

LAKE FOREST

RULES AND REGULATIONS

KNOW ALL PERSONS BY THIS NOTICE, that the Board of Directors of **LAKE FOREST PROPERTY OWNERS, INC.**, in accordance with **Section 4.3** of the **Declaration of Covenants, Conditions, Restrictions and Reservations**, has adopted the following **Rules and Regulations** for **LAKE FOREST**. Rules and Regulations shall apply to the real estate located in Coeur d'Alene, Idaho as more particularly described on Exhibit "A" which by reference is made a part hereof.

1.0 ARCHITECTURAL CONTROL

- 1.1 **Exterior Appearance.** In order to preserve a uniform exterior appearance of the buildings, no Owner may modify or decorate the exterior of any buildings, screens, doors, awnings or other portions of any lot visible from neighboring Lot without the prior written consent of the Board, and in accordance with Rules and Regulations of the Board, except for seasonal decoration. No exterior radio or television antennae or satellite dish may be visible from the street. No clotheslines shall be visible from the street or from neighboring Lots. Windows shall be covered by drapes, shades or shutters and shall not be painted or covered with foil, cardboard or similar material.
- 1.2 **Signs.** No sign of any kind shall be displayed to the public view on or from any Lot without the prior consent of the Board; however, display of "For Sale" signs not exceeding five (5) square feet in size shall be allowed when a Lot is being sold. This section shall not apply to Declarant or Declarant's agents, lenders, and contractors.
- 1.3 **Garages and Parking.** No resident on-street parking of longer than 24 hours shall be allowed in the Project. All guest vehicles shall be parked in driveways, garages, side yard or back yard or on one side of streets consistent with signage and other requirements of these Rules and Regulations.
- 1.4 **Minimum on Lot Parking.** Each home shall have an attached garage for two cars or more and two off street parking spaces.
- 1.5 **Fencing.** Only wood or solid vinyl fences shall be used in the Project. No alterations or modifications are permitted to perimeter fences by residents without Board approval. No fence shall be erected which shall exceed six feet in height. When a fence exists on a property line, the Owners on each side of the fence are responsible for maintenance of the fence and each shall take no action which adversely effects the aesthetics of the other side of the fence without the effected neighbor's or Board's permission.

- 1.6 **Drainage.** The drainage system of the Property is a combination of natural and artificial patterns. Declarant has had the system engineered to protect the environment and to assure consistency with government regulation. Each owner shall protect the drainage pattern and shall not take any action to disrupt the drainage pattern without approval of the Board. Each owner shall irrigate the drainage swales located on the Owner's Lot or the adjacent right of way. The Association shall have the responsibility to maintain the Drainage swales where separated from the owners property by a fence. This provision cannot be amended without the approval of the City of Coeur d'Alene's Engineering Department.
- 1.7 **Completion of Improvements.** All construction of residences shall be started within one year of purchase of the Lot and all construction shall be completed within one (1) year of commencement of construction. Any Owner failing to abide by this restriction may be subject to a \$100 per day fine at the discretion of the Board, until completed. Resident's improvements to Lots other than primary residences, including but not limited to additions to houses, temporary buildings and landscaping, shall be completed within ninety (90) days of commencement of the improvement except where delayed by weather. For example, should the resident choose to complete his front yard landscaping, the work is to be completed within the time outlined above. Also, the resident is responsible for making a clean and unobstructed sidewalk in front of his residence and the resident is responsible for repairing any damage to walks or curbs as a result of these activities.
- 1.10 **Roof Style and Color.** All homes shall have a pitched roof. All roofing material shall be of composite roofing and of slate, stone or earth tone in color.
- 1.11 **Home Design.** Each home shall be of a style not identified to the residences built within two Lots of the home. No residence shall be taller than thirty-five (35) feet above the ground elevation.
- 1.12 **Temporary Structures.** The use of temporary structures or partially completed structures shall be limited to ninety (90) days.
- 1.13 **Visual Obstruction Within Setback.** No fence, wall, hedge or mass planting shall be permitted except upon approval by the Board within the front yard setback as established by the City.
- 1.14 **Installation.** All homes shall be built in accordance with the laws and regulations of all governing agencies with jurisdiction over the Lot permits obtained therefore.

