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 BONNER COUNTY RECORDER  
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**DECLARATION OF  
 RESIDENTIAL COVENANTS, CONDITIONS, EASEMENTS AND  
 RESTRICTIONS APPLICABLE TO  
 QUAIL RIDGE, BONNER COUNTY, IDAHO**

This Declaration of Covenants, Conditions, Easements and Restrictions ("Declaration") is made this 15th day of November, 2006, by SPIRIT LAKE NORTH, L.L.C., an Idaho limited liability company ("Declarant").

WHEREAS, Declarant is the owner of certain real property known as QUAIL RIDGE, and as described on an official plat, recorded at instrument number 722006, in Book 8 of Plats at page 134, records of Bonner County, Idaho, and located in a portion of Section 21, Township 54 North, Range 4 West, Boise Meridian, Bonner County, Idaho ("Property"); and

WHEREAS, Declarant is desirous of further protecting the value and desirability of the whole of the Property; now, therefore,

DECLARANT HEREBY DECLARES that all of the Property, including without limitation the numbered Lots therein, roadways, walkways and the like, shall be held, sold and conveyed subject to the restrictions, covenants, easements and conditions set forth in this instrument for the purpose of protecting the value and desirability of said lots, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE I.  
 DESIGNATION OF USE**

- 1.1 **Residential Lots.** Use of the Property shall be restricted to single family residential lots.  
 1.2 **No Further Subdivision.** There shall be no further subdivision of any lot.

**ARTICLE II.**  
**HOMEOWNERS ASSOCIATION, ROAD MAINTENANCE, SPECIAL REQUIREMENTS**  
**(Irrevocable Provision)**

- 2.1 **Homeowners Association.** The Declarant shall establish and the Lot Owners collectively shall maintain an Idaho nonprofit corporation known as **Quail Ridge HOA, Inc.** (Association).
- 2.1.1 **Purpose.** The purpose of the Association shall be to maintain, improve, and regulate the use of real property owned by the Association, to carry out the provisions of the Declaration of Covenants, Conditions, Easements and Restrictions of Quail Ridge, and to take any other lawful actions for the benefit of the Association and its members.
- 2.1.2 **Articles of Incorporation and Bylaws.** The Declarant shall adopt, register and record the Articles of Incorporation and Bylaws for the Association. A Lot Owner by acceptance of a Deed thereby acknowledges and ratifies the Articles of Incorporation of the Association.
- 2.1.3 **Prior of Authority.** The provisions contained in this Declaration shall supersede the Association's Articles of Incorporation and Bylaws. The Association's Articles of Incorporations and Bylaws shall be interpreted consistent with the provisions contained herein. In the event of ambiguity between these governing documents, preference shall be given first to this instrument, then to the Articles of Incorporation, and lastly to the Bylaws. Notations on the plat shall supersede and take precedence over any conflicting provision contained herein.
- 2.1.4 **Governing Authority.** The Association through its Board, shall have the authority to: (a) enforce this Declaration; (b) make improvements to the Property; (c) levy and collect assessments from the Members; (d) enter into contracts as may be necessary or desirable to carry out the provisions of this Declaration, Articles of Incorporation and Bylaws; (e) establish procedures and policies necessary or deemed desirable to provide for the general welfare, in accordance with the spirit and letter of this Declaration; (f) enforce and carryout the development requirements as set forth in Bonner County Planning Department file S1185-05; and (g) place liens on the real property of Lot Owners who fail to pay dues and assessments, and to enforce such liens through judgment and foreclosure.
- 2.1.5 **Future Phases.** The Declarant intends to plat additional blocks in the subdivision within the boundaries of Section 21 in said Township 54 North, Range 4 West, Boise Meridian, Bonner County, Idaho, and shown the plat map attached hereto as **Exhibit A** as "Future Phases." In addition, the Declarant reserves the right to plat adjoining parcels within or without said Section 21 and add such platted parcels to subdivision. The Association shall accept into membership owners of lots in subsequently platted blocks.

- 2.2 **Duty of Association – Road Maintenance.** The Association shall have the following general duty to its Members.
- 2.2.1 **Maintain and Protect the Property.** The Association shall have the duty to maintain the Common Roadways, and Association-owned structures and facilities (if any) in a safe, functioning, and attractive condition. The Association shall not be liable for crimes, vandalism, or injury suffered by Lot Owners on their property.
- 2.2.2 **Road System and Maintenance.** All lots within the subdivision shall access from the Common Roadway as defined herein. The Association shall maintain the Common Roadway for the benefit of the Lot Owners and their invitees including but not limited to snow removal, road repair, stormwater management, erosion control, and eradication of noxious weeds. The Association shall annually budget for road maintenance, adjust the fee schedule to accomplish its routine road maintenance obligations, and make and collect special assessments for necessary capital improvements.
- 2.2.3 **Parking and Blocking Roads.** The Association shall adopt rules for the use of the Common Roadways including a schedule of fines and penalties sufficient to achieve enforcement. Such rules shall provide that, at a minimum, Lot Owners and their invitees are not permitted to park recreational vehicles or store materials in or on the Common Roadways except for temporary purposes with the express written permission of the Association board of directors or designated officer, or in a designated parking area.
- 2.2.4 **Maintain a Reserve Fund.** The Association shall maintain a reserve fund sufficient in scope to defray foreseeable capital expenses for roadway maintenance.
- 2.2.5 **Insure Against Foreseeable Liabilities.** The Association shall have the further duty to insure against foreseeable liabilities including without limitation, negligence, property damage, failure of utilities maintained by the Association (if any), and errors and omissions by its officers and directors.
- 2.3 **Membership and Voting Rights in Association.** The Declarant shall adopt Articles of Incorporation and Bylaws for the Association. The governing documents of the Association shall provide the following:
- 2.3.1 **Membership.** Every Lot Owner, whether the lot is undeveloped or improved, shall be a member of the Association and by acceptance of a Deed consents to membership. Membership shall be appurtenant to and may not be separated from the fee ownership of any such lot. Ownership of a lot shall be the sole qualification for membership. Co-owners shall enjoy the benefits of membership and shall be jointly and severally liable for the obligations of membership.
- 2.3.2 **Transfer of Membership.** A Lot Owner shall not transfer, pledge, convey or alienate the Association membership except to a bona fide successor in interest of the ownership of the lot. A sale of a lot by real estate contract shall constitute a valid transfer of membership to the buyer. A prohibited transfer is void.
- 2.3.3 **Voting Rights.** There shall be two classes of membership: Class A and Class B. The Declarant shall hold Class B membership for each Lot it owns and for each

unplatted Block ("future phase") in the subdivision as shown on the plat map attached hereto as Exhibit A. All other Lot Owners shall hold Class A memberships.

