

1564179

STATE OF IDAHO }
COUNTY OF KOOTENAI } SS
AT THE REQUEST OF
Luskens & Annis

Nov 19 4 10 PM '98

DEPUTY CLERK

DEPUTY *(Signature)*
FEE \$ 75.00

DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
ELEVENTH STREET DOCKOWNERS ASSOCIATION, INC.
A RECREATIONAL STOCK COOPERATIVE
ASSOCIATION
KOOTENAI COUNTY, IDAHO

TABLE OF CONTENTS

1564179

Page

ARTICLE 1

DEFINITIONS 2

1.1 Access Area 2

1.2 Articles 2

1.3 Assessment 2

1.4 Association 2

1.5 Board or Board of Managers 2

1.6 Bylaws 2

1.7 Common Expenses 2

1.8 Declarant 2

1.9 Declaration 3

1.10 Dock Facilities 3

1.11 Marina Permits 3

1.12 Paid-Up Leasehold 3

1.13 Member 3

1.14 Membership Certificate or Certificate 3

1.15 Person 3

1.16 Pledgee 3

1.17 Project Documents 4

1.18 Property 4

1.19 Rules and Regulations 4

1.20 Site Map 4

1.21 Slips 4

ARTICLE 2

ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS 4

2.1 Organization of Association 4

2.2 Duties and Powers 5

2.3 Membership; Paid-Up Leasehold 5

2.4 Transferred Membership 5

2.5 One Class of Membership; Voting Requirements 5

2.6 Membership Meetings 5

2.7 Board of Managers 5

2.8 Use of Agent 5

2.9 Dissolution 6

ARTICLE 3

RIGHTS IN DOCK FACILITIES AND ACCESS AREA 6

3.1 Dock Facilities, Access Area, and Slips 6

3.2 No Separate Conveyance of Rights 6

3.3 Regulation of Use 6

3.4 Delegation of Use 7

3.5 No Modification of Property 7

3.6 Damage by Member 7

ARTICLE 4

REPAIR AND MAINTENANCE 8

4.1 Repair and Maintenance Rights and Duties of Association 8

4.2 Repair and Maintenance Rights and Duties of Members 8

ARTICLE 5
ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS 8

5.1 Creation of the Pledge and Personal Obligation of Assessments 8

5.2 Purpose of Assessments 9

5.3 Regular Assessments 9

5.4 Extraordinary Assessments 9

5.5 Special Assessments 9

5.6 Allocation of Assessments 10

5.7 Date of Commencement of Assessment; Due Dates 10

5.8 Transfer of Certificate/Leasehold by Sale or Foreclosure 10

5.9 Enforcement of Assessment Obligation; Priorities; Discipline 11

ARTICLE 6
USE RESTRICTIONS 11

6.1 Use of Individual Slips, Dock Facilities, and the Access Area 12

6.2 Nuisances 12

6.3 Signs 12

6.4 Slip Rental 12

ARTICLE 7
INSURANCE 12

7.1 Duty to Obtain Insurance; Types 12

7.2 Waiver of Claim Against Association 13

7.3 Right and Duty of Members to Insure 13

7.4 Insurance Premiums 13

ARTICLE 8
DESTRUCTION OF IMPROVEMENTS 13

ARTICLE 9
TRANSFER/RENTAL OF MEMBERSHIP

9.1 Transfer/Rental 14

ARTICLE 10
DURATION AND AMENDMENT 15

10.1 Duration 15

10.2 Amendment 15

ARTICLE 11
GENERAL PROVISIONS 15

11.1 Enforcement 15

11.2 Invalidity of Any Provision 15

64179

11.3 Conflict of Project Documents 16

Exhibit "A" - Site Map

Exhibit "B" - Legal Description of Property

564179

DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS

ELEVENTH STREET DOCKOWNERS ASSOCIATION, INC.

A RECREATIONAL STOCK COOPERATIVE ASSOCIATION

KOOTENAI COUNTY, IDAHO

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("Declaration") is made on the date hereinafter set forth, by ELEVENTH STREET DOCKOWNERS ASSOCIATION, INC., an Idaho nonprofit stock cooperative association ("Association"), with reference to the following facts:

A. The Association has been incorporated as a nonprofit corporation under the laws of the State of Idaho, with its primary assets being: (a) those dock facilities (together with all riparian rights, leases, and permits relating thereto) that are depicted on the Site Plan attached hereto as Exhibit "A" and incorporated herein by this reference (the "Dock Facilities"); and (b) a long-term leasehold interest in a portion of the shoreline property immediately adjacent to the Dock Facilities, which property is reasonably necessary to gain access to the Dock Facilities and for the use and maintenance of restroom and storage facilities (the "Access Area"). The long-term lease has been recorded immediately prior to the recordation of this Declaration. The adjacent real estate is legally described on Exhibit "B" attached hereto and incorporated herein by this reference. Together, the Dock Facilities and the Access Area make up the "Property," and are commonly known as the "Eleventh Street Marina."

B. The Property is presently operated and shall continue to be operated as a recreational marina facility, with Members of the Association having: (a) the exclusive right to use individual moorage Slips on a "paid-up leasehold" basis; and (b) the non-exclusive right to use the remaining Dock Facilities and the Access Area.

C. The Association intends by this document to impose upon the Property and upon its Members, mutually beneficial restrictions under a general plan of operation for the benefit of all of the Property and the Members of the Association. Accordingly, for so long as the Association controls the Property, Memberships in the Association shall be held, conveyed, mortgaged, and encumbered, and the individual Slips shall be used, occupied, rented, and improved, subject to the following declarations, limitations, covenants, conditions, and restrictions, all of which are for the purpose of enhancing and protecting the value of the Memberships and the attractiveness of the Property.

Eleventh Street Dockowners Association, Inc.
Minutes of Annual Meeting
December 3, 1998

On this date, December 3, 1998, the President, Vice-President, and Secretary-Treasurer did meet for the purpose of discussing and adopting the budget for expenses for the upcoming year. After discussing each line item in detail, the budget was unanimously approved as attached. The total amount is _____ which equates to \$_____ per slip, based upon 112 slips.

Approved

Kim Gittel, President

Kevin Bettis, Vice-President

Ronald Wilson, Secretary Treasurer

ARTICLE 1
DEFINITIONS

Unless otherwise expressly provided, the following words and phrases, when used in this Declaration and in the Project Documents, shall have the following meanings:

1.1 Access Area: that portion of the land to which the Dock Facilities are appurtenant, which is reasonably required for ingress, egress, and access to the Dock Facilities, as shown on the Site Plan. The rights of the Association in the Access Area are more fully described in the long-term lease between the owner of such land as the Lessor, and the Association herein as the Lessee, which lease has been recorded immediately prior to the recordation of this Declaration.

1.2 Articles: the Articles of Incorporation of the Association as restated or amended from time to time.

1.3 Assessment: that portion of the cost of maintaining, improving, repairing, operating, insuring and managing the Property which is to be paid by the Members as determined by the Association under this Declaration. Assessments may be designated as Regular Assessments, Extraordinary Assessments, or Special Assessments, as those terms are more specifically defined in Article 5 of this Declaration.

