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DECLARATION OF CONDOMINIUM
FOR
IMPERIAL PLAZA CONDOMINIUMS

This Declaration, made this _____ day of _____, 1979, by IMPERIAL CONDOMINIUM COMPANY, INC., an Idaho corporation, herein collectively referred to as “Declarant”, for itself, its successors, grantees and assigns.

RECITALS

A. Purpose. The purpose of this Declaration is to submit the lands described in this instrument and improvements thereon to the condominium form of ownership and use in the manner provided in Idaho Code, Title 55, Chapter 15, hereinafter referred to as “Condominium Property Act” and to impose on said real property mutual beneficial restrictions, easements, assessments and liens under a general plan of improvement for the benefit of all of the subject Units and of the subject Common Area and the future owners of said Units and Common Area.

B. Name and Address. The name by which the Project is to be identified is “Imperial Plaza Condominiums,” and its address is 200 North 3rd Street, Boise, Idaho 83702.

C. The Real Property. The real property owned by Declarant, which by this instrument is submitted to the condominium form of ownership, is in Ada County, Idaho, and is more particularly described in Exhibit “A” attached hereto and made a part of this Declaration.

NOW, THEREFORE, Declarant hereby declares that all of the real property described in this instrument is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following limitations, restrictions, covenants and conditions, all of which are declared and agreed to be in furtherance of the plan for the subdivision, improvement and sale of said real property as a Condominium Project and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of the real property and every part thereof. All of the limitations, easements, uses, obligations, covenants, restrictions and conditions stated herein shall run with the real property, shall be binding on all parties having or acquiring any right, title or interest in the described real property or any part thereof, and shall be for the benefit of each owner of any portion of said real property or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof. Each and all of the said limitations, easements, uses, obligations, covenants, conditions and restrictions shall be deemed to be, and shall be construed as equitable servitudes, enforceable by any of the owners of any of the individual units against any other owner, tenant or occupants of the property, or any portion thereof.

ARTICLE I
DEFINITIONS

1.1 The terms used herein and in any deeds regarding Units in the Project shall have the meanings specified in this Article, unless the context otherwise requires.

A. Articles: The term “Articles” shall mean the Articles of Incorporation of Imperial Plaza Condominium Association, Inc.

B. Assessment: The term “Assessment” means a share of the funds required for the payment of Common Expenses which, from time to time, is assessed against the Unit Owner.

C. Association: The term “Association” shall mean or refer to Imperial Plaza Condominium Association, Inc., its successors and assigns, incorporated as a non-profit corporation under the laws of the State of Idaho.

D. Board: The term “Board” shall mean Board of Directors of the Association.

E. By-Laws: The term “By-Laws” shall mean the By-Laws of the Association which are or shall be adopted by the Board.

F. Common Area: The term “Common Area” refers to all of the Project which is not included within any Unit. Common Areas shall include, but shall not be limited to, all staircases, hallways, elevators, central heating, roofs, foundations, pipes, ducts, flues, chutes, conduits, wires and such other utility installations to the outlets, floors, bearing walls, columns and girders, to the unfinished surfaces thereof, all regardless of location, the manager’s apartment, parking and garage areas, storage areas, service areas and equipment areas, driveways, open spaces, planted and landscaped areas, patios, balconies, and all other improvements which may be placed upon or located in the Common Area.

G. Condominium: The term “Condominium” refers to the Unit, together with the undivided interest in the Common Areas conveyed in fee to an Owner, and all easements appurtenant thereto.

H. Plat: The term “Plat” refers to the Plat for Imperial Plaza Condominiums, filed or to be filed for record in the office of the County Recorder of Ada County, Idaho, consisting of a survey map of the surface of the ground included within the Project showing the location of the building thereon with respect to the boundaries of the ground, together with diagrammatic floor plans of the building showing the boundaries of each Unit within the building, including horizontal and vertical locations and approximate dimensions of all boundaries of each Unit, and the legal description of each Unit in the Project consisting of the Unit number identifying the Units, together with such other information as may be included therein in the discretion of the Declarant.

I. Condominium Property or Project: The term “Condominium Property” or “Project” shall mean the entire parcel of real property described on the Map, which is divided, or to be divided into Condominiums including all improvements thereon, and all easements and rights appurtenant thereto.

Condominium Unit or Unit: The term “Condominium Unit” or “Unit” shall mean the separate interest of a Unit Owner in the Project, and includes Condominium Residential Units and Condominium Commercial Units.

Condominium Residential Unit: The term “Condominium Residential Unit” shall mean a Unit that will be used as a Single Family residence or as otherwise permitted by the Declaration. Condominium Residential Units shall be located on floors two (2) through twelve (12) in the building in which all of the Units are located.

Condominium Commercial Unit: The term “Condominium Commercial Unit” shall mean a Unit used for business or commercial purposes permitted by the Declaration. Units 1-A, 1-B, 2-A and 2-B shall be Condominium Commercial Units and are identified as such by the letter “C” preceding the number of the Unit.

Unit C-1-A shall have the address of Suite 150; Unit C-1-B shall have the address of Suite 140; Unit C-2-A shall have the address of Suite 100; and Unit C-2- B shall have the address Suite 110.

J. Declarant: The term “Declarant” shall mean and refer to Imperial Condominium Company, Inc., an Idaho corporation, and all successors and assigns of Declarant, if such successors and assigns acquire more than one Unit for the purpose of resale to another.

K. Declaration: The term “Declaration” shall mean and refer to this instrument, and all exhibits attached hereto, and as may be, from time to time amended.

L. Family: The term “Family” or “Single Family” as used herein shall mean one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three (3) persons not also related, together with their domestic servants, who maintain a common household in a Unit.

M. Limited Common Area: The term “Limited Common Area” as used herein shall mean that portion of the Common Area the exclusive use of which is set aside, allocated and restricted to a particular Unit or Unit Owner.

N. Mortgage: The term “Mortgage” means any mortgage, deed of trust, or other security instrument by which a Condominium or any part thereof is encumbered.

O. Mortgagee: The term “Mortgagee” means any person or any successor to the interest of such person named as the mortgagee, trust beneficiary, or creditor under any mortgage, as mortgage is defined in Article I, Subparagraph N, under which the interest of any Unit Owner, or successor to the interest of such Unit Owner, is encumbered.

P. Rules: The term “Rules” shall mean the Imperial Plaza Rules and Regulations adopted by the Board of Directors pursuant to this Declaration.

Q. Unit Owner: The term “Unit Owner” refers to any person or entity, including Declarant, at any time owning a Condominium. Such term shall include the contract seller (vendor) under an installment land contract and shall exclude those persons having an interest in the Unit merely as security for performance of an obligation.

R. Smoking: Smoking is defined as “carrying, burning, or otherwise handling or controlling any lit or smoldering product containing tobacco or cloves, including but not limited to cigarettes, cigars, pipes, and e-cigarettes.”

ARTICLE II
THE PROPERTY

2.1 General Description of Improvements. The Condominium Property essentially consists of an apartment building, together with automobile parking areas, lawn and landscaping, and other facilities as are more particularly depicted on Exhibit "B". The apartment building contains twelve (12) floors, an upper mechanical room, a basement, and one (1) subterranean level of parking. The ground floor or first floor consists of a lobby and Condominium Commercial Units. The next floors, two (2) through twelve (12) inclusive, contain Condominium Residential Units. The basement contains various mechanical and equipment rooms and a storage area.

The building contains sixty-three (63) Condominium Residential Units and four (4) Condominium Commercial Units for a total of sixty-seven (67) Units in the building.

2.2 Plat of Condominium Property. The plat of the ground floor of the Project is hereby amended to subdivide Unit C-1 into Units C-1-A and C-1-B, and Unit C-2 into Units C-2-A and C-2-B. The location, approximate dimensions and legal description of Units C-1-A, C-1-B, C-2-A and C-2-B can be found in the drawings of Amended Exhibit "B", attached hereto. The location, approximate dimensions, and legal description of all other Units in the Project shall remain unchanged. The Unit numbers of all Units in the Project can now be found in the Amended Exhibits "C" and "D", attached hereto.

2.3 Unit Boundaries. Each Condominium Unit shall have as its boundary lines the interior, unfinished surfaces (exclusive of paint, paper, wax, tile, enamel or other finishes), of the floors, ceilings, interior beams and columns, and perimeter walls. All doors, be they glass or otherwise, which are in the perimeter walls of a Condominium Unit shall be deemed a part of the Condominium Unit up to the exterior, unfinished surface thereof. The unit shall include both the portions of the building so described and the air space so encompassed. Notwithstanding the foregoing, the following are not part of a Unit: bearing walls, columns, floors, roofs, foundations, elevator equipment and shafts, central heating, central refrigeration and central air conditioning equipment, reservoirs, tanks, pumps and other central services, pipes, ducts, flues, chutes, conduits, wires, and other utility installations, wherever located, except the outlets thereof when located within the Unit.

For clarification purposes it shall be understood that responsibilities shall be as follows: The Association shall be responsible for all of the original plumbing pipes, electrical wiring, heating and cooling pipes and controls, heating, cooling and ventilation ducts that are installed inside of perimeter and interior walls, floors and false ceilings however, if an Owner remodels a Unit and changes any of this equipment the Owner shall then become responsible for any equipment so changed. The Owner shall be responsible for all electrical coverplates,

switches, receptacles, flush panels; all plumbing, heating, cooling, ventilating pipes, ducts, fittings, registers, controls and equipment located in a Unit from the point where it emerges from wall, floor or ceiling. The Owner shall be responsible for the care and maintenance of any false or suspended ceilings in a Unit.

2.4 Limited Common Area. The balcony or balconies abutting each Condominium Residential Unit are Limited Common Areas appurtenant to those Units to which they attach and are immediately accessible, and whose use is restricted to Units to which they are appurtenant. Maintenance and upkeep of each balcony shall be the exclusive responsibility of the Condominium Residential Unit Owner to which that balcony shall be appurtenant.

2.5 Air Conditioning-Heating Units; Owner's Responsibility. That portion of the central air conditioning and heating systems for the Project located within the boundaries of an individual Condominium Unit shall be deemed owned by the Unit Owner and shall not be considered a part of the Common Area, and each Unit Owner shall be responsible for the maintenance and repair of same.

ARTICLE III

OWNERSHIP AND USE OF COMMON AREA

3.1 Common Area Ownership. Each of the Unit Owners of the Condominium shall own an undivided interest in the Common Area, and the undivided interest, stated as percentages of such Ownership in the said Common Area, is set forth on Amended Exhibit "C", which is annexed to this Amendment of Declaration and made a part hereof. Said Amended Exhibit "C" shall, in all respects, replace and amend Exhibit "C" to the Declaration of Condominium for Imperial Plaza Condominium recorded as Instrument No. 793755 records of Ada County, Idaho. The percentage of ownership interest in the Common Area which is to be allocated to each Unit for purposes of tax assessment Under Section 55-1514 of the Idaho Code and for purposes of liability as provided by Section 55-1515 of the Idaho Code shall be the same as set forth in Exhibit "C". The undivided interest in the Common Area established hereunder to be conveyed with the respective Units cannot be changed.

The fee title to each Condominium Unit shall include both the Condominium Unit and the respective undivided interest in the Common Area. Said undivided interest in the Common Area shall be deemed to be conveyed or encumbered with its respective Condominium Unit, even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to a Condominium Unit.

Any attempt to separate the fee title to a Condominium Unit from the undivided interest in the Common Area appurtenant to each Unit shall be null and void.

3.2 Partition. There shall be no Judicial Partition of the Project or any part thereof, and each Unit Owner, and the successors of each Owner, whether by deed, gift, devise or operation of law, for their own benefit and for the benefit of their respective Units and for the benefit of all other Unit Owners, do promise and covenant that no action for such judicial partition shall be instituted, prosecuted, or reduced to judgment until the happening of the conditions set forth in Article IX hereof.

3.3 Parking Areas. The Parking Areas shall be maintained as part of the Common Area, and the Association shall rent or lease the Parking Area to help defray the Common Expenses. The Parking Areas shall be administered and assigned in the manner deemed adequate by the Association; provided, however, Condominium Residential Unit Owners shall have the first right to rent or lease any Parking in the subterranean and ground level Parking Areas. Said first right to rent or lease shall be limited to one (1) space for each Unit owned. Any party who has been assigned a rental parking space shall not sub-lease that parking space to anyone who is not a resident in the condominium or an employee of one of the occupants of a Commercial Unit and said parking space shall not be subleased or assigned for more than the rent charged by the Association for the space to the Owner.

3.4 Storage Area. The area of the basement designated on Exhibit “B” as “Storage Area” shall be maintained as part of the Common Area. The individual storage cubicles contained in said area shall be administered and assigned in the manner deemed appropriate by the Association; provided, however, said storage cubicles shall be first assigned to Condominium Residential Unit Owners.

3.5 Manager’s Unit. The area on Exhibit “B” designated as “Manager’s Unit” shall be maintained as part of the Common Area. Said Manager’s Unit shall be for the exclusive use and occupancy of the Resident Manager for the Project as provided in Article VI, Section 6.14.

