

STATE OF IDAHO }
COUNTY OF KOOTENAI } 55
AT THE REQUEST OF

FIRST AMERICAN-TITLE

1337953

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF Jan 19 12 19 PM '94
GROUSE MEADOWS
KOOTENAI COUNTY, IDAHO

C. Paul
72.00

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("Declaration"), is made on the date hereinafter set forth, by GROUSE MEADOWS PARTNERSHIP ("Declarant"), with reference to the following facts:

A. Declarant is the owner of that certain residential subdivision located in the City of Hayden, Kootenai County, Idaho, commonly known as Grouse Meadows, which property is more particularly described as follows (th "Property"):

- Lots 1 to 8, inclusive Block 1
- Lots 1 to 9, inclusive Block 2
- Lots 1 to 22, inclusive Block 3
- Lots 1 to 11, inclusive Block 4

All in Phase 1 of Grouse Meadows, according to the plat thereof, recorded in the office of the County Recorder in Book G of Plats, Pages 113 and 115A, records of Kootenai County, State of Idaho.

The property is a portion of a larger parcel owned by Declarant, all of which is intended by the Declarant to be developed for residential and similar related uses under the name "Grouse Meadows". As additional portions of the remaining land owned by Declarant are platted and developed for uses similar to that of the property, such shall become subject to the terms of this Master Declaration by annexing the same as provided herein.

B. The subdivision shall be hereinafter referred to as the "project". The owner of each lot shall receive title to his individual lot, together with rights and obligations of membership in GROUSE MEADOWS OWNERS ASSOCIATION, INC., a nonprofit corporation formed to maintain the common area and to otherwise manage the project.

C. Declarant hereby declares that the property and the project shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the property, and the project, and every part thereof. All of the limitations, covenants, conditions, restrictions, and easements shall constitute covenants and encumbrances which shall run with the land and shall be perpetually binding upon Declarant and its successors-in-interest and assigns, and all parties having or acquiring any right, title, or interest in or to any part of the property or the project.

ARTICLE I: DEFINITIONS

Unless otherwise expressly provided, the following words and

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phrases, when used in this Declaration and in the Project Documents, shall have the following meanings:

1.1 Articles: The Articles of Incorporation of the Association as restated or amended from time to time.

1.2 Assessment: that portion of all common expenses, as defined below, which is to be paid by each lot owner as determined by the Association under this Declaration.

1.3 Association: Grouse Meadows Owners Association, Inc., an Idaho nonprofit corporation, formed by Declarant in conjunction with the execution and recordation of this Declaration, the members of which shall be the owners of lots in the project as provided herein.

1.4 Board or Board of Managers: the governing body of the Association.

1.5 Bylaws: the bylaws of the Association as restated or amended from time to time. The initial bylaws shall be as adopted by the incorporating members of the Board of Managers.

1.6 Common Area: all decorative entrance structures and that part of the following lots, being a strip of land described on Exhibit "A" attached hereto and incorporated herein by reference on which the Declarant has constructed or may construct a visual berm, fence, and entrance signs, and on which trees and other landscaping may be placed to screen the project from Praixie Ave. and Ramsey Rd. and the Eastern Boundary of the project:

Lot 1 to 8, inclusive, Block 1

Lot 1 to 9, inclusive, Block 2

According to the plat thereof recorded in the office of the County Recorder in Book of Plats, Pages and , records of Kootenai County, State of Idaho.

The rights and restrictions pertaining to the use of the common area are further described in Article 3 of this Declaration. The common area includes easements for the common fence and earth berm, waterlines, sprinkler system and meters as set forth on Exhibit "A".

1.7 Common Expenses: the actual estimated expenses of maintenance, repair, and replacement of the common area, and of administration of the Association, and any reasonable reserve for such purposes as determined by the Board, and all sums designated as common expenses by or pursuant to the project documents.

1.8 Declarant: Grouse Meadows Partnership, and its successors-in-interest and assigns with respect to the entire project, but excluding independent third parties purchasing lots.

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1.9 Member: a person entitled to membership in the Association as provided herein.

1.10 Mortgage: includes a recorded mortgage, deed of trust, real estate contract, or other instrument creating a security interest in any lot.

1.11 Declaration: This Declaration of Covenants, Conditions and Restrictions, as it may be amended from time to time.

1.12 Mortgagee: includes a mortgagee, beneficiary or holder of a deed of trust, real estate contract vendor, or other holder of a mortgage.

1.13 Mortgagor: includes a mortgagor, the trustor of a deed of trust, real estate contract vendee or other individual granting a security interest in any lot.

1.14 Grassy Swale: A depressed area adjacent to the roadway which functions as a drainage dispersion area.

1.15 Lot: any lot reflected on the above-described plat as a separate legal parcel intended for improvement with a single-family residence.

1.16 Property: the land described in this Declaration and any amendments hereto.

1.17 Project: the entirety of the project described by this Declaration (generally synonymous with "property").

1.18 Project Documents: this Declaration and the articles and bylaws of the Association, as each shall be restated or amended from time to time.