2.3.3.1 **Class A Membership.** Class A members shall have one (1) vote in the Association for each Lot owned, such vote to be cast by the Lot Owner. Where co-owners exist, they shall designate in writing, with the Secretary, who shall cast the vote of the Lot Owner. A designation shall remain of record until revoked. Any co-owner may revoke a designation in a writing submitted to the Secretary. The Secretary shall not accept a vote by co-owners who fail to properly designate authority to cast the vote. Fractional votes are not permitted. All co-owners may attend and otherwise participate in Association meetings.

2.3.3.2 **Class B Membership.** The Class B member (the Declarant) shall have ten (10) votes in the Association for each Lot owned and one hundred (100) votes for each unplatted Block in the subdivision. The Declarant may designate an agent or agent(s) to cast its votes. Class B membership shall automatically convert to Class A membership upon the earlier of the following: (a) the voting power of Class A members exceeding that of Class B; (b) the recordation of notice by the Declarant of voluntary conversion; or (c) at 11:59 p.m. on December 31, 2027.

2.3.4 **Majority Vote.** Except as otherwise set forth herein, a majority of votes of the Members shall be the action of the Association.

2.3.5 **Proxy Voting.** A Lot Owner may give his proxy to another Lot Owner. Such proxy shall be in writing and delivered to the Secretary prior to any vote.

2.4 **Actions Reserved to the Members.** The following actions are reserved to the Members, voting at a duly noticed meeting of the Association:

2.4.1 **Elect and Remove Directors.** The Members shall have the exclusive authority to elect and remove directors.

2.4.2 **Approve Budget.** Upon presentation by the Board, the Members shall adopt an annual budget and any supplemental budgets of the Association. The Members may amend the budget presented by the Board. The Association shall not make expenditures, except emergency expenditures, absent an approved budget. The Board may declare an emergency.

2.4.3 **Resolve a Deadlock of the Board.** If the Board refers a matter to the Members because of a deadlock on the Board or otherwise, the Members shall have the right and duty to resolve the matter by majority vote.

2.4.4 **Amend the Bylaws.** Upon resolution of the Board, the Members may, by a 60% majority of votes, amend the Bylaws and by a 75% majority amend the Articles of Incorporation.

2.4.5 **Limitation of Action.** Except as set forth in this Article 2.4, the Members shall take no action except upon resolution of the Board presented to the Members at a

duly called meeting of the Members. The Members may amend any resolution presented by the Board.

## 2.5 **Board of Directors.**

- 2.5.1 **Management Vested in the Board of Directors.** The Board shall govern the Association and shall manage the Property. The Board may, but is not required to seek the approval of the Members before taking an action other than those actions reserved to the Members in Article 2.4. The Board shall present an annual budget to the Members.
- 2.5.2 **Board Determines Rate of Assessment.** The Board shall establish the rate of assessment based on the approved annual budget. The Board shall not assess in excess of the funds necessary to fund the budget EXCEPT the Board shall increase the assessment by percentage for funding the reserve fund. No less than ten percent (10%) of the assessment shall be placed in the reserve fund.
- 2.5.3 **Board of Directors.** The Board shall consist of no less than three (3) Directors who shall serve staggered three year terms. Directors shall be elected by the Lot Owners at an annual meeting or at a special meeting called for the purpose electing Directors. Directors shall be Lot Owners, except a non-Lot Owner may be elected if nominated by the Declarant. Co-owners may serve as Directors.
- 2.5.4 **Electing a Director.** The President shall call for nominations for Director. The nominee need not be present. A Lot Owner may nominate himself or herself. Members shall cast one (1) vote for each position. Where only one (1) Director position is being filled, the nominee obtaining the most votes shall be elected. Where more than one (1) Director is being elected, those nominees with the highest plurality of votes shall be elected.
- 2.5.5 **Removing a Director.** The Lot Owners may remove a Director at any time, for any reason or no reason at all. In the case of removal, the Members shall vote on each Director and the Director shall be removed upon the vote of a majority, excluding the vote of the Director subject to removal.
- 2.5.6 **Officers.** The Board shall annually elect officers. There shall be a President, Vice President, Secretary and Treasurer. No Director may hold more than one office except one Director may be both Secretary and Treasurer. The duties of office shall be expressed in the Bylaws. An officer may be removed by the Board upon the vote of a majority, excluding the vote of the officer subject to removal.
- 2.5.7 **Action of the Board.** The votes of a majority of the Board shall be the action of the Board.
- 2.5.8 **Deadlock of the Board.** If Directors are deadlocked, the Board of Directors shall refer to the Lot Owners at a special or annual meeting the matter causing deadlock.
- 2.5.9 **Referral to Members.** Except as otherwise required herein, the Board may refer a matter to the Members for an advisory vote or final decision.

- 2.6 **Notice to Lot Owners.** The following Notices to Lot Owners are required by Bonner County, Idaho:
- 2.6.1 **Surface Mining.** Lot Owners shall take notice that there is a surface mine located on State land adjacent to the subdivision.
- 2.6.2 **Logging Activities.** Lot Owners shall take notice that there is logging activity on State land adjacent to the subdivision.
- 2.6.3 **Wildlife Mitigation.** Lot Owners shall heed the following advice of Idaho Fish and Game Department:
- 2.6.3.1 **General Advice.** Residents should avoid attracting bears, raccoons and skunks. Suggested means include cleaning barbecue grills frequently, not leaving pet food outside, not distributing bird feed on the ground, and protecting compost piles and fruit trees. Purposely feeding wild animals creates an unnatural situation and may cause local population increases, which may create an unwanted nuisance for neighboring residents and, eventually, the resident providing the food. Animals will continue to return even if the food is removed. Also, concentrating a large number of animals in a small area can facilitate local disease outbreaks.
- 2.6.3.2 **Contain Garbage.** Residential garbage shall be stored inside a secure structure or in bear-proof containers. The Association shall provide garbage collection if Lot Owners fail to properly store and dispose of garbage.
- 2.6.3.3 **Retain Timber and Vegetation.** Standing timber and natural vegetation, including snags and shrubs, should whenever possible be retained to provide cover, food, nesting sites, perching sites, etc. for indigenous wildlife.
- 2.6.3.4 **Control Pets.** Pets shall be restrained from chasing or disturbing wildlife (see Article 8.3).