ARTICLE IV

AMENDMENT OF DECLARATION

Except as otherwise provided, this Declaration of Condominium may be amended in the following manner:

4.1 Resolution. A resolution for the adoption of a proposed Amendment may be proposed by either the Board of Directors of the Association or by not less than twenty-five percent (25%) of the Voting Owners. Except as otherwise provided, approval of the Amendment must be either by:

A. Not less than seventy-five percent (75%) of the entire membership of the Board of Directors and by not less than seventy-five percent (75%) of the total voting power of the Association; or

B. Not less than eighty percent (80%) of the total voting power of the Association.

4.2 Proviso. Except as provided in this document:

A. No Amendment shall make any change either in Article VIII entitled "Insurance" or Article IX entitled "Reconstruction or Repair After Casualty; Condemnation", unless the record owners of all Mortgages upon the Project shall join in the execution of the Amendment.

B. No Amendment shall either change any Unit or the share in the Common area appurtenant to it, or change the formula for determining a Unit Owner's share of the Common Expenses, unless the record title holders of the Units so burdened and the record owners of all first Mortgages on Units in the Project shall join in the execution of the Amendment.

C. No Amendment shall either impair or prejudice the rights and priorities of any Mortgages or change the provisions of this Declaration with respect to Mortgagees without the written approval of all such Mortgagees of record.

4.3 Execution and Recording. A copy of each Amendment shall be attached to a certificate certifying that the Amendment was duly adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. The Amendment shall be effective when such certificate and copy of the Amendment are recorded in the public records of Ada County, Idaho.

ARTICLE V

COMMON EXPENSES AND COMMON SURPLUS

5.1 Share of Common Expenses. Each Unit Owner shall be liable for a proportionate share of the Common Expenses as provided in the formula set forth in Amended Exhibit "D" of this Amendment to Declaration, which is attached hereto and made a part hereof. Said Amended Exhibit "D" shall, in all respect, replace and amend Exhibit "D" to the Declaration of Condominium for Imperial Plaza Condominium recorded as Instrument No. 7935755 records of Ada County, Idaho, and incorporated herein. The foregoing formula for determining the ratio of Common Expenses and regular assessments shall remain regardless of the purchase price of the Units, their location, or their square footage.

5.2 Common Expenses Include. Common Expenses shall include, but not be limited to, the following expenses: water, sewage, garbage, electrical, gas, telephone and other necessary utility services for the Common Area, and (to the extent not separately metered or charged) for the Units; gardening and landscaping services for the Common Area; elevator maintenance and service charges; charges for maintaining, vacuuming and cleaning any portion of the Common Area, excluding Limited Common Area; insurance premiums for fire, windstorm and extended coverage insurance on the Condominium Property, and personal property of the Association, and public liability insurance and such other insurance as the Association shall deem necessary; legal, accounting and management fees necessary or proper for the maintenance and operation of the Common Area or the enforcement of this Declaration; all taxes and assessments, if any, levied or assessed separately against the Common Area; repair and replacement expenses (but only as to the Common Area, except for emergency repairs or replacements deemed necessary to protect the Common Area and properly chargeable to the individual Condominium Unit concerned); the creation of reasonable contingency or reserve requirements for the protection of members and the Condominium Property (i.e., reserves and/or replacements); all expenses declared to be Common Expenses by this Declaration; and all other expenses declared by the Directors to be Common Expenses.

5.3 Common Surplus. Common Surplus is the excess of all receipts of the Association, including, but not limited to, assessments, rents, and revenues on account of the Common Area of the Project, over the amount of the Common Expenses. Any Common Surplus of the Association shall be owned by each of the Unit Owners in the same proportion as their respective ownership interest in the Common Area. If any Common Surplus exists at the end of a calendar year, such Common Surplus shall be applied to reduce future assessments as provided in Subparagraph 7.2 (C) of Article VII, entitled "Maintenance Assessments and Association Funds."

ARTICLE VI

HOMEOWNERS ASSOCIATION

6.1 The Organization. The Association is a non-profit membership corporation organized under the laws of the State of Idaho. The Association shall have all the powers and duties set forth in the Condominium Property Act, as well as all of the powers and duties granted to or imposed upon it by this Declaration of Condominium, Articles of Incorporation, and the By-Laws of the Association. A copy of the Articles of Incorporation is attached as Exhibit "E", and incorporated herein. A copy of the By-Laws is attached as Exhibit "F", and is incorporated herein.

In the event that the Association as a corporate entity is dissolved, a non-profit, unincorporated association shall forthwith and without further action or notice be formed to succeed to all the rights and duties of the Association hereunder. The affairs of such unincorporated Association shall be governed by the laws of the State of Idaho and, to the extent not inconsistent therewith, by the Articles and By-Laws of the Association as if they were created for the purpose of governing the affairs of an unincorporated Association.

6.2 Membership. Each Owner of a Unit, by virtue of being an Owner, shall be a member of the Association, or in the event of its dissolution, a member of the unincorporated association succeeding to the Association, provided that any person or entity who holds an interest in a Unit merely as security for the performance of an obligation shall not be a member. Each Unit Owner shall be entitled to one (1) membership in the Association for each Unit owned. Association membership shall be appurtenant to and may not be separate from the ownership of any Unit. Upon termination of Unit Ownership, the membership in the Association shall also terminate. Ownership of a Unit shall be the sole qualification for membership in the Association. Except as otherwise provided herein, the rights, duties, privileges and obligations of all members of the Association, shall be as provided in this Declaration, the Articles, By-Laws and Rules of the Association. The membership of an Owner shall not be transferred, pledged or alienated in any way except upon transfer of title to the Owner's Unit and then only to the transferee of title to such Unit. Any attempt to make a prohibited transfer is void.

6.3 All Owners Subject to Declaration. Every Owner of a Condominium Unit whether he has acquired his Ownership by purchase, by gift, conveyance or transfer by operation of law, or otherwise shall be bound by the By-Laws and Articles of Incorporation of the Association, and by the provisions of this Declaration.

6.4 Voting Rights. All Unit Owners shall have one (1) vote for each Unit owned. When more than one person owns a single Condominium Unit, all Owners shall be members of the Association. However, the vote for each Unit must be cast as a unit. Fractional votes shall not be allowed and in no event shall more than one vote be cast with respect to any one Unit. Said vote shall be cast by the designated "Voting Owner" for that Unit as hereinafter provided. When more than one (1) person owns a single Condominium Unit, there shall be one "Voting Owner" for such Unit. The "Voting Owner" shall be designated by the record Owner or Owners of each Condominium Unit by written notice to the Board. Said designation shall be revocable at any time by actual notice to the Board given by any of the Unit Owners of record or by the death or judicially declared incompetence of any record Unit Owner. The power herein conferred to designate a "Voting Owner" and to revoke said designation may be exercised by the Unit Owner's conservator or by the guardian of his estate or, in the case of a minor having no guardian, the parent or parents entitled to custody of said minor, or during the administration of his estate, the executor or administrator of a deceased record Unit Owner where the latter's interest in said property is subject to administration in his estate where the Owner of Record is any other legal entity it shall designate the 'voting owner'. Any Voting Owner designated shall have all the rights privileges, and responsibilities of any other owner. Where no "Voting Owner" of a Condominium Unit has been designated or said designation has been revoked as provided, the vote for such Condominium Unit shall be exercised as the majority of co-owners of the Unit mutually agree. No vote shall be cast for any Condominium Unit where there is no designated "Voting Owner" and the majority of co-owners present and presenting said Condominium Unit cannot agree to said vote or other action.

A Unit Owner who has sold his property to a contract purchaser under an agreement to purchase shall be entitled to delegate to such contract purchaser his membership rights in the Association. Such delegation shall be in writing and shall be delivered to the Board before such contract purchaser may vote. However, the contract seller shall remain liable for all the charges and assessments until fee title to the property sold is transferred.

6.5 Voting Procedures. Any vote may be cast by an Owner in person or by proxy. All proxies shall be in writing, dated, signed by the Owners and filed with the Board of Directors before the commencement of any meeting. No proxy shall extend beyond a period of eleven (11) months after the filing of such proxy with the Board. Every proxy shall automatically cease upon the sale of the Unit by the Owner or upon the death or judicially declared mental incompetence of an Owner. When voting for the election or removal of a director or directors, each Owner may cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of votes to which that Owner is entitled and voting upon other matters, multiplied by the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of Board members to be elected, shall be deemed elected. Any director may be removed from office by a vote of the majority of the members entitled to vote at an election of directors; provided, however, that unless the entire Board is removed, an individual director shall not be removed if the number of votes cast against his removal exceeds the quotient arrived at when the total number of votes cast is divided by one (1) plus the authorized number of directors. If any or all directors are so removed, new directors may be elected at the same meeting.

6.6 Board of Directors.

A. The affairs of the Association will be managed by a Board consisting of the number of directors determined by the By-Laws but not less than three (3) directors. Directors of the Association shall be elected at the annual meeting of the members in a manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

6.7 Notice and Quorum and Location of Meeting. Written notice to the members of the Association shall be sent by the Secretary to all Members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all the votes shall constitute a quorum. If any meeting cannot be held because the required quorum is not present, a majority of the Voting Owners present may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called. The required quorum at the adjourned meeting shall be twenty-five percent (25%) of all Voting Owners.

The annual meetings of the Association shall be held on the day and time set forth in the By-Laws.

A special meeting of the members of the Association shall be promptly called by the President or if the President refuses by any member of the Board of Directors upon:

- (i) The vote for such a special meeting by a majority of a quorum of the Board of Directors; or
- (ii) Receipt by the Board of Directors of a written request for such a special meeting signed by Voting Owners representing not less than twenty-five percent (25%) of the total voting power of the Association.

The location of all such meetings shall be within the Project or as close thereto as is practicable and the written notice of such meeting shall state the location thereof, specifying the place, day and hour and, in the case of a special meeting, the nature of the business to be undertaken.

6.8 General Powers, Duties and Authority of the Association. The Association shall have all of the powers set forth in the Articles, together with the general power to do any and all things that a corporation organized under the laws of the State of Idaho may lawfully do in operating for the benefit of its members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws and this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of this Declaration and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety and/or general welfare of the Owners and guests of the Owners. The Association may delegate

any of its power to such committees, officers or employees thereof as a majority of the Board may deem appropriate. Without limiting the generality of the foregoing paragraph, the Association, for the benefit of all Condominiums and all Unit Owners, shall have the power, obligation and duty to enforce the provisions of this Declaration, and shall obtain and pay for out of the maintenance fund all Common Expenses, as that term is defined and used in Article V of this Declaration.

6.9 Capital Improvements. The Association may purchase or construct capital improvements in the Common Area and assess the Owners for the costs thereof provided that if the cost of such capital improvement, including furniture and fixtures, shall be in excess of five percent (5%) of the budgeted gross expenses for the current fiscal year, the authorization for such purchase must be by the affirmative vote of at least two-thirds (2/3) of the Voting Owners, voting in person or by proxy at a meeting duly called for this purpose; provided, however, that no such capital improvements shall be constructed without obtaining any and all approvals of governmental agencies as may be required by law.

No property owned by the Association having a fair market value in excess of five percent (5%) of the budgeted gross income of the Association shall be sold without the prior affirmative vote or written consent of a majority of the Voting Owners.

6.10 Power of Attorney. Whenever Partition may be had pursuant to Idaho Code Section 55-1511 (2) or this Declaration, each Unit Owner, his successors and assigns, does hereby grant to the Association an irrevocable Power of Attorney to sell the entire Project covered hereby for the benefit of all of the Unit Owners thereof, said power of sale to be exercised pursuant to Idaho Code Section 55-1505 (2) (j) (9).

6.11 Maintenance of Common Area. The Association shall have full power and authority to act for and on behalf of all the Unit Owners, and shall keep and maintain the Common Area (including Limited Common Area) in good condition and repair; shall provide for lighting, landscaping, gardening, and janitorial services as needed, and shall cause any and all other acts to be done which may be necessary to assure the maintenance of the Common Area in first class condition and repair including painting of the exterior of the building and such other portions of the Common Area as the Board in its discretion determines to be necessary. General cleaning and upkeep of the Limited Common Areas shall be the responsibility of the Unit Owner who is granted an exclusive easement for the use thereof. Contracts executed by the Board for materials and/or services for the Common Area may be for multiple years and must include a termination provision.

6.12 Authority for Entry for Maintenance or Construction. The Association, or its agents, may enter any Unit, and any portion of the Common Area to which a Unit Owner has been granted an exclusive easement or license, whenever such entry is reasonably necessary in connection with the performance of any maintenance or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to a Unit Owner as practicable, and only upon reasonable advance written notice of at least twenty-four (24) hours, except in emergency situations.

6.13 Annual Operating Statement. The Board shall prepare an annual operating statement reflecting income and expenditures of the Board from the maintenance fund for the preceding calendar year and the allocation thereof to each Unit as provided for in Article VII – 7.2 C. A copy of such report shall be distributed each fiscal year.

6.14 Manager. The Board shall employ a Manager and delegate the daily management duties to said Manager who shall be subject to the direction and control of the Board and who shall at all times reside on the Condominium Property in the area designated as the Manager's Unit. The Board may hire a professional manager or management company, provided that any contract with such professional manager or management company, and the compensation to be paid, for a term in excess of one year must be approved by at least fifty-one percent (51%) of the voting power of the Association, and provided further, that such contract provides for a resident Manager, who shall reside at all times in the aforementioned Manager's Unit. Any such agreement must further provide for termination by either party without cause and without payment of a termination fee on thirty (30) days written notice.