1.19 Owner or Owners: the record holder or holders of title of a lot in the project. This shall include any person having a fee simple title to any lot, but shall exclude persons or entities having any interest merely as security for the performance of any obligation. Further, if a lot is sold under a recorded contract of sale to a purchaser, the purchaser, rather than the fee owner, shall be considered the "owner".

ARTICLE 2: ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

2.1 Organization of Association

The Association is or shall be incorporated under the name GROUSE MEADOWS OWNERS ASSOCIATION, INC., as a nonprofit corporation under the Idaho Nonprofit Corporation Act.

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2.2 Membership

The owner of a lot shall automatically, upon becoming the owner of that lot, be a member of the Association, and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership shall be in accordance with the articles and bylaws of the Association.

2.3 Duties and Powers

The duties and powers of the Association are those set forth in this Declaration, and in the articles and bylaws, together with its general and implied powers as a nonprofit corporation, generally to do any and all things that a nonprofit corporation organized under the laws of the State of Idaho may lawfully do and which are necessary or proper in operating for the peace, health, comfort, safety and general welfare of its members, subject only to the limitations upon the exercise of such powers as are expressly set forth in this Declaration, the articles and bylaws.

2.4 Transferred Membership

Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the lot to which it is appurtenant, and then only to the new owner. Any attempt to make a prohibited transfer is void. In the event the owner of any lot should fail or refuse to transfer the membership registered in his name to the purchaser of his lot, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

2.5 Board of Managers

The affairs of the Association shall be managed by a Board of Managers, which shall be established and which shall conduct regular and special meetings according to the provisions of the bylaws of the Association.

2.6 Membership Meetings

Regular and special meetings of members of the Association shall be held with the frequency, at the time and place, and in accordance with the provisions of the bylaws of the Assoc.

2.7 One Class of Membership; Voting Requirements

The Association shall have one class of voting membership established according to the articles. Voting requirements shall be as set forth in the bylaws.

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2.8 Use of Agent

The Board of Managers, on behalf of the Association, may contract with a professional management agent for the performance of maintenance and repair and for conducting other activities on behalf of the Association, as may be determined by the Board, subject to such limitations as may be set forth in the bylaws.

3.1 Common Area

The common area shall include all of the elements set forth in paragraph 1.6 above. Declarant hereby reserves for the benefit of the Association and its members, a perpetual, exclusive easement over and across the entire common area, for the purpose of maintaining, repairing and replacing the described elements therein, and for the additional purpose of constructing, maintaining, repairing and replacing such additional improvements as may be determined by the Board to be in the best interests of the project and the owners of lots therein. No lot owner, including the owners of the lots on which this easement is created, shall have any right to the use of the common area, except as expressly allowed by the Board pursuant to this Declaration.

3.2 Regulation of Common Area Use

The rights and easements of use and enjoyment of the common area created by this Declaration shall be subject to such rules and regulations as may be adopted by the Board of Managers.

3.3 Damage by Member

Each owner shall be liable to the Association for any damage to the common area not fully reimbursed to the Association by insurance, if the damage is sustained because of the negligence, willful misconduct or unauthorized or improper use of the common area by the owner, or by any guest, tenant, employee or invitee of the owner. The cost of correcting the damage, to the extent not reimbursed to the Association by insurance, shall be a special assessment against such owner's lot and may be enforced as provided hereby for the enforcement of other assessments.

ARTICLE 4: ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of Assessments

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The Declarant, for each lot owned within the project, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association periodic assessments, which shall be established and collected as provided herein. All assessments, together with interest, costs, penalties and actual attorney's fees, shall be a charge and a continuing lien upon the lot against which each assessment is made, the lien to become effective upon recordation of a Notice of Assessment Lien by the Board. Each such assessment, together with interest, costs, penalties, and actual attorney's fees shall also be the personal obligation of the person who was the owner of such lot at the time when the assessment fell due. No owner of a lot may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common area or by the abandonment of his lot.

4.2 Purpose of Assessments

The assessments levied by the Association shall be used exclusively to maintain, repair, and replace the landscaping and improvements now or hereafter placed within the common area, and for such other purposes as may be deemed appropriate by the Board. The Board shall determine and fix the amount of the maximum annual assessment against each lot at least sixty days in advance of the start of each fiscal year; provided, however, that the maximum annual assessment may not be increased by more than twenty percent above the maximum annual assessment for the immediately preceding fiscal year, without the vote or written assent of a majority of the total voting power of the Association.

4.3 Allocation of Assessments

Each lot, including lots owned by Declarant, shall bear an equal share of each assessment.

4.4 Date of Commencement of Assessment; Due Dates

The assessments provided for herein shall commence as to all lots in the project at such time as the Declarant determines to turn over the responsibility for maintenance of the common area to the Association. No notice of such assessment shall be required other than an annual notice setting forth the amount and frequency of the assessment for the following year.

