

COUNTY OF KOOTENAI) SS
AT THE REQUEST OF _____

KOOTENAI COUNTY TITLE CO.

JUL 21 2 21 PM '94

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PRAIRIE FALLS PROPERTY OWNERS, INC.
RULES AND REGULATIONS

DEPUTY
FEE\$ 36.00

KNOW ALL PERSONS BY THIS NOTICE, that the Board of Directors of PRAIRIE FALLS 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 PRAIRIE FALLS SUBDIVISION. Rules and Regulations shall apply to the real estate located in Post Falls, 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, the Board will provide each owner a list of paint type and color to be used in the Project. In addition, each residence shall incorporate masonry or brick on a portion of the residence facing the street and the golf course, as follows:

1.1.2 On Lots abutting golf course ("Course Lots or Lot"), 50% or more of the total visible exterior walls facing the street and golf course shall each be covered brick or masonry type finish.

1.1.3 On Lots not abutting the golf course but located only one residence away from the golf course ("View Lots") 35% or more of the total visible exterior wall facing the street shall be covered with brick or masonry type finish.

1.1.4 All other Lots ("Secondary Lots") shall have an architectural element constructed of brick or masonry type finish facing the street.

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 or regulations of the Board. No exterior radio or television antennae may be installed without the prior written consent of the Board. No clothes lines 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 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.

1.4 Minimum on Lot Parking. Each home shall have an attached garage for two cars or more and two off street parking places.

1.5 Fencing. Only wood or mortar 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. No fence shall either be constructed between the house and

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street or within twenty-five (25) feet of any property line that adjoins the golf course. 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 affects 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.

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. Residents' 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 maintaining 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.

1.8 Minimum Residence Size. Minimum size of homes (excluding garages) shall be as follows:

1.8.1 Course Lots or Lot 1,400 square feet for single floor, 2,000 square feet for multifloor.

1.8.2 View Lots 1,250 square feet for single floor, 1,800 square feet for multifloor.

1.8.3 Secondary Lots 1,150 square feet for single floor, 1,650 square feet for multifloor.

1.9 Sidewalk Installation. The responsibility for placing of sidewalks on each residential Lot shall be at the sole cost of the Owner of the residential Lot. The Homeowners Association may request certain sums to be paid to assure the sidewalk installation is completed in a timely fashion consistent with the design of other sidewalks in the neighborhood.

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 color and the composite roofing used on the course homes shall be high relief architectural roofing of slate stone color.

1.11. Home Design. Each home shall be a style not identified to the residences built within three Lots of the home. No residence shall be taller than thirty-five (35) feet above 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 of Post Falls.

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 therefor.

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1.15 Landscaping. No tree on any Lot shall be removed without the permission of the Board. Each front yard of each Lot and the front and back of Course Lots or Lot shall be landscaped with at least one-third (1/3) of the yard in lawn or other living ground cover. All portions of Course Lots or Lot abutting the golf course shall be landscaped to harmonize with the golf course and the turf shall continue unobstructed and unbroken for the first twenty-five (25) feet of each Course Lot adjoining the course. All Course Lots shall be professionally or tastefully landscaped and contain an inground 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 three (3) trees (either existing or planted) of two inch (2") caliber. The trees shall include the following varieties: one short-needed evergreen species, one sterile flowering species, and one fall color deciduous species.

1.16 Perimeter Fencing. All perimeter fencing placed by Declarant shall remain unchanged physically unless permission to change is attained from the Board or Architectural Committee.

1.17 Garbage 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. The approved mail/paper box shall be maintained by each homeowner. All repairs or replacements shall conform to the original design and materials.

1.19 Incorporation of City Ordinances. Any violation of a City of Post Falls ordinance shall also be considered a violation of these Rules and Regulations. The City ordinances of the City of Post Falls are hereby incorporated in these Rules and Regulations.

2.0 RESIDENCE USE CONTROL

2.1 Residential Use. The buildings and Lot,s 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 Owner's garage or in the recreational vehicle storage area if available.

2.3 Maintenance of Greenspace between Sidewalk and Street. Each homesite 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.

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3.0 RULES FOR PET OWNERS

3.1 Definition. All pets (animals, 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 for 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 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 vehicle shall be operated on the property except golf carts. No unlicensed driver shall operate any motorized vehicle on the Property.

4.3 Recreation and Nonoperating Vehicle Parking. All recreational vehicles and nonoperating 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, shall be parked only in the area designated for recreation vehicle fee storage (if available), in Owner's garages, or off the Property.

