

Recorded at the Request of:

LUKINS & ANNIS, P.S
Suite 102
Coeur d'Alene, Idaho 83814
Attention: EDWARD F. WROE

62510

STATE OF IDAHO }
COUNTY OF KOOTENAI } ss
AT THE REQUEST OF _____

PIONEER TITLE CO.
Aug 29 9 22 AM '96

DANIEL J. ENGLISH
[Signature]
REC'D

1459766

DECLARATION OF ANNEXATION

**COEUR D'ALENE PLACE
(THIRD ADDITION)
CITY OF COEUR D'ALENE
KOOTENAI COUNTY, IDAHO**

This Declaration of Annexation is made on the date hereinafter set forth, by GREENSTONE-KOOTENAI, INC., an Idaho corporation ("Declarant"), with reference to the following facts:

A. Declarant is the developer of a certain tract of land located in the City of COEUR D'ALENE, Kootenai County, Idaho, being a mixed used planned unit development commonly known as Coeur d'Alene Place, which development is governed by that certain Master Declaration of Covenants, Conditions, and Restrictions dated January 6, 1995, and recorded January 6, 1995, as Document No. 1383804, official records of Kootenai County, Idaho (the "Master Declaration"), the definitions and terms of which Master Declaration are incorporated herein by this reference.

B. Declarant is the purchaser/developer of the following property in the vicinity of the Coeur d'Alene Place project, but which has not yet been subjected to the Master Declaration (the "Annexed Property"):

All land located within the Plat of COEUR D'ALENE PLACE THIRD ADDITION, in the City of Coeur d'Alene, according to the Plat filed August 27, 1996, in Book "6" of Plats, Pages 405, 405A and 405B and 405C, as Instrument No. 1459486, Rec'ds of Kootenai County, Idaho;

C. Declarant desires to subject the Annexed Property to the Coeur d'Alene Place project, as provided in this Declaration of Annexation.

NOW, THEREFORE, the Declarant declares as follows:

1. Annexation. Pursuant to the rights reserved to Declarant under Article 15 of the Master Declaration, the Annexed Property is hereby made subject to the Master Declaration and shall for all purposes be a part of the Coeur d'Alene Place Project, effective on the date of recordation of this Declaration of Annexation. The Annexed Property shall be held, conveyed,

mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the declarations, limitations, covenants conditions, restrictions, and easements set forth in the Master Declaration, all of which are for the purpose of enhancing and protecting the value and attractiveness of the entire Coeur d'Alene Place Project. All of the limitations, covenants, conditions, restrictions, and easements set forth in the Master Declaration shall constitute covenants and encumbrances which shall run with the Annexed Property for the benefit of the entire Project, and shall be perpetually binding upon Declarant and its successors-in-interest and assigns, and all parties having or acquiring any right, title or interest in or to any part of the Annexed Property.

2. Grant and Reservation of Easements. Declarant hereby grants to all Owners of Lots in the Annexed Property all rights and easements created for the benefit of the entire Project, which rights and easements are reserved to Declarant in the Master Declaration, Declarant also hereby reserves from all Owners of Lots in the Annexed Property, and grants to the Owners of Lots in previously Annexed Phases, all rights and easements which were reserved to Declarant under the Master Declaration,

3. Master Association Assessments. Without limiting the generality of the foregoing, Declarant, for each Lot owned within the Annexed Property, hereby covenants, and each Owner of any Lot within the Annexed Property, by acceptance of a deed therefore, is hereby deemed to covenant and agree to pay to Coeur d'Alene Place Master Association, Inc. (the "Association") regular monthly assessments or charges, and extraordinary and special assessments for capital improvements and unexpected expenses, all according to the Master Declaration (and according to the special surcharge assessment provisions described in paragraph 5 below.

4. Common Area. Those portions of the Annexed Property identified on the Plat thereof as Tracts A through G, being park areas and private roadways, shall be deemed "Common Area," which shall be owned in fee and maintained by the Master Association according to the Master Declaration (subject to the special provisions relating to Tract F, as set forth in Paragraph 5 below).

5. Special Provisions: Cluster Area. Pursuant to the rights reserved to the Declarant in paragraph 15.2 of the Master Declaration, the special provisions of this Paragraph 5 shall apply to the following portion of the Annexed Property (such portion being referred to herein as the "Cluster Area"):

- Lots 1 through 12, Block 2;
- Lots 1 through 34, Block 3;
- Lots 1 through 25, Block 4;
- Lots 1 through 6, Block 5;
- Lots 1 through 7, Block 6;
- Tract F, a private road, together with the street lighting thereon.

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a. That portion of the Common Area, described on the plat as Tract F (referred to herein as the "Exclusive Use Area"), although to be owned and maintained by the Master Association, shall be dedicated to the exclusive use and enjoyment of the Owners of Lots within the Cluster Area.

b. Because of the minimal scope and maintenance requirements of the Exclusive Use Area, the Declarant has determined that it is presently unnecessary to form a formal Subassociation for the Cluster Area, as would be contemplated by the Master Association. Accordingly, there shall be no Subassociation formed for the Cluster Area or any other portion of the Annexed Property, except where such formation is undertaken pursuant to Subparagraph 5(e) below. In lieu of the establishment of a Subassociation, the Declarant hereby delegates and assigns to the Master Association the rights and obligations relating to the use and maintenance of the Exclusive Use Area, as specified in this Paragraph 5.

c. The Board of the Master Association shall appoint a special committee (the "Advisory Committee"), consisting of not less than three (3) nor more than five (5) Owners of Lots within the Cluster Area, whose function shall be to advise the Board of the special needs and desires of the Owners of Lots within the Cluster Area, particularly pertaining to the use and maintenance of the Exclusive Use Area.

d. Following consideration of input from the Advisory Committee from time to time, the Board shall establish a budget to cover the cost of maintaining the Exclusive Use Area, and shall determine a surcharge to be added to the Regular Assessments levied by the Master Association, which surcharge shall be charged only to the Owners of Lots within the Cluster Area (on an equal per Lot basis) to cover the costs of such maintenance, including at the discretion of the Board, a reasonable reserve for future repairs and replacement. The surcharge shall not be considered in determining the limits on Regular Assessments set forth in the Master Declaration. In addition to the imposition of the surcharge assessment, and based on input from the Advisory Committee, the Board shall also have the right to enact reasonable rules and regulations relating to the use of the Exclusive Use Area.

e. If, in the determination of the Declarant, the Board of the Master Association, or a majority of the Owners of Lots within the Cluster Area (one vote per Lot), the Cluster Area and its needs would be better served by the formation of a formal Subassociation, then such a Subassociation shall be formed, with constituent documents (e.g., Articles of Incorporation and Bylaws) being in substantially the forms utilized for the Master Association. In such event, the actual constituent documents shall be as approved by a majority of the Cluster Area Lot Owners, at a meeting called for such purpose, following at least thirty (30) days notice to all such Lot Owners. Upon the formation of the Subassociation, title to the Exclusive Use Areas shall be conveyed to the Subassociation, and all powers theretofore exercised by the Board of the Master Association with respect to the Exclusive Use Area shall thenceforth be exercised by the Board of the Subassociation. The Subassociation shall nevertheless be governed by the Master Association as and to the extent provided in the Master Declaration.