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4.5 Transfer of Lot by Sale or Foreclosure

The sale or transfer of any lot shall not affect any assessment lien, or relieve the lot from any liability therefor, whether the lien pertains to payments becoming due prior or subsequent to such sale or transfer. Notwithstanding the foregoing, the sale or transfer of any lot pursuant to foreclosure or by deed in lieu of foreclosure of a recorded first mortgage given in good faith for value shall extinguish the lien of all such assessments as to payments which became due prior to such sale or transfer. Sale or transfer pursuant to mortgage foreclosure shall not, however, affect the personal liability of the owner for unpaid assessments. Any assessments for which the liens are extinguished pursuant to this paragraph shall be deemed to be common expenses collectively from all of the lots including the lot for which the lien was extinguished. In a voluntary conveyance of a lot, the grantee of the same shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Board, setting forth the amount of the unpaid assessments due the Association, and such grantee shall not be liable for, nor shall the lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount set forth in the statement, provided, however, the grantee shall be liable for any such assessment becoming due after the date of any such statement.

4.6 Enforcement of Assessment Obligation; Priorities; Discipline

If any part of any assessment is not paid and received by the Association or its designated agent within ten (10) after the due date, an automatic late charge of Ten Dollars (\$10.00) shall be assessed and additional Ten Dollars (\$10.00) sums shall be assessed for each month or fraction thereof from the due date until the assessment and all late charges are paid. Each unpaid assessment shall constitute a lien on the subject lot, prior and superior to all other liens recorded subsequent to the recordation of the Notice of Assessment Lien, except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; (2) labor or materialmen's liens arising under Idaho law (timely and duly filed) if the legal effective date is prior to the recording of the Notice of Assessment Lien; and (3) the lien or charge of any first mortgage of record made in good faith and for value. Such lien, when delinquent, may be enforced by sale by the Association (acting through the Board), its attorney or other

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person authorized by this Declaration or by law to make the sale, after failure of the owner to pay such assessment, in accordance with the provisions of Idaho law applicable to the exercise of powers of sale in deeds of trust, or by judicial foreclosure as a mortgage, or in any other manner permitted by law. The Association, acting on behalf of the lot owners, shall have the power to bid for the lot at the foreclosure sale, and to acquire and hold, lease, encumber and convey the same. The foreclosing party shall have the right to reduce or eliminate any redemption rights of the defaulting owner, as allowed by law. Suit to recover a money judgement for unpaid assessments, rent, interest, costs, penalties, and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may impose reasonable monetary penalties including actual attorney's fees and costs and may temporarily suspend the Association membership rights of a lot owner who is in default in payment of any assessment, after notice and hearing according to the bylaws.

ARTICLE 5: ARCHITECTURAL CONTROL COMMITTEE

5.1 Members of the Committee

The Architectural Control Committee shall be comprised of at least three (3) persons, all of whom shall be appointed as herein provided. A member of the ACC shall hold office until he has resigned or has been removed, but in any event, until said member's successor has been appointed. Members of the ACC may be removed at any time, with or without cause.

5.2 Compensation

The members of the ACC shall be entitled to reasonable compensation from the Association for services rendered, together with reimbursement for expenses incurred by them in the performance of their duties hereunder, said compensation to be determined by the Board.

5.3 Appointment

So long as the Grantor owns any lot or parcel within the property, the Grantor shall have the sole right to appoint and remove all members of the ACC. Thereafter, all members of the ACC shall be appointed or removed by the Board. The ACC shall have the right by a resolution in writing unanimously adopted, to designate one (1) of its members to take any action or perform any duties for and on behalf of the ACC. In the absence of such designation, the vote of any two (2) members of the ACC shall constitute an act of the ACC.

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5.4 Approval Required

No construction, alteration, modification, removal or destruction of any improvements of any nature whatsoever, whether real or personal in nature, shall be initiated or be permitted to continue or exist within the property without the prior express written approval of the ACC.

5.5 Basis of Approval

Approval by the ACC shall be based, among other things, on the ACC Rules/ACC Standards, the adequacy of the lot dimensions; conformity and harmony of external design with neighboring improvements, the effect of location and use of improvements on neighboring lots; operations and uses; relations to topography, grade, finished ground elevation and landscaping of the lot being improved to that of neighboring lots; proper facing of the main elevation with respect to nearby streets; and the conformity of the plans and specifications to the purpose and general plan and intent of this Declaration.

5.6 Non-Liability

Neither the ACC, or any member thereof, or the Grantor or any partner, officer, employee, agent, successor or assign thereof shall be liable to the Association, any owner or any other person for any loss, damage or injury arising out of or connected with the performance by the ACC of its duties and responsibilities by reason of a mistake in judgement, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve an application. Every person who submits an application to the ACC for approval of plans and specifications agrees, by submission of such an application, and every owner or occupant of any lot agrees, by acquiring title thereto or an interest therein, not to bring any action or suit against the Association, the ACC, or any member thereof, or the Grantor of any officer, partner, employee, agent, successor or assign thereof to recover such damages.

5.7 Variances

The ACC may authorize variances from compliance with the requirements of any conditions and restrictions contained in this Declaration, the ACC Rules/ACC Standards, or any prior approval when, in the sole discretion of the ACC, circumstance such as topography, natural obstructions, aesthetics or environmental considerations or hardship may so require. Such variances must be evidenced in writing signed by at least two (2) members of the ACC.

