(b) Used for any commercial purpose; or

(c) Sold to or purchased by any person.

ARTICLE 8. AMENDMENTS

8.1 BY MEMBERS. The Bylaws, and every part, may from time to time and at any time, be amended, altered, repealed, and new or additional bylaws may be adopted by an affirmative vote of six (6) of the Members.

CERTIFICATE OF ADOPTION

We, the undersigned, certify as follows:

That we are the duly elected, qualified and acting President and Secretary of the Association and that these Bylaws were approved in writing unanimously by seven (7) out of seven (7) of the Members, and are currently effective and completely revoke and replace any and all prior Association Bylaws.

We have signed these Bylaws this 7 day of June, 2016.

By:  6/3/16

Larry L. Peterson, President

By:  6/13/16

George McCown, Secretary