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TREEPORT

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

This Declaration is made on the date hereinafter set forth, by HANSON PROPERTIES, INC., hereinafter referred to as "Declarant."

WITNESSETH;

WHEREAS, Declarant is the owner of the following land described as lying in the South one-half of Section 35, Township 54 North, Range 4 West, Boise Meridian, Bonner County, Idaho, and more particularly described as:

Beginning at the southwest corner of said Section 35, A 2" brass cap, said point also being the initial point of this subdivision; thence along the west line of said Section 35, N 0° 32' 28" E, 2649.68 feet to the west quarter corner; Thence along the north line of the south half of said Section 35, S 89° 29' 46" E, 4024.02 feet to the northwest corner of the northeast quarter of the southeast quarter of said Section 35; Thence along the west line of said northeast quarter of the southeast quarter S 1° 24' 51" W, 1331.02 feet to the southwest corner thereof; Thence along the south line of said northeast quarter of the southeast quarter S 89° 24' 52" E, 1333.80 feet to the southeast corner thereof; Thence along the east line of said Section 35, S 1° 40' 24" W, 1333.03 feet to the southeast corner thereof; Thence along the south line of said Section 35, N 89° 19' 55" W, 2655.49 feet to the south quarter corner; Thence along said south line N 89° 19' 08" W, 2655.72 feet to the point of beginning, containing 284.79 acres more or less.

The streets as shown on this plat of Treeport are hereby dedicated to the use of the public, and the easements indicated on said plat are not dedicated to the public but the right to use said easement is hereby reserved for public utilities and any other use designated hereon and no permanent structures are to be erected within the lines of said easements.

Situate in Bonner County, Idaho.

WHEREAS, Declarant proposes that such land be sold in tracts and desires to place covenants and restrictions upon said tracts that run with the land for the benefit of all of the owners.

NOW, THEREFORE, Declarant declares that all of the properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property. These easements, covenants, restrictions and conditions shall run with the real property and shall be binding on all parties, having or acquiring any right, title or interest in the described properties, or any part thereof, and shall enure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to Treeport Homeowners Association, an Idaho nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any tract which is a part of the property, including buyers under a contract for deed, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to that certain real property hereinbefore described, and such other real property as may be annexed hereafter by Declarant or its successors.

Section 4. "Tract" shall mean and refer to any tract as separately numbered and shown and described on that plat known as TREEPORT filed December 9, 1980, Instrument #236153, Book 3, Page 158, records of Bonner county, Idaho.

Section 5. "Architectural Review Committee" shall mean a Committee consisting of three (3) members appointed by the directors of the Association, whose job it shall be to approve or disapprove all plans and specifications for the construction, improvements, alteration or erection of any buildings, secondary buildings, fences, walls, structures of all kinds, or other similar items. Further, the Committee shall be responsible for interpreting all regulations pertaining to construction on or use of the tracts conveyed.

Section 6. "Declarant" shall mean and refer to HANSON PROPERTIES, INC., named above and its successors and assigns.

ARTICLE II ASSOCIATION

Section 1. Creation. An Idaho nonprofit corporation, entitled TREEPORT HOMEOWNERS ASSOCIATION, has been created for the purpose of administrating the rights and obligations granted to that organization under the terms of this document.

Section 2. Membership Voting Rights. . (Refer to Declarant Amendment dated 22 September, 1992 for changes to this section) Each owner of a tract which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of any tract. For voting purposes, the Association shall have two classes of voting membership.

A. Class A. Class A members shall be all owners with the exception of Class B members defined below. They shall be entitled to one (1) vote for each tract owned. When more than one person holds an interest in any tract, all such persons shall be members of the Association, however, shall be collectively entitled to only one (1) vote for each tract owned.

B. Class B. The Class B members shall be the Declarant or its successor. The Class B members shall be entitled to four (4) votes for each tract owned. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events:

- (1) The total votes outstanding in Class A membership equal the total votes in the Class B membership, or
- (2) On December 31, 1985.

Section 3. Rights and Duties: The Association shall have the power and obligation take all steps necessary to provide for the public health, welfare and safety of its members, including the right of assessment to finance the same.

Section 4. Assessments:

A. Creation of Lien and Personal Obligation of Assessments. The Owner covenants and agrees to pay the Association:

- (1) Annual assessments or charges, and
- (2) Special assessments for capital improvements.

The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall become a lien upon the property involved as of the date of assessment, and shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

B. Purpose of Assessments. The assessments may be used to fund the operations of the homeowners of the Association in the furtherance of the Association's business.