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If a variance is granted as provided herein, no violation of this Declaration, ACC Rules/ACC Standards or prior approval shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or the ACC Rules/ACC Standards for any purpose as to the particular subject matter of the variance thereof and the specific lot covered thereby.

The ACC shall have the right to consider and grant a variance as herein provided either with or without notice to other owners or a hearing of owners thereon.

5.8 Application

To request ACC approval for the construction, alteration, modification, removal or demolition of any improvements within the property, the owner shall submit a written application in a form required by the ACC which must be signed by the owner and contain all information requested and be accompanied by all other material to be submitted as hereafter provided.

All applications must contain, or have submitted therewith, the following material (collectively called "plans and specification"), prepared in accordance with acceptable architectural standards and submitted with the application form, if any, approved by the ACC:

A. Building Plan

A building plan which shall consist of preliminary or final blueprints, elevation drawings of the north, south, east and west sides, and detailed exterior specifications which shall indicate, by sample if required by the ACC, all exterior colors, materials and finishes, including roof, to be used.

B. Site Plan

A site plan showing the location of the building(s) and all other structures and improvements including fences and walls on the lot, lot drainage and all set backs, curb cuts, driveways, parking areas and other pertinent information relating to the improvements.

C. Landscape Plan

A landscape plan for portions of the lot to be landscaped which shall show the location, type and size of trees, plants, ground cover, shrubs, berming and mounding, grading, drainage, sprinkler system, fences, driveways, walkways, parking areas and freestanding exterior lights.

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D. Exclusions to ACC Requirements

Shorewood Homes, Inc., an Idaho Corporation who's intent is to be the primary developer and builder of homes in the project, shall not be required to submit plans for ACC approval on a case by case basis. The quality of the components shall meet or exceed the requirements set forth by the ACC.

The ACC may, in its discretion, require the owner to furnish additional specifications, drawings, material samples or such other information as the ACC, in its sole discretion reasonably exercised, shall deem necessary or convenient for the purpose of assisting the ACC in reviewing and processing the application. The ACC shall have the right to require an owner submitting an application for approval of plans and specifications to pay a fee at the time the application is submitted, the amount of such fee to be based upon the reasonable and actual expenses of the ACC in reviewing and processing the application. The ACC shall not be obligated to commence the review and processing of an application until such fee, if required, is paid.

5.9 Decision

In reviewing the application and the materials submitted therewith and in reaching a decision thereon, the ACC shall use its best efforts and judgement to assure that all improvements shall produce and contribute to an orderly and aesthetically complementary design and appearance to be of the quality required to maintain Grouse Meadows as a first class residential development.

Unless extended by mutual consent of the owner and the ACC, the ACC shall render its decision with respect to an application within forty-five (45) days after the receipt of a properly submitted application. The decision of the ACC can be in the form of an approval, a conditional approval or denial. The decision of the ACC shall be in writing, signed by a member of the ACC, dated, and a copy thereof mailed to the owner at the address shown on the application.

A conditional approval shall set forth with particularity the conditions upon which the application is approved and the owner shall be required to affix a copy of said conditions to the working drawings or blueprints which are to be kept on the job site during the entire course of the work to which said plans relate.

A denial of an application shall state with particularity the reasons for such denial.

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5.10 Inspection and Complaints

The ACC is empowered to inspect all work in progress on any lot at any time. Such inspection shall be for the purpose of determining whether the owner is proceeding in accordance with the approved application or is deviating therefrom or is violating this Declaration or the ACC Rules/ACC Standards or the approved plans and specifications.

The ACC is empowered to receive from other owners complaints in writing involving deviations from approved applications or violations of this Declaration or any applicable ACC Rules/ACC Standards. In the event the ACC receives such a complaint from the complainant, it shall first determine the validity of such complaint by inspection or otherwise.

Should the ACC determine that there has been a deviation or a violation, it shall promptly issue a notice in writing thereof to the owner and to the complainant, which notice shall specify the particulars of the deviation or violation and shall demand that the owner conform to either or both of the following directives:

- A. The owner shall adhere to the corrective measures set forth in the written notice.
- B. The owner shall immediately cease the activity which constitutes a deviation or violation.

Should the ACC determine there has been no deviation or violation, it shall promptly issue a notice of such determination to the owner and the complainant.

5.11 Hearing

An owner submitting an application under Section 5.8 above, or served with a written notice of deviation or violation, or a complainant shall have the right to request and be heard at a hearing held by the ACC for the purpose of presenting facts and information to the ACC. Such hearing must be requested by such party within ten (10) days from the date the written notice of the decision of the ACC is mailed to the owner (and Complainant) as evidenced by the records of the ACC. The hearing shall be held ten (10) days following receipt by the ACC of the request for a hearing, unless the ACC shall extend said period of time because of the unavailability of ACC members. A hearing may be continued by the ACC for the purpose of further investigation or to receive additional evidence. Upon completion of the hearing, the ACC shall issue a written opinion to the involved parties within ten (10) business days thereafter which opinion shall set forth the findings of the ACC with respect to the matters at issue and shall affirm, modify or rescind its previous decision as contained in the original written notice.