6.15 Consolidation and Mergers. To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes of this Association, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the Voting Owners voting in person or by proxy at a meeting duly called for this purpose. Written notice of said meeting (which notice shall set forth the purpose of the meeting) shall be given to all Members at least thirty (30) days in advance of the meeting.

6.16 Dedication. The Association, as the agent of all Owners, shall have the power to dedicate any of the Common Area to an appropriate public authority for public use, provided that any such dedication shall have the assent of seventy-five percent (75%) of the Voting Owners and all Mortgagees.

6.17 Project Rules

A. The Board may, from time to time, and subject to the provisions of this Declaration, make and amend reasonable Rules concerning the Condominium Property.

B. With respect to Subparagraph (A) above, the Rules may, without limitation and to the extent deemed necessary by the Board in order to preserve the benefits of the Project for all Owners, and the families, invitees, licensees and tenants of Owners, and for guests, restrict and/or govern the use of the Common Area including any Limited Common Area, by any guest, by any Owner, or by the family of such Owner, provided, however, that with respect to the use of the Common Area, the Rules may not discriminate between Owners and the families and lessees of Owners.

C. A copy of the Rules shall be furnished to each Unit Owner and each Unit Owner, his family, guests, employees, invitees, licensees, or tenants shall comply with such house rules.

6.18 Enforcement. The Board shall have the power, obligation and duty to enforce the provisions of this Declaration, the By-Laws and the Rules. In the event of a breach of any of the restrictions contained in this Declaration or of any Rules by a Unit Owner, his family, guests, employees, invitees, licensees, or tenants, the Board, for and on behalf of all other Unit Owners, may enforce the obligations of each Owner to obey such Rules or restrictions in any manner provided by law or in equity, including but not limited to, appropriate legal action, suspension of the Owner's right to use the common facilities of the Project or suspension of the Owner's voting rights; provided, however, such suspension may not be for a period in excess of thirty (30) days, after notice and hearing as herein provided, for an infraction of such rules. In addition to the other remedies herein set forth, the Board, by majority vote, may levy a fine against such Owner, after appropriate notice and hearing as herein provided, in an amount not to exceed One Thousand Dollars (\$1000.00) for each such violation and the payment of such fine may be enforced in the same manner as set forth in Article VII hereof. Prior to imposing any penalty provided herein for breach of any rules enacted hereunder or restrictions contained in this Declaration, the Board shall send written notice to the Unit Owner specifying the nature of the infraction and provide an opportunity to the Unit Owner to a hearing before the Board regarding such infraction and the penalty to be imposed. In the event that the Board determines that said infraction has occurred and that a penalty shall be imposed, after a reasonable opportunity for a hearing has been provided, the determination of the Board shall be final. Notwithstanding anything to the contrary herein contained, neither the Board nor the Association of Members shall have the power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his individually owned Unit on account of such Owner's failure to comply with the provisions of this Declaration or of the By-Laws or any Rules adopted by the Board relating to the operation of the Common Area or Common Area facilities except when such loss or forfeiture is the result of a judgment of a court or a decision arising out of arbitration or on account of a foreclosure or under the power of sale herein granted for failure of the Owner to pay the assessment levied pursuant to the provisions hereof. In the event legal action is instituted by the Board pursuant to this paragraph, any judgment rendered in any such action shall include costs of collection, court costs, and reasonable attorney's fees.

6.19 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable to Unit Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be repaired and maintained by the Association, or caused by the elements or other Owners or Persons.

ARTICLE VII

MAINTENANCE ASSESSMENTS AND ASSOCIATION FUNDS

7.1 Covenants for Maintenance Assessments. Declarant hereby covenants for each Condominium Unit owned by it within the Project, and each Owner of any Condominium Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association the assessments levied pursuant to this Article VII and thereby vest in the Association the right, power and authority to bring all actions for the collection of such charges and for the enforcement of the lien created hereby. Such right and power shall continue in the Association, and such obligations shall run with the land, so that each successive owner or owners of record of a Condominium in the Project shall in turn become liable to pay all such assessments which shall become a lien thereon during the time they are the record owner of any Condominium in the Project. Each assessment levied by the Association under this Article VII shall constitute a separate assessment. Each assessment, together with interest thereon, costs of collection and reasonable attorneys' fees, shall be a charge on the Condominium Unit and shall be a continuing lien upon the Condominium Unit against which each such assessment is made. The Association, as the agent of all Unit Owners, shall have a separate lien, and a separate lien with power of sale is hereby created upon each Condominium against which an assessment is made to secure the payment of any assessments under this Article VII. Each such lien for any particular month's charge shall likewise secure interest thereon if the same is not paid when due, and costs of suit and reasonable attorneys' fees to be fixed by the Court if action or suit is brought to collect such charge. The priority of all such liens shall be in inverse order so that upon the foreclosure of the lien for a particular month's charge, any foreclosure sale pursuant thereto will be made subject to all liens securing the respective monthly charges on such Condominium Unit for succeeding months. Each such assessment, together with such interest, attorneys' fees and costs of collection shall also be a separate, distinct and personal obligation of the Unit Owner of the Condominium at the time when the assessment fell due and shall bind his heirs, devisees, personal representative and assigns. The personal obligation for delinquent assessments shall not pass to an Owner's successor in title unless expressly assumed by such successor, but the lien for such delinquent assessment shall remain and if unpaid by such successive Unit Owner, it may be foreclosed as herein provided. No such assumption of personal liability by a successor Unit Owner shall relieve any Unit Owner personally obligated hereby for delinquent assessment for such Owner's personal liability therefor. After a record Unit Owner shall transfer record title to his Condominium, he shall not be liable for any charges thereafter assessed against such Condominium. A contract Seller of any Condominium Unit shall continue to be liable for all such charges until a conveyance by him of the Condominium subject to the assessment is recorded in the Office of the County Recorder of the county in which the Project is situated.

7.2 Monthly Assessments

A. Regular Assessments. The Board shall establish regular monthly assessments for the payment of the Common Expenses of the Project by the procedures established in this Paragraph. The Assessments shall be due and payable in monthly installments on the first day of each month during the continuance of this Declaration commencing on the first day of the first month following the sale of the first Condominium Unit.

B. Share of Common Expenses and Assessment. Each Unit Owner shall be liable for the Common Expenses and regular assessments as provided in Article V and Exhibit "D" of this Declaration.

C. Budgeting. The Board shall prepare a proposed budget for the coming year showing the estimated income and the total Common Expenses to be paid out of maintenance fund, including a reasonable reserve for contingencies and less any expected surplus from the prior year, and distribute a copy of the proposed budget to each member within 60 days after the expiration of the corporation fiscal year. All funds budgeted, allocated, assessed and collected for contingencies, deferred maintenance and replacement of capital improvements, shall be designated for that purpose and said funds shall be used solely for that specific purpose for which said funds have been designated. The Association shall give to each member an annual operating statement of income and expenses for the preceding year and the balance sheet and a budget for the next year within sixty (60) days after the expiration of the corporation's fiscal year. If such accounting shows a common surplus, such common surplus shall be carried over and applied to reduce future assessments or if it is of a sufficient amount the members at the annual meeting may vote to reduce the assessments for the upcoming year.

D. Additional Assessments. In the event the Association is required to make any Common Expense expenditure, the necessity for which was not foreseen at the commencement of the calendar year, or if the Board's original estimate of the annual assessment is inadequate and there are not sufficient funds available in the maintenance fund, the Board may levy an additional assessment, which additional assessment shall be charged to all Unit Owners in the same manner as regular assessments, except as otherwise expressly provided herein; provided, however, the Board shall not in any fiscal year of the Association, levy additional assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year unless the prior consent of Voting Owners representing greater than fifty percent (50%) of the voting power of the Association is first obtained.

7.3 Special Assessments. In addition to the regular assessments authorized by Paragraph 7.2 hereof, the Board may levy special assessments as provided in Article IX, entitled "Reconstruction or Repair After Casualty" and Article XI, entitled "Maintenance, Alterations and Improvements." Except as provided in the aforementioned Articles, the special assessments levied against each Unit Owner shall be in the same ratio as the percentage interest of each Unit Owner in the Common Area.

7.4 Reimbursement Assessments. The Board shall levy a reimbursement assessment against any Unit Owner and the Condominium Unit owned by each Unit Owner whose failure to comply with the provision of this Declaration or the Association Rules has necessitated an expenditure of monies by the Association from the maintenance fund in performing its functions under this Declaration. Such assessments shall be for the purpose of reimbursing the Association, shall be limited to the amount so expended, and shall be due and payable to the Association when levied.

7.5 Non-Waiver of Assessments. The omission by the Board, before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Unit Owner from the obligations to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of the Condominium.

7.6 Enforcement. Each Unit Owner of a Condominium on becoming such Owner, is and shall be deemed to covenant and agree to pay to the Association each and every of the assessments provided for in this Declaration, and shall be deemed to covenant and agree to the enforcement of all such assessments, in the manner herein specified. In the event an attorney or attorneys are employed for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of the Declaration, each Unit Owner agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amount due to any other relief or remedy obtained against said Unit Owner, and the same shall be included in any judgment in any suit or action brought to enforce collection of delinquent assessments. Any assessment not paid when due shall be deemed to be delinquent. Any assessment not paid within thirty (30) days after the date on which it becomes due shall thereafter bear interest from the date of delinquency at the rate of twelve percent (12%) per annum. In addition, to any other remedies herein or by law provided, the Association, or its authorized representative, may enforce the obligations of the Owners to pay the assessments provided for in this Declaration, and each of them, in any manner provided by law or in equity, and without any limitation of the foregoing, by either or both of the following procedures:

A. Enforcement by Suit. By commencement and maintenance of a suit at law against any Unit Owner or Owners personally obligated to pay assessments for such delinquent assessments as to which they are personally obligated, such suit to be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon, costs of collection, court costs and reasonable attorneys' fees in such amount as the court may adjudge against the delinquent Unit Owner. Suit to recover judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien hereinafter provided for.

B. Enforcement by Lien. There is a present lien, with power of sale, on each Condominium Unit to secure payment to the Association of any and all assessments levied

against such Condominium Unit pursuant to this Declaration, together with interest thereon as herein provided, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. No action shall be brought to foreclose the lien securing an unpaid assessment until Notice of Assessment Due signed by the Board (or by any Unit Owner if the Board fails or refused to act) has been delivered to the Unit Owner of the Condominium Unit subject to such assessment, and a copy of such notice recorded in the Office of the Recorder of Ada County. Said notice shall state the amount of the assessment together with the interest, costs and reasonable attorneys' fees, a description of the Condominium Unit against which the same has been assessed and the name or names of the record Unit Owner or Owners thereof. After the expiration of thirty (30) days from the date such Notice of Assessment Due has been recorded, an action may be commenced in the name of the Association to foreclose the lien or such action may be commenced by any Unit Owner if the Association fails to act. Upon the declaration of an assessment and the recording of notice thereof, the Association may, at its option, declare the entire balance of all sums then due or to become due from the Unit Owner due and payable, which total sum may then be included in any suit, action or proceeding brought to collect said sum, including all costs, charges and attorney's fees. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created hereunder, whether judicially, by power of sale, or otherwise, until the expiration of ten (10) days after a copy of said Notice of Assessment Due, showing the date of recordation thereof has been mailed to the Unit Owner of the Condominium Unit which is described in such Notice.

Each Unit Owner does hereby waive, to the extent of any liens created pursuant to the Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of Idaho now in effect, or in effect from time to time thereafter.

7.7 Power of Foreclosure and Sale. Each of the Unit Owners does hereby grant and appoint the Association as trustee to enforce any lien created pursuant to this Declaration and to foreclose such lien by private power of sale as provided in the Idaho Code Section 55-1518, as such statutes may be revised, amended or altered from time to time, or by judicial foreclosure and does further grant the Association, as such Trustee, the power and authority to sell the Condominium Unit of any such defaulting Unit owner, or any part thereof, to satisfy said lien, for lawful money of the United States to the highest bidder.

The lien provided for herein shall be in favor of the Association and shall be for the benefit of all Unit Owners and shall secure payment of all sums set forth in the Notice of Assessment together with all sums becoming due and payable in accordance with this Declaration after the date of recordation of said Notice of Assessment. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any Condominium. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each owner, by becoming an Owner of a Condominium, hereby expressly waives any objection to the enforcement and foreclosure of the lien created in this Declaration in the manner set forth herein and also hereby expressly waives the defense of the Statute of Limitations applicable to the bringing of any suit or action thereon.

7.8 Status of Assessment Lien. Upon request by any Unit Owner, the Association will furnish, for the benefit of any prospective purchaser or present or prospective encumbrancer of such Condominium, a statement showing all amounts then due which are secured by such lien. A reasonable fee, not to exceed Twenty-five Dollars (\$25.00) may be charged for the preparation of such statement.

7.9 Certificate of Discharge of Lien. Upon payment of the delinquent assessment or the satisfaction thereof, the Association shall cause to be recorded in the same manner as the Notice of Assessment a further certificate stating the satisfaction and release of the lien thereof. A failure to record said certificate of discharge without good cause within thirty (30) days after written demand by the Unit Owner of the affected Unit shall entitle him to recover a penalty of One Hundred Dollars (\$100.00) from the Board plus his actual damages.