1.4 Association: ELEVENTH STREET DOCKOWNERS ASSOCIATION, INC., an Idaho nonprofit stock cooperative association, which holds the leasehold interest in and various riparian rights and permits relating to the Property, and the Members of which shall be holders of Membership Certificates and Paid-Up Leaseholds as provided herein.

1.5 Board or Board of Managers: the governing body of the Association.

1.6 Bylaws: the Bylaws of the Association as restated or amended from time to time. The initial Bylaws shall be as adopted by the initial members of the Board of Managers.

1.7 Common Expenses: the actual and estimated expenses of maintenance, improvement, repair, operation, insurance and management of the Property, of utility services to the Property, and of administration of the Association, and any reasonable reserve for such purposes as determined by the Board, and all sums designated as Common Expenses by or pursuant to the Project Documents.

1.8 Declarant: K.K.&T. Investments, L.L.C., being an Idaho limited liability company, and the sponsor of the cooperative, having transferred its interest in the Dock Facilities and leased

15641.2

the Access Area to the Association in connection with the execution and recordation of this Declaration.

1.9 Declaration: this Declaration of Covenants, Conditions and Restrictions, as it may be amended from time to time.

1.10 Dock Facilities: those portions of the Property which are designated as such on the Site Map, which consist of the boardwalks, docks, moorage covers, tie-downs, and other facilities owned, operated, maintained, repaired, and improved by the Association (other than the Access Area) for the benefit of the Members of the Association, who shall have equal rights to the use and enjoyment thereof, subject to exclusive rights of Members in the individual Slips, and subject to reasonable Rules and Regulations enacted according to this Declaration.

1.11 Marina Permits: collectively, all instruments necessary to establish the rights of the Association and its Members to occupy, use, maintain, repair, and improve the Dock Facilities and the Access Area, including without limitation: (a) the master lease with the underlying owner of the land to which the Dock Facilities are appurtenant (the Access Area); (b) the lease of riparian rights with the City of Coeur d'Alene; (c) the submerged lands lease with the State of Idaho; and (d) the encroachment permit issued by the Idaho Department of Lands, as any or all of such documents may be amended, revised, extended or renewed from time to time.

1.12 Member: the record holder or holders of a Membership Certificate and Paid-Up Leasehold issued by the Association, excluding, however, any persons or entities having interest in a Membership Certificate and Paid-Up Leasehold merely as security for the performance of an obligation.

1.13 Membership Certificate or Certificate: the instrument issued by the Association which evidences a proprietary interest in the Association, and which entitles the holder to the use and benefit of the Property. Each Membership Certificate shall also be appurtenant to a corresponding Paid-Up Leasehold.

1.14 Paid-Up Leasehold: the instrument issued by the Association to a Member, which specifies the Slip of which the individual Member shall have the exclusive use and enjoyment. Each Paid-Up Leasehold shall be appurtenant to a corresponding Membership Certificate.

1.15 Person: any individual or any corporation, joint venture, limited partnership, partnership, firm, association, trust, or other similar entity or organization.

1.16 Pledgee: Any person, other than the Association, holding an interest in a Membership Certificate and Paid-Up Leasehold as security for the payment or performance of any of

156427

its obligations (subject to the consent required of the Association for all pledges). As all Membership Certificates and Paid-Up Leaseholds shall be held by the Association as security for performance of the obligations of a Member set forth in this Declaration and the remaining Project Documents, the interest of any secondary Pledgee shall simply be endorsed on or otherwise attached to the Membership Certificate and Paid-Up Leasehold, with the Association holding the Certificate and Leasehold as the agent of the pledgee.

1.17 Project Documents: this Declaration (including the exhibits) and the Articles, Bylaws, and Rules and Regulations of the Association, as each shall be restated or amended from time to time.

1.18 Property: all assets of the Association, including collectively: (a) rights in the Dock Facilities shown on the Site Map (Exhibit "A"); (b) rights in the Access Area, according to the master long-term lease, being a portion of the land described on Exhibit "B", and as shown on the Site Map; (c) every easement held by the Association or right appurtenant thereto; and (d) all personal property held by the Association and intended for use in connection with its responsibilities, or for the use, benefit or enjoyment of the Members.

1.19 Rules and Regulations: Policies adopted by the Board from time to time governing the operation of the Property in general and the use of the Dock Facilities in particular.

1.20 Site Map: the schematic drawing of the Dock Facilities and the Access Area attached hereto as Exhibit "A" and incorporated herein by this reference, which shows the physical layout of such Dock Facilities and Access Area and the individual Slips.

1.21 Slips: the individual moorage slips designated on the Site Map attached hereto as Exhibit "A," each of which is reserved for the exclusive use and enjoyment of a particular Member or Members, according to a Paid-Up Leasehold. The Slips are part of the Dock Facilities, and as such shall be operated and maintained by the Association, according to Rules and Regulations adopted by the Board from time to time.

ARTICLE 2
ASSOCIATION, ADMINISTRATION,
MEMBERSHIP AND VOTING RIGHTS

2.1 Organization of Association. The Association is incorporated under the name of ELEVENTH STREET DOCKOWNERS ASSOCIATION, INC., as a nonprofit corporation under the Idaho Nonprofit Corporation Act.

1564173

2.2 Duties and Powers. The duties and powers of the Association are those set forth in this Declaration, and in the Articles and Bylaws, together with its general and implied powers as a nonprofit corporation, generally to do any and all things that a nonprofit corporation organized under the laws of the State of Idaho may lawfully do and which are necessary or proper in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in this Declaration, the Articles and Bylaws.

2.3 Membership; Paid-Up Leasehold. Any person shall automatically, upon becoming the registered holder of a Membership Certificate (and a Paid-Up Leasehold), be a Member of the Association, and shall remain a Member thereof until such time as his/her ownership ceases for any reason, at which time his/her membership in the Association shall automatically cease. Membership shall be in accordance with the Articles and the Bylaws of the Association. Each Membership Certificate shall be appurtenant to a corresponding Paid-Up Leasehold, evidencing the Member's exclusive right to the use, enjoyment, and occupancy of an individual Slip for the term of existence of the Association, rights of the Association in the Dock Facilities, and the master lease for the Access Area. Corresponding Membership Certificates and Paid-Up Leaseholds may not be separated or separately conveyed, pledged, hypothecated or otherwise transferred. Transfer of a Membership Certificate in accordance with the Project Documents shall automatically be construed as also transferring the same interest in the corresponding Paid-Up Leasehold.

2.4 Transferred Membership. Membership in the Association shall not be transferred, pledged, or alienated in any way, except as allowed in this Declaration. Any attempt to make a prohibited transfer is void.

2.5 One Class of Membership; Voting Requirements. The Association shall have one (1) class of voting membership established according to the Articles (with one vote being allocated to each Membership Certificate). Voting requirements shall be as set forth in the Articles and Bylaws.