### ARTICLE III. COVENANT FOR MAINTENANCE ASSESSMENTS

- 3.1 **Creation of Lien and Personal Obligation.** The Declarant hereby covenants, and each Lot Owner by acceptance of a Deed, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association assessments as provided in this Declaration. The assessments levied by the Association and any other charges properly assessed by the Association against the Lot Owner, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment or charge is made, senior to all liens and debt instruments recorded subsequent to this Declaration. Such assessment or charge, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Lot Owner at the time when the assessment or charge fell due.

- 3.2 **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively for the purpose of carrying out the general duties and powers of the Association, including but not limited to operation, maintenance, repair, reconstruction, restoration, replacement, or alteration of the Property. In addition, the Association may include in any assessment the cost of (a) general liability insurance; (b) insuring its officers and Directors; (c) insuring its property against loss; (d) the costs of enforcement of this Declaration including reasonable attorney fees; (e) property and other taxes levied against the Association; (f) debt service for monies borrowed for the improvement of the Common Roadways; and (g) such reasonable reserves as the Board deems necessary.
- 3.3 **Rate of Assessment.** Each lot, regardless of size and location, shall bear an equal burden for the general expenses of the Association including but not limited to Common Road maintenance. The Association may, through its Board, levy special assessments disproportionately for particularized services provided to certain Lot Owners or to Lot Owners in a disproportionate manner.
- 3.4 **Initial Assessment Upon Purchase from Declarant.** The initial assessment shall be two hundred and fifty dollars (\$250.00), due upon conveyance of the lot from the Declarant or its successor to the initial buyer and payable at closing. The initial assessment shall be placed in the Reserve Fund. The initial assessment is in addition to the annual assessment.
- 3.5 **Annual Assessment.** The annual assessment shall be two hundred and fifty dollars (\$250.00) for the year commencing January 1 and ending December 31. Payments received after January 30<sup>th</sup> shall be subject to a late fee. The late fee shall be \$10.00 per month. The Board shall have the right to change the rate of assessment and late fee charges from time to time as required. A Lot Owner purchasing from the Declarant shall have his initial annual assessment prorated for the remainder of the assessment year.
- 3.6 **Transfer Assessment.** The Association shall levy an assessment of two hundred and fifty dollars (\$250.00) upon the transfer of a lot subsequent to the initial conveyance from the Declarant. Such transfer assessment shall be waived where the transfer is from an owner to a trust in which the owner is the current income beneficiary of the trust or where the transfer is from one co-owner to another co-owner, such as husband to wife, or one common tenant to another common tenant. The transfer assessment shall be placed in the Reserve Fund.
- 3.7 **Reserve Fund.** No less than ten percent (10%) of the annual assessment shall be placed in the Reserve Fund. The purpose of the Reserve Fund is to avoid or reduce the cost of Special Assessments.
- 3.8 **Special Assessments.** Upon authorization of a majority of Members, voting at a duly noticed meeting of the Members, the Board may levy a special assessment from time to time when the current assessment is deemed insufficient for the Association to carry out its obligations under this instrument and the Bylaws.
- 3.9 **Remedies for Non-Payment.** The Association shall have authority to apply any and all rights and remedies in law and equity to collect delinquent assessments, fees, dues, fines, and interest not paid within thirty (30) days of its due date. The Association acting through its Board shall impose late fees and interest costs for any assessment not paid within thirty (30) days after its due date. A schedule of penalties and interest costs shall

be established in the Bylaws. The Board may provide notice to a Lot Owner's mortgagee of a delinquency, action required to cure the delinquency, and the Association's remedies if the delinquency is not cured. No Lot Owners may waive or otherwise escape liability for the dues and assessments provided for herein by non-use of the Common Areas, or abandonment of a lot.

- 3.10 **No Assessment on Declarant.** Notwithstanding the provisions of this article, the Declarant shall not assessed for any Lot it owns.

#### ARTICLE IV. DWELLINGS, STRUCTURES AND IMPROVEMENTS

- 4.1 **Building Standards.** The following building standards shall apply:
- 4.1.1 **Building Code and Inspection.** All dwellings and structures shall comply with generally recognized building standards as defined in Idaho code. All dwellings and structures shall be inspected if a building inspection is required by the State of Idaho and/or Bonner County, Idaho. Electrical and plumbing inspections are required. Absent County inspection, private inspections of foundation and framing are encouraged.
  - 4.1.2 **Building Permit.** Construction shall not commence on any structure without an applicable building permit or building location permit issued by Bonner County, Idaho.
  - 4.1.3 **Dwelling Location.** Dwellings may be located anywhere on the lot so long as applicable set back requirements are observed.
  - 4.1.4 **Excavation.** No excavation including, but not limited to basements, shall be permitted on the lot except for the purposes and as part the construction of a dwelling or other structure, and while such dwelling or structure is actively under construction.
  - 4.1.5 **Mobile and Manufactured Homes Prohibited.** An owner shall not construct or maintain on the property any mobile or manufactured home as such terms are defined herein.
  - 4.1.6 **Modular Homes Permitted.** Modular home construction, as defined herein, is permitted.
  - 4.1.7 **One Dwelling Unit Per Lot.** An owner may construct no more than one single family residence or dwelling unit on a lot as those terms are defined in Bonner County Revised Code.
  - 4.1.8 **Other Structures Permitted.** A lot owner may construct accessory structures such as sheds, green houses, and barns so long as such structures comply with applicable set back requirements.
  - 4.1.9 **Recreational Vehicles.** Recreational vehicles, whether owned by a Lot Owner or invitee, shall not be used as a permanent or temporary dwelling, except that recreational vehicles may be use by guests where such use is limited to no more



than thirty (30) days in any one calendar year. Recreational vehicles shall not be stored in view of the common roadway or from another dwelling.

4.1.10 **Set Back.** Structures shall comply with applicable Bonner County Revised Code set back requirements. In addition, STRUCTURES SHALL NOT BE CONSTRUCTED WITHIN TWENTY-FIVE (25) FEET OF A LOT BOUNDARY.

4.1.11 **Temporary Structures Prohibited.** Temporary structures are prohibited except for trailers used by contractors while a dwelling is actively under construction.

4.2 **Design Standards.** The following minimum design standards shall apply:

4.2.1 **Antennas & Satellite Dishes.** Exterior large antennas are prohibited including without limitation cell towers. One small television antenna is permitted. A maximum of four (4) satellite dishes, 36-inches or less in diameter are permitted.

4.2.2 **Driveways.** Driveways shall be hard, all weather surface (1" asphalt or better) for a distance into the Lot of no less than twenty-five (25) feet from the Common Road.

4.2.3 **Exterior Color and Materials.** The use of natural wood and stone is encouraged on exterior surfaces but not required.