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 PRAIRIE FALLS SUBDIVISION. 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

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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 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 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 THE 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 members or security.

6.4 Tenant's Failure to Comply. Any failure by 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 such 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.

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7.0 Submittal and Approval Procedure.

7.1 General Requirements. All reference to "submitted and approved" or similar language require 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 of 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 conditional 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.

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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 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 Owner's own knowledge of the Declaration and improvements.

7.7 Submittal and Approval Procedure:

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 Lessee, purchaser or creditor, whether construction or personal, in good faith for value shall be entitled to rely 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 whether or not 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 Post Falls; however, compliance with the Declaration does not guaranty compliance with appropriate governmental restrictions. The Declaration has no effect on the requirements of regulating governmental agencies. Owner must comply with both the governmental 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 be 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 letter 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 do 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 judgment 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 has 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 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 this 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 the Rules and Regulations of the Association, then the Declarant or Association, as the case may be, shall be entitled to judgment against the other party for its reasonable expenses, court costs 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.

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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 in writing.

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 hearing to receive comment concerning the proposed rule and regulation. Said hearing shall be set not less than thirty 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 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 kept 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.

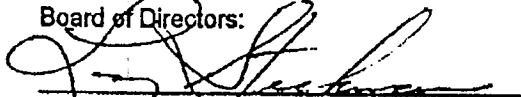
These Rules were unanimously adopted by the Board of Directors of Prairie Falls Property Owners, Inc. on the 18th day of July, 1994 and shall remain binding on all Owners of property located in Prairie Falls Subdivision until amended or terminated, or until the termination of the Declaration of Covenants,

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Conditions and Restrictions recorded in the records of Kootenai County as instrument number _____ on the _____ day of July, 1994.


Board of Directors:




Larry Steckman



Greg Linnebach



William Radobenko



Ed Adair

1461150

STATE OF IDAHO }
COUNTY OF KOOTENAI } ss

AT THE COURT OF
WETZEL & FASNACHT, P.L.L.C.

**SECOND AMENDMENT TO THE
PRAIRIE FALLS PROPERTY OWNERS, INC.
RULES AND REGULATIONS**

SEP 9 3 11 PM '96

DANIEL E. ENGLISH

D. English
DEPUTY (w.d.)
FEE \$ _____

KNOW ALL PERSONS, by this notice, that the Board of Directors of PRAIRIE FALLS PROPERTY OWNERS, INC., in accordance with Section 9, "Procedure for Amending Administrative Rules and Regulations," has adopted the following amendments to the RULES AND REGULATIONS FOR PRAIRIE FALLS SUBDIVISION ("RULES") which were executed on the 18th day of July, 1994, and recorded on the 21st day of July, 1994, in Kootenai County, State of Idaho as instrument number 1363411.

Paragraph 2.1, "Residential Use" as currently written is deleted and the following paragraph 2.1, "Residential Use" shall be substituted and reads as follows:

"2.1 Residential Use. The buildings and Lots, except those platted and zoned as nonresidential, are restricted to non-multi family buildings only, on an ownership, rental or lease basis and for social, recreational or other reasonable activities normally incident to residential use. Only one (1) garage sale per residence, per year shall be allowed. However, regardless of the foregoing, the Declarant may use Lots Declarant owns as sales or construction offices, models and rentals. Furthermore, any leasing of any residence is further limited as specified in Section 6.0."

Paragraph 6.2, "Lease or Rental Terms" as currently written is deleted and the following paragraph 6.2, "Lease or Rental Terms" shall be substituted and reads as follows:

"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 THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION."

No other portion of the PRAIRIE FALLS PROPERTY OWNERS, INC., RULES AND REGULATIONS executed on July 18, 1994, and recorded on July 21, 1994, in Kootenai County, State of Idaho, as instrument number 1363411 shall be changed.

These Amended Rules were unanimously adopted by the Board of Directors of PRAIRIE FALLS PROPERTY OWNERS, INC., on the 6 day of SEPT, 1996, and shall remain binding on all owners of property located in the PRAIRIE FALLS

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**THIRD AMENDMENT TO THE
PRAIRIE FALLS PROPERTY OWNER, INC.
RULES AND REGULATIONS**

KNOW ALL PERSONS, by this notice that the Board of Directors of PRAIRIE FALLS PROPERTY OWNERS, INC., in accordance with section 9, "Procedures for Amending Administrative Rules and Regulations," has adopted the following amendments to the RULES AND REGULATIONS FOR PRAIRIE FALLS SUBDIVISION (RULES) which were executed on the 18th day of July, 1994, and recorded on the 21st day of July, 1994, in Kootenai County, State of Idaho as instrument number 1363411.