2.6 Membership Meetings. Regular and special meetings of Members of the Association shall be held with the frequency, at the time and place, and in accordance with the provisions of the Bylaws of the Association.

2.7 Board of Managers. The affairs of the Association shall be managed by a Board of Managers, which shall be established and which shall conduct regular and special meetings according to the provisions of the Bylaws of the Association.

156417

2.8 Use of Agent. The Board of Managers, on behalf of the Association, may contract with a professional management agent for the performance of maintenance and repair of the Dock Facilities and/or the Access Area or portions thereof, and for conducting other activities on behalf of the Association, as may be determined by the Board, subject to such limitations as may be set forth in the Bylaws.

2.9 Dissolution. In the event of the dissolution of the Association, the assets of the Association shall be sold, and the proceeds thereof, after payment of all debts and expenses of the Association, shall be distributed to the Members in accordance with the relative values of their Slips. For purposes of such distribution, the Slip values shall be as determined by the Board in good faith, taking into consideration the relative sales prices of each Membership on the first sales by the Declarant; provided, however, that upon petition signed by twenty-five (25%) of the total voting power of the membership, the Board shall select an appraiser with at least five (5) years full-time commercial appraisal experience to establish the relative values of all Slips.

ARTICLE 3
RIGHTS IN DOCK FACILITIES AND ACCESS AREA

3.1 Dock Facilities, Access Area, and Slips. The Dock Facilities and Access Area shall include all of the elements set forth in Paragraphs 1.1 and 1.10 above. Each Member shall have a nonexclusive right to use the Dock Facilities and Access Area in accordance with the purposes for which they are intended, subject to Rules and Regulations enacted by authority of the Board as provided herein; provided however, that each Member shall have the exclusive right to the use and enjoyment of the Slip identified on such Member's Paid-Up Leasehold.

3.2 No Separate Conveyance of Rights. The nonexclusive rights to use the Dock Facilities and the Access Area under a Membership Certificate, and the exclusive right to use a particular Slip under a Paid-Up Leasehold, shall not be separated or separately conveyed.

3.3 Regulation of Use. The rights and easements of use and enjoyment of the Dock Facilities and the Access Area (and the individual Slips) created by this Declaration shall be subject to such Rules and Regulations as may be adopted by the Board of Managers. Without limiting the generality of the Board's authority to enact reasonable Rules and Regulations, such rights shall be subject to the following:

- a. The right of the Board to suspend the rights and easements of any Member, and the persons deriving such rights and easements from any Member, for use and enjoyment of any part of the Dock Facilities and the Access Area and

1564179

the subject Slip, for any period during which the payment of any Assessment against the Member and his/her Membership Certificate and Paid-Up Leasehold remains delinquent or during which the Member may otherwise be in breach of the Project Documents; provided, however, that any suspension for either nonpayment of any Assessment or breach of any provision in the Project Documents shall not constitute a waiver or discharge of the Member's obligation to pay Assessments or comply with the Project Documents as provided in this Declaration;

b. The right of the Board to consent to or otherwise cause the construction of additional improvements on the Dock Facilities and/or the Access Area and to consent to or otherwise cause the alteration or removal or any existing improvements on the Dock Facilities and/or the Access Area for the benefit of the Members of the Association; provided that any such consent shall be subject to applicable restrictions as may be administered by Kootenai County, the Idaho Department of Lands, or any other governmental agency having jurisdiction; and

c. The right of the Board to consent to or join in the grant or conveyance of easements, licenses or rights of way in, on or over the Dock Facilities and/or the Access Area for utilities or other purposes not inconsistent with the intended use of the Property as a cooperative marina project.

3.4 Delegation of Use. Any Member entitled to the right and easement of use and enjoyment of the Dock Facilities and the Access Area and a private Slip may delegate such right to his tenants or subtenants, subject to Rules and Regulations adopted by the Board. A Member who has made such a delegation of rights shall not be entitled to the use or enjoyment of any part of the Dock Facilities, the Access Area or the Slip for so long as such delegation remains in effect.

3.5 No Modification of Property. No improvement or modification of any Slip or any of the Dock Facilities or the Access Area shall be undertaken by any Member, without the prior written consent of the Board, and under such conditions as may be imposed by the Board in its discretion.

3.6 Damage by Member. Each Member shall be liable to the Association for any damage to the Dock Facilities or the Access Area not fully reimbursed to the Association by insurance, if the damage is sustained because of the negligence, willful misconduct or unauthorized or improper conduct by the Member, or by any guest or tenant of the Member. However, the Association, acting through the Board, reserves the right to determine whether any claim shall be made upon the insurance maintained by the Association, and the Association further reserves the right to

1564179

levy a Special Assessment equal to the increase, if any, in insurance premiums directly attributable to the damage caused by the Member or the person for whom the Member may be liable as described above. The cost of correcting the damage to the extent not reimbursed to the Association by insurance shall be a Special Assessment against the appropriate Membership Certificate and Paid-Up Leasehold and may be enforced as provided hereby for the enforcement of other Assessments.

ARTICLE 4
REPAIR AND MAINTENANCE

4.1 Repair and Maintenance Rights and Duties of Association. Subject to provisions in this Declaration pertaining to eminent domain and the destruction of improvements, the Association shall maintain, repair, and replace the Dock Facilities and the Access Area, or shall contract for such maintenance, repair and replacement to assure maintenance of the Dock Facilities and the Access Area in good condition, reasonable wear and tear excepted. In the event a Member fails to maintain any area around his Slip as provided herein or as required by the Board, in a manner which the Board deems necessary to preserve the appearance and value of the Dock Facilities, the Board may notify the Member of the work required and request it be done within thirty (30) days from the giving of such notice. In the event the Member fails to carry out such maintenance within such period, the Board may cause such work to be done and may specially assess the cost thereof to the appropriate Membership Certificate and Paid-Up Leasehold.

4.2 Repair and Maintenance Rights and Duties of Members. Each Member shall, at his sole cost and expense, maintain and repair such portions of his or her Slip as may be required by Board policy from time to time, keeping the same in good condition. Additionally, the Board may require any Member to repair any portion of the Dock Facilities that may be damaged by the Member or its guests or its boat or other equipment maintained in the area of the Slip, in accordance with Paragraph 3.6 above.

ARTICLE 5
ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS

5.1 Creation of the Pledge and Personal Obligation of Assessments. Each Member of the Association, by acceptance of a Membership Certificate and Paid-Up Leasehold, hereby covenants and agrees to pay to the Association, the following Assessments, which shall be established and collected as provided herein:

- a. Regular Assessments;
- b. Extraordinary Assessments; and

1564179

c. Special Assessments.

All Assessments, together with interest, costs, penalties and actual attorneys' fees, shall be a charge and a continuing lien against the Membership Certificate and Paid-Up Leasehold against which each Assessment is made, and the Association shall hold each Certificate and Paid-Up Leasehold in pledge as security for all Assessment obligations. Each such Assessment, together with interest, costs, penalties and actual attorneys' fees, shall also be the personal obligation of the person who was the registered holder of the Certificate and Paid-Up Leasehold at the time when the Assessment fell due. No Member may exempt himself or herself from liability for his or her contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Dock Facilities or the Access Area or by the abandonment of his/her Slip.