4.2.4 **Exterior Lighting.** Exterior yard lighting should generally be downward and contained. Adherence to the "dark skies" ethic is encouraged. Mercury vapor yard lighting is specifically prohibited.

4.2.5 **Hot Tubs and Saunas.** Hot tubs and saunas are permitted so long as they are screened from view from the Common Roadway.

4.2.6 **Play Equipment.** Play equipment such as swing sets, doll houses, climbing frames and basketball standards are permitted so long as they are modest in design.

4.2.7 **Propane Tanks.** Liquid propane tanks shall be buried or otherwise screened from view.

4.2.8 **Roofing.** Roofing shall be (a) tile, or (b) non-glare metal, standing seam roofing of an earth tone or natural color; or (c) 30 year or better grade architectural composition shingle. Rolled roofing systems are prohibited.

4.2.9 **Underground Service.** All utility connection facilities and services, including trunk and service lines for telephone, electricity and cable television, shall be located underground.

4.2.10 **Water Storage.** Each Lot Owner shall install and shall be responsible for the maintenance of a minimum 2,000 gallon water storage system in accord with International Fire Code standards as required by Bonner County Revised Code.

4.3 **Grounds for Enforcement.** The Association and/or the Lot Owners may enforce building and design standards on the following grounds:

4.3.1 **Violation of Covenants.** The plans, specifications or structure as built violates a provision of this Declaration.

- 4.3.2 **Incompatible Design or Materials.** The exterior design, appearance, materials, color scheme, finish, proportions, style of architecture, height, bulk, or appropriateness of the proposed structure is incompatible with the surrounding structures and topography.
- 4.3.3 **Incompatible Site Design.** The location of the structure, parking areas, grading, or landscaping is incompatible with the surrounding structures and topography.
- 4.4 **No Waiver by Acquiescence.** Acceptance of building construction in violation of this Declaration shall not be construed as acquiescence by the Association or Lot Owners to the violation as applied to other Lot Owners generally. Failure to demand remediation as to one Lot Owner shall not deprive the Association or Lot Owners the right to enforce this Declaration as to other Lot Owners.
- 4.5 **Construction of Nonconforming Structure.** A structure or site plan that is commenced, altered, erected, placed or maintained upon a Lot that is not in conformance with this Declaration shall be deemed a violation and breach of this covenant. If, within fifteen (15) days of notice, the Lot Owner has failed to remove or terminate the violation, or has failed to take reasonably meaningful steps to do so, the Association shall have right through its designated agents to enter upon such lot and remove or otherwise extinguish the violation. The cost of such removal shall be born by the Lot Owner personally and shall constitute a lien upon the land. Such lien shall be recorded in the records of Bonner County, Idaho. Upon the Lot Owner's request, the Board shall afford a Lot Owner a hearing before taking any remedial action.
- 4.6 **Maintenance and Repair Obligations.** Each Lot Owner shall have a continuing duty to maintain, repair, replace and restore areas under its exclusive control in a neat, sanitary and attractive condition. The area of exclusive control means the dwelling unit and lot.
- 4.7 **Remedy for Violation of Standards.** After reasonable notice and hearing, the Board shall have the right to remove or otherwise remedy any condition found to be (a) dangerous, unsafe, unsightly or unattractive; or (b) is a prohibited structure or activity. The cost of remedial action shall be born by the Lot Owner. The Board may recover its costs by fine and/or lien.
- 4.8 **Non-liability of Board Members.** The Declarant and the Board shall not be liable to the Association or to any Lot Owner for any loss, damage or injury arising out of or in any way connected with the performance of their respective duties hereunder, unless due to willful misconduct or bad faith.

## ARTICLE V. COMMON AREA

- 5.1 **Common Area Designation.** The Common Area consists of the Common Roadway and attendant easement. In addition, the Association may own in fee simple or by easement certain facilities and structures that shall be maintained by the Association for the benefit of Lot Owners.
- 5.2 **Easement to Common Area.** Every member of the Association shall have a nonexclusive easement of the Common Roadway, as shown on the plat, for the limited

purpose of ingress and egress. Such easement shall be appurtenant to and shall pass with title to every lot, subject to the right of the Association to limit and control the use of the Common Roadway through rules and regulations established by the Board.

- 5.3 **Easement for Remainder of Section 21.** The Declarant hereby reserves a mutual non-exclusive easement appurtenant to any land it owns in Section 21 in said Township 54 North, Range 4 West, Boise Meridian, Bonner County, Idaho, or any land it owns or subsequently acquires that is immediately adjacent to property in said Section 21, Township 54 North, Range 4 West, Boise Meridian, Bonner County, Idaho, for the purpose of ingress, egress and utilities including, without limitation, public utilities, under, over, across and through the Common Roadway.
- 5.4 **Easement to State Land.** The Declarant hereby reserves the right to grant unto itself an express easement over, across, and through any lot or parcel it owns for the purpose of pedestrian ingress and egress to and from State land adjacent to the property. The Declarant may extend such access rights to all Lot Owners and third parties.
- 5.5 **Damage to Common Property.** Each Member shall be liable to the Association for any damage to the Common Roadway not fully reimbursed to the Association by insurance proceeds arising out of or caused by the willful or negligent act of any Lot Owner, his family or invitees. Repair or replacement shall be done at the Lot Owner's expense, or after notice and hearing, a special assessment shall be levied by the Board against the Lot Owner and his lot.
- 5.6 **Parking and Blocking Roads.** The Association may adopt rules for the use of the Common Roadway including a schedule of fines and penalties sufficient to achieve enforcement. Such rules shall provide that, at a minimum, Lot Owners and their invitees are not permitted to park recreational vehicles or store materials in or on the Common Roadway except for temporary purposes with the express written permission of the Association board of directors or designated officer, or in a designated parking area.
- 5.7 **Stormwater/Erosion Control Management.** The Association shall maintain storm water management systems required by Bonner County pursuant to Bonner County Planning Department file S1185-05. Owners shall construct and maintain storm water management systems, if required, by Bonner County Revised Code on their respective lots.
- 5.8 **Noxious Weed Control.** The Association shall destroy and control for noxious weeds in and on the roadway. Weed control shall comply with applicable Bonner County and Idaho state regulations.
- 5.9 **Conformance with Land Use Codes.** The Association and Lot Owners shall maintain their respective properties in conformance with applicable Bonner County, Idaho land use codes, and relevant statutes and regulations of the state of Idaho and the United States of America.