Paragraph 1.5, "Fencing" as currently written is deleted and the following paragraph 1.5, "Fencing" shall be substituted and reads as follows:

"1.5 Fencing. Fencing must be approved by the Architectural Control Committee to ensure that the views of neighboring lots are not obstructed. Applications to the Architectural Control Committee regarding fence construction shall describe the location, height, and materials to be used in such fence. Only wood and mortar shall be used on view and secondary lots. Plastic coated chain link (in the color of forest green) shall be used only on course lots. No fence shall be erected which shall exceed six feet (6') in height and chain link fencing that is four feet (4') in height shall be used in any location that borders the golf course. No fence shall either be constructed between the house and street or within twenty-five feet (25') of any property line that adjoins the golf course. On course lots, plastic color coded chain link fences shall be terminated at a point that is in line with the rear corner of the house and only wood and mortar shall be used from the termination point to the front of the house. When a fence exists on a property line, the owners on each side of the fence are responsible for the 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 the Architectural Control Committee's permission. Privacy slats in chain link fences will not be allowed unless approved by the Architectural Control Committee, and in no circumstance will privacy slats be allowed in any chain link fence which borders the golf course. For all lots along Poteline Road, the maximum height of any fence will not exceed the height of the posts in the concrete fence."

No other portion of the PRAIRIE FALLS PROPERTY OWNERS, INC., RULES AND REGULATIONS executed on July 18, 1994, and recorded on July 21, 1994 in Kootenai County, State of Idaho, as instrument number 1363411 shall be changed.

This Amended Rule was unanimously adopted by the Board of Directors of PRAIRIE FALLS PROPERTY OWNERS, INC., on the 22nd day of ~~January~~, 1998, and shall remain binding on all owners of property located in the PRAIRIE FALLS SUBDIVISION until

**THIRD AMENDMENT TO THE PRAIRIE FALLS
PROPERTY OWNERS, INC., RULES AND REGULATIONS - 1**

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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 1363410 on July 21, 1994.

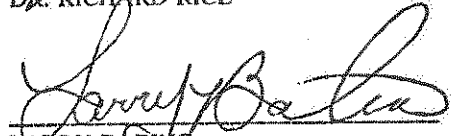
**BOARD OF DIRECTORS
PRAIRIE FALLS PROPERTY OWNERS, INC.**


HOWARD E. MERRIMAN, JR.



DAVID SAMMAN


DR. RICHARD RICE


WILLIAM RADOBENKO


LARRY BABINO


SARAH VAN NESS


WAYNE SWEAT

1539438

CORPORATE ACKNOWLEDGMENT

STATE OF IDAHO)
)ss:
COUNTY OF KOOTENAI)

On this 22ND day of JANUARY, 1998 before me personally appeared Howard E. Merriman, Jr. and known to me to be the President of the corporation that executed the foregoing instrument entitled "Third Amendment to the Prarie Falls Property Owner, Inc. Rules and Regulations", and acknowledged 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 is authorized to execute said instrument on behalf of the corporation.

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



Scott E. Fergessell

Notary Public in and for the
State of IDAHO
Residing at 1275 BURNHAM,
HAYDEN, IDAHO 83835

My commission expires: 4-12-2000

STATE OF IDAHO)
COUNTY OF KOOTENAI) ss
AT THE REQUEST OF
Howard E. Merriman

MAY 29 10 50 AM 1998

DANIEL J. ENGLISH

DEPUTY DE
FEES 9.00

**FOURTH AMENDMENT TO THE
PRAIRIE FALLS PROPERTY OWNERS, INC.
RULES AND REGULATIONS**

KNOW ALL PERSONS, by this notice that the Board of Directors of PRAIRIE FALLS PROPERTY OWNERS, INC. in accordance with section 9, "Procedures for Amending Administrative Rules and Regulations," has adopted the following amendments to the RULES AND REGULATIONS FOR PRAIRIE FALLS SUBDIVISION and the 1ST through the 7TH ADDITIONS (RULES) which were executed on the 18th day of July, 1994, and recorded on the 21st day of July, 1994 in Kootenai County, State of Idaho as instrument number 1363411.