5.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of all the Members of the Association, for the payment of all rents and other charges necessary to keep the Marina Permits current, and for the improvement and maintenance of the Dock Facilities and the Access Area. The Regular Assessments may include a reserve fund for maintenance, repair and replacement of those portions of the Dock Facilities and the Access Area which must be replaced on a periodic basis.

5.3 Regular Assessments. Until December 31, 1998, all normal and routine expenses of administering and maintaining the Dock Facilities and Access Area will be paid by K.K.&T. Investments, L.L.C., being the Declarant and sponsor of the cooperative. Beginning January 1, 1999, the maximum Regular Assessment per Certificate and Paid-Up Leasehold shall be such amount as is set forth in the Association budget, payable in advance either annually or in installments as determined by the Board. Thereafter, the Board shall determine and fix the amount of the maximum annual Regular Assessment against each Certificate and Paid-Up Leasehold at least sixty (60) days in advance of the start of each fiscal year.

5.4 Extraordinary Assessments. In addition to the Regular Assessments authorized above, the Board may levy, in any fiscal year, an Extraordinary Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, major repair or replacement of a capital improvement on the Dock Facilities and/or the Access Area, including fixtures and personal property related thereto; provided that the aggregate Extraordinary Assessments for any fiscal year shall not exceed twenty-five percent (25%) of the budgeted gross expenses of the Association (excluding reserves) for that fiscal year, without the vote or written assent of a majority of the voting power of the Membership.

5.5 Special Assessments. In addition to the Regular and Extraordinary Assessments authorized above, the Board may levy Special Assessments against an individual Member, to reimburse the Association for costs incurred in bringing that Member into compliance with the provisions of the Project Documents, including interest, penalties, actual attorneys' fees and costs.

5.6 Allocation of Assessments. Each Membership Certificate and Paid-Up Leasehold shall bear an equal share of each aggregate Regular and Extraordinary Assessment, except for that portion of any such assessment which may be attributable to unique attributes of an individual Slip, such as taxes or other charges on special improvements authorized for an individual Slip (where billed to the Association).

5.7 Date of Commencement of Assessment; Due Dates. The Regular Assessments provided for herein shall commence January 1, 1999.

Regular Assessments shall be payable in advance at the beginning of the period to which they pertain, with the actual due dates being established by the Board. No notice of such Assessment shall be required other than an annual notice setting forth the amount and frequency of the Assessment for the following year.

5.8 Transfer of Certificate/Leasehold by Sale or Foreclosure. The sale or transfer of any Membership Certificate and Paid-Up Leasehold shall not affect any Assessment lien, or relieve the holder(s) thereof from any liability therefor. Notwithstanding the foregoing, the sale or transfer of any Certificate and Paid-Up Leasehold pursuant to foreclosure of any authorized pledge of that Certificate and given in good faith and for value shall extinguish the lien of all such Assessments as to payments which became due prior to such sale or transfer. Sale or transfer pursuant to foreclosure of a pledge shall not, however, affect the personal liability of the Member for unpaid Assessments.

Any Assessments for which the liens are extinguished pursuant to this Paragraph shall be deemed to be Common Expenses collectible from all of the Certificates and Paid-Up Leaseholds including the Certificate and Paid-Up Leasehold for which the lien was extinguished. In a voluntary conveyance of a Certificate and Paid-Up Leasehold, the transferee of the same shall be jointly and severally liable with the transferor for all unpaid Assessments by the Association against the latter for his/her share of the Common Expenses (and for his/her obligation for individual Special Assessments) up to the time of the transfer or conveyance, without prejudice to the transferee's right to recover from the transferor the amounts paid by the transferee therefor. However, any such transferee shall be entitled to a statement from the Board, setting forth the amount

1564179

of the unpaid Assessments due the Association, and such transferee shall not be liable for, nor shall the Certificate or Paid-Up Leasehold transferred be subject to a lien for, any unpaid Assessments made by the Association against the transferor in excess of the amount set forth in the statement; provided, however, the transferee shall be liable for any such Assessment becoming due after the date of any such statement.

5.9 Enforcement of Assessment Obligation; Priorities; Discipline. If any part of any Assessment is not paid and received by the Association or its designated agent within ten (10) days after the due date, an automatic late charge of Twenty-Five Dollars (\$25.00) or ten percent (10%) of the amount of the Assessment, whichever is greater, shall be assessed and additional Twenty-Five Dollars (\$25.00) or ten percent (10%) of the assessment, whichever is greater, shall be assessed for each month or fraction thereof from the due date until the Assessment and all late charges are paid. Further, the Association shall have the power to sever all utility services, voting rights, and/or rights of access to the Slip of the delinquent Member, if the Assessment is not paid within the ten (10) day period, and to continue the severance until the Assessment (and related charges) shall have been paid. Additionally, the Board may impose reasonable monetary penalties including actual attorneys' fees and costs upon a Member who is in default in payment of any Assessment, after notice and hearing according to the Bylaws. If an assessment remains unpaid for thirty (30) days, the Association shall have the right after reasonable notice to the last known address of the Member, to cause the Member's boat and other personal property to be removed from the Property and stored at the Member's sole risk and expense, following which, if the assessments and all storage costs and charges remain unpaid, the boat may be sold in accordance with Idaho law regarding sale of personal property abandoned in storage facilities.

Each unpaid Assessment, whether Regular, Extraordinary or Special, shall constitute a lien on each respective Membership Certificate and Paid-Up Leasehold prior and superior to all other liens. Such lien, when delinquent, may be enforced by sale by the Association (acting through the Board), its attorney or other person authorized by this Declaration or by law to make the sale, after failure of the Member to pay such Assessment, in accordance with the provisions of Idaho law applicable to the foreclosure and sale of stock/membership certificates subject to pledge. It shall not be necessary to maintain separate foreclosures against both the Certificate and Paid-Up Leasehold; foreclosure against the Certificate shall be deemed to cover the Paid-Up Leasehold as well. Suit to recover a money judgment for unpaid Assessments, interest, costs, penalties, and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

ARTICLE 6
USE RESTRICTIONS

In addition to all of the covenants contained herein, the use of the Property and each Slip therein is subject to the following:

6.1 Use of Individual Slips, Dock Facilities, and the Access Area. The Dock Facilities, Slips, and the Access Area shall be occupied and used only for for boat moorage and storage and related recreational purposes by the Members, and their tenants and guests. All use of the Property shall be personal, and there shall be no commercial, charter or other use; provided that the Slips (side-tie areas) designated on the Site Plan as "Commercial ST 1" and "Commercial ST 2" shall be and are designated as commercial Slips, and may be used for commercial uses consistent with requirements of the City of Coeur d'Alene. However, any extraordinary expenses of administration, maintenance, repair or operation of the Property, incurred by the Association and directly attributable to such commercial use, shall be the sole responsibility of such Members using the commercial Slips, and may be enforced by Special Assessment as provided in Article 5, above.