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If the ACC incurs any costs or expenses in connection with the investigation, processing or hearing on a matter involving a deviation or violation, including the costs of retaining a consultant(s) to advise the ACC and legal fees, such costs shall be paid by the complainant unless an owner is found to be in violation, in which event such owner shall pay all such costs. The payment of such costs shall be enforceable as provided in section 5.13 below.

5.12 Appeal

Either an owner or a complainant shall have the right to appeal to the Board a decision of the ACC of an application with respect to the conditions imposed thereon or a denial thereof, or a decision of the ACC adverse to the owner or the complainant reached following a hearing held pursuant to Section 5.11, above, provided, however, that neither an owner nor a complainant shall be entitled to such an appeal with respect to deviations or violations unless said owner or complainant has participated in the ACC hearing.

A notice of appeal shall be in writing and shall be delivered by mail to the Secretary of the Board within ten (10) days from the date of the decision by the ACC. Said notice of appeal shall be dated and shall contain the name of the owner and the complainant, if any, and a copy of the written decision or determination of the ACC. The failure of an owner or complainant to appeal a decision of the ACC in the manner and within the time herein provided shall terminate all rights of said owner or complainant to appeal said decision and it shall be binding and enforceable.

The Board shall fix a date for the hearing of such an appeal which date shall be no later than ten (10) days from the date of receipt of a notice of appeal unless extended by the Board because of the unavailability of Board members. The owner and complainant, if any, shall be advised of the time and place of the hearing by a mailed written notice. Written notice of time and place for hearing shall also be served by mail upon each member of the ACC.

The Board may require the owner or complainant to provide additional information to facilitate the Board's decision and the failure of such party to comply promptly with such a request shall entitle the Board to deny the appeal, in which event the decision by the ACC shall be considered final and not subject to further appeal.

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At the hearing the owner, complainant, if any, and the ACC, together with their representatives and other witnesses, shall present their position to the Board. The order of presentation and the evidence to be admitted shall be solely within the discretion of the Board provided, however, that the owner, the complainant, if any, and the ACC shall have the opportunity to question and cross-examine witnesses presented by the other. The owner, the complainant, if any, and the ACC will have the opportunity to present final argument consistent with rules adopted by the Board for such hearing process. Any party may be represented by an attorney at any hearing by the ACC of the Board.

Upon receiving all of the evidence, oral and documentary, and following the conclusion of the hearing, the Board shall retire to deliberate and shall reconvene at a time and place determined by the Board, at which time the Board shall cast its official ballot and the decision shall be duly recorded in the minutes of the meeting. The owner, the complainant, if any, and the ACC members shall be given written notice of the decision which shall be deemed given when deposited in the United States mail, postage prepaid and properly addressed.

If the Board incurs any costs or expenses in connection with the investigation, processing or hearing on an appeal, including the costs of retaining a consultant(s) to advise the Board and legal fees, such costs shall be paid by the party(s) filing the appeal unless the decision by the Board constitutes a substantial reversal of the decision of the ACC, in which event such costs shall be paid by the Association. If the party filing the appeal is obligated to pay such costs, payment of the same shall be enforceable as provided in Section 5.13 below.

A decision of the Board of an appeal shall be final and shall not be subject to reconsideration or further appeal.

5.13 Enforcement

The ACC, upon approval by the Board, shall be authorized on behalf and in the name of the Association to commence such legal or equitable proceedings as are determined by it to be necessary or proper to correct or enjoin any activity or condition existing within the property, the continuation of which violates the provisions of this Declaration, the ACC Rules/ACC Standards or the approved plans and specifications.

The ACC shall not commence such legal or equitable proceedings until a written notice of the deviation or violation has been appropriately prepared and given to the owner but thereafter the ACC shall have the sole discretion to commence such proceedings.

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The authority of the ACC as herein provided shall include the power to retain legal counsel and expert witnesses, pay filing fees, deposition costs, witness fees and all other ordinary and necessary expenses incurred in commencing and carrying out said legal or equitable proceedings, all of which costs shall be paid by the Association.

In the event the ACC and/or Association shall prevail in any such legal or equitable proceedings, all costs and expenses incurred in connection therewith including, but not limited to, attorney's fees, shall be reimbursed to the Association by the owner against whom said proceedings are filed and upon the failure of said owner to reimburse the Association within five (5) days after written demand therefor is mailed to the owner, the Association shall have the right to levy a limited assessment against the owner and the lot owned by the owner which assessment shall be equal to said costs and expenses incurred plus any additional costs and expenses incurred by levying the assessment. Said limited assessment shall be due and payable at such time or in such installments as may be determined by the Board, in its sole discretion. The failure of the owner to pay said assessments, or any installment thereof when due, shall be enforceable in the manner provided in Article 4 herein.

5.14 Additional Damages

In addition to the costs and expenses to be reimbursed by the owner or the complainant, all other costs, expenses and damages determined by the Board to be proximately caused by the deviation or violation or the costs and expenses incurred by the Association to correct the same shall be assessed as a limited assessment against the owner and the lot owned by said owner, or the complainant and the lot owned by the complainant, as the case may be, which limited assessment shall be due and payable at such time or in such installments as determined by the Board, in its sole discretion. The right of the Board to enforce said limited assessment shall be the same as provided in Article 4 herein.