Paragraph 10.3 "Regular Assessments" as currently written is deleted and the following paragraph 10.3, "Regular Assessments" shall be substituted and reads as follows:

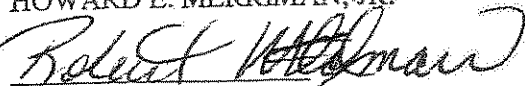
"10.3 Regular Assessments. Current assessments for lot owners and members of Prairie Falls Property Owners, Inc., are ~~\$90.00~~ a year, due annual on May 1 of each calendar year. The Board shall be empowered to assess each lot, no more than Twenty and No/100 Dollars (\$20.00) per lot monthly without a majority approval of the members. Regular assessments shall be used for maintenance and improvements to the project and any common areas of the Corporation and/or any other necessary and desirable purposes for the benefit of the Corporation and its members, including but not limited to management, administrative and professional assistance."


No other portion of the PRAIRIE FALLS PROPERTY OWNERS, INC., RULES AND REGULATIONS executed on July 18, 1994 and recorded of July 21, 1994 in Kootenai County, State of Idaho, as instrument number 1363411 shall be changed.

This Amended rule was unanimously adopted by the Board of Directors of PRAIRIE FALLS PROPERTY OWNERS, INC., on the 2nd day of February, 2001, and shall remain binding on all owners of property and members of the PRAIRIE FALLS PROPERTY OWNERS, INC., until amended or terminated or until the termination of the Declarations of Covenants, Conditions and Restrictions recorded in the records of Kootenai County as instrument number 1363410 on July 21, 1994.

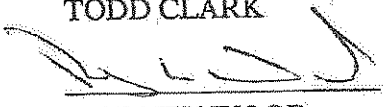
**BOARD OF DIRECTORS
PRAIRIE FALLS PROPERTY OWNERS, INC.**


HOWARD E. MERRIMAN, JR.


ROBERT WILDMAN


JIM BROWN


TODD CLARK


RODNEY WOOD


BILL ALLEN


TONY LEDFORD

FOURTH AMENDMENT TO THE PAIRIE FALLS
PROPERTY OWNERS, INC., RULES AND REGULATIONS - 1

**FOURTH AMENDMENT TO THE
PRAIRIE FALLS PROPERTY OWNERS, INC.
RULES AND REGULATIONS**

KNOW ALL PERSONS, by this notice that the Board of Directors of PRAIRIE FALLS PROPERTY OWNERS, INC. in accordance with section 9, "Procedures for Amending Administrative Rules and Regulations," has adopted the following amendments to the RULES AND REGULATIONS FOR PRAIRIE FALLS SUBDIVISION and the 1ST through the 7TH ADDITIONS (RULES) which were executed on the 18th day of July, 1994, and recorded on the 21st day of July, 1994 in Kootenai County, State of Idaho as instrument number 1363411.

Paragraph 10.3 "Regular Assessments" as currently written is deleted and the following paragraph 10.3, "Regular Assessments" shall be substituted and reads as follows:

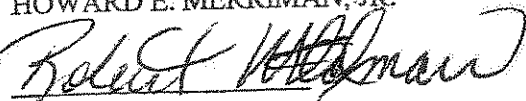
"10.3 Regular Assessments. Current assessments for lot owners and members of Prairie Falls Property Owners, Inc., are ~~\$90.00~~ a year, due annual on May 1 of each calendar year. The Board shall be empowered to assess each lot, no more than Twenty and No/100 Dollars (\$20.00) per lot* monthly without a majority approval of the members. Regular assessments shall be used for maintenance and improvements to the project and any common areas of the Corporation and/or any other necessary and desirable purposes for the benefit of the Corporation and its members, including but not limited to management, administrative and professional assistance."

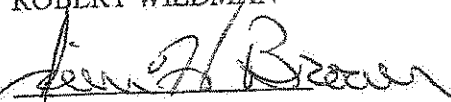
No other portion of the PRAIRIE FALLS PROPERTY OWNERS, INC., RULES AND REGULATIONS executed on July 18, 1994 and recorded of July 21, 1994 in Kootenai County, State of Idaho, as instrument number 1363411 shall be changed.