6.2 Nuisances. No noxious, illegal, or offensive activities shall be carried on within the Dock Facilities or the Access Area, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Members of his/her respective Slip. No toxic substances or hazardous materials shall be carried within or disposed of upon the Property.

6.3 Signs. No signs shall be allowed other than small signs identifying a Slip by the name of the Member(s) occupying such Slip, which shall be in the form authorized by the Board.

6.4 Slip Rental. Slips may be rented to third parties under such terms as may be negotiated by the individual Members; provided that any person occupying a Slip as a renter shall be subject to all provisions of the Project Documents; and provided further, that while a Slip is rented to a third party, all rights of Membership which respect to the use of the Property (other than voting) shall be deemed held by the renter, and the Member shall have no right to the use of the Property.

ARTICLE 7
INSURANCE

7.1 Duty to Obtain Insurance; Types. The Board shall cause to be obtained and maintained the following policies of insurance:

1564179

a. Hazard Insurance: A hazard insurance policy covering the Property, with policy limits and endorsements as deemed appropriate by the Board, protecting against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by the standard "all risk" endorsement.

b. Liability Insurance: A comprehensive general liability insurance policy, also covering the Property, with policy limits and endorsements deemed appropriate by the Board, by in no case less than \$1,000,000.

c. Fidelity Bonds: If deemed appropriate by the Board, blanket fidelity bonds for anyone who either handles or is responsible for funds which are held or administered by the Association, whether or not they receive compensation for such services.

7.2 Waiver of Claim Against Association. As to all policies of insurance maintained by or for the benefit of the Association and the Members, the Association and the Members hereby waive and release all claims against one another, and the Board of Managers, to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any of said persons.

7.3 Right and Duty of Members to Insure. It is the responsibility of each Member to provide insurance on his/her boat and any other personal property located at the Property. Nothing hereby shall preclude any Member from carrying any public liability insurance as he deems desirable to cover his/her individual liability for damage to persons or property occurring within his/her Slip or elsewhere upon the Property. Such policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association, and duplicate copies of such other policies shall be deposited with the Board upon request. If any loss intended to be covered by insurance carried by or on behalf of the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Member, such Member shall assign the proceeds of such insurance carried by him/her to the Association to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.

7.4 Insurance Premiums. Insurance premiums for any insurance coverage obtained by the Association and any other insurance deemed necessary by the Board of Managers shall be a Common Expense to be included in the Regular Assessments levied by the Association and collected from the Members (subject to the

possible special allocation required where the Association insures individual Slips).

ARTICLE 8
DESTRUCTION OF IMPROVEMENTS

Except as otherwise provided in this Article, in the event of any destruction of any portion of the Property, the repair or replacement of which is the responsibility of the Association, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article 7 hereof for reconstruction or repair of the Property shall be used for such purpose, unless otherwise provided herein. The Board shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. The Property shall be reconstructed or rebuilt substantially in accordance with the Site Map and the original construction plans if they are available, unless changes recommended by the Board have been approved in writing by sixty percent (60%) of the total voting power of the Members; provided that the Dock Facilities may not be configured so as to deprive any Member of a Slip that is reasonably equivalent to such Member's Slip as it existed prior to the destruction. To the extent the costs are not covered by insurance, the Board may levy an Extraordinary Assessment to cover the shortfall, regardless of the limitations on Extraordinary Assessments set forth in Article 5.

ARTICLE 9
TRANSFER/RENTAL OF MEMBERSHIP

9.1 Transfer/Rental. Except for Slip rental allowed under Article 6, or as otherwise allowed in this Declaration, no Membership Certificate or Paid-Up Leasehold shall be sold, pledged, transferred, hypothecated or otherwise disposed of (collectively "transfer") except to, through, or with the consent of the Association acting through the Board, and neither the Association nor any Manager of the Association shall be held to any warranty, representation, or guarantee that any such Membership, Membership Certificate, or Paid-Up Leasehold shall be transferable for any price or under any terms and conditions.

Additionally, the Association may charge a transfer fee (flat fee or a percentage of sale price) as set forth in the Bylaws or by resolution of the Board, as a condition precedent to giving consent to any proposed transfer. If a Member desiring to transfer his or her interest in the Association presents the proposed transferee to the Board, with adequate assurances that the transferee will perform its obligations to the Association, and subject to the payment of any applicable transfer fee, then the Board shall consent to the transfer, either directly to the third party transferee or through the Association.

1564179

1564179

The provisions of this Article 9 relating to consents to transfers and transfer fees shall not apply to sales of Membership Certificates and Paid-Up Leaseholds by K.K.&T. Investments, L.L.C., as the sponsor and Declarant of the cooperative, or to a pledge made by a Member to a conventional lender, securing a loan made for the purpose of acquiring the Membership Certificate and Paid-Up Leasehold. Additionally, no restriction on transfer (other than notification to the Board) shall be imposed on any conventional lender (being a corporate lending institution regulated by the State of Idaho or the federal government) who may be a pledgee, and who may have acquired rights in a Membership Certificate and Paid-Up Leasehold through foreclosure or transfer in lieu thereof.

ARTICLE 10
DURATION AND AMENDMENT

10.1 Duration. This Declaration shall continue in full force for the entire time when rights to the Property are held by the Association, unless at any time a Declaration of Termination is recorded, meeting the requirements of an amendment to this Declaration as set forth in Paragraph 10.2.

10.2 Amendment. Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which the proposed amendment is to be considered. A resolution adopting a proposed amendment may be proposed by a Member at a meeting of the Members of the Association. The resolution shall be adopted by the vote, in person or by proxy, or written consent of Members representing not less than two-thirds (2/3) of the total voting power of the Association.

Notwithstanding the foregoing, the specified percentage of the voting power necessary to amend a specified provision of this Declaration shall be not less than the percentage of affirmative votes prescribed for action to be taken under that provision. Further, no amendment that would impair the right or ability of a Member having a commercial Slip, to operate such Slip in the ordinary course of business and in compliance with applicable regulations of the City of Coeur d'Alene and/or the State of Idaho, shall be adopted without the written approval of the Member holding rights in such commercial Slip.

A certificate, signed and sworn to by two (2) officers of the Association, that the required number of Members have either voted for or consented in writing to any amendment adopted as provided above, when recorded, shall be conclusive evidence of that fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years.

ARTICLE 11
GENERAL PROVISIONS

1564179

11.1 Enforcement. The Association (acting through the Board), any Member, and any governmental or quasi-governmental agency or municipality having jurisdiction over the Property shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by this Declaration, and in such action shall be entitled to recover costs and reasonable attorneys' fees as are ordered by the Court.

11.2 Invalidity of Any Provision. Should any provision of this Declaration be declared invalid or in conflict with any law of the jurisdiction where the Property is situated, the validity of all other provisions shall remain unaffected and in full force and effect.