5.15 Non-Exclusive Remedy

The right of the Association to levy a limited assessment as described in Section 5.13 and 5.14 above, shall not be deemed to be an exclusive remedy of the Association and it may, in its sole discretion, without waiver of any other legal or equitable remedy, pursue enforcement of the lien of said limited assessment(s), proceed to collect any amount due directly from the owner and/or pursue any other remedies available at law or in equity.

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5.16 Private Rights

The Association shall not have the right to mediate or litigate private disputes between owners where there is a legal or equal-able remedy available to resolve said dispute when, in the sole discretion of the Board, the interests of the Association or a substantial number of the owners would not be benefitted there-by.

ARTICLE 6: PERMITTED USES, PERFORMANCE STANDARDS AND MAINTENANCE STANDARDS

6.1 Use

Lots shall be used exclusively for residential purposes and such uses as are customarily incidental thereto. Building setbacks are to be as follows: 25' front & rear, 10' sides, as per city standards.

6.2 Approval of Use and Plans

No improvements shall be built, constructed, erected, placed or materially altered within Grouse Meadows unless, or until the plans, specifications and site plans therefor have been reviewed in advance and approved by the ACC in accordance with the provisions of Article 5 above. Improvements shall include out-buildings which must be of similar design and constructed with similar materials and painted the same color as the house. All outbuildings must have Architectural Control Committee approval.

6.3 Prohibited Buildings

All building activity is to be new construction only. No trailer or other vehicle, tent, shack, garage, accessory building or outbuilding shall be used as a temporary or permanent residence. No noxious or offensive activity shall be conducted on any lot, nor shall anything be done therein which may be or become an unreasonable annoyance or nuisance to the occupants of the other lots within the subdivision by reason of unsightliness or the excessive emission of fumes, odors, glare, vibration, gasses, radiation, dust, liquid waste, smoke or noise.

6.4 Commercial Use

No lot shall be used at anytime for commercial or business activity, provided, however, that the Declarant or persons authorized by the Declarant may use a lot(s) for development and sales activities relating to Grouse Meadows model homes or real estate marketing and sales.

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6.5 Animals

No animals, livestock, birds, insects or poultry of any kind shall be raised, bred or kept on any lot, except that domesticated dogs, cats or other small household pets which do not unreasonably bother or constitute a nuisance to others may be kept, provided they are not kept, bred or maintained for any commercial purpose. Dogs and other similar pets shall be on a leash when not confined to an owner's lot.

6.6 Landscaping

The following provisions shall govern the landscaping of lots within Grouse Meadows:

- A. The owner shall prepare a landscape plan and shall submit the same to the ACC, as provided in Article 5 above. The ACC shall approve said landscape plan prior to the installation and/or construction of landscaping on a lot. Landscaping of a lot shall be in accordance with the approved plan, and shall include the area from the front property line to the asphalt, commonly known as the grassy swale. Owner shall insure that the grassy swale is planted in grass, and maintained in that state for environmental purposes. Rock, bark or other non-vegetative material shall not be allowed to be placed within the grassy swale boundaries.
- B. The landscaping that shall be required to be installed in the front yard and the side yards to the front line of the building (hereinafter called "required landscaping") shall consist of sodding, or hydro-seeding, and three trees, all of which must be installed prior to occupancy of the building following the initial construction thereof.

6.7 Parking

No recreational vehicles, boats, camperws, or trucks larger than a standard pickup truck shall be parked or stored on a public right-of-way within Grouse Meadows. Recreational vehicles, boats, campers, etc. may be stored on the real property, however, the Architectural Control Committee shall have the authority to require that they be placed on concrete slabs and meet other standards as set by the ACC.

6.8 Fences

All fences must conform to the standard set forth by the ACC for height, design, material and color. Fence location must have approval of ACC prior to installation.

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6.9 Maintenance

The following provisions shall govern the maintenance of lots and home improvements thereon:

- A. Each owner of a lot shall maintain all improvements located thereon in good and sufficient repair and shall keep the improvements thereon painted or stained, lawns cut, shrubbery trimmed, rubbish and debris removed, weeds cut, and otherwise maintain the same in a neat and aesthetically pleasing condition.
- B. Each owner shall maintain any grassy swale adjacent to his/her lot. Maintenance shall include seeding if necessary and the cutting of grass within the swale to insure it maintains an appearance equivalent to the normal yard.
- C. All damage to any improvements shall be repaired as promptly as is reasonably possible.
- D. A building which is vacant for any reason shall be kept locked in order to prevent entrance by vandals. Vacant buildings and unimproved lots shall not be exempt from the provisions of this Master Declaration.
- E. All structures, facilities, equipment, objects and conditions determined by the ACC, in its sole discretion to be offensive, shall be enclosed within an approved structure or appropriately screened from public view. All trash, debris, garbage and refuse shall be kept at all times in a covered container, and all such containers shall be kept on a lot within an enclosed structure or screened from public view. No machinery or equipment or similar items shall be stored, kept or maintained on a lot.
- F. Any event or condition on a lot which, in the sole discretion of the ACC, creates an unsightly or blighting influence, shall be corrected, removed or obstructed from public view, as the case may be, notwithstanding the fact that such event or condition may not be specifically described and/or prohibited in this Master Declaration.
- G. In the event that any owner shall permit any improvement (including any landscaping), which is the responsibility of such owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Board, upon fifteen (15) days prior written notice to the owner of such lot, shall have the

6.9 Maintenance

- H. In addition to other remedies available, in the event any owner shall be in violation of the rules found in Grouse Meadows Owners' Association governing documents, the Board will provide initial notification to such owner and occupant of the specific violation and provide a period of fourteen (14) days to correct the violation.