- 1.15 **Landscaping.** No tree on any lot shall be removed without the permission of the Board. Each front yard of each Lot shall be landscaped with at least one-third (1/3) of the yard in lawn or other living ground cover. All Lots shall be professionally or tastefully landscaped and contain in-ground automatic irrigation system. Every front yard in the Project shall be maintained in a controlled or domesticated fashion. Natural or wild landscape design will not be accepted. Each front yard in the Project shall have at least one (1) tree (either existing or planted) of two-inch (2") caliber.
- 1.16 **Perimeter Fencing.** All perimeter fencing placed by the Declarant shall remain unchanged physically unless permission to change is attained from the Board or Architectural Committee.
- 1.17 **Garage and Trash Containers.** No Lot shall be used or maintained as a dumping ground for rubbish, trash or other waste. All trash, garbage and other waste shall be kept in sanitary containers architecturally screened from view from the street except on the day of pickup.
- 1.18 **Mail/Paper Box.** Declarant shall establish the initial design of the mail/paper box. Each Homeowner shall maintain the approved mail/paper box. All repairs or replacements shall conform to the original design and materials.
- 1.19 **Incorporation of City Ordinances.** Any violation of a City of Coeur d'Alene ordinance shall also be considered a violation of these Rules and Regulations. The City ordinances of the City of Coeur d'Alene are hereby incorporated in these Rules and Regulations.

2.0 RESIDENCE USE CONTROLL

- 2.1 **Residential Use.** The buildings and Lots, except those platted and zoned as nonresidential, are intended for and restricted to use as single family residences only, on an ownership, rental or lease basis and for social, recreational or other reasonable activities normally incident to residential use. However, regardless of the foregoing, the Declarant may use Lots Declarant owns as sales or construction offices and models.
- 2.2 **Offensive Activity.** No noxious or offensive activity shall be carried on any Lot, nor shall anything be done therein that may be or become an annoyance or nuisance to other Owners, including but not limited to operation of off road vehicles, maintaining of farm animals, barking dogs, production of offensive odors, excessive or late night noise. Repair of vehicles shall be accomplished inside Owners garage or in the recreational vehicle storage area if available.

- 2.3 **Maintenance of greenspace between Sidewalk and Street.** Each home site shall have greenspace located between the sidewalk and street. This area is to be maintained and kept clean and unobstructed by the homeowner. The area shall be used for snow storage and all plans of landscaping for each Lot shall include specific delineation of the landscaping for this area.

3.0 RULES FOR PET OWNERS

- 3.1 **Definition.** All pets (mammals, birds, reptiles or living creatures of any kind) kept in any unit or in the common areas are subject to these Rules and Regulations.
- 3.2 **Right of Removal.** The Board may at any time require the removal of any pet which it finds disturbing other Owners unreasonably, and may exercise this authority for specific pets even though other pets are permitted to remain.
- 3.3 **Limit of Pets.** No unit Owner/tenant or guest may keep more than three (3) pets per Lot (excluding contained small animals which include but are not limited to fish, birds, hamsters and gerbils).
- 3.4 **Leash.** All dogs are to be kept on a leash or personally controlled by Owners when off the Lots and shall be contained when on the Lots. Dogs shall not be allowed to roam.
- 3.5 **Tied Pets.** No pets may be tied up or left unattended outside any residence.
- 3.6 **Damage by Pets.** Unit Owners/tenants and their guests are responsible for any damage to common areas or other Owner/tenant areas caused by their pet.
- 3.7 **Alterations to Common Area.** Nothing shall be altered or constructed in a common area to house or accommodate pets, except portable, completely removable, pet houses.

4.0 MOTORIZED VEHICLES

- 4.1 **Operable Motor Vehicles.** Parking spaces may be used only for the parking of operable motor vehicles.
- 4.2 **Motorcycles.** All starting, running and repairing of motorcycles on any Lot except to leave from or arrive at the Lot, shall be strictly prohibited on the Property. No unlicensed driver shall operate any motorized vehicle on the Property.

4.3 **Recreation and Non-Operating Vehicle Parking.** This restriction shall apply to all vehicles, recreation vehicles and non-operating vehicles including, without limitation, automobiles being restored, automobiles in need of mechanical assistance, off road vehicles, motor homes, boats, campers, camper shells and extra vehicles being parked for longer than 48 hours. Such vehicles shall be parked only in Owner's garages, or on the garage side of the house at least 10 feet back from the front of the home (the "front" of the house faces the street).

5.0 VARIANCE PROCEDURES

5.1 **Variance.** It is the intent of the drafters of these Rules and Regulations to create a flexible system for the protection of the Owners of Lots in LAKE FOREST. It is anticipated that there may be situations which arise in which the characteristics of a Lot, the existence of alternatives, or the unfairness of the strict technical rule or regulation may demonstrate a need to vary the restrictions. In those types of circumstances, the Board may allow alternative methods to be submitted and approved in accordance with the process set forth herein for a varying of the restrictions of the Rules and Regulations. If the Board or its agent or committee as specified in the submittal process, determines that a variance is appropriate given the criteria set forth herein, the Board may grant a variance from any Rule or Regulation set forth herein.

