

DECLARATION OF PROTECTIVE COVENANTS

The undersigned owner hereby declares, adopts and imposes these protective covenants for the subdivision which shall be known as

GOTHAM BAY ESTATES

1. USE OF INDIVIDUAL LOTS:

No lot shall be used except for single family residential purposes. No lot shall be further subdivided for the purpose of creating more than one building site for each platted lot. No noxious, illegal or offensive use of the property shall be carried on upon any lot, nor shall anything be done or maintained thereon which may be, or become, an annoyance or nuisance to the neighborhood, including continually barking dogs.

No grantee under any conveyance, owner, tenant, or other person shall at any time conduct or permit to be conducted on any lot, any trade or business of any kind, either commercial or religious, including, but not limited to, day care, school, nursery, out-patient, treatment, rehabilitation or recovery facilities, nor shall said premises be used for any other purpose whatsoever; except for the purpose of a private dwelling or residence for one family. Home occupations of family members, which have no exterior visibility, are not prohibited provided they are conducted totally within the residence, are not open to the public, have no employees and do not generate extra vehicular traffic or street parking. The undersigned Owner and its agents shall have the right during development phase to use and maintain model homes and/or display and/or sales offices and/or temporary construction or sales trailers.

Except for snow removal equipment, no lawn mower, chain saw or other loud noise generating device shall be operated between the hours of 8:00 p.m. to 8:00 a.m. No animals, livestock or poultry of any kind, except not more than three horses, shall be raised, bred or kept on any lot and except for not more than three household pets, provided they are not kept, bred or maintained for commercial purposes and are contained within the lot boundary or constrained on a leash. Permanent or seasonal storage of boats, trailers, campers or recreation vehicles shall only be allowed in rear yards, enclosed side yards or within a garage, and the same shall not park on streets for more than 24 hours at any time. No semi-truck and/or trailer shall be permitted to park on the streets except while making deliveries. No mining, drilling or other mineral extraction shall be allowed on any lot.

2. LOT MAINTENANCE AND REFUSE DISPOSAL:

Each lot and the exterior appearance of improvements thereon shall be maintained in a clean, neat and orderly condition and in good repair at all times. All rubbish, trash and garbage

shall be regularly removed from all lots, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers which shall be kept screened and concealed from the view of other lots and all public ways.

3. BUILDING RESTRICTIONS:

No building shall be erected except one detached single-family dwelling on each lot which does not exceed two and one-half stories in height, together with a private attached garage for not less than three cars, and except for one shop or barn that is preapproved by the Architectural Control Committee. Dwellings and attached garages shall be located only on the building envelope for each lot as depicted on an amendment hereto. No dwelling, building or other structure shall be moved on to any lot; new construction being required. No tent, trailer, mobile home, boat or other vehicle or structure shall be used or allowed for human habitation on a temporary or permanent basis on any lot at any time. No lot, lots or parcels shall ever be enclosed or fenced by any fence or structure exceeding six feet in height. NO chain link, plastic, vinyl or similar fences are permitted.

No building, house or dwelling shall be built, constructed, altered or erected on any lot unless the same be for single-family residential purposes and contain the minimum amount of square feet of finished living area in the main structure, exclusive of open porches, basements and garages, as is set out in the BUILDING RESTRICTIONS.

All dwellings shall have a minimum square footage of living area of 2,000 square feet.

The Architectural Control Committee shall have the authority to allow detached garages and auxiliary use buildings provided these buildings match the exterior of the main structure in both material and exterior appearance, when, in the opinion of the Committee, said detached buildings would not be unduly detrimental to the neighborhood or inconsistent with the objectives of these covenants.

All buildings shall be constructed with shingle or tile roofing material expected to have a useful life of at least 25 years, or roofing material of comparable quality as determined by the Architectural Control Committee. Composition roofing shall be of the laminated multi-ply variety with contrasting or other distinctive tab lines. Wood roofing material is prohibited due to fire danger.

All buildings shall be constructed with lap siding on the front, back and sides of the house. In addition to the lap siding, the front of the house shall have a masonry accent.

All dwellings shall be sprinklered with East Side Fire Protection District approved automatic sprinkler systems at the time of construction.

No dwelling shall be larger than 6,200 sq. feet unless approved by the Architectural Control Committee, the Fire District and the Kootenai County Building Department.

4. BUILDING SET-BACK LOCATIONS:

No building shall be located on any lot nearer than 30 feet to the front property line. No building shall be located on any lot nearer than 18 feet to any side street line. No building shall be located nearer than 10 feet to an interior line, or within the utility easement areas shown on the plat. All residences shall be set back at least 10 feet on one side from an interior lot line to provide vehicular access to the back yard. No residences shall be located nearer than 15 feet to an existing residence on an adjoining lot. For the purpose of measuring set back distances, eaves, steps, chimneys and open ground level porches shall not be considered a part of the building. In the case of corner lots, the Architectural Control Committee shall have authority to determine which property lines are front, rear and side.