11.3 Conflict of Project Documents. If there is any conflict among or between the Project Documents, the provisions of this Declaration shall prevail; thereafter, priority shall be given to Project Documents in the following order: Site Plan; Articles; Bylaws; and Rules and Regulations of the Association.

Executed and effective this November 12, 1998.

ELEVENTH STREET DOCKOWNERS
ASSOCIATION, INC., an Idaho
nonprofit corporation

By: Kim E. Gittel
Kim E. Gittel, President

By: Kevin Bettis
Kevin Bettis, Secretary

STATE OF IDAHO)
 :ss.
County of Kootenai)

On this 12 day of November, 1998, before me,
EDWARD F. WROE, a Notary Public in and for the
State of Idaho, personally appeared KIM E. GITTEL and KEVIN
BETTIS, known or identified to me to be the President and
Secretary, respectively, of ELEVENTH STREET DOCKOWNERS
ASSOCIATION, INC., the corporation that executed the foregoing
instrument and the persons who executed the instrument on behalf

1564179

of said corporation, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Notary Public for PAHO
Residing at DALTON GARDEN
Commission Expires 12/10/00



CONSENT TO RECORDATION OF DECLARATION

1564179

STERLING SAVINGS BANK, being the Beneficiary named in that certain Deed of Trust dated August 14, 1998, and recorded on August 17, 1998, as Instrument No. 1550317, records of Kootenai County, Idaho, which covers the real property described on Exhibit B to this Declaration, hereby consents to the recording of this Declaration and agrees that its deed of trust interest is subject and subordinate to the terms and provisions of this Declaration.

DATED: November 18, 1998.

STERLING SAVINGS BANK,
an banking corporation

By: David J. Holinka
Its: Vice President & Manager

STATE OF Idaho)
County of Kootenai) ss.

On this 18th day of November, 1998, before me, the undersigned, a Notary Public in and for the State of Idaho duly commissioned and sworn, personally appeared David F. Holinka to me known to be the Vice President + Manager of STERLING SAVINGS BANK, the banking corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument on behalf of such Corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Barbara Senneker
Notary Public for State of Idaho
Residing at Coeur d'Alene, ID
Commission Expires 01/30/2001

EXHIBIT "A" TO
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS

ELEVENTH STREET DOCKOWNERS ASSOCIATION, INC.

Site Plan

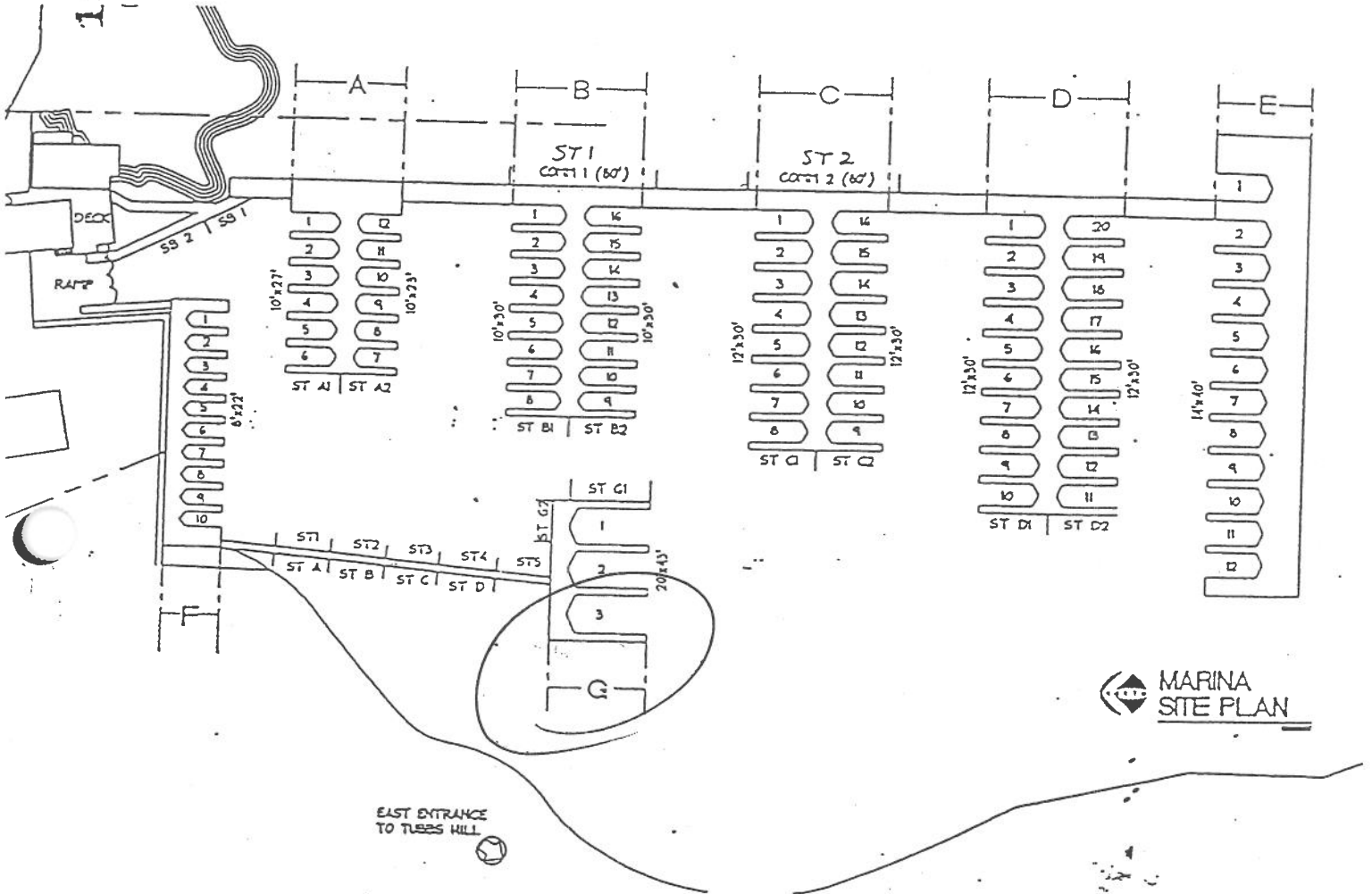


EXHIBIT "A"

Site Plan

ELEVENTH STREET

E. LAKESHORE DRIVE

6216951

20'-0"



MARINA ACCESS AREA

MARINA
SITE PLAN

FIRST FLOOR

DECK

RAMP

SB 2

SB 1

8'x22'

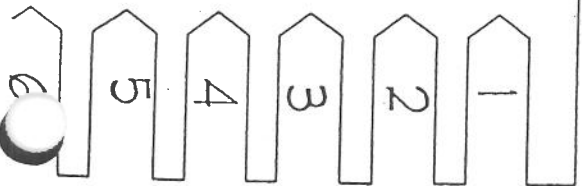


EXHIBIT "B" TO
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS

ELEVENTH STREET DOCKOWNERS ASSOCIATION, INC.