7.10 Priority. Notwithstanding any provision to the contrary herein contained:

A. The lien for assessments created by this Declaration shall be subject and subordinate to and shall not affect the rights of the holder of any recorded first mortgage or first deed of trust upon such Condominium Unit made in good faith and for value.

For purposes of this Paragraph, a mortgage or deed of trust may be given in good faith or for value even though the mortgagee or the beneficiary of such mortgage or deed of trust has constructive or actual knowledge of the assessment lien provisions of this Declaration.

No amendment of this Paragraph shall affect the rights of the holder of any such mortgage or deed of trust recorded prior to recordation of such amendment unless the mortgagee or beneficiary thereof joins in the execution of such amendment.

B. The lien for assessments created by this Declaration shall be prior to all other liens except valid tax and special assessment liens in favor of any governmental authority and labor and materialmen's liens, to the extent required by law.

7.11 Non-Liability of the Mortgagee. Where the mortgagee of a mortgage of record obtains title to a Condominium Unit as a result of foreclosure of a first mortgage, or where a first mortgagee of record accepts a deed of said Condominium Unit in lieu of foreclosure such acquirer of title, its successors and assigns, shall not be liable for the share of Common Expenses or assessments by the Association pertaining to such Condominium Unit, or chargeable to the former Unit Owner of such parcel, which became due prior to the acquisition of title as a result of the foreclosure or the acceptance of such deed in lieu of foreclosure. Said unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses, collectible from all Unit Owners, including such acquirer, his successors and assigns.

7.12 Liability While Owner. Any person who acquires an interest in a Unit, except through foreclosure of a first mortgage of record or acceptance of a deed to said Unit in lieu of foreclosure of a first mortgage of record, shall not be entitled to occupancy of the Unit or enjoyment of the Common Area until such time as all unpaid assessments due and owing by the former Unit Owners have been paid.

7.13 Assignment of Lien by Association. The Association acting through its Board of Directors, shall have the right to assign its claim and lien rights for the recovery of any unpaid assessments to any Unit Owner or group of Unit Owners, or to any third party.

7.14 Association Funds. The assessments collected by the Association shall be properly deposited into two separate bank accounts selected by the Board, which accounts shall be clearly designated as the IMPERIAL PLAZA CONDOMINIUMS CURRENT MAINTENANCE AND OPERATION ACCOUNT and the IMPERIAL PLAZA CONDOMINIUMS DEFERRED CAPITAL MAINTENANCE AND REPLACEMENT ACCOUNT. The assessments collected by the Association shall be held in trust by the Association for and on behalf of each Unit Owner and shall be used solely for the operation, care and maintenance of the Project as provided in this Declaration. The Board shall allocate a portion of said funds as collected for the annual maintenance and operation of the Project as specified in the annual budget and the Board shall allocate a portion of said funds as collected as reserves for contingencies, replacement and deferred maintenance of the capital improvements of the Project as specified in the annual budget. Said funds shall be deposited, as allocated, into the appropriate bank accounts and said accounts shall be separately maintained by the Association. Upon sale or transfer of any Unit by any Owner, the Owner's interest in the trust funds shall be deemed automatically transferred to the successor or transferee of such Owner. In the event that the Board retains a professional management service, the Board may delegate the authority to deposit or withdraw funds to responsible representatives of the professional management agent so retained. Said professional management agent may additionally be authorized to establish a common trustee account for deposit of assessments as collected. Any funds deposited in such a common trustee account shall be allocated as previously specified herein.

7.15 Books of Accounts. The Board shall maintain full, complete and correct books of account of the operation of the Project and vouchers supporting expenditures and the same shall be open during all reasonable hours for inspection by any Unit Owner. Any Unit Owner may at any time and at his own expense cause an audit or inspection to be made of the books and records of the Association. Said books and records shall accurately detail in chronological order the receipts and expenditures affecting the Common Area, specifying and itemizing the maintenance and repair expenses of the Common Area and any other Common Expenses incurred.

ARTICLE VIII
INSURANCE

The insurance, other than title insurance, that shall be carried upon the Project, the property (both real and personal) of the Association, and the property of the Unit Owners shall be governed by the following provisions:

8.1 Coverage.

A. Liability. The Association shall obtain and maintain, to the extent reasonably available, comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors of the Association, but not less than One Million Dollars (\$1,000,000.00), insuring the Association, the Board and the Unit Owners against liability for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Area of the Project and the property of the Association. Said policy or policies shall provide cross-liability endorsements wherein the rights of named insured thereunder shall not be prejudiced as respects any action by one insured thereunder against another named insured.

B. Property Insurance. The Association shall obtain and maintain fire and extended coverage insurance insuring the Common Area, the Units, exclusive of improvements and betterments installed in Units by Unit Owners, and all of the property (real and personal) owned by the Association, in and for the interests of the Association, all Unit Owners, and their Mortgagees, as their interests may appear, in a company acceptable to the Board in an amount equal to the maximum insurance replacement value of the property as determined annually by the Board of Directors.

C. Workmen's Compensation. The Board of Directors of the Association shall obtain Workmen's Compensation Insurance in order to meet the requirements of law.

D. Other Insurance. The Association shall obtain such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

8.2 Purchase of Policies. All insurance policies upon the Project and the property of the Association shall be purchased by the Board of Directors of the Association. Unit Owners may obtain coverage at their own expense upon their personal property and for their personal liability and living expense.

8.3 Form. The named insured under policies purchased by the Board shall be the Association, individually, and as agent and trustee for the Unit Owners. Provisions shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the Mortgagees of Unit Owners. Such policies shall provide that payments by the insurer for losses shall be made to the Association, and all policies and their endorsements shall be deposited with the Board of Directors of the Association. In addition, all casualty and liability insurance policies carried pursuant to Paragraph 8.2, Article VIII, of this Declaration must provide that:

A. Unless acting within the scope of his authority on behalf of the Association, no act or omission by any Unit Owner will void the policy or be a condition to recovery under the policy.

B. The insurer shall waive its right to subrogation under the policy against any Unit Owner of the Condominium or members of his household.

C. Each Unit Owner is an insured person under the policy with respect to liability arising out of liability of his Ownership of an undivided interest in the Common Area or membership in the Association.

D. If, at any time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.

8.4 Cancellation. All insurance obtained pursuant to this Article shall provide that it may not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association, each Unit Owner and each Mortgagee to whom certificates of insurance have been issued.

8.5 Proceed Shares. Insurance policies purchased by the Board of Directors of the Association shall be for the benefit of the Association and the Unit Owners and their Mortgagees as their interest may appear. Proceeds paid under such policies shall be held for the benefit of the Unit Owners and their Mortgagees in the following shares:

A. Common Area. Proceeds on account of damaged Common Area—an undivided share for each Unit Owner, such share being the same as an undivided share in the Common Area appurtenant to his Unit.

B. Property (both real and personal) of the Association. Proceeds on account of damaged property of the Association—an undivided share for each Unit Owner, such share being the same as an undivided share in the Common Area appurtenant to his Unit.

C. Units. Proceeds on account of damage to Units shall be held in the following undivided shares:

(1) Where the building is to be restored, for the Owners of damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner, which costs shall be determined by the Board of Directors of the Association.

(2) When the building is not to be restored—an undivided share for each Unit Owner, such share being the same as he undivided share in the Common Area appurtenant to his Unit.

D. In the event a Mortgagee endorsement has been issued to a Unit, the share of the Unit Owner shall be held in trust for the Mortgagee and the Unit Owner as their interest may appear; provided, however, that no Mortgagee shall have any right to apply or have applied to the reduction of a Mortgage debt any insurance proceeds except distribution of such proceeds made to the Unit Owner and Mortgagee pursuant to the provisions of this Declaration.

8.6 Distribution of Proceeds. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the beneficial Owners in the following manner:

A. Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be to defray the cost of such. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Unit Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagees of a Unit, and may be enforced by such Mortgagees.

B. Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Owners, remittances to Unit Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit, and may be enforced by such Mortgagee. In the event of loss or damage to personal and/or real property belonging to the Association, and should the Board of Directors of the Association determine not to replace such personal and/or real property as may be lost or damaged, the proceeds shall be disbursed to the beneficial Owners as surplus, in the manner elsewhere stated herein.

8.7 Insurance Procured by Declarant. In order to facilitate the providing and maintaining of adequate and proper insurance, it is contemplated that Declarant may contract for blanket insurance coverage covering the Project as contemplated by this Article VIII prior to or concurrently within the first conveyance of a Condominium and any obligations or commitments for the payment of premiums for expenses otherwise incurred by Declarant under any such blanket policy or coverage, whether or not the same is also a personal obligation of the purchaser or purchasers of any Condominiums, shall become an obligation of the Association and shall be paid for out of Association funds.

ARTICLE IX

RECONSTRUCTION OR REPAIR AFTER CASUALTY; CONDEMNATION

9.1 Damage to Single Unit. If the project is damaged by fire or other casualty which is insured against and said damage is limited to a single Unit, the insurance proceeds shall be paid to the Owner or Owners of such Unit, or the mortgagees thereof as their respective interests appear and such Owner or mortgagees shall use the same to rebuild or repair such Unit. In the event the insurance proceeds are insufficient to complete such work, the Unit Owner shall pay and advance such additional sums as may be necessary to complete such rebuilding and repair.

9.2 Minor Damage. Where loss or damage extends to two (2) or more Units or to the Common Area or to the property of the Association, but said loss is less than “major damage” as hereinafter defined, it shall be obligatory upon the Association and the Unit Owner(s) to repair, restore and rebuild the damage caused by said loss. Where such loss or damage is less than “major damage”:

A. The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the costs of repair and restoration, including repair and restoration of any damaged Units, but not including any furniture, furnishings, fixtures, equipment, improvements or betterments installed by the Unit Owners(s) in the Unit(s).

B. The insurance proceeds shall be paid to the Association, and the Board shall thereupon contract to repair and restore the damaged portions of the Project, including all Units and the Common Area, and the damaged property of the Association.

C. If the net proceeds of the insurance are insufficient to pay for the estimated costs of restoration and repair (or for the actual costs thereof if the work has actually been done), the Board of Directors of the Association shall promptly, upon determination of the deficiency, levy a special assessment against all Unit Owners in proportion to the Unit Owner’s share in the Common Area, for the portion of the deficiency as is attributable to the cost of restoration of the Common Area and/or property of the Association and against the individual Owner for the portion of the deficiency that is attributable to his individual Unit; provided, however, that if the Board finds that it cannot determine with reasonable certainty the portion of the deficiency attributable to a specific individual damaged Unit or Units, then the Board shall levy an assessment for the total deficiency against all of the Unit Owners in proportion to the Unit Owner’s share in the Common Area, just as though all of said damage had occurred in the Common Area.

9.3 Major Damage. As used in this Declaration, or any other context dealing with the Project, the term “major damage” shall mean loss or damage whereby three-fourths (3/4) or more of the total Unit space in the Project is rendered untenable, or loss or damage whereby seventy-five percent (75%) or more of the total amount of casualty insurance coverage becomes payable. Should such “major damage” occur, then:

A. The insurance proceeds shall be paid to a bank, savings and loan association, or trust company designated by the Board. Said funds shall be held for the benefit of all Unit Owners and their Mortgagees, as their respective interests shall appear, pursuant to an insurance trust agreement consistent with the provisions of this Declaration, approved and executed by the Board.

B. The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the costs of repair and restoration, including the costs of repair and restoration of damaged Units, but not including any furniture, furnishings, fixtures, equipment, improvements, or betterments installed by the Unit Owner in the Unit.

C. Thereupon, a meeting of the Unit Owners shall be called by the Board of Directors of the Association, to be held not later than sixty (60) days after the casualty to determine the wishes of the Unit Owners with reference to the repair and restoration of the Project, subject to the following:

(1) The Project shall be repaired and restored unless two-thirds (2/3) of the Voting Owners and all first Mortgagees attending such meeting shall agree not to rebuild. In the event a Mortgagee should not agree to not rebuild, the Association shall have the option to purchase such Mortgage by payment in full of the amount secured thereby if two-thirds (2/3) of the Voting Owners are in agreement not to rebuild. The Association shall obtain the funds for such purpose by special assessment.

(2) If it is determined at such meeting that the Project is to be repaired and restored, the Board shall levy a special assessment against all Unit Owners in proportion to their interest in the Common Area to make up the deficiency, if any, between the total insurance proceeds and the cost of such repair and restoration.

(3) In the event that two-thirds (2/3) of the Voting Owners and all first Mortgagees attending such meeting agree not to rebuild, then the Board is hereby empowered to, as the agent for all Owners, sell the entire Project, including all Units, and the Common Area in its then present condition, on terms satisfactory to the Board. The net proceeds of such sale, together with the insurance proceeds, shall thereupon be distributed to the Unit Owners in proportion to their ownership interest in the Common Area, remittances to Unit Owners and their Mortgagees being payable jointly to them.

D. In the event any dispute shall arise as to whether or not "major damage" has occurred, it is agreed that such finding made by the Board of Directors of the Association shall be binding upon all Unit Owners.

9.4 Surplus. It shall be presumed that the first monies distributed in payment of costs of repair and restoration shall be from the insurance proceeds, and if there is a balance in the funds after the payment of all costs of the repair and restoration, such balance shall be distributed to the beneficial Owners of the fund in the manner elsewhere stated herein.