5.2 **Variance Procedure and Standard for Granting Variance.** The procedure for granting a variance shall be the same as an original submittal and approval as set forth in these Rules and Regulations. The request for the variance may be made with the original submittal or may be made subsequent following a conditional approval or denial. A variance may be granted only when the applicant has demonstrated all of the following conditions are present:

5.2.1 that there is undue hardship caused to the party requesting the variance,

5.2.2 that the variance is not in conflict with the general community interest of Project,

5.2.3 that the granting of the variance will not be materially detrimental to the neighboring property Owners, and

5.2.4 that the granting of the variance does not appear to be in contrary to the general goals and policies of the Declaration of Covenants, Conditions and Restrictions.

5.3 **Variance Not a Waiver.** The granting of a variance to an Owner is not to be construed as a waiver for other Owners.

6.0 RENTAL/LEASE RULES

- 6.1 **Informed Tenants.** Tenants shall be made aware of these Covenants and Restrictions and leases shall be subject to the same.
- 6.2 **Lease or Rental Terms.** No lease or rental of a unit shall be for a term less than thirty (30) days. All lease and rental agreements shall be in writing, a copy of which shall be delivered to the Board. Any lease or rental agreement must provide that its terms shall be subject in all respects to the provisions of the DECLARATIONS AND BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION.
- 6.3 **Entire Unit.** No lease or rental of a unit may be of less than the entire unit except as part of the operation of a single-family residence including but not limited to housekeepers, exchange students, nannies, family member or security.
- 6.4 **Tenant's Failure to Comply.** Any failure of the tenant to comply with the terms of such documents, rules and regulations shall be a default under the lease or rental agreement and the unit Owner grants to the Board or its managing agent the authority to evict the tenant on the unit Owner's behalf for such default upon only such notice as required by law, if any lease does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be a part of the lease and binding upon the unit Owner and the tenant by reason of their being stated in the Declaration and these rules.
- 6.5 **Termination of Agreement.** Should the Board bring action to terminate the lease/rental agreement, the Owner shall be jointly and severally liable with the tenant for all attorneys' fees and court costs incurred by the Board; and a provision regarding attorneys' fees being the responsibility of the Lessee and Owner shall be included in any lease.
- 6.6 **Use of Common Amenities.** During the period of time a unit Owner has entered into a lease/rental agreement, the unit Owner releases his/her rights to use of common amenities to the tenant unless use of the amenities is specifically assigned to the Owner in the lease. If assigned to the Owner, tenants shall forfeit use of amenities.

7.0 SUBMITTAL AND APPROVAL PROCEDURE.

7.1 General Requirements. All reference to "submitted and approved" or similar language requires an Owner to follow these specific procedures. This procedure shall be completed before commencement of any and all improvements to Owner's parcel.

7.2 Delivery of Information. Owner of parcel to be improved, shall deliver plans and specifications showing nature, kind, shape, color, size, materials, and location of all intended improvements (including, but not limited to, plans related to landscaping, parking, signage,

building design and materials, use, operations and possible hazardous activities) to the Board, or to other persons or committees at another address, if specified by the Board. Additional information may also be required by the Board or by other references in the text of the Declaration.

7.3 Payment and Review Fee. Owner shall also deliver with plans a non-refundable and reasonable review fee at amounts specified by the Board. The Board shall have sole responsibility for setting a reasonable fee. Board may waive or adjust fee for low cost improvements.

7.4 Action After Review. Board or person or committee delegated the responsibility shall approve, disapprove, or conditionally approve each application.

7.4.1 Approval must be expressed in writing within ten (10) days, unless an extension of time is granted by the Board. All approvals shall be noted in the records of the Association or other log for that specific purpose.

7.4.2 Conditional approval shall be in writing, signed by a corporate officer or the Board's authorized agent. The approval shall specify in writing the conditions that need to be completed prior to occupancy. Specification of conditions does not relieve Owner of all other requirements of the Declaration.

7.4.3 Disapproval shall be in writing, signed by a corporate officer or the Board's authorized agent. The signing individual will specify the reasons for the disapproval and may suggest alternatives. Owner may reapply with amended application, following the same procedure as the original application.

7.5 Appeal. If an Owner contests the disapproval or conditional approval of the application or if another property Owner contests the approval of the application, then either or both may appeal the determination.