Legal Description of Property

Part of Government Lot 4, Section 24, Township 50 North, Range 4 West Boise Meridian, Kootenai County, Idaho, described as follows:

BEGINNING at the Southwest corner of Lot 8, Block 27, LAKESHORE ADDITION TO COEUR D'ALENE; thence, South 50 feet to an iron rod; thence, North 68°30' West, 39.5 feet to a one inch iron rod driven in the ground, which is the PLACE OF BEGINNING; thence, South 7°36' East, 103 feet to the Northwest corner of concrete oil house; thence, in a Westerly direction along the shore line of Lake Coeur d'Alene to the East side of 1.58 acre tract deeded to Consumer's Company, January 23, 1905, recorded in Book 9 of Deeds at Page 623; thence, North on East line of said land conveyed to Consumer's Company until said line intersects with the South line of Lakeshore Drive of Lakeshore Addition to Coeur d'Alene; thence, Southeasterly along the South side of said Lakeshore Drive to the PLACE OF BEGINNING.

ALSO that part of Government Lot 4, Section 24, Township 50 North, Range 4 West Boise Meridian, Kootenai County, Idaho, and described as follows:

COMMENCING at the Southwest corner of Lot 8, Block 27, LAKESHORE ADDITION TO COEUR D'ALENE; thence, South 50 feet to an iron bolt driven in the ground, the POINT OF BEGINNING; thence, North 68°30' West, 39.5 feet to an iron bolt driven in the ground; thence, South 7°36' East, 103 feet to the Northwest corner of concrete oil house; thence, in an Easterly direction along the shore of Lake Coeur d'Alene to a point on a line five feet East of the POINT OF BEGINNING; thence, in a Northerly direction to the Southern boundary of Lakeshore Drive as now established; thence, in a Westerly direction along said Lakeshore Drive five feet to the PLACE OF BEGINNING.

ASSIGNMENT OF RIPARIAN AND DOCK RIGHTS

(Eleventh Street Marina Cooperative)

K.K. & T. INVESTMENTS, L.L.C., an Idaho limited liability company ("K.K. & T."), in consideration of the formation of a non-profit recreational cooperative, and the issuance of Membership Certificates and Paid-Up Leaseholds with respect thereto, hereby assigns and transfers to the ELEVENTH STREET DOCKOWNERS ASSOCIATION, INC., an Idaho non-profit corporation ("Association"), all of K.K. & T.'s right, title, and interest in, and Association hereby assumes and agrees to perform all of K.K. & T.'s obligations under the following instruments, which pertain to riparian and dock rights relating to that certain property known as the Coeur d'Alene Eleventh Street Marina, located at East 1100 Lakeshore Drive, in the City of Coeur d'Alene, in Kootenai County, Idaho (the "Property"):

1. Lease Agreement dated _____, 19____, between the City of Coeur d'Alene, as Lessor, and Northwest Resorts, Inc. (being a predecessor of K.K. & T. with respect to the Property), as Lessee, as modified by Assignment dated May 2, 1995;

2. Encroachment Permit Nos. ERL-95-S-2173A through F (Idaho Department of Lands), previously assigned to K.K. & T.; and

3. State of Idaho Miscellaneous Lease No. M-2034, dated January 1, 1989, originally between the State of Idaho and Northwest Resorts c/o Glen Littleton, and previously assigned to K.K. & T. (Alternatively, all rights under any new lease that may be issued by the State of Idaho with respect to the submerged lands).

Copies of each of the above instruments (including assignments resulting in the current interests of K.K. & T.) are attached hereto and incorporated herein by this reference.

K.K. & T. hereby warrants and represents that each of the above instruments is in full force and effect, that the instruments have not been modified except as indicated herein, and that no party thereto is currently in default thereunder. K.K. & T. hereby agrees to indemnify, defend, and hold Association harmless from and against all claims, damages, and liabilities which may arise out of or in any way pertain to an actual or alleged breach of any of the instruments, which breach shall have occurred prior to the date hereof, and Association hereby agrees to indemnify, defend, and hold K.K. & T. harmless from and against all claims, damages, and liabilities which may arise out of or in any way pertain to an actual or alleged breach

of any of the instruments, which breach may occur on or after the date hereof.

If legal action is required or deemed necessary to interpret or enforce any of the provisions of this Assignment, the prevailing party shall be entitled to recover its costs of suit, including a reasonable attorney's fee, incurred in connection therewith.

EXECUTED and effective this 12 day of November, 1998.

K.K. & T.:

K.K. & T. INVESTMENTS, L.L.C.,
an Idaho limited liability
company

ASSOCIATION:

ELEVENTH STREET DOCKOWNERS
ASSOCIATION, INC., an
Idaho non-profit corporation

By: *Kim E. Gittel*
KIM E. GITTEL, Member

By: *Kim E. Gittel*
Kim E. Gittel, President

By: *Kevin M. Bettis*
KEVIN M. BETTIS, Member

By: *Kevin M. Bettis*
Kevin M. Bettis, Sec'y

STATE OF IDAHO)
:SS.
County of Kootenai)

On this 12 day of NOVEMBER, 1998, before me, EDWARD F. WRIDE, a Notary Public in and for the State of Idaho, personally appeared KIM E. GITTEL and KEVIN M. BETTIS, known or identified to me to be members of K.K. & T. INVESTMENTS, L.L.C., the company that executed the foregoing instrument and the persons who executed the instrument on behalf of said company, and acknowledged to me that such company executed the same.


WITNESS my hand and official seal hereto affixed the day and year first above written.

Edward F. Wride
Notary Public for Idaho
Residing at DUNE GARDENS
Commission Expires 12/12/00

STATE OF IDAHO)
 :ss.
County of Kootenai)

On this 12 day of NOVEMBER, 1998, before me,
EDWARD F. WIFE, a Notary Public in and for the State
of Idaho, personally appeared KIM E. GITTEL and KEVIN M. BETTIS,
known or identified to me to be the President and Secretary,
respectively, of ELEVENTH STREET DOCKOWNERS ASSOCIATION, INC.,
the corporation that executed the foregoing instrument and the
persons who executed the instrument on behalf of said
corporation, and acknowledged to me that such corporation
executed the same.

WITNESS my hand and official seal hereto affixed the day and
year first above written.