C. Maximum Annual Assessment. . (Refer to Declarant Amendment dated 22 September, 1992 for changes to this section) Until January 1, 1982, the maximum annual assessment shall be \$103.00 per tract. After that date, the maximum annual assessment shall be increased each year to not more than three (3) percent of the maximum assessment for the previous year unless a two-thirds (2/3) vote of the membership authorizes a greater assessment. Ten (10%) percent of the annual assessment

collected shall be disbursed to Spirit Lake East Homeowners Association for contribution by Treeport Homeowners Association towards the care and maintenance of roads in Spirit Lake East.

D. Special Assessment. The Association may levy such special assessments for capital improvement projects as may be necessary in carrying out its purpose. Such assessments, however, before being valid, shall be assented to by no fewer than two-thirds (2/3) of the votes of the members, in person or by proxy, at a meeting duly called for this purpose.

E. Effect of Nonpayment of Assessments. Remedies of the Association: Assessments not paid in thirty (30) days shall bear interest from the due date at the maximum rate of interest allowable by law. The Association may bring an action at Law against the Owner personally obligated to pay the same, or foreclose the lien against the property.

F. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinated to any lien of a first mortgage, deed of trust or security contract for construction purposes, for purchase of the property. Sale or transfer of any tract shall not affect the assessment lien. However, the sale or transfer of any tract shall not affect the assessment lien. However, the sale or transfer of any tract, pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such tract from liability for any assessments thereafter becoming due or from the lien thereof.

G. Charges for Service Rendered. Nothing above shall prohibit the Association from making specific charges to a tract or Owner for special services or materials rendered. For instance, if the Association operates the water system, it shall have the right to meter the water and charge accordingly at reasonable rates. Such charges shall become liens against the property if unpaid in the same manner as assessments.

ARTICLE III GRANT OF PROPERTY RIGHTS

Section 1. Easements Reserved by Declarant. Declarant hereby declares that it will reserve for the Association certain easements for roads, water lines, sewer disposal lines, power lines, telephone lines and other utilities as may be necessary.

Section 2. Right of Association. The Association shall have the right, in its sole discretion, to dedicate or transfer all or any of the easements granted it to any public agency or authority whenever such agency shall become responsible for maintaining the roads or utilities conveyed.

ARTICLE IV PROTECTIVE COVENANTS

Section 1. The following protective covenants are designed to provide a uniform plan for the development of the property and for residential, recreational, or agricultural purposes, and to

maintain the agricultural and rural atmosphere and charm which is compatible with the natural environment and, further, to provide every practical and legal means to safeguard and protect the interests of all Owners and the stability of the development.

Section 2. Use Restriction:

- A. No tract shall be subdivided.
- B. Tracts, buildings or improvements thereon shall be used for recreational, residential or agricultural purposes only.
- C. The following activities shall be prohibited:
 - (1) Hunting or discharging of firearms.
 - (2) Raising animals or poultry for commercial purposes; provided, however, that not more than two horses and either two head of cattle or four sheep may be maintained on a single tract if located behind a residence and enclosed, within an appropriate fence and they are properly fed and cared for.
 - (3) Commercial cutting of timber.
 - (4) The use and storage of unlicensed farm, logging or motor vehicles unless within buildings.
 - (5) Noxious, illegal or otherwise offensive use of property in general.
 - (6) Raising of goats, wild animals or any animal in such a manner as to be noxious or offensive.
 - (7) Signs of any kind except professional signs of appropriate size advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.
 - (8) Snowmobiles and motorcycles except as provided by Association rules and regulations.
- D. Declarant reserves the right to provide for or develop commercial and/ or recreational sites within Treepoint and make charges for use of same to the public including Owners. Other than this, commercial activities other than agricultural pursuits shall be prohibited unless compatible with the surrounding area and specifically authorized by the Architectural Review Committee.

Section 3. Building Restrictions:

- A. All construction, improvements or alterations to any lot or structures are subject to the prior approval of the Architectural Review Committee described below.

B. . (Refer to Declarant Amendment dated 22 September, 1992 for changes to this section)

Only single family dwellings shall be permitted. No trailers, mobile homes or modular homes of any kind, nature or description shall be permitted nor shall they be used for either a temporary or permanent residence. The architectural drawings, plans and specifications must be first approved by the Architectural Review Committee and after said approval has been granted, construction must begin within 90 days thereafter or said approval shall terminate. Completion of said construction shall be accomplished within 6 months after commencement of construction.

C. All dwellings shall have adequate septic tanks or sewage disposal systems, and no outhouses or privies shall be permitted.