7.5.1 The appeal process is commenced by serving written notice of appeal and a non-refundable appeal fee of Five Hundred and No/100 Dollars (\$500.00), or the current reasonable fee for five (5) hours of attorney's fees, whichever is greater, as determined by the Board.

7.5.2 Said notice shall be delivered within twenty (20) days of the contested determination. Notice shall be deemed delivered within five (5) days of being mailed to agents' address by certified mail with return receipt requested.

7.5.3 Appeal process shall be in accordance with the Uniform Arbitrating Act (Idaho Code Section 7-901 et seq., or successor statute), but the panel of arbitrators (either one (1) or three (3) at the discretion of the Board) shall be appointed by the Board.

7.5.4 All costs associated with appeal arbitration shall be borne by the appealing party except attorney's fees, which if arise, shall be borne by the person or entity hiring the attorney, except in the event the appealing party is unsuccessful, then the appealing party shall pay all reasonable attorney's fees incurred by Association.

7.6 Commencement of Construction After Approval. Commencement of construction or placement of improvements may occur any time following the obtainment of a building permit from appropriate governmental agency, the approval of application and termination of appeal period or completion of appeal if approval is upheld. The improvements must be completed in accordance with the approved application and the Declaration. Approval of the application is not a guarantee or warranty of compliance with the Declaration. It is rather a guidance procedure. Owner may not rely solely upon the application process for determination for compliance with the Declaration. Owner must request the compliance determination on Owners own knowledge of the Declaration and improvements.

7.7 Submittal and Approval Procedures:

7.7.1 Board's Right to Delegate Review Process: The Association may delegate part or all of the responsibility for the review process to an authorized agent. Without such delegation the Board shall be solely responsible for approval.

7.7.2 Guide for Common Interpretations: Board shall attempt to interpret the Declaration Documents consistently giving the words their definitions appended, but strictly interpreting the words to enforce the purpose of the Declaration. Board may, by separate Minute Book, tabulate and summarize interpretations and decisions as to approvals in order to encourage consistency. Future Boards should review prior determinations in the attempt to remain consistent in the application of the Declaration.

7.7.3 Conformity Certificate: Within sixty (60) days after written request has been delivered to the registered agent, the Board shall certify to its knowledge whether or not, at the date plans being proposed or all improvements on a lot specified in the request comply with this Declaration. The certificate shall, in recordable form, identify any items of noncompliance. Any person, in good faith may reply on such certificate with respect to the matters set forth therein, such matters being conclusive as of that date.

7.7.4 No Liability: In consideration for providing the approval service to Owners, neither Declarant nor Association or authorized agent shall be liable for any damage, loss or prejudice suffered or claimed by any person on account of its approval or disapproval of any plans, drawings or specifications for the improvement of any Lot within the Development or the construction of any improvement or the performance of any work. Approval or disapproval of any plans, drawings and specifications shall not be deemed a representation as to whether or not the proposed improvement or work complies with applicable laws or it is in any way defective.

7.7.5 No Effect on Government Agencies: The Declaration has been drafted to assist Owners in the compliance with performance standards and zoning restrictions of the City of Coeur d'Alene; however, compliance with the Declaration does not guaranty compliance with appropriate government restrictions. The Declaration has no effect on the requirements of regulating government agencies. Owner must comply with both the government agencies and the Declaration's restrictions; if mutual compliance is impossible, then government restrictions shall prevail.

8.0 ENFORCEMENT PROCEDURE

8.1 Arbitration. Enforcement shall be by binding arbitration. The Board of Arbitrators shall be the Board of Directors or a committee appointed by the Board. The committee shall of no less than three (3) individuals not residing adjacent to the alleged violators.

8.2 Form of Notice. Notice of the alleged violation of these Rules or Regulations or CC&Rs in general may be made in the form of a signed from a homeowner or a statement of a Board member in the minutes of a regular or special Board meeting. Said documentation should contain the approximate time and date of the alleged violation. The president, or designated Board member, shall notify, by letter, the alleged violator of the complaint received. The letter should request that no further violations occur and should state that if further violations should occur, a fine provided for in the Regulation will be levied.

8.3 Fine not Paid. If a fine is levied and not paid, it shall be treated as an arbitrated claim and a judgement in that amount shall be entered by the appropriate court in accordance with the Idaho Uniform Arbitration Act.

8.4 No Contest. If the alleged violator does not contest the allegation, then the Board shall adjudge the existence of a violation.