Notary Public for Idaho
Residing at DALTON GARDENS
Commission Expires 12/10/00

ASSIGNMENT

THIS ASSIGNMENT, made and dated this 2nd day of May, 1995 by and between the city of Coeur d'Alene, Kootenai County, Idaho, a municipal corporation organized and existing under the laws of the state of Idaho, hereinafter referred to as the "City," and Northwest Resorts, Inc., an Idaho corporation, with its principal place of business at 1100 E. Lakeshore Drive, Coeur d'Alene, Kootenai County, Idaho, hereinafter referred to as "Northwest Resorts"; and Northwest Investment Properties, a limited liability company organized pursuant to the laws of Idaho, hereinafter referred to as the "Investment Properties,"

W I T N E S S E T H:

WHEREAS, Northwest Resorts and the City of Coeur d'Alene pursuant to Coeur d'Alene Resolution No. 91-199 entered into a lease of certain City riparian interests; and

WHEREAS, Northwest Resorts is in the process of selling its business and real property to Investment Properties; NOW, THEREFORE,

IN CONSIDERATION OF THE CONDITIONS, COVENANTS, AND TERMS set forth herein, the parties agree as follows:

1. That the lease referred to above, including the legal description of the riparian interest currently leased to Northwest Resorts, Inc. by the City of Coeur d'Alene, are by this reference incorporated herein.
2. That the lease referred to above shall be assigned to Investment Properties by Northwest Resorts and said assignment is hereby approved by the City of Coeur d'Alene.
3. That said assignment shall be effective only upon the contemporaneous execution of an agreement between Northwest Resorts, as seller, to Investment Properties, as buyer of the real property owned by Northwest Resorts located at 1100 East Lakeshore Drive, Coeur d'Alene, Kootenai County, Idaho and more particularly described in Exhibit "1" attached hereto and by this

reference incorporated herein. Further, this assignment shall not be effective until and unless a lease agreement between Investment Properties and the City of Coeur d'Alene is properly executed, a copy of which lease is attached hereto as Exhibit "2" and by this reference incorporated herein.

4. That upon completion of the foregoing, the lease between Northwest Resorts and the City of Coeur d'Alene shall be deemed assigned to Investment Properties.
5. That by executing this assignment, Investment Properties accepts all of the rights, responsibilities and obligations of the lease between the City and Northwest Resorts.
6. That by executing this assignment, the City accepts the assignment to Investment Properties and releases Northwest Resorts from the rights, responsibilities and obligations of the lease between the City and Northwest Resorts.
7. The parties further agree that Paragraph 9 of the existing lease between the City of Coeur d'Alene and Northwest Resorts, which by this document is assigned to Investment Properties, shall be amended as hereinafter set forth. Said amendment shall be that upon termination of the existing lease approved by Resolution No. 91-199 that the lease approved by Resolution No. 95-110 shall become effective.

IN WITNESS WHEREOF, the Mayor and City Clerk of the City of Coeur d'Alene have executed this contract on behalf of said City, the City Clerk has affixed the seal of said City hereto, and Northwest Resorts, Inc. has caused the same to be signed by its President, and Northwest Investment Properties has caused this contract to be signed by its Managing Partners, the day and year first above written.

CITY OF COEUR D'ALENE,
KOOTENAI COUNTY, IDAHO

NORTHWEST INVESTMENT PROPERTIES .

By: [Signature]
A. J. Hassell III, Mayor

By: [Signature]
John L. Gilbert
Member

ATTEST:

[Signature]
[Signature]
Susan K. Weathers, City Clerk

By: [Signature]
William L. Sieveke
Member

NORTHWEST RESORTS, INC.

By: [Signature]
Glen Littleton
President

By: [Signature]
Dan J. Messinger
Member

By: [Signature]
Christopher M. Smith
Member

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 10 day of May, 1995, before me, a Notary Public, personally appeared A. J. Hassell III and ~~Susan K. Weathers~~ ^{Connie Boulante} ~~City~~ ^{acting} Clerk, respectively, of the City of Coeur d'Alene and the persons who executed the foregoing instrument and acknowledged to me that said City of Coeur d'Alene executed the same.

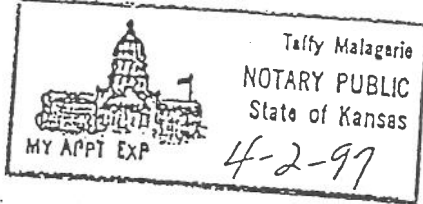
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Sandra Colvine
Notary Public for Idaho
Residing at Coeur d'Alene
My Commission expires: 10/20/99

STATE OF ~~IDAHO~~ KANSAS)
County of ~~Kootenai~~ Johnson) ss.

On this 12 day of May, 1995, before me, a Notary Public, personally appeared Gley Littleton, known to me to be the President, of Northwest Resorts, Inc., and the person who executed the foregoing instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

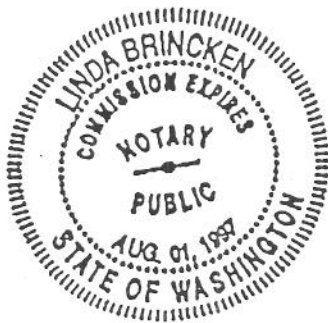


Tally Malagarie
Notary Public for Idaho KANSAS
~~Residing at Coeur d'Alene~~
My Commission expires: 4-2-97

STATE OF ~~IDAHO~~ Washington)
County of ~~Kootenai~~ Whitman) ss.

On this 10 day of May, 1995, before me, a Notary Public, personally appeared John L. Gilbert, William L. Sieveke, Dan J. Messinger and Christopher M. Smith, known to me to be the Members of Northwest Investment Properties Limited Liability Company who subscribed said Limited Liability Company name to the foregoing instrument, and acknowledged to me that Northwest Investment Properties executed the same in said partnership name.

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



Linda Brincken
Notary Public for ~~Idaho~~ Washington
Residing at ~~Coeur d'Alene~~ ^{Leatah}
My Commission expires: 8-1-97

File Number: 44268

Part of Government Lot 4, Section 24, Township 50 North, Range 4 West Boise Meridian, Kootenai County, Idaho, described as follows:

BEGINNING at the Southwest corner of Lot 8, Block 27, LAKESHORE ADDITION TO COEUR D'ALENE; thence, South 50 feet to an iron rod; thence, North $68^{\circ}30'$ West, 39.5 feet to a one inch iron rod driven in the ground, which is the PLACE OF BEGINNING; thence, South $7^{\circ}36'$ East, 103 feet to the Northwest corner of concrete oil house; thence, in a Westerly direction along the shore line of Lake Coeur d'Alene to the East side of 1.58 acre tract deeded to Consumer's Company, January 23, 1905, recorded in Book 9 of Deeds at Page 623; thence, North on East line of said land conveyed to Consumer's Company until said line intersects with the South line of Lakeshore Drive of Lakeshore Addition to Coeur d'Alene; thence, Southeasterly along the South side of said Lakeshore Drive to the PLACE OF BEGINNING.

ALSO that part of Government Lot 4, Section 24, Township 50 North, Range 4 West Boise Meridian, Kootenai County, Idaho, and described as follows:

COMMENCING at the Southwest corner of Lot 8, Block 27, LAKESHORE ADDITION TO COEUR D'ALENE; thence, South 50 feet to an iron bolt driven in the ground, the POINT OF BEGINNING; thence, North $68^{\circ}30'$ West, 39.5 feet to an iron bolt driven in the ground; thence, South $7^{\circ}36'$ East, 103 feet to the Northwest corner of concrete oil house; thence, in an Easterly direction along the shore of Lake Coeur d'Alene to a point on a line five feet East of the POINT OF BEGINNING; thence, in a Northerly direction to the Southern boundary of Lakeshore Drive as now established; thence, in a Westerly direction along said Lakeshore Drive five feet to the PLACE OF BEGINNING.