#### ARTICLE VI. SEPTIC SYSTEM

Each Lot Owner shall construct a septic system contained entirely within the lot boundaries and within the applicable set back requirements. No dwelling shall be

occupied unless there is an operable septic system in compliance with the regulations of Panhandle Health District.

#### **ARTICLE VII. WATER SYSTEM**

Lot Owners shall supply their own water. No dwelling shall be occupied unless there is an operable potable water system adequate in flow to meet minimum household needs. Adjacent Lot Owners may share a well subject to approval by the Panhandle Health District and Idaho Department of Environmental Quality, as applicable. The Association may grant a utility easement across the Common Area for Lot Owners sharing wells. The Association shall have the right to place covenants, conditions and restrictions on the easement including, without limitation, that grantees pay the entire cost of maintaining and restoring the easement.

#### **ARTICLE VIII. PROHIBITED USES AND ACTIVITIES**

The following uses and activities are prohibited:

- 8.1 **Nuisances.** No noxious or offensive activity shall be carried on, in or upon any lot or dwelling unit. A nuisance shall be broadly defined as any activity that creates a noxious or offensive odor, noise or visual effect, or otherwise substantially interferes with another Lot Owners quiet enjoyment. A nuisance shall include but not be limited to operating motorized equipment between 8:00 p.m. and 7:00 a.m.; playing loud music or generating other loud noises; and failing to silence or isolate an excessively barking dog.
- 8.2 **Activity that Increases Insurance Rates.** Nothing shall be done or kept on the property, lot, or dwelling unit that will increase the rate of insurance on any property insured by the Association without the approval of the Board. Likewise, nothing shall be done or kept that would cause the cancellation of the Association's policies of insurance.
- 8.3 **Animals.** Animals and pets shall not be kept, bred or maintained for commercial purposes or in unreasonable quantities, nor in violation of the rules and regulations of the Association. Pigs are specifically prohibited.
- 8.4 **Dirt Bikes.** Dirt bikes, as defined herein, shall not be ridden on Lots, the Common Area, or anywhere else on the Property.
- 8.5 **Discharge of Firearms.** Owners shall not discharge a firearm on the Property except in defense of self or others. Shooting ranges are expressly prohibited.
- 8.6 **Excavations and Building Materials.** Excavation is prohibited except as necessary for construction of a dwelling. Storage of building materials, including but not limited to sand, gravel, top soil, lumber, roofing, windows and doors, shall be permitted only while a structure is actively under construction.
- 8.7 **Firewood.** Firewood, manufactured logs, and the like shall be stored within the dwelling unit or garage, or otherwise screened from public view.

- 8.8 **Operating a Business.** Lot Owners and their invitees shall not conduct a business or commercial activity on the Property except for a "home occupation" as described and limited in Section 12-202 of the Bonner County Revised Code and as subsequently amended. A "bed and breakfast" or "vacation rental" shall be deemed a prohibited commercial activity regardless of Bonner County Revised Code.
- 8.9 **Posting Signs.** Signs, billboards, posters, reader boards and the like are prohibited except for small owner identification and address signs, and typical "for sale" signs. Small political signs advocating or opposing candidates, ballot measures, or public policy positions are permitted for a period of four (4) weeks prior to the election, hearing, or other decision-making event. A "small sign" means a sign typical of residential size and design.
- 8.10 **Storing Wrecked Vehicles.** Wrecked, disabled, or unlicensed vehicles shall not be stored on or within the Property unless such vehicles are stored in a fully enclosed building.
- 8.11 **Trash.** No rubbish, trash or garbage or other waste material shall be kept or permitted upon any lot or dwelling unit except in sanitary containers located in areas concealed from public view, or appropriately screened. Lot Owners shall control for odors and protect containers from animals. Containers may be placed in public view for the limited purpose of trash collection for up to twelve (12) hours. Lot Owners shall be responsible for the timely collection of any trash that escapes containment.

#### ARTICLE IX.

#### NO EASEMENTS IN FAVOR OF THIRD PARTIES.

Except as otherwise expressly set forth herein, the Owners individually or collectively, and the Association, shall not grant a license or easement for ingress or egress through the Property to a third party that owns a lot or parcel outside the boundaries of the Property. Any such grant made in violation of this provision shall be voidable by any Owner or the Association. The Association, through its Board, may grant a utility easement to one or more owners of property outside the boundaries of the Property.

#### ARTICLE X.

#### CONDEMNATION

In the event of any partial taking by a governmental body or other entity that has the power of eminent domain that involves a taking of all or part of the improvements to the Property, each Lot Owner agrees, by acceptance of a deed to such lot, whether or not it is so expressly stated in such deed, that the Association shall have and shall be deemed to have an interest in proceeds to be paid for such taking in the amount necessary to repair, restore or replace the portion of such improvements so taken as near as practicable to a functional whole to serve the same purpose after such taking as the facility so taken served prior to such taking. To the extent that the Association does not receive its own award or payment from the condemning authority or the award or payment received is inadequate to cover the cost of repair, restoration or replacement of such improvements, each Lot Owner

receiving such award or payment shall pay to the Association pro rata from their awards or payments the amount necessary for the Association to complete such repair, restoration or replacement of such improvements. In the event that the awards or payments received from such condemnation are inadequate to pay the entire cost to complete such repair, restoration or replacement of such improvements, then the remaining cost shall be assessed against all Owners in proportion to their respective assessment shares. All amounts due to the Association under this article shall constitute a lien against the Lot Owner's property.

#### **ARTICLE XI. ENFORCEMENT**

Lot Owners individually and collectively, and the Association as an entity, are entitled to the protections provided hereunder and shall, therefore, each be entitled to enforce in law or equity any breach of these covenants. Time is of the essence and these covenants shall be subject to declaratory and/or injunctive relief and/or specific performance. In addition, a party in breach shall be subject to a claim for monetary damages reasonably foreseeable from the breach. The prevailing party shall be entitled to recover the costs of enforcement including reasonable attorney fees from the non-prevailing party subject to the following condition: a party seeking relief shall be entitled to automatic recovery only if it gives the party in breach notice of intent to enforce these covenants in law or equity and provides the party in breach no less than thirty (30) days to cure the breach before such action is commenced. Notice of intent shall be by certified mail, postage prepaid, return receipt requested, to the party's address of record with the Association. Such notice shall set forth the alleged breach with sufficient particularity that the alleged breach can be cured. The notice period is waived where the alleged breach constitutes an immediate danger to the health and safety of Lots Owners and their invitees.