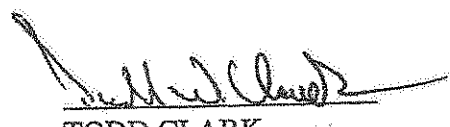
This Amended rule was unanimously adopted by the Board of Directors of PRAIRIE FALLS PROPERTY OWNERS, INC., on the 2nd day of February, 2001, and shall remain binding on all owners of property and members of the PRAIRIE FALLS PROPERTY OWNERS, INC., until amended or terminated or until the termination of the Declarations of Covenants, Conditions and Restrictions recorded in the records of Kootenai County as instrument number 1363410 on July 21, 1994.

**BOARD OF DIRECTORS
PRAIRIE FALLS PROPERTY OWNERS, INC.**


HOWARD E. MERRIMAN, JR.


ROBERT WILDMAN


JIM BROWN


TODD CLARK


RODNEY WOOD


BILL ALLEN


TONY LEDFORD

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**SECOND AMENDED
4th AMENDMENT TO THE
PRAIRIE FALLS PROPERTY OWNERS, INC.
RULES AND REGULATIONS**

Know all persons, by this notice that the Board of Directors of Prairie Falls Property Owners, Inc., in accordance with section 9, "procedures for amending administrative rules and Regulations", has adopted the following amendments to the **RULES AND REGULATIONS FOR PRAIRIE FALLS SUBDIVISION (RULES)**, which were executed on the 18th day of July, 1994, and recorded on the 21st day of July 1994, in Kootenai County, State of Idaho as Instrument Number 1363411.

4.0 MOTORIZED VEHICLES

- 4.1 Operable motor vehicles: Parking spaces may be used only for 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 vehicle shall be operated on the property except golf carts. No unlicensed driver shall operate any motorized vehicle on the property.
- 4.3 Amended: All of the provisions of the previous 4.3 is hereby amended as follows, to Wit: Recreation and Non-operating vehicle parking, all recreational 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 twenty-four (24) hours, shall be parked only in the area designated for recreation vehicle fee storage (if available), in the owners garage(s), or off of each respective owners property. No vehicles, of any type or kind, shall be parked on any street, within the Sub-Division for a period of no more than twenty-four (24) hours, during any seven (7) days period, immediately following the date and time, of the original date and time, of said parking of any vehicles of any kind. In example, a vehicle parked on any street in the Subdivision, on a Monday, for twenty-four (24) hours or more, cannot be parked on any street in the Subdivision, for a period no longer than twenty-four (24) hours, until the following Tuesday, seven (7) days later. All recreational vehicles, campers, motor homes, 5th wheel trailers, trailers, off road vehicles, boats, camper shells, non operating vehicles, including and without limitation, automobiles being restored, automobiles in need of mechanical assistance, off road vehicles, motorcycles, are strictly prohibited, from being parked, on any street in the Subdivision.

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**SUMMARY OF RULES AND REGULATIONS
OF PRAIRIE FALLS SUBDIVISION**

STATE OF IDAHO } ss
COUNTY OF KOOTENAI }
AT THE REQUEST OF
Robert Fasmacht

Nov 14 2 22 PM '97

This summary provides an overview of the Rules and Regulations of Prairie Falls Subdivision, recorded on July 21, 1994, as Instrument No. 1363411, records of *6.10* Kootenai County, Idaho. The summary is not intended to be and should not be used as a substitute for the full Rules and Regulations. For a complete description of restrictions and regulations, each buyer should thoroughly review the Rules and Regulations in its entirety. All purchasers are bound by the full Rules and Regulations and this summary has no effect.

1.0. ARCHITECTURAL CONTROL

1.1. Exterior Appearance. The Board will provide each owner a list of paint type and color to be used. Each residence shall incorporate masonry or brick on a portion of the residence facing the street and the golf course. No modification or decoration to the exterior of any buildings, screens, doors, awnings, or other portions of any lot shall be allowed without the prior written consent of the Board. No exterior radio or television antennae and clothes lines shall be allowed without the prior written consent of the Board.

1.3. Garages and Parking. No resident on-street parking. All guest vehicles shall be parked in driveways, garages, side yard or back yard or on one side of streets consistent with signage.

1.5. Fencing. Only wood or mortar fences shall be used and no fence shall exceed six feet (6') in height or four feet (4') in back of a fairway house within twenty-five feet (25') of the property line.

1.7. Completion of Improvements. All construction of residences shall be started within one (1) year of purchase of the lot and all construction shall be completed within one (1) year of commencement of construction. Residents' 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 improvements, except where delayed by weather.

3.0. RULES FOR PET OWNERS

3.3. Limit of Pets. No more than three (3) pets per lot.

3.4. Leash. All dogs are to be kept on 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.