9.5 Plans and Specifications. Any repair and restoration must be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed, or according to the plans approved by the Board of Directors of the Association, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all first Mortgagees of record shall also be required.

9.6 Association's Power to Compromise Claims. The Board of Directors of the Association is hereby irrevocably appointed agent for each Unit Owner and for each Owner of a Mortgage or other lien upon a Unit and for each Owner of any other interest in the Project, for the purpose of compromising and settling all claims arising under the insurance policies purchased by the Board and to execute and deliver releases therefor upon payment of claims.

9.7 Mortgagee's Right to Advance Premiums. Should the Association fail to pay such premiums when due, or should the Association fail to comply with other insurance requirements, the Mortgagee holding the greatest dollar volume of Unit Mortgages shall have the right, as its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance and to the extent of the money so advanced, said Mortgagee shall be subrogated to the assessment and lien rights of the Association as against the individual Unit Owners for the payment of such items of Common Expense.

9.8 Condemnation of Common Area. If at any time all or any portion of any Common Area, or any interest therein, be taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the entire award in condemnation shall be paid to the holder or holders of the fee title to such area as their interests may appear. Any such award to the Association shall be deposited into the operating fund of the Association. No Owner shall be entitled to any portion of such award, and no Owner shall be entitled to participate as a party, or otherwise, in any proceedings relating to such condemnation, such right of participation being herein reverted exclusively to the Association, or other holder of the fee title which shall, in its name alone, represent the interests of all Unit Owners to the extent such Unit Owners have any interest in the Common Area.

ARTICLE X

USE AND OCCUPANCY RESTRICTIONS

10.1 Units.

A. Condominium Residential Units. Each Condominium Residential Unit shall be used as a single family residence.

A Condominium Residential Unit Owner shall be entitled to rent his Unit, provided that the Unit is rented or leased for a period of not less than thirty (30) days. Any rental or lease of a Unit shall be subject to this Declaration and the Rules established by the Board of Directors of the Association. Each tenant or lessee shall be provided with a copy of the Rules and this Declaration by the Unit Owner so renting or leasing. The Unit Owner shall be responsible for his tenant's or lessee's compliance with all provisions of this Declaration and the Rules pertinent to the occupancy and the use of the Unit and the use of the Common Area.

B. Condominium Commercial Units. Each Condominium Commercial Unit may be used as a professional office or offices, including medical and dental offices, and shall be used for no other purpose, without the approval of the Association. The use of the Condominium Commercial Units shall at all times comply with all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction, and the Rules established by the Board of Directors of the Association. A Condominium Commercial Unit or any portion thereof shall not be used either on a permanent or temporary basis, as a sleeping accommodation.

A Condominium Commercial Unit Owner shall be entitled to rent his Unit or a portion thereof, provided that the Unit or portion is rented or leased for a period of not less than thirty (30) days. Any rental or lease of a Unit shall be subject to this Declaration and the Rules established by the Board of Directors of the Association. Each tenant or lessee shall be provided with a copy of the Rules and this Declaration by the Unit Owner so renting or leasing. The Unit Owner shall be responsible for his tenant's or lessee's compliance with all provisions of this Declaration and the Rules pertinent to the occupancy and the use of the Unit and the use of the Common Area.

10.2 Use of Common Area. The Common Area shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units. There shall be no use of the Common Area except by the Unit Owners thereof, their invitees, guests or tenants. There shall be no obstruction of any of the Common Area. Nothing shall be stored, kept, or parked in the Common Area, without the prior consent of the Association. No storage closet, locker or facility of any kind shall be built, placed, or kept in any part of the Common Area without the prior approval of the Association. Nothing shall be done or kept in the Common Area which will increase the rate of insurance of any of the community facilities without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in the Common Area which will result in the cancellation of insurance on any Unit or any part of the Common Area or which would interfere with rights of other Unit Owners or which would be obnoxious or offensive to other Unit Owners or which would be in violation of any governmental statute, ordinance, rule or regulation. No waste shall be committed in the Common Area.

10.3 55 and Over. The Imperial Plaza Condominiums is a community for persons 55 years of age or older. No persons under 18 years of age may reside at the Imperial Plaza. Persons under 18 years of age may visit at the Imperial Plaza as guests for a maximum of sixty (60) overnight stays during a calendar year. Persons under the age of eighteen shall at all times be subject to the provisions of this Declaration and exhibits thereto, and also to the Rules promulgated by the Board.

10.4 Pets. No animals or pets of any kind shall be kept in any Unit or the Common Area except as may be required by City, State, or Federal law.

10.5 Nuisances. No use or practice which is either an annoyance to Unit Owners or an interference with the peaceful possession and proper use of the property by the Unit Owners shall be allowed. All parts of the Project shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be accumulated or any fire hazard allowed to exist. No nuisance shall be allowed upon the Project, to include, but not limited to, any of the Units or any property owned or operated by the Association.

10.6 Insurance. No Unit Owner shall permit any use of his Unit or make any use of the Common Area that will increase the cost of insurance upon the Condominium Property.

10.7 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property including, but not limited to, any of the Units and any of the property owned or operated by the Association. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Units, the Common Area, and any property owned or operated by the Association, shall be the same as the responsibility for maintenance and repair of the property concerned.

10.8 Care of Unit and Appurtenances. Each Unit Owner shall keep any Common Area to which he has been granted an exclusive right of use, clean, free of debris, and in a neat and orderly condition. Each Unit Owner shall keep the interior of the individual residence, and all fixtures, appliances and appurtenances therein and thereto in good condition and repair.

10.9 Exteriors. No change shall be made in the color of any exterior window, door, glass or screen of a Unit, except with the prior written consent of the Board. The exterior appearance of all drapes, reflective window coverings, or other such covering of the exterior doors and windows shall be uniform in color as prescribed by the Board. Unit Owners shall not create apertures in the exterior walls nor cause anything to be affixed, attached to, hung, displayed or placed on the exterior walls, doors or windows of the building, including the exterior surfaces of the balconies, nor shall the Unit Owner grow any kind of plant, shrubbery, flower, vine, or grass outside his Unit, except with the prior written consent of the Board, and further, when approved, subject to the Rules adopted by the Board. No clothesline or similar device shall be allowed on any portion of the Condominium Property nor shall clothes be hung anywhere except where designated by the Board.

10.10 Signs and Antenna Aerials. No signs, advertisements or notice of any type shall be displayed to the public view from any Unit or the Common Area, and no exterior aerial or antenna shall be placed on the Common Area or protruded from any Unit unless the Board consents in writing to the said signs, advertisements, notices or aerials.

10.11 Balconies. No balcony shall be enclosed. The appearance of the balconies shall not be altered in any manner whatsoever without the prior written consent of the Board.

10.12 Use of Parking Areas. The parking areas shall be used for parking vehicles only and shall not be converted for living, recreational or business purposes, nor shall anything be stored in any parking area so as to prevent the parking of an automobile therein. Camper and boat storage on the Common Area shall be permitted only pursuant to the Rules.

10.13 Rules. Reasonable rules and regulations concerning the use of the Condominium Property may be made and amended from time to time by the Board.

10.15 Use of Common Facilities. The Unit Owners and their invitees, tenants and guests may enjoy in common with all other Unit Owners in the Project, use of all facilities in the Common Area, so long as they abide by the terms of this Declaration and any rules and regulations which may be adopted by the Association, subject, however, to any grant of the exclusive easements and/or licenses to particular Unit Owners of balconies contained within the Common Area.

10.16 Smoking: Smoking is prohibited everywhere on the property, including but not limited to all indoor and outdoor common areas, all individual units, and all exclusive use areas (including balconies). Common areas include, but are not limited to, hallways, stairwells, storage areas, lobbies, elevators, garage, parking lots (including inside vehicles), grounds, building entrances and exits that are not part of a unit, and individual unit balconies). No owner shall smoke or permit smoking by any owners, family members, guests, employees, invitees, licensees, or tenants, etc.” Smoking in violation of this policy shall constitute a life-safety issue.

ARTICLE XI

MAINTENANCE, ALTERATIONS AND IMPROVEMENTS

11.1 Maintenance and Repair. Responsibility for the maintenance or repair of the Condominium Property shall be as follows:

A. The Owner of each Unit at his own expense shall maintain in good condition and repair his Unit. The Unit Owner shall also maintain in good condition and repair all equipment, fixtures, and appliances therein, including but not limited to all air conditioning and heating equipment located within his Unit and must promptly correct any condition which would, if left uncorrected, cause any damage to another Unit or the Common Area, and the Unit Owner shall be responsible for any damage caused by his willful, careless or negligent failure to act. Further, the Owner of each Unit shall, at his own expense, be responsible for the upkeep and maintenance of his Unit including, but not limited to painting, replastering, sealing and polishing of the interior furnished surfaces of the perimeter walls, ceiling and floor which constitute the boundary lines of the Unit, and such Unit Owner shall, at his own expense, maintain and replace when necessary all screens within or in a Unit and within or in the perimeter walls of a Unit, and all windows or plate glass in windows in in the perimeter walls of the Unit.

B. The Association shall be responsible and shall see to the maintenance, repair and operation of the Common Area, except that where the Common Area consists of a balcony, the Unit Owner who has the right to the exclusive use of said balcony shall be responsible, at his cost and expense, for the maintenance, care, and preservation of the balcony. The Association shall have all the powers necessary to discharge this responsibility and may exercise these powers exclusively if it so desires, and may delegate them as elsewhere provided by this Declaration.

11.2 Alterations of Units. No Unit Owner shall make or cause to be made any structural modifications or alterations in either his Unit, the water, gas, electrical, plumbing, air conditioning and heating equipment or utilities therein without the consent of the Association, which consent may only be withheld in the event the Board of Directors determines that such structural alterations or modification would in any manner endanger the building or significantly increase the Common Expenses of the Project. If the modifications or alterations desired by a Unit Owner involve the removal of any permanent interior partition, the Board shall permit same if the removal of the partition does not interfere with any common utility source. No Unit Owner shall cause any improvements or changes to be made to the exterior of the building, including painting, installation of electric wires, television antenna, or air conditioning units which in any manner change the appearance of the exterior of the building, or any portion not within the Unit without the consent of the Association. No Unit Owner shall install any television antenna, radio antenna, or electro-mechanical device upon any portion of the Condominium Property, or any property owned by the Association without the written consent of the Association.

After acquiring an adjoining Unit or an adjoining part of any adjoining Unit, a Unit Owner, with the prior written consent of the Association, may remove or alter any intervening partition, or create apertures therein, even if the partition in whole or in part is Common Area, and may create an aperture or apertures in the adjoining corridor walls for the purpose of relocating the corridor entrance to said Units. Said consent may be withheld only in the event the Board of Directors determines that the proposed acts will impair the structural integrity or mechanical systems or lessen the support of any portion of the Project. Removal of partitions or creation of apertures under this Paragraph do not constitute an alteration of the boundaries between Units.

In the event a Unit owner does make certain alterations or modifications in his Unit, the Unit Owner must use contractors and subcontractors who are licensed, and insured, and contractors and subcontractors must comply with all rules and regulations adopted by the Board of Directors. The Unit Owner shall be liable for all damage caused by the contractors, subcontractors and employees of the Unit Owners whether such damages are caused by negligence, accident or otherwise.

11.3 Alterations, Additions and Improvement to Common Area. The Association shall have the right to make or cause to be made substantial and material alterations, improvements, and additions to the Common Area provided the Association meets the following provisions: There shall be no alterations, improvements, or additions to the Common Area of the Project where the cost there is in excess of five percent (5%) of the annual budget of Common Expenses except when authorized by the Board of Directors and approved by two-thirds (2/3) of the Voting Owners; provided the aforesaid alterations and additions do not prejudice the right of any Unit owner unless his consent has been obtained. To defray the cost of the foregoing, the Board shall levy a special assessment against each Unit owner in proportion to his percentage interest in the Common Area, subject nevertheless to the following: Where any alterations, improvement, or addition, as aforesaid, are exclusively or substantially exclusively, for the benefit of the Unit owner requesting them, then the cost of such alteration, improvement, or addition shall be assessed against and collected solely from the Unit Owners exclusively or substantially exclusively benefitting, and the assessment shall be levied in such proportion as may be deemed fair and equitable by the Board of Directors. Where such alterations, improvement, or additions, exclusively or substantially exclusively benefit Unit Owners requesting same, said alterations improvements, or additions shall only be made when authorized by the Board and approved by not less than seventy-five percent (75%) of the Unit Owners exclusively or substantially exclusively benefitting therefrom, and where said Unit Owners are ten (10) or less, the approval of all but one (1) shall be required.

11.4 Maintenance of the Common Area. The maintenance and operation of the Common Area shall be the responsibility of the Association and a Common Expense.

11.5 Miscellaneous.

A. The Board of Directors may enter into a contract with any firm, person or corporation, or may join with other condominium associations and entities in contracting for the maintenance and repair of the Project and other type properties, and may contract for or may join with other condominium associations in contracting for the management of the Project and other type properties, and may delegate to the contractor or manager, all the powers and duties of the Association, except such as are specifically required by this Declaration or by the By-Laws to have the approval of the Board of Directors or the Membership of the Association.