If after the initial notification period the violation still exists, the lot owner and occupant will be provided a second notification providing an additional fourteen (14) days to correct the violation, and notice of a \$50.00 fine to be assessed against the lot if the violation remains upon the fifteenth (15th) day following the second notice.

If the violation still remains on the fifteenth (15th) day after the second notice, the owner will be sent a notice of the \$50.00 fine assessed against their property, which is due and payable immediately. If the fine remains unpaid thirty (30) days past the date of the notice, a \$10.00 late fee will be assessed and another late fee shall apply for each thirty (30) day period thereafter until the fine and all associated late fees have been paid in full.

If a property, previously notified for non-compliance, remains non-compliant for the same issue three (3) months after a previous assessment of the \$50.00 fine, the notification process shall begin again, but at the second notice stage of enforcement.

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right to correct such condition, and to enter upon said lot and into any building or structure thereon, if necessary, for the purpose of correcting or repairing the same, and such owner shall promptly reimburse the Association for the costs thereof. The owner of the offending lot shall be personally liable, and such owner's lot may be subject to a mechanic's lien for all costs and expenses incurred by the Association in taking such corrective action, plus all costs incurred in collecting the amounts due. Each owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefor, or the amounts may, at the option of the Board, be levied as a limited assessment against said lot, and shall be enforced in the same manner as other assessments set forth in this Master Declaration.

6.9.11. Added
See attached
Recorded
8/20/2010

ARTICLE 7: ANNEXATION

7.1 Annexation

Additional property may be annexed to Grouse Meadows and brought within the provisions of this Master Declaration by the Declarant at anytime, without the approval of any owner. As such annexed property is developed, the Declarant shall record an amendment to this Master Declaration with respect thereto, which shall annex such property to Grouse Meadows, and which may supplement this Master Declaration with additional or different covenants and restrictions applicable to the annexed property, as the Declarant may deem appropriate, and may delete or modify as to such annexed property such covenants or restrictions as are contained herein, which the Declarant deems not appropriate for the annexed property, so long as the quality of development is not materially adversely affected.

7.2 De-Annexation

The Declarant shall have the right to delete all or a portion of the property described herein from the coverage of this Master Declaration, so long as the Declarant is the owner of all of the property to be de-annexed and, provided further, that an appropriate amendment to this Master Declaration is recorded in the office of the Kootenai County Recorder.

ARTICLE 8: DURATION AND AMENDMENT

8.1 Duration

This declaration shall continue in full force for a term of fifty (50) years from the date hereof, after which time the same shall be automatically extended for successive periods of ten (10) years, unless a Declaration of Termination is recorded, meeting the requirements of an amendment to this

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Declaration as set forth in paragraph 6.2.

8.2 Amendment

Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which the proposed amendment is to be considered. A resolution adopting a proposed amendment may be proposed by an owner at a meeting of the members of the Association. The resolution shall be adopted by the vote, in person or by proxy, or written consent of members representing not less than sixty-seven percent (67%) of the total voting power of the Association.

Notwithstanding the foregoing, the specified percentage of the voting power necessary to amend a specified provision of this Declaration shall be not less than the percentage of affirmative votes prescribed for action to be taken under that provision;

A certificate, signed and sworn to by two (2) officers of the Association, that the record owners of the required number of lots have either voted for or consented in writing to any amendment adopted as provided above, when recorded, shall be conclusive evidence of that fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years.

ARTICLE 9: GENERAL PROVISIONS

9.1 Enforcement

The Association (acting through the Board), any owner, and any governmental or quasi-governmental agency or municipality having jurisdiction over the project shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by this Declaration or by the prior Protective Covenants described in the recitals above, and in such action shall be entitled to recover costs and reasonable attorney's fees as are ordered by the court. Failure by any such person or entity to enforce any such provision shall in no event be deemed a waiver of the right to do so thereafter.

9.2 Invalidity of Any Provision

Should any provision of this Declaration be declared invalid or in conflict with any law of the jurisdiction where the project is situated, the validity of all other provisions shall remain unaffected and in full force and effect. If there is any conflict among or between the project documents, the provisions of this Declaration shall prevail; thereafter, priority shall be given to the Articles and Bylaws of the Association.

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The undersigned, being the Declarant herein, has executed his Declaration on the 18th day of Jan., 1994

DECLARANT:
GROUSE MEADOWS PARTNERSHIP

By Thomas G. Anderl
Thomas G. Anderl

John Beutler
John Beutler

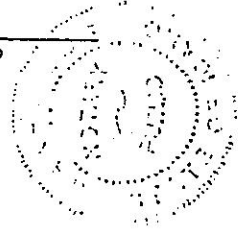
Ann Beutler
Ann Beutler

State of Idaho)
County of Kootenai) ss.