#### **ARTICLE XII. MODIFICATION OF RESTRICTIONS**

- 12.1 **Covenant.** All of the restrictions contained herein shall be deemed to be covenants running with the land and shall endure and be binding upon all Lot Owners, their successors and assigns.
- 12.2 **Irrevocable Provisions.** Article II of this Declaration shall be irrevocable.
- 12.3 **Declarant Modification.** Except for Article II herein, the Declarant may modify this Declaration at any time before it conveys a lot.
- 12.4 **Homeowner Modification.** Provisions of this Declaration, other than those set out in Article II, may be modified at any time by owners of no less than seventy-five (75%) of the lots AND, so long as the Declarant holds Class B shares, the Declarant's approval. Such modification shall be in writing, shall designate the number of required signatures, and shall be signed by the requisite number of Lot Owners and, as applicable, the Declarant. The modification shall reference this Declaration by recording number and all prior modifications thereto.

- 12.5 **Binding Effect.** Any modification to this Declaration, made in conformance with the provisions of this article shall be binding upon all Lot Owners from and after the date of recordation regardless of the Lot Owner's consent to such modification.

### ARTICLE XIII. MISCELLANEOUS PROVISIONS

- 13.1 **Assignment.** The Declarant shall have the right to assign its duties, obligations and interests as set forth herein.
- 13.2 **Conflicts with Government Ordinance.** A Bonner County ordinance that conflicts with a provision herein shall take precedence unless the provision in this Declaration is more restrictive, in which case this Declaration shall take precedence.
- 13.3 **Compliance with Plat Requirements.** No provision herein or resolution by the Association shall be construed to conflict with the requirements set forth in the final plat of the Property.
- 13.4 **No Public Dedication.** Nothing contained in this Declaration shall be deemed a gift or dedication of any portion of the Property to or for the general public.
- 13.5 **Captions and Titles.** The captions and titles are for convenience and reference only. They shall not define, limit or construe the contents of any provision.
- 13.6 **Governing Law and Severability.** This Declaration is established under, and shall be governed by the laws of the state of Idaho. Any provision prohibited by law or unenforceable shall not affect the remaining provisions of the Declaration.

### ARTICLE XIV. DEFINITIONS

**"Accessory Structure"** means any enclosed, covered structure not directly attached to the residence to which it is appurtenant.

**"Actively under construction"** means regular and diligent activity that does not exceed twelve (12) consecutive months in duration.

**"Association"** means the Quail Ridge HOA, Inc., its successors and assigns.

**"Board"** means the Board of Directors of the homeowners association.

**"Common Area"** means property deeded to and/or managed by the Association for the use and enjoyment of the members of the Association. A Common Road way is a Common Area.

**"Common Roadway"** means the roads as finally named and depicted on the plat map and any other roadway deeded to the Association by the Declarant or acquired by the Association and intended for the use and enjoyment of the members of the Association.

**"Dirt Bike"** means a lightweight motorcycle generally equipped with rugged tires and suspension and designed and/or used for riding over rough or unpaved surfaces.

**"Dwelling"** means a building or portion thereof designed exclusively for residential purposes.

**"Dwelling Unit"** means a dwelling for a single housekeeping unit.

**"Emergency"** means a sudden, unexpected happening or unforeseen occurrence or condition.

**"Family"** as used in the term "single family residence" means an individual or two or more persons who live together as a single housekeeping unit.

**"Improvements"** are buildings, accessory structures, driveways, parking areas, sidewalks, and any structure of any type or kind.

**"International Building Code"** means the codes as published by the International Code Council together with any amendments or revisions set forth in section 39-4109, Idaho Code.

**"Lot"** means an individual platted lot within the Property.

**"Manufactured home"** means a structure that is transportable in one (1) or more sections, which in the traveling mode, is eight (8) body feet or more in width or is forty (40) body feet or more in length, or when erected on site, is three hundred twenty (320) or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein, except that such term shall include any structure which meets all the requirements of this paragraph except the size requirements.

**"Mobile home"** means a factory-assembled structure or structures equipped with the necessary service connections and made so as to be readily movable as a unit or units on their own running gear and designed to be used as a dwelling unit or units with or without a permanent foundation.

**"Modest."** The word "modest" as used herein means not dominate in size or color.

**"Modular Home"** or "modular building" means a structure, other than a manufactured or mobile home, which is of closed construction and is either entirely or substantially prefabricated or assembled at a place other than the building site, complies with the International Building Code, and does not have a chassis.

**"Owner"** means the record owner, whether one or more persons or entities of the fee simple title. The term Owner includes, but is not limited to, a purchaser under a deed of trust, mortgage, or contract, or a person who takes the lot under a life estate.

**"Recreational vehicle"** means a vehicle primarily designed as temporary living quarters for recreation, camping, travel or other similar use that has its own mode of power or is mounted on or drawn by another vehicle. The term "recreational vehicle" includes but is not limited to travel trailer, camping trailer, truck camper, fifth-wheel trailer, and motor home.

**"Structure"** means a walled and roofed building including a gas or liquid storage tank that is principally above ground.

**"Subdivision"** means Quail Ridge as depicted on the plat thereof as recorded in the records of Bonner County, Idaho, including subsequent phases thereto.

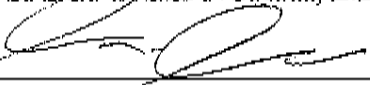
EXECUTED BY THE DECLARANT ON THE ATTACHED SIGNATURE PAGE



SIGNATURE PAGE

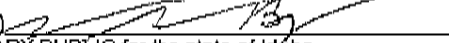
DATED this 15 day of NOVEMBER, 2006

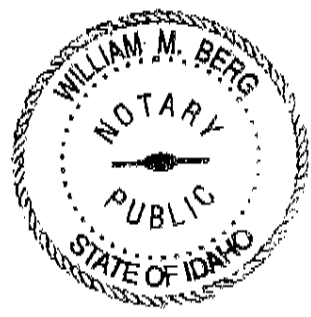
SPIRIT LAKE NORTH, L.L.C.

  
By: George Gauzza  
Its: Managing Member

STATE OF IDAHO )  
COUNTY OF BONNER ) SS.

On this 15 day of NOVEMBER in the year of 2006, before me, a Notary Public for the state of Idaho, personally appeared George Gauzza, known or identified to me to be the manager or a member of Spirit Lake North, L.L.C. that executed the within instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.