B. The Board of Directors or the agents or employees of the Association shall, at all reasonable times, have access to all parts of the Common Area. The Unit Owner shall allow the Board of Directors, or the agents or employees of the Association, to enter into any Unit for the purpose of maintenance, inspection, repair or replacement of the improvements within the Unit or the Common Area, or to determine in case of emergency, circumstances threatening Units or the Common Area or to determine compliance with the provisions of this Declaration and the By-Laws of the Association.

C. In the event the Owner of a Unit fails to maintain said Unit as required herein or makes an alteration without the required written consent or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof. The Association shall be entitled to retain the services of an attorney to enforce compliance with this Article of Declaration, and shall be entitled to all reasonable attorney's fees incurred, including appellate attorney's fees and suit costs, from the non-compliant Unit Owner. In lieu thereof and in addition thereto, the Association shall have the right to levy an assessment against the Owner of a Unit and the Unit for such necessary sums to remove any unauthorized addition of alteration and to restore the property to good condition and repair. Said assessment shall have the same force and effect as all other special assessments.

ARTICLE XII

TERMINATION

12.1 The Project may be voluntarily terminated in the manner provided for in Section 55-1510 of the Condominium Property Act, at any time. In addition thereto, when there has been “major damage”, as defined in Article IX, captioned “Reconstruction or Repair after Casualty”, this Condominium shall be subject to termination, as provided in said Article IX. In addition thereto, if the proposed voluntary termination is submitted to a meeting of the Voting Members of the Association, pursuant to notice, and is approved in writing within sixty (60) days of said meeting by seventy-five percent (75%) of the total voting power of the Association and by all Mortgagees, then the Association, and the approving Owners shall have an option to purchase all of the Condominiums of the other Owners within a period expiring one hundred and twenty (120) days from the date of such meeting. Such approval shall be irrevocable until the expiration of the option, and if the option is exercised, the approval shall be irrevocable. The option shall be exercised upon the following terms:

A. Exercise of Option. An agreement to purchase, executed by the Association and/or the record Owners of the Condominiums who will participate in the purchase shall be delivered by personal delivery, or mailed by certified or registered mail, to each of the record Owners of the Condominiums to be purchased and such delivery shall be deemed the exercise of the option. The agreement shall indicate which Condominiums will be purchased by each participating Owner and/or the Association, and shall require the purchase of all Condominiums owned by Owners not approving the termination. But the agreement shall effect a separate contract between each seller and his purchaser.

B. Price. The sale price for each Unit shall be fair market value determined by agreement between the seller and the purchaser, within thirty (30) days from the delivery or mailing of such agreement; and in the absence of agreement as to price, it shall be determined by a duly qualified appraiser selected by the seller. The expenses of appraisal shall be paid by the purchaser.

C. Payment. The purchase price shall be paid in cash.

D. Closing. The sale shall be closed within thirty (30) days following the determination of the sale price.

12.2 Amendment. This section concerning termination cannot be amended without consent of all Unit Owners and of all record owners of Mortgages upon the Units.

ARTICLE XIII

EASEMENTS

There are hereby specifically reserved for the benefit of the Unit Owners, in common and for each Unit Owner severally, and the Association as their respective interests shall obtain, the easements, reciprocal negative easements, secondary easements, and rights of way as particularly identified in this Article.

A. There is reserved for the benefit of each Unit, as dominant tenement, an easement for utility services over, under and through the Project, including the Common Area and each other Unit, jointly, as the servient tenement.

B. There is reserved for the benefit of each Unit, as dominant tenement, an easement for encroachment, support, occupancy and use of such portion of the Project and each other Unit and the Common Area jointly as the servient tenement, as shall be encroached upon, used and occupied by the dominant tenement as a result of any accretion, erosion, addition, subsidence, deterioration, decay, construction errors, movement or subsidence of any residence building or structure or any portion thereof or any other cause. The easement of encroachment may be cured by repair and restoration of the structure.

C. There is hereby reserved to the Association an easement appurtenant to the Common Area and all other Units, as dominant tenements, through each Unit, as servient tenement, for the maintenance and repair of the Common Area.

D. There is hereby reserved to each Unit, as dominant tenement, a non-exclusive easement appurtenant to each Unit over and across the Common Area, as servient tenement for ingress and egress, and use and enjoyment of said Common Area subject to the limitations provided in this Declaration.

E. The Unit Owners of Units 202 through 1204, inclusive, shall have an exclusive easement, and such easement is hereby granted, for the use, possession and enjoyment of any Balcony or Balconies directly adjacent to said Unit as designated and delineated on the Plat. Said exclusive easements shall be subject, however, to the right of the Association to enter in and upon said Balconies for the purpose of maintaining and repairing the same pursuant to this Declaration and enforcing the terms hereof.

ARTICLE XIV

MORTGAGES

The purpose of this Article is to set forth in a convenient manner in one article of the Declaration the various provisions regarding Mortgages. This article is not intended to be a definitive recitation of all of the rights provided Mortgagees hereunder, and a failure to include in this Article any rights of Mortgagees contained in any other article of this Declaration and exhibits hereto shall have no effect whatsoever on the excluded rights.

14.1 Notice to Board of Directors. A Unit Owner who mortgages his Unit shall notify the Board of Directors of the Association of the name and address of his Mortgagee.

14.2 Rights of Mortgagees. Mortgagees of Units in the Project shall be entitled to the following rights and privileges:

A. Notice of Default. Mortgagees and/or their successors and assigns, having so requested in writing to the Association of such a Notice, shall be entitled to written notification from the Association of any default by the Mortgagor of any Unit in the performance of such Mortgagor's obligations under the Declaration and By-Laws which is not cured within thirty (30) days.

B. Unpaid Assessments. Any first Mortgagee who comes into possession of a Unit pursuant to the remedies provided in the Mortgage or foreclosure of the Mortgage shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which shall accrue prior to the time such holder comes into possession of the Unit, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit.

C. Priority of Assessment Liens. The lien for assessments created by this Declaration shall be subject and subordinate to and shall not affect the rights of the holder of any recorded first Mortgage upon such Condominium Unit made in good faith and for value. For purposes of this Paragraph, a Mortgage may be given in good faith and for value even though the Mortgagee has constructive or actual knowledge of the assessment lien provision of this Declaration.

D. Records and Meetings. Mortgagee shall have the rights to examine the books and records of the Association for the Condominium Project. Upon request, Mortgagee shall be entitled to receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year and written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

E. Notice of Casualty or Condemnation. The Board of Directors of the Association shall promptly notify each Mortgagee of any loss to, or taking of, the Common Area of the Condominium Project if such loss or taking exceeds Twenty-five Thousand Dollars (\$25,000.00).

F. Management. Any agreement for professional management of the Condominium Project shall provide that the management contract may be terminated for cause on thirty (30) days written notice and the term of any such contract shall not exceed one (1) year, renewable by agreement of the parties for successive one-year periods.

G. Reserve Fund. An adequate reserve fund for replacement and maintenance of the Common Area must be established by the Association and be funded by regular monthly assessments of Unit Owners.

H. Priority. No provision of this Declaration shall give a Condominium Owner, or any other party, priority over any rights of Mortgagees pursuant to their Mortgages in case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or taking of the Condominium Units and/or Common Area.

14.3 Mortgagee's Approvals.

A. Unless all first Mortgagees (based upon one vote for each first Mortgage owned) have given their prior written approval, the Association shall not be entitled to:

- (1) by act or omission seek to abandon or terminate the Project;
- (2) change any Unit or the share in the Common Area appurtenant to it, or change the formula for determining a Unit Owner's share of the Common Expenses;
- (3) partition or subdivide any Condominium Unit;
- (4) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. (The granting of easements for public utilities or for the public purposes consistent with the intended use of the Common Area by the Project shall not be deemed a transfer within the meaning of this clause.);
- (5) use hazard insurance proceeds for losses to the Condominium Property (whether to Units or to the Common Area) for other than the repair, replacement or reconstruction of such property, except as provided by statute in case of substantial loss to the Units and/or Common Area of the Project.

B. No amendment to this Declaration shall make any change either in Article VIII entitled "Insurance" or in Article IX entitled "Reconstruction or Repair After Casualty; Condemnation", unless the record owners of all Mortgages upon the Condominium Property shall join in the execution of the amendment.

C. No amendment to this Declaration shall either impair or prejudice the rights and priorities of any Mortgagees or change the provisions of this Declaration with respect to Mortgagees without the written approval of all Mortgagees or record.

ARTICLE XVI

MISCELLANEAOUS PROVISIONS

16.1 Mechanic's Liens. In case there shall be filed a Notice of Mechanic's Lien against the Project for, or purporting to be for, labor or material alleged to have been furnished or delivered at the Project or any Condominium Unit for the Unit Owner, the Unit Owner may forthwith cause such lien to be discharged by payment, bonding or otherwise. If the Unit Owner shall fail to cause such lien to be discharged by payment, bonding or otherwise, the Board may send written notice to said Unit Owner specifying that unless said Unit Owner discharges said lien within five (5) days from the date of said notice, then the Board may cause said lien to be discharged by payment or bond or otherwise. Within said five-day period, the Unit Owner shall be permitted to address a hearing of the Board regarding the validity of such lien or any offsets or defenses thereto. The Board shall determine whether such lien adversely and improperly affects and encumbers the Ownership interests of other Unit Owners. Such determination by the Board shall be deemed final. Should the Board determine that said lien adversely and improperly affects and encumbers Ownership interests of other Unit Owners and that no adequate protection of said interests has been provided, the Board may cause said lien to be discharged by payment, bond or otherwise. The Board shall have the right to collect from the Unit Owner responsible for said lien all amounts so paid together with interest thereon at the legal rate and all costs and expenses paid or incurred in connection therewith, including reasonable attorney's fees.

16.2 Instruction and Provisions. The provisions of this Declaration may be liberally construed to effect its purposes of creating a uniform plan for the development and operation of the Condominium development pursuant to the provisions of Idaho Code Section 55-1501 *et seq.* Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

16.3 Notices. Whenever notices are required to be sent hereunder, the same may be delivered to Unit Owners, either personally or by mail, addressed to such Unit Owners at their place of residence in the Project, unless the Unit Owners have, by written notice duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association shall be given by the affidavit of the person mailing or personally delivering said notices. Notices to the Association shall be delivered by mail to the Secretary of the Association or in case of the Secretary's absence, then the President of the Association, and in his absence, any member of the Board of Directors of the Association.

16.4 Captions. The captions used in this Declaration of Condominium and Exhibits annexed hereto, are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this Declaration or Exhibits annexed hereto.

16.5 Binding. This Declaration shall be for the benefit of and be binding upon all Unit Owners, their respective heirs, legatees, devisees, executors, administrators, guardians, conservators, successors, purchasers, lessees, encumbrancers, donees, grantees, mortgagees, lienors and assigns.

16.6 Severability of Provisions. The provisions hereof shall be deemed independent and severable, and the invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

16.7 Gender and Number. As used herein, the singular shall include the plural and the masculine shall include the feminine.

IN WITNESS WHEREOF, the undersigned Declarant has executed the within Declaration the day and year first above written.

(Signed by the Association President Henry E. Houst, Sr. and notarized on 22 June 1979. Original document on file in Imperial Plaza office)

CERTIFICATE OF CONSENT TO RECORDATION

(Recorded by Cornelis Kool in the Office of the Recorder of Ada County, Idaho and notarized in 1979.)

EXHIBIT "A"

LEGAL DESCRIPTION

Lots 1, 2, 3, 7, 8, and 9 in Block 38 of BOISE CITY ORIGINAL TOWNSITE,
According to the Plat thereof, filed in Book 1 of Plats at Page 1, Records of Ada County, Idaho,
together with that portion of the vacated alley adjoining said lots.

AMENDED EXHIBIT "B"
PLAT MAPS OF BUILDING

(Recorded with the Ada County Recorder's Office.)

AMENDED EXHIBIT " C "

TABLE OF COMMON AREA INTEREST

<u>Unit</u>	<u>Percentage of Common Area</u>	<u>Unit</u>	<u>Percentage of Common Area</u>
C-1-A	.8180	701	1.4635
C-1-B	1.0573	702	1.2129
C-2-A	.7614	703	1.9700
C-2-B	1.3525	704	1.4635
202	1.0662	705	1.4635
203	1.7700	706	1.2129
204	1.2969	801	1.4968
205	1.2969	802	1.2422
206	1.0662	803	2.0099
301	1.3302	804	1.4968
302	1.0956	805	1.4968
303	1.8100	806	1.2422
304	1.3302	901	1.5301
305	1.3302	902	1.2715
306	1.0956	903	2.0499
401	1.3635	904	1.5301
402	1.1249	905	1.5301
403	1.8500	906	1.2715
404	1.3635	1001	1.5634
405	1.3635	1002	1.3009
406	1.1249	1003	2.1299
501	1.3968	1004	1.5634
502	1.1543	1005	1.5634
503	1.8900	1006	1.3009
504	1.3968	1101	1.5968
505	1.3968	1102	1.3302
506	1.1543	1103	2.1299
601	1.4302	1104	1.5968
602	1.1836	1105	1.5968
603	1.9300	1106	1.3302
604	1.4302	1201	2.6097
605	1.4302	1202	2.6097
606	1.1836	1203	2.6097
		<u>1204</u>	<u>2.6097</u>
		67 UNITS	100.00%

AMENDED EXHIBIT " D "
COMMON EXPENSE FORMULA

1. Formula. A Unit Owner's share of the Common Expenses and regular assessments shall be determined by multiplying said Unit's Common Expense Factor by the Unit's Use Variable and dividing the product by the sum of all such products for all Units.