On this 18th day of January, 1994, before me the undersigned Notary Public, personally appeared Thomas G. Anderl, known to me to be a partner of the partnership that executed the foregoing instrument, or the person who executed the instrument on behalf of said partnership, and acknowledged to me that such partnership executed the same.

In witness whereof, I have hereunto set my hand and seal the day and year in this acknowledgement first above written.

Janet J. ...
Notary Public for Idaho
Residing at: ced
Exp: Jan. 27, 1997



1337953

The undersigned, being the Declarant herein, has executed his Declaration on the ___ day of _____, 1993.

DECLARANT:
GROUSE MEADOWS PARTNERSHIP

By _____
Thomas G. Anderl

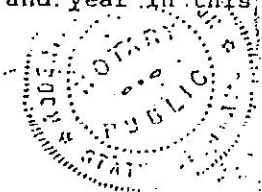
John Beutler

Ann Beutler

State of Idaho)
) ss.
County of Kootenai)

On this 18th day of Jan, 1993⁴, before me the undersigned Notary Public, personally appeared Ann Beutler, known to me to be a partner of the partnership that executed the foregoing instrument, or the person who executed the instrument on behalf of said partnership, and acknowledged to me that such partnership executed the same.

In Witness whereof, I have hereto set my hand and seal the day and year in this acknowledgement first above written.



[Signature]
Notary Public for Idaho
Residing at: [Address]
Exp: 9.23.99

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GROUSE MEADOWS
12 FOOT WIDE FENCE AND EARTH BERN EASEMENT

An easement for maintenance of a fence and earth berm along a portion of the North side of Prairie Road and a portion of the East side of Ramsey Road in the South 1/2 of the Southwest 1/4 of Section 23, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, Idaho and being described by metes and bounds as follows:

COMMENCING at the Southwest corner of Section 23;

THENCE, North 00° 00' 48" West, a distance of 1322.30 feet to the South 1/16 corner;

THENCE, along the North line of the South 1/2 of the Southwest 1/4, North 89° 52' 47" East, a distance of 41.00 feet to the POINT OF BEGINNING;

THENCE, continuing along said North line, North 89° 52' 47" East, a distance of 12.00 feet;

THENCE, South 00° 00' 48" East, a distance of 1269.55 feet;

THENCE, South 89° 50' 51" East, a distance of 2259.18 feet;

THENCE, South 00° 09' 03" West, a distance of 12.00 feet;

THENCE, North 89° 50' 51" West, a distance of 2271.15 feet;

THENCE, North 00° 00' 48" West, a distance of 1281.49 feet to the POINT OF BEGINNING.

As of Thursday, June 3, 2010, the Grouse Meadows Owners' Association, Inc. (GMOA) Board of Directors officially recognized the vote being closed and the required 67% voting power consensus as having been surpassed on both of the two (2) Special Membership Issues put to the GMOA Membership, which were as follows:

- 1) Amendment of the GMOA Declaration of Covenants, Conditions & Restrictions (Declaration or CC&R's) to allow for penalty fine(s) to be assessed against properties which do not correct areas of non-compliance after notification; represented in Article 6, Section 9. paragraph H, and to be recorded as part of Instrument No. 1337953 with the Kootenai County Recorder. A total of 115 owners of the 169 Voting Power Membership voted in favor of the amendment, representing 68.1% Member consensus.
- 2) The determination to return the property being utilized for three (3) walkways connecting Starling to Tanager, Tanager to Cardinal, and Cardinal to Heron, to the twelve (12) adjacent homeowners' whose title reflects their owing the underlying property. A total of 116 owners of the 169 Voting Power Membership voted in favor of relinquishing the walkways back to the titleholders, representing 68.6% Member consensus. The GMOA Board of Directors executed a Quitclaim deed releasing any perceived vested easement by prescription of the property back to the twelve (12) adjacent titleholders.

All supporting records of the owner votes will be maintained in the Associations' records for a period of four (4) years, as required in the CC&R's, Article 8, section 2.

VERIFICATION

STATE OF IDAHO)
) ss
 County of Kootenai)

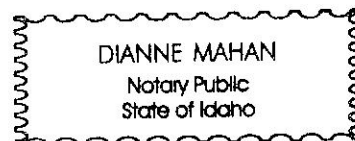
DANIEL J. ENGLISH 2P I 2278393000
 KOOTENAI CO. RECORDER Page 1 of 2
 BBB Date 08/20/2010 Time 13:41:39
 REC-REQ OF GMOA
 RECORDING FEE: 13.00
 2278393000 SC

Amy Alderman and Lisa Knox being sworn, having read the foregoing, say that the facts set forth herein are accurate and complete to the best of their knowledge and belief.

Amy Alderman Amy Alderman, President
Lisa Knox Lisa Knox, Secretary

Subscribed and Sworn to me
 this 20th day of June 2010.

Dianne Mahan
 NOTARY PUBLIC



Residing at: Hayden
 My Commission Expires: 6-3-14