(Sign)   
NOTARY PUBLIC for the state of Idaho  
Residing at: 50506, 1017170  
My commission expires: 11/14/08



**EXHIBIT A**  
Plat Map Drawing

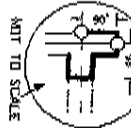


TREE NORTH

SQUARE JOERING  
QUPLATTED

SECTION CORNER  
FID. S-1/4-4 DIA. ALUM. CAP  
MARKED U.S. 748  
CPLD. ON FILE

NOT TO SCALE



STATE OF IDAHO  
(UNPLATTED)

SECTION CORNER  
FID. S-1/4-4 DIA. ALUM. CAP  
MARKED U.S. 748  
CPLD. ON FILE

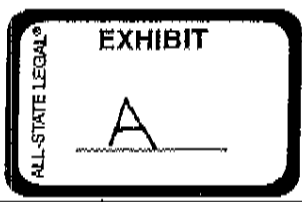
STATE OF IDAHO  
(UNPLATTED)

LOCATED IN A PORTION OF SECTION 21, TOWNSHIP 54 NORTH,  
RANGE 4 WEST, BOISE MERIDIAN, BONNER COUNTY, IDAHO.

# QUAIL RIDGE

STATE OF IDAHO  
(UNPLATTED)

SECTION CORNER  
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MARKED U.S. 748  
CPLD. ON FILE



STATE OF IDAHO  
(UNPLATTED)

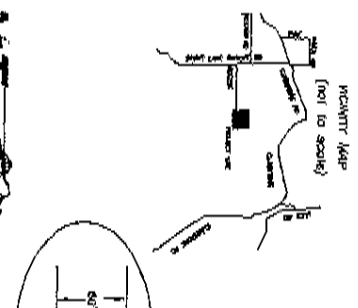
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MARKED U.S. 748  
CPLD. ON FILE

THESE LOTS WILL BE FOR RESIDENTIAL USE. WATER WILL BE PROVIDED BY INDIVIDUAL WELLS. SOLID WASTE WILL BE Hauled TO THE NEAREST TRANSFER STATION.

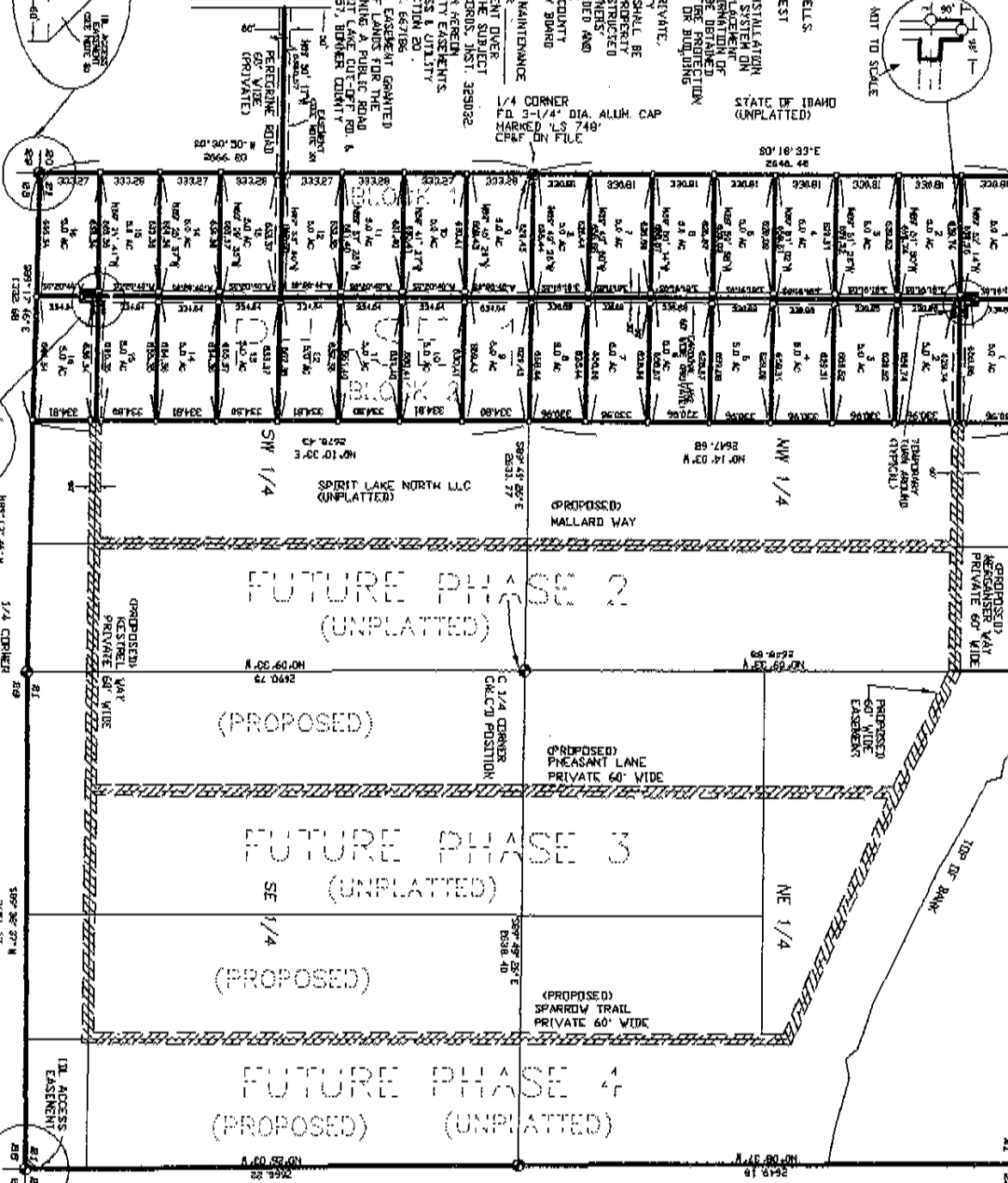
THE LOT OWNER IS RESPONSIBLE FOR THE INSTALLATION OF A MINIMUM 2,000 GALLON WATER STORAGE SYSTEM ON EACH LOT PRIOR TO THE CONSTRUCTION OR PLACEMENT OF THE CONCRETE FOUNDATION OR PLACEMENT OF THE CONCRETE FOR THE SPREADER. THE DISTRICT PRIOR TO ISSUANCE OF A BUILDING OR ZONING LOCATION PERMIT.

THE ROADS WITHIN THIS SUBDIVISION ARE PRIVATE, AND HAVE NOT BEEN CONSTRUCTED TO COUNTY STANDARDS FOR MAINTENANCE. THESE ROADS SHALL BE MAINTAINED AT THE SOLE EXPENSE OF THE PROPERTY OWNERS. THE COUNTY STANDARDS AS THEY ARE CONSTRUCTED SHALL BE ADEQUATE TO THE PROPERTY OWNERS' USE. THEY ARE DEDICATED TO THE PUBLIC AND THE PROPERTY OWNERS AND ACCEPTED INTO THE COUNTY WATER/SANITATION SYSTEM BY THE BONNER COUNTY BOARD OF COMMISSIONERS.