2. A. Use Variables. All Condominium Commercial Units shall have a Use Variable of one and one-fourth (1.25). All Condominium Residential Units used as a single family residence shall have a Use Variable of one (1). Any Condominium Residential Unit used as other than a single family residence shall have a Use Variable of one and one-fourth (1.25).

B. Common Expense Factors. The Common Expense Factors for the Units in the Project are as follows:

<u>Unit</u>	<u>Common Expense Factor</u>	<u>Unit</u>	<u>Common Expense Factor</u>
C-1-A	921	701	1020
C-1-B	1191	702	812
C-2-A	825	703	1340
C-2-B	1464	704	1020
202	812	705	1020
203	1340	706	812
204	1020	801	1020
205	1020	802	812
206	812	803	1340
301	1020	804	1020
302	812	805	1020
303	1340	806	812
304	1020	901	1020
305	1020	902	812
306	812	903	1340
401	1020	904	1020
402	812	905	1020
403	1340	906	812
404	1020	1001	1020
405	1020	1002	812
406	812	1003	1340
501	1020	1004	1020
502	812	1005	1020
503	1340	1006	812
504	1020	1101	1020
505	1020	1102	812
506	812	1103	1340
601	1020	1104	1020
602	812	1105	1020
603	1340	1106	812
604	1020	1201	1506
605	1020	1202	1506
606	812	1203	1506
		1204	1506

The foregoing formula for determining a Unit Owner's share of the Common Expenses, including the above set forth Use Variables and Common Expenses Factors, shall remain regardless of the purchase price of the Units, their location, or square footage.

2. Notification of Change of Use. Upon changing the use of a Condominium Residential Unit to other than a single family residence or upon the reversion of a Condominium Residential Unit to a single family residence, the Unit Owner of said Unit shall immediately provide the Board of Directors of the Association with written notice of such change. Upon notice of the change, the Board shall promptly re-determine each Unit Owner's share of the Common Expenses and notify the Unit Owners of their new assessments.

EXHIBIT " E "

ARTICLES OF INCORPORATION
OF
IMPERIAL PLAZA CONDOMINIUM ASSOCIATION, INC.

The undersigned, by these Articles, associate themselves for the purpose of forming a corporation not for profit under the laws of the State of Idaho, Idaho Code, Title 30, Chapter 10, and certify as follows:

ARTICLE I

NAME AND ADDRESS

The name of the corporation shall be "Imperial Plaza Condominium Association, Inc.". For convenience, the corporation shall be referred to in this instrument as the "Association". The business address of the Association shall be 200 North 3rd Street, Boise, Ada County, Idaho 83702.

ARTICLE II

PURPOSE AND POWERS

1. The Association shall be a non-profit membership corporation and is organized to provide an entity pursuant to the Idaho Condominium Property Act, Idaho Code, Title 55, Chapter 12, for the operation of "Imperial Plaza Condominiums" (hereinafter referred to as the "Subject Property") located at 200 North 3rd Street, Boise, Ada County, Idaho. The specific purposes for which it is formed are to operate, manage, maintain, preserve and control the Common Area within the "Subject Property", to provide for project management, architectural control, use restrictions and maintenance regarding the Units within the Subject Property and to otherwise promote the health, safety and welfare of the community of residents within the above-described Subject Property. Its powers are and shall be consistent with the provisions of the Idaho Condominium Property Act.

2. In furtherance of the foregoing purposes, this Association shall have power to:

(a) Exercise all the powers and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Condominium for Imperial Plaza Condominiums (hereinafter referred to as the "Declaration") recorded or to be recorded by Imperial Condominium Company, Inc., an Idaho corporation (hereinafter referred to as "Declarant"), in the Office of the Recorder of Ada County, Idaho, including, but not limited to, the operating and maintaining of all Common Areas in the project, maintaining Units in the project, fixing assessments to be levied against Units in the Project, and enforcing any and all covenants, conditions and restrictions applicable to the Subject Property.

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase, lease or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate to public use or otherwise dispose of real or personal property in connection with the affairs of the Association; provided that the Association shall not sell any property of the Association having an aggregate fair market value in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the assent of the majority of the Members.

(d) have and to exercise any and all the common law and statutory powers of a corporation not for profit organized under the laws of the State of Idaho not in conflict with the terms of these Articles;

(e) to carry on any activity whatsoever, either as principal agent or partner, which this corporation may deem proper or convenient in connection with any of the foregoing purposes or otherwise, or which may be calculated directly or indirectly to promote the interests of this corporation in the promotion of the common benefit and enjoyment of the community of residents of the Subject Property.

The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and the purposes and powers stated in each clause shall, except where otherwise expressed, be in no way limited or restricted by any reference to or inference from the terms and provisions any other clause, but shall be regarded as independent purposes and powers. Notwithstanding any of the above statements of purposes and powers, this corporation shall not engage in activities which themselves are not in furtherance of the purposes set forth in this Article II and nothing contained in the foregoing statement of purposes shall be construed to authorize this corporation to carry on any activities for the profit of its Members or to distribute any gains, profits, or dividends to any of its Members as such.

ARTICLE III

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Unit within the Subject Property, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold any such interest merely as security for the performance of an obligation. Membership may be appurtenant to and may not be separated from ownership of any such Unit. Membership in the Association shall be evidenced by a certificate of membership issued in the form and manner provided for in the By-Laws of the Association.

ARTICLE IV

VOTING RIGHTS

Members of the Association, including Declarant, shall be entitled to one (1) vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they among themselves determine. Fractional votes shall not be allowed, and in no event shall more than one (1) vote be cast with respect to any Unit. Said vote shall be cast by the designated "Voting Owner" for that Unit as provided in the Declaration.

ARTICLE V

PERPETUAL EXISTENCE

The Association shall have perpetual existence.

ARTICLE VI

DIRECTORS

1. The affairs of the Association will be managed by a Board consisting of the number of directors determined by the By-Laws but not less than three (3) directors. Directors of the Association shall be elected at the annual meeting of the Members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

2. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

Henry E. Houst, Sr.
200 N. 3rd
Suite 1203
Boise, Idaho 83702

Henry E. Houst, Jr.
200 N. 3rd
Suite 1101
Boise, Idaho 83702

Eugene Craig Houst
Route 1 Highway 55
Floating Feather Mobile Home Court
Apartment B
Boise, Idaho 83702

ARTICLE VII

OFFICERS

The affairs of the Association shall be administered by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the Members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President	Henry E. Houst, Sr. 200 N. 3 rd Suite 1203 Boise, Idaho 83702
Vice President	Eugene Craig Houst Route 1 Highway 55 Floating Feather Mobile Home Court Apartment B Boise, Idaho 83702
Secretary-Treasurer	Henry E. Houst, Jr. 200 N. 3 rd Suite 1101 Boise, Idaho 83702

ARTICLE VIII

INDEMNIFICATION

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association whether or not he is a director or officer at the time such expenses are incurred, except with the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duty; provided, that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such a settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE IX

BY-LAWS

The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided by the By-Laws. Provided, that prior to the time that the Declaration of Condominium for Imperial Plaza Condominiums is filed for public record, said first Board of Directors shall have full power to amend, alter or rescind said By-Laws by a majority vote.

ARTICLE X

AMENDMENTS

Amendments to the Articles of Incorporation shall be composed and adopted in the following manner:

1. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
2. A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the Voting Owners. Voting Owners not present in person may express their approval by proxy executed in the customary corporate manner, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, approval of the Amendment must be either by:
 - (a) Not less than seventy-five percent (75%) of the entire membership of the Board of Directors and by not less than seventy-five percent (75%) of the voting power of the Association; or
 - (b) If the proposed change to the Articles of Incorporation has received unanimous approval of the Board of Directors, a majority vote of the Voting Owners; or
 - (c) Until the first election of the Directors by the Unit Owners entitled to vote, all of the Directors; or
 - (d) Not less than eighty percent (80%) of the voting power of the Association.
3. Provided, however, that no amendment shall make any changes in the qualification for membership nor the voting rights of Members, nor any changes in Section 2 of Article VI without approval in writing of all Unit Owners and amendment shall be made that is in conflict with the Condominium Property Act or the Declaration.

ARTICLE XI

SUBSCRIBERS

The names and addresses of the subscribers to these Articles of Incorporation are as follows:

Henry E. Houst, Sr.
200 N. 3rd
Suite 1203
Boise, Idaho 83702

Henry E. Houst, Jr.
200 N. 3rd
Suite 1101
Boise, Idaho 83702

Eugene Craig Houst
Route 1 Highway 55
Floating Feather Mobile Home Court
Apartment B
Boise, Idaho 83702

ARTICLE XII

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of this corporation is 200 North 3rd Street, Boise, Ada County, Idaho 83702, and the name of the initial registered agent of this corporate at that address is Henry E. Houst, Sr.

IN WITNESS WHEREOF, the subscribers hereto have hereunder affixed their signatures this _____ day of _.

(Signed by the Association President, Vice President and Secretary and notarized on 26 June 1979. Original document on file in Imperial Plaza office)

EXHIBIT "F"
BY-LAWS
OF
IMPERIAL PLAZA CONDOMINIUM ASSOCIATION

ARTICLE I
IDENTITY

1. These are the By-Laws of Imperial Plaza Condominium Association, Inc., a corporation not for profit under the laws of the State of Idaho, hereinafter referred to as "Association". The purpose for which the Association is organized is to provide an entity pursuant to Idaho Code, Title 55, Chapter 15, hereinafter referred to as the "Condominium Property Act" for the operation of Imperial Plaza Condominiums, located at 200 North 3rd Street, Boise, Ada County, Idaho.

2. The office of the Association shall be at the Condominium Property, or at such other place as may be designated by the Board of Directors of the Association.

3. All words and phrases, as used herein, shall have the same definitions attributed them in the Declaration of Condominium for Imperial Plaza Condominiums filed or to be filed in the Office of the Recorder of Ada County, Idaho, to which these By-Laws are attached.

ARTICLE II
MEMBERSHIP

1. Membership in this Association shall be limited to the Owners of the Condominium Units in the above mentioned Condominium Project. Transfer of Unit ownership, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership shall be vested in the transferee.

2. A Unit Owner who has sold his property to a contract purchaser under an agreement to purchase shall be entitled to delegate to such contract purchaser his membership rights in the Association. Such delegation shall be in writing and shall be delivered to the Board before such contract purchaser may vote.

ARTICLE III
MEETING OF MEMBERS: VOTING

1. Annual Meetings. The annual meetings of the Association shall be held on the second Tuesday of April of each succeeding calendar year at the hour of 7:00 o'clock p.m. In the event the Annual Meeting cannot be held at said time or place, then the Board shall reschedule the meeting with proper notice and the meeting will occur no more than forty-five (45) days after the 2nd Tuesday of April. If the day for the annual meeting of the members is a legal holiday, the meeting shall be held at the same hour on the first day following which is not a legal holiday. Meetings shall be held in the lobby or such other location within a reasonable distance from the Project as the Board may specify in writing.

2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors.

A special meeting of the Members of the Association shall be promptly called by the President or if the President refuses, by any Member of the Board of Directors upon:

(a) the vote for such a special meeting by a majority of a quorum of the Board of Directors; or

(b) receipt by the Board of Directors of a written request for such a special meeting signed by Members representing not less than fifteen percent (15%) of the voting power residing in Members.

3. Notice of Meetings. Written notice of regular and special meetings of the Members shall be given by or at the direction of the Secretary of the Association or other persons authorized to call the meeting by mailing or personally delivering a copy of such notice, at least ten (10) days but not more than thirty (30) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. If mailed, the notice shall be deemed to be delivered twenty-four (24) hours after its deposit in the United States mail, postage prepaid, to the Member at his address as provided herein.

4. Waiver of Notice. Any Member may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Member at any meeting shall be a waiver of notice by him of the time and place of the meeting.

5. Quorum. The presence at the meeting of Members entitled to cast, (or of proxies entitled to cast), fifty percent (50%) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration and these By-Laws. If, however, such quorum shall not be present or represented at any meeting, a

majority of the Voting Owners present, in person or by proxy, shall have the power to adjourn the meeting, without notice other than announcement at the meeting, to another time which shall be to a date not less than five (5) but not more than thirty (30) days from the date of the original meeting. The quorum for any such adjourned meeting shall be twenty-five percent (25%) of the voting power of the Association.

6. Voting Rights. All Unit Owners shall have one (1) vote for each Unit owned. When more than one person owns a single Condominium Unit, all Owners shall be members of the Association. However, the vote for each Unit must be cast as a Unit. Fractional votes shall not be allowed and in no event shall more than one vote be cast with respect to any one Unit. Said vote shall be cast by the designated "Voting Owner" for that Unit as provided in Article VI, Paragraph 6.4, of the Declaration.

7. Proxies. Any vote may be cast by an Owner in person or by proxy. All proxies shall be in writing, dated, signed by the Owners and filed with the Board of Directors before the commencement of any meeting. No proxy shall extend beyond a period of eleven (11) months after the filing of such proxy with the Board. Every proxy shall automatically cease upon the sale of the Unit by the Owner or upon the death or judicially declared mental incompetence of such Owner.