D. Each Owner shall provide external maintenance upon his tract and any structure thereon, including painting and repairing the structures, maintaining the grounds and not permitting refuse piles or other unsightly objects to accumulate on the grounds.

Section 4. Architectural Review Committee:

A. The Architectural Review committee shall be appointed by the Association.

B. The Architectural Review Committee shall be responsible for developing and interpreting rules and regulations pertaining to the construction on and use of the tracts and the interpretation of the protective covenants. It shall also be responsible for the approving of any and all construction, alterations, and improvements of any nature which are placed upon the tracts.

C. The Architectural Review committee shall have 30 days from the date of submittal to approve, modify, or reject any proposal. If, at the end of that time, they have not done any of the above, the material shall be presumed acceptable, and the Owners shall be permitted to commence construction in accordance with his plan. Once the approval has been given, the Owner shall have six (6) months in which to complete construction or else be required to obtain a new approval.

D. The Architectural Review Committee may adopt such reasonable regulations regarding the construction and use of a tract as may be necessary for the protection of the public health, welfare and safety. Specifically, it shall be responsible for developing rules pertaining to fire protection, water use, sewage and garbage disposal and the like.

Section 5. Enforcement.

Violation of any restrictions, conditions, covenants, agreements, or rules and regulations contained herein or promulgated by the Association or the Architectural Review committee, shall give the association the right to enter upon the property and abate and remove, at the expense of the Owner, any erection, thing or condition which may be contrary to the provisions of this document. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all

restrictions, conditions, covenants or reservations, liens or charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or Owner to enforce any covenant or restriction herein shall, in no event, be deemed a waiver of the right to do so at a later time. Should any lawsuit or other legal proceedings be instituted against an Owner alleged to have violated one or more of the provisions of this Declaration, and should the Association be wholly or partially successful in such proceedings, the offending Owner shall be obligated to pay the costs of such proceeding, including reasonable attorney's fees.

ARTICLE V

AIRPORT

Section 1. Maintenance of the Airport.

A. Maintenance of the airport will be the responsibility of the Homeowners Association, and it shall establish all rules and regulations for the use of said airport including the determination of any equipment necessary, unless the developer herein specifically reserves the right to establish a commercial type airport or commercial type facility at said airport. All functions of said airport will be administered by the Homeowners Association or a designated committee.

B. Any trees or obstacles in the approach path at either end of the airport may be trimmed or removed at the discretion of the Board of Directors and paid for by the Homeowners Association.

Section 2. Hangars:

Parking areas may be constructed by the lot Owners on individual lots with the approval of the Architectural Review Committee. Hangars are to be of a size sufficient only to house one aircraft, unless approved by the Homeowners Association. Plans for said hangar must be submitted in writing to the Architectural Review Committee. Hangars shall be constructed to give the appearance of a residential unit and not commercial.

Section 3. Transient Parking Areas:

A space in the designated hangar area may be set aside for guests' aircraft parking. Parking fees may be established by the Homeowners Association.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Severability: Validation of anyone of these covenants or restrictions by judgment or court order shall in no way effect any other provision, which shall remain in full force and effect.

Section 2. Additional Lands: Additional land contiguous to the above described land may be annexed by Declarant without the consent of the members within ten (10) years of the date of this instrument provided that the annexation is in accord with the general plan heretofore established for landowner

subject to this Declaration. In the event of such annexation, all tract owners within said annexed land shall become members of the Association.

Section 3. Amendment: Any provision herein may be amended or revoked and additional provisions added at any time by written instrument recorded in the office of the clerk and recorder of Bonner County, Idaho, duly signed and acknowledged by not less than two-thirds (2/3) of the tract owners, subject to this Declaration, or in the event that the Declarant owns over fifty percent (50%) of the tracts, he shall have the power to amend these covenants.

Section 4. Term Provision: Provisions of this Declaration shall be binding for a term of twenty-five (25) years from the date of this Declaration, after which time the Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the Owners of two-thirds (2/3) of the tracts has been recorded agreeing to change this Declaration in whole or in part.

IN WITNESS WHEREOF, the undersigned have executed this Declaration this 28th day of July, 1981.

Signed by Declarant and
Notary Public

This document is modified by minor changes in formatting and also by directive notations to Article II, Section 2 and Section 4C, and Article IV, Section 3B.

A certified copy of the original document is on file in the Records of Treeport Homeowners Association, Inc. and is available upon request by tract owners or prospective buyers. A copy may also be obtained from the Records Office of Bonner County, located in Sandpoint, Idaho.