8.5 Contest. Hearing and Remedy. If the alleged violator contests the existence of a violation, a hearing on the matter shall be held. The Board or a committee appointed by the Board shall hold a hearing on the matter using procedure set by the Board with assistance of the Association's legal counsel. If the Board determines that a violation exists then the Board shall

have the sole discretion to determine whether or not a violation occurred and if so what the appropriate remedy for the violation shall be. The Board may, without limitation, order: removal of the violating structure or improvement; order changes to the structure or improvement; place a fine against the violating Owner to halt continuing violations or until changes are completed; place a fine against the violating Owner to discourage future violations or repair violations; and levy a fine or assessment to reimburse the Association for repairs.

8.6 Court and Attorney Fees. If the matter is taken to court, because of non-payment of the fine or failure to comply with the order, then all of the costs plus attorney's fees for such action or an action related to the enforcement shall be paid by the violating Owner, as determined by the enforcement arbitration Board and no fees shall be awarded against the Association.

8.7 Reservation of Other Remedies. In addition to the remedies set forth above, Association and Declarant reserves the right to enforce any restrictions contained herein by any other appropriate action at their option.

8.8 Additional Enforcement of Attorney's Fees. The failure of any Owner to comply with the provisions of the Development documents shall give rise to a cause of action in favor of the Association and any aggrieved Lot Owner for the recovery of damages, or for injunctive relief, or both. The Board shall have the power to enforce the provisions of the Declaration, the Articles, the Bylaws, and the Rules and Regulations of the Association, as the same may be lawfully amended from time to time, for the benefit of the Association. If legal action is brought to interpret or enforce compliance with the provisions of this Declaration, the Articles, the Bylaws or Rules and Regulations of the Association, then the Declarant or Association, as the case may be, shall be entitled to judgement against the other party for its reasonable expenses, court cost and attorney's fees in the amount awarded by the court.

8.9 Failure to Enforce is Not a Waiver. The failure to enforce any requirements contained in this Declaration shall in no event be deemed to be a waiver of the right to enforce that requirement or any other provision thereafter including architectural control.

9.0 PROCEDURE FOR AMENDING ADMINISTRATIVE RULES & REGULATIONS

9.1 Proposed Rule or Regulation. Any proposed rule or regulation or amendment and a statement explaining the reasons supporting its adoption should be delivered to a Board Member or proposed at a meeting of the Board meeting.

9.2 Basis for Amendment. If the Board, in an open meeting, determines that there is a reasonable basis for the amendment of the Rules and Regulations, a draft of the proposed rule and regulation shall be completed. Legal advice as to the drafting shall be obtained.

9.3 Formalities. A copy of the draft rule shall be sent to each Owner in accordance with the same formalities as required for notice of a special meeting of the Owners.

9.4 Notice of Hearing. Included with the proposed rule shall be notice for the hearing to receive comment concerning the proposed rule and regulation. Said hearing shall be set not less than thirty (30) days from the date of the notice and shall specify the time and place of hearing.

9.5 Procedures for Hearing. At the hearing an opportunity to be heard shall be given to any and all Owners that care to attend. The hearing panel shall consist of Board members and a chairperson of the hearing shall be appointed by those Board members attending. A lack of quorum of the Board members shall not halt the proceeding. The purpose of the hearing is not to vote on the issue, but rather only to obtain information. However, if the chairperson so desires a vote of those present may occur but the vote shall not bind the Board of Directors.

9.6 Results of Hearing. Following the hearing, and at a separate meeting of the Board, whether regular or special, the hearing Board shall explain the results of the hearing and full discussion on the matter shall be held by the Board. The Board may accept, reject, or amend the proposed regulation by majority vote.

9.7 Determination of Adoption. Upon the adoption of any rule and regulation the Board may make a determination of a reasonable and appropriate fine for violators of the rule. Such determination shall be included with the rule and regulation.

9.8 Documentation of New Rule or Regulation. Copies of any newly adopted rule and regulation shall be forwarded to each Owner or renter after the adoption of the Board. The Board shall compile all rules and regulations of the Project at some location easily reviewable by the member, and shall be kept with the Association books.

9.9 Effective Date and Recordation. The adopted rule or regulation and any amendments shall also be recorded in the records of Kootenai County and shall become effective on the date of recordation.

These Rules were unanimously adopted by the Board of Directors of Lake Forest Property Owners, Inc. on the 1st day of December, 2000 and shall remain binding on all Owners of property located in Lake Forest until amended or terminated, or until the termination of the Declaration of Covenants, Conditions and Restrictions recorded in the records of Kootenai County as instrument number **1659903** on the 18th day of December, 2000.

Board of Directors:

Michael P. Fitzgerald, SR

Michael Fitzgerald, JR

Clara Jessop