8. Cumulative Voting. Every Member entitled to vote for the election or removal of a Director or Directors may cumulate his votes and give one candidate a number of votes equal to the number of Directors to be elected, multiplied by the number of votes to which he is entitled, or distribute his votes on the same principal among as many candidates as he thinks fit.

9. Chairman. The President of the Association shall act as the Chairman of the Annual Meeting of Members and any special meetings of the Members.

10. Order of Business. Order of business at annual Members' meetings and as far as practical at other Members' meetings shall be:

- (a) Calling of the roll and certifying of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of inspectors of election.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

11. Minutes. Minutes of all meetings of Unit Owners shall be kept in a businesslike manner and available for inspection by Unit Owners at reasonable times.

ARTICLE IV

BOARD OF DIRECTORS

1. Membership. The affairs of the Association shall be managed by a Board of Directors of not less than three (3) nor more than five (5) Directors, the exact number to be determined at the time of election; Directors shall be Members of the Association in good standing.

2. Term of Office.

A. Board Elected at Regular Annual Meetings. Directors elected at the regular annual meeting of the Association shall hold office for a term of two (2) year(s).

3. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of the Members. The Nominating Committee shall consist of a chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors at its first regular meeting after the annual meeting of the Members. The appointed Members shall serve from the close of the annual meeting at which they were nominated until close of the next annual meeting. The persons appointed as Members of the Nomination Committee succeeding shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among the Members only.

4. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under provisions of the Declaration, the Articles and these By-Laws. The persons receiving the largest number of votes for a Director or Directors shall be deemed elected. Each Member may cumulate his votes and give one candidate a number of votes equal to the number of Directors to be elected, multiplied by the number of votes to which he is entitled, or distribute his votes on the same principal among as many candidates as he thinks fit.

5. Disqualification and Resignation of Directors. A Director may resign at any time by delivering written notice to the Board of Directors, its presiding officer, or to the President or the Secretary.

Commencing with the organizational meeting of a newly elected Board of Directors following the first annual meeting of the Members of the Association, more than three (3) consecutive absences from regular meetings of the Board of Directors, unless excused by resolution by the Board of Directors, shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors.

Commencing with the Directors elected at such first annual meeting of the membership, the transfer of title of his Unit by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors. No member shall continue to serve on the Board should he be more than thirty (30) days delinquent in the payment of an assessment, and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

6. Removal.

A. Removal Prior to Expiration of Term. Unless the entire Board is removed from office, by the vote of Association Members, an individual Director shall not be removed prior to the expiration of his term of office if the number of votes cast against his removal is greater than the quotient arrived at by dividing the total number of votes that may be cast under cumulative voting procedures by a divider representing one (1) plus the authorized number of governing Board Members.

B. Successor Elected by Remaining Board Members. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board of Directors and shall serve for the unexpired term of his predecessor.

7. Compensation. No Director shall receive compensation for any services rendered to the Association. However, a Director may be reimbursed for his reasonable expenses actually incurred in the performance of his duties as a Director of the Association.

ARTICLE V

MEETINGS OF DIRECTORS

1. Organizational Meetings. The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election, at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

2. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the date named for such meeting by the Secretary of the Association.

3. Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-half (1/2) of the Directors. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

4. Notice to Members. All meetings of the Board of Directors shall be open to all Unit Owners and notices of meetings shall be posted conspicuously forty-eight (48) hours in advance for the attention of Unit Owners, unless the meeting is called for the purpose of resolving some emergency and the forty-eight (48) hour notice cannot be met.

5. Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place of the meeting.

6. Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Declaration of Condominium, the Articles of Incorporation or these By-Laws.

7. Adjourned Meetings. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting, as originally called, may be transacted without further notice.

8. Joinder of Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.

9. Presiding Officer. The presiding officer of Directors' meetings shall be the Chairman of the Board, if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

10. Order of Business. The order of business at Directors' meetings shall be:

- (a) Calling of roll.
- (b) Proof of due notice of meeting.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers and committees.
- (e) Election of officers.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

11. Action Without a Meeting. On an emergency basis the Directors shall have the right to take any action, without a meeting, as may be required for the efficient and expeditious operation and conduct of the Association's business and which it otherwise would have the power and authority to take at a meeting; provided, however, the prior written consent of all Directors to such action is first obtained and provided further that written notice to Association Members of the action so taken without a meeting shall be posted in a conspicuous place in the Project Common Area. Any action so taken without a meeting and with such approval shall have the same effect as though taken at a duly noticed meeting of the Board.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. Powers. The Board of Directors shall have the power to:

(a) Enforce the provisions of the Declaration and to adopt and publish rules and regulations governing the use of the Common Area and the facilities located therein, including, but not limited to, Limited Common Areas, if any, as defined in the Declaration, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction of said Declaration and/or Rules.

(b) Suspend the voting rights and right to use of the Common Area and the facilities located therein by a Member during any period in which such Member is in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations; provided, however, in either event, the Association cannot abridge an Owner's right to use his individually owned Unit except where such loss or forfeiture is the result of the judgment of a court, or a decision arising out of an arbitration or on account of a foreclosure or sale.

(c) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration.

(d) Employ a manager, an independent contractor, or such other employees as they deem necessary and to prescribe their duties.

(e) Levy a fine against any Unit Owner who shall fail or refuse to obey the Project Rules, provided such fine shall not exceed One Thousand Dollars (\$1000.00) for any infraction of such Rules.

(f) Designate one or more committees, which to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management of the business and affairs of the Association. Such committee shall consist of at least three (3) members of the Association. One of the members of the committee shall be a Director of the Association and the other members of the committee shall be Owners of either a Condominium Residential Unit or a Condominium Commercial Unit. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee or committees shall keep regular minutes of their proceedings and report the same to the Board of Directors, as required. The foregoing powers shall be exercised by the Board of Directors or its contractor or employees, subject only to approval by Unit Owners authorized to vote when such is specifically required.

2. Limitation of Powers. Without the vote or written assent of a majority of the Members, the Board shall be prohibited from taking any of the following actions:

(a) Entering into a contract with a third person for goods or services for the Common Area or the Association for a term longer than one (1) year with the following exceptions:

(1) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.

(2) A contract with a public utility if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(3) Prepaid casualty or liability insurance of not more than three (3) years duration provided that the policy permits for short rate cancellation by the insured.

(b) Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(c) Selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(d) Paying compensation to Members of the Board or officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a Member or Officer to be reimbursed for his expenses incurred, if reasonable, in carrying on the business of the Association.

3. Duties. It shall be the duty of the Board of Directors to undertake all duties and responsibilities of the Association as expressed in the Declaration and the management and conduct of the affairs of the Association, except as expressly reserved to a vote of the Membership. Such duties shall include but are not limited to, the following:

(a) Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote. The Association shall give to each Owner an annual statement of income and expenses for the preceding year, and a budget for the next year within sixty (60) days after the expiration of the corporation's fiscal year. An audit of the Association's books may be requested by the Board or by 50% of the Owners, in writing, at any time, with expense to be borne by the Association.

(b) Supervise all officers, agents and employees of the Association and see that their duties are properly performed.

(c) As more fully provided in the Declaration to:

(1) Fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or collect the rents from any Unit, the assessments for which are not paid within thirty (30) days after due date, or to bring an action at law against the Owner personally obligated to pay the same.

(d) Issue or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates not to exceed Twenty-five Dollars (\$25.00). If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) Procure and maintain adequate insurance on the Common Area and units as provided in Article VIII entitled "Insurance", of the Declaration.

ARTICLE VII

OFFICERS AND THEIR DUTIES

1. Enumeration of Officers. The officers of this Association shall be President and Vice President, who shall at all times be Members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for two (2) year unless he shall sooner resign, or shall be removed or otherwise be disqualified to serve.

4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. An officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve the remainder of the term of the officer he replaces.

7. Multiple Offices. Any two or more offices may be held by the same person, except the offices of President and Secretary.

8. Duties. The duties of the officers are as follows:

A. President. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes. In the absence of the President and/or Treasurer any of the other Board members may be authorized to co-sign checks and the signature authorization sheet for the bank shall be signed by Board members authorized to co-sign checks.

B. Vice President. The Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by him by the Board.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal (if any) of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

D. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association, keep proper books of account; shall prepare an annual Operating Statement reflecting income and expenditures of the Board from the maintenance fund for the preceding calendar year and the allocation thereof to each Unit and a Balance Sheet as of the last day of the Association's fiscal year. A copy of such report shall be distributed to each Unit Owner within sixty (60) days after the end of each fiscal year.

ARTICLE VIII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member, or his duly appointed representative. The Declaration, the Articles of Incorporation and these By-Laws shall also be available for inspection by any Member at the Association's principal office where copies may be purchased at a reasonable cost.

ARTICLE IX

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at a rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or facilities located thereon or abandonment of his Unit.

ARTICLE X
CORPORATE SEAL

The Board may (but shall not be required to) adopt, use and at will alter a corporate seal. Such seal, if adopted, shall be affixed to all corporate documents, but failure to affix the seal to any corporate instrument shall not affect the validity thereof.

ARTICLE XI
AMENDMENTS

1. Amendments. These By-Laws may be amended in the following manner:

A. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

B. A resolution adopting the proposed amendment may be proposed by either the Board of Directors of the Association or by the Condominium Unit Owners. Directors and Condominium Unit Owners not present in person at the meeting considering the amendment may express their approval by proxy provided such proxy is delivered to the Secretary at or prior to the meeting. Except as otherwise provided, such approvals must be either by:

(i) Not less than seventy-five percent (75%) of the entire membership of the Board of Directors and by not less than seventy-five percent (75%) of the voting power of the Association; or

(ii) By not less than eighty percent (80%) of the voting power of the Association;

C. Proviso. Provided, however, that no amendment shall discriminate against any Unit Owner nor against any Unit or class or group of Units unless the Unit Owner so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium.

2. Record of Amendments. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the public records of Ada County, Idaho.

ARTICLE XII

ACQUISITION OF UNITS

At any foreclosure sale of a Unit, the Board of Directors may, with the authorization and approval by the affirmative vote of sixty percent (60%) of the Condominium Unit Owners entitled to vote who are present at any regular or special meeting of the Unit Owners wherein said matter is voted upon, acquire in the name of the Association, or its designees, a Condominium Unit being foreclosed. The term "Foreclosure", as used in this Section, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a condominium Unit at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the Board of Directors or of the Association to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power of the Board of Directors to do so should the requisite approval of the voting Members be obtained. The Board of Directors shall not be required to obtain the approval of Unit Owners at the foreclosure sale of a Unit, due to the foreclosure of the Association's lien for assessments under the provisions of Article VII of the Declaration of Condominium, captioned "Maintenance Assessments and Association Funds", notwithstanding the sum the Board of Directors determines to bid at such foreclosure sale.

ARTICLE XIII

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any such former Owner or Member from any liability or obligation incurred under or in any way connected with the Condominium Project during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former Owner and Member arising out of, or in any way connected with, such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIV

LIMITATION ON LIABILITY

Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or by other owners or persons.

ARTICLE XV

RULES AND REGULATIONS

1. Rules. The Board of Directors may, from time to time, adopt or amend previously adopted administrative rules and regulations governing the details of the operation, use, maintenance, management and control of the Common Area and Limited Common Areas, and any facilities or services made available to the Unit Owners. A copy of the Rules and Regulations adopted from time to time, as herein provided, shall, from time to time, be posted in a conspicuous place.

2. As to Condominium Units. The Board of Directors may, from time to time, adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the Condominium Units, provided, however, that copies of such Rules and Regulations, prior to the time the same become effective, shall be posted in a conspicuous place on the Condominium Property, and/or copies of same shall be furnished to each owner.

3. Conflict. In the event of any conflict between the Rules and Regulations adopted, or from time to time amended, and the condominium documents, or the Condominium Property Act, the latter shall prevail. If any unreconciled conflict should exist or hereafter arise with respect to the interpretation of these By-Laws and the Declaration of Condominium to which these By-Laws are attached, the provisions of said Declaration shall prevail.

ARTICLE XVI

CERTIFICATE OF MEMBERSHIP

1. Certificate of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which may be in such form as may be determined by the Board. Such certificates may be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and may be sealed with the seal of the corporation, if such a seal is adopted. All certificates evidencing membership may be consecutively numbered. The name and address of each Member and the date of issuance of the certificate may be entered on the records of the corporation. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board of Directors may determine.

2. Transfer of Membership. Upon the transfer or conveyance of any Unit, the membership of the conveying Owner may terminate and the certificate issued to such Member may be cancelled. The new Owner may receive a newly issued certificate evidencing membership in the Association as provided in Paragraph 1 above.

ARTICLE XVII
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year except the first fiscal year shall begin on the date of incorporation.

The foregoing were adopted as the By-Laws of the IMPERIAL PLAZA CONDOMINIUM ASSOCIATION, INC. an Idaho corporation not for profit under the laws of the State of Idaho, at the first meeting of the Board of Directors.

IMPERIAL PLAZA CONDOMINIUM
ASSOCIATION, INC., a corporation
not for profit under the laws of
the State of Idaho

By: _____

Attest: _____

(Signed by the Association President Henry E. Houst, Sr. and recorded with Ada County, Idaho on 29 June 1979. Original document on file in Imperial Plaza office)