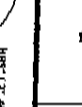
THIS PLAN IS SUBJECT TO A PRIVATE ROAD MAINTENANCE AGREEMENT RECORDER AT INSTRUMENT NUMBER 2004-04040 DEPARTMENT OF LANDS ACCESS EASEMENT OVER THE SOUTHWEST & SOUTHEAST CORNERS OF THE SUBJECT PROPERTY, RECORDER AT BONNER COUNTY RECORDS, INSTR. 325032. PERGRINE ROAD & CROOKED LAKE AS SHOWN HEREIN ARE 50 FOOT WIDE EGRESS & UTILITY EASEMENTS. EASEMENT OVER THE SOUTHWEST CORNER OF SECTION 20. EASEMENT OVER THE SOUTHWEST CORNER OF SECTION 20. THIS PLAN BENEFITS FROM A NON-EXCLUSIVE EASEMENT GRANTED TO BONNER COUNTY FROM THE IDAHO DEPT. OF LANDS FOR THE CONSTRUCTION, MAINTENANCE, USE AND MAINTENANCE OF A PUBLIC ROAD PRESERVE RD. RECORDER AT INSTR. NO. 7085, BONNER COUNTY RECORDS.



NEIGHBORHOOD MAP  
(Not to scale)



SECTION CORNER  
FID. S-1/4-4 DIA. ALUM. CAP  
MARKED U.S. 748  
CPLD. ON FILE



SECTION CORNER  
FID. S-1/4-4 DIA. ALUM. CAP  
MARKED U.S. 748  
CPLD. ON FILE



SECTION CORNER  
FID. S-1/4-4 DIA. ALUM. CAP  
MARKED U.S. 748  
CPLD. ON FILE



CHARLES & KAREN WELLE  
REGISTERED PROFESSIONAL LAND SURVEYORS  
NO. 2172  
STATE OF IDAHO

SECTION CORNER  
FID. S-1/4-4 DIA. ALUM. CAP  
MARKED U.S. 748  
CPLD. ON FILE

STATE OF IDAHO  
(UNPLATTED)



SECTION CORNER  
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STATE OF IDAHO  
(UNPLATTED)

SECTION CORNER  
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MARKED U.S. 748  
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SECTION CORNER  
FID. S-1/4-4 DIA. ALUM. CAP  
MARKED U.S. 748  
CPLD. ON FILE

When recorded, please return to:  
 William M. Berg  
 Berg & McLaughlin, Chdt  
 708 Superior St., Ste B  
 Sandpoint ID 83864

727013

FILED BY  
*Wetch*  
 2007 APR 18 P 2:25  
*600*  
 MARIE SCOTT  
 BONNER COUNTY RECORDER

**FIRST AMENDMENT OF DECLARATION OF  
 RESIDENTIAL COVENANTS, CONDITIONS, EASEMENTS AND  
 RESTRICTIONS APPLICABLE TO  
 QUAIL RIDGE, BONNER COUNTY, IDAHO**

This Amendment to the Declaration of Residential Covenants, Conditions, Easements and Restrictions Applicable to Quail Ridge, recorded January 31, 2007 as Instrument No. 722007, records of Bonner County, Idaho (the "Declaration"), is made and executed this 6<sup>TH</sup> day of April, 2007, by SPIRIT LAKE NORTH, L.L.C., an Idaho limited liability company ("Declarant"), and TERRY N. WILLIAMS and TERESA K. WILLIAMS, husband and wife.

NOTICE IS HEREBY GIVEN, that by the unanimous consent of the parties hereto, being all of the Owners of Lots on the Property, the Declaration is hereby amended as follows:

**Article 4.2.10** is struck in its entirety and replaced as follows:

**Fire Suppression.** Each Lot Owner shall choose one of the following methods of fire suppression:

(1) Install a minimum two thousand (2,000) gallon water storage tank that meets International Fire Code (IFC) standards. Refill on demand is not required to meet IFC standards. Written confirmation of the completion of this condition shall be obtained by the lot owner from an Idaho licensed professional engineer prior to issuance of a building or building location permit;

OR

(2) Install an approved IFC residential fire suppression sprinkler system. Plans for the system shall be provided to an International Code Council (ICC) building inspector or ICC plans examiner for review and approval. Written confirmation of approval of the plans by the ICC official shall be obtained by the lot owner prior to issuance of a building permit or building location permit and written confirmation of the installation shall be provided by the official to Bonner County prior to occupancy of the structure.

NOTICE IS HEREBY GIVEN THAT THE SPIRIT LAKE FIRE PROTECTION DISTRICT, IN WHICH THE PROPERTY IS LOCATED, DOES NOT RECOMMEND THE USE OF OPTION (1), AND MAY NOT UTILIZE THE SAME WHEN RESPONDING TO A FIRE ON THE PROPERTY. THE SPIRIT LAKE FIRE PROTECTION DISTRICT RECOMMENDS OPTION (2).

IN WITNESS WHEREOF, the parties have executed this Amendment to the Declaration of Residential Covenants, Conditions, Easements and Restrictions Applicable to Quail Ridge as of the day and year first above stated.

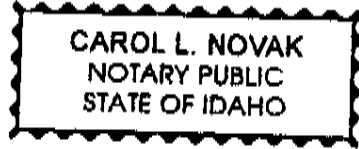
SPIRIT LAKE NORTH, L.L.C.

[Signature]  
By: George Gauzza  
Its: Managing Member

STATE OF IDAHO )  
COUNTY OF BONNER ) SS.

On this 14<sup>th</sup> day of April, in the year of 2007, before me, a Notary Public for the state of Idaho, personally appeared George Gauzza, known or identified to me to be the manager or a member of Spirit Lake North, L.L.C. that executed the within instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.

(Sign) Carol L. Novak  
NOTARY PUBLIC for the state of Idaho  
Residing at: Coccolalla, Id.  
My commission expires: 3-11-2010



[Signature]  
Terry N. Williams

[Signature]  
Teresa K. Williams

STATE OF IDAHO )  
COUNTY OF BONNER ) SS.

On this 10 day of April, in the year of 2007, before me, a Notary Public for the state of Idaho, personally appeared Terry N. Williams and Teresa K. Williams, known or identified to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

(Sign) Carol L. Novak  
NOTARY PUBLIC  
Residing at: Coccolalla, Id.  
My commission expires: 3-11-2010