There will be NO access to Gotham Bay Road or interior roads except as shown on **Exhibit B** hereto.

5. BUILDING AND LANDSCAPING TIME LIMITS:

All new construction commenced shall be completed within 12 months thereof and all side and front yards, including the portion of the right-of-way between the curb and the front property line, shall be landscaped and completed within one year from the date of completion of the buildings or occupancy thereof, whichever is first, except in the event of delay caused by weather conditions.

6. SIGNS AND LIGHTING:

No signs of any kind shall be displayed to the public view on any lot except for one temporary, professionally lettered sign of not more than 6 square feet advertising the property for sale or rent, or signs used by a builder or the undersigned Owner to advertise during the construction and sales period. All exterior lighting must be of a controlled focus nature and intensity, and shall not disturb adjacent property owners.

7. UTILITIES:

It shall be the sole responsibility of the lot owner (purchaser) to pay the cost of any hook-up fee or capitalization expense, utility or other charge associated with said lot. No satellite dish or broadcast transmission antenna shall be permitted on any lot except when located in the rear yard where it cannot cast a shadow on adjoining lots. All public and private utility lines shall be located underground.

8. TREE PLANTING AND MAINTENANCE:

All landscaping shall be maintained in an orderly and sightly manner, including the area between the property lines and curb. Owners shall plant and maintain grass in the grassy swale storm drain area. Owners shall not allow any structures, filling, change in grade or other blockage or obstruction of the drainage area.

9. FORESTRY CONTROL:

Each lot shall be managed to maintain the overall forested character of the subdivision. Clear cutting or similar types of over cutting logging practices are prohibited. Any timber harvesting shall be done to promote sustainable forest management principals following un-even age stand management guidelines. Site clearings for building sites, view corridor and pasture are limited to no more than 33% of the parcel acreage. The balance shall be managed as a personal or family forest.

All timber harvesting plans shall be submitted in writing and be approved by the Architectural Control Committee. The Architectural Control Committee shall approve such plans provided the plans meet with the criteria set forth herein.

10. ARCHITECTURAL CONTROL:

No building, structure, fences or the like shall be erected, placed or altered on any lot until the construction plans, elevations, specifications and a site plan showing vertical elevations and the location of the structure have been approved in writing by the Architectural Control Committee. The Architectural Control Committee shall consider compliance with these covenants, quality of workmanship and materials, exterior colors and appearance, compatibility with the neighborhood, harmony of external design with existing and proposed structures, location with respect to topography, finish grade elevation and adjoining property and other criteria the Committee in its discretion considers relevant.

Requests for approval shall be in writing to the address of the members of the Architectural Control Committee and shall include a postage paid return envelope.

The membership of the Architectural Control Committee shall initially be composed of:

Doug Anderson
P. O. Box 3053
Coeur d'Alene, ID 83816

A majority of the committee may add additional members, remove a member without cause or designate a representative to act for it. In the event of death or resignation of any member(s) of the committee, the remaining member(s) shall have full authority to designate successors. Neither the members of the committee, nor its designated representative, shall be entitled to compensation for services performed pursuant to this covenant. At any time after 85% of the lots have been conveyed by the undersigned Owner, 75% or more of the owners of the lots shall have the power, through a duly recorded instrument, to change the membership of the committee or to withdraw from the committee, or restore to it, any of its powers and duties.

11. HOMEOWNERS ASSOCIATION:

There shall be created a nonprofit corporation known as Gotham Bay Estates Homeowners' Association, Inc. All lot owners within the subdivision shall be members of the

Homeowners' Association and each lot member shall have one vote in association affairs. The Homeowners' Association shall be responsible for the general maintenance and improvements of the roads within the subdivision, maintenance and operation of the water system in accordance with Section 13 hereof and maintenance and improvement of the common areas. Assessments and dues for the general maintenance and general improvements will include snow plowing, grading, maintenance and operation of the water system in accordance with Section 13 hereof and the like.

Homeowners' Association dues and assessments shall constitute a lien upon the premises described herein which shall be prior, senior and superior to any mortgage or other debt instrument recorded subsequent to the recording of these covenants. Each lot member, including the developer, shall be responsible for their pro rata share except assessments or charges based upon usage. The Homeowners' Association shall have the power and authority to enter into agreements with other persons, associations, entities and agencies for the accomplishment of its goals.

12. ROADS:

All roads, except single-lot driveways, shown on the plat are private roads and shall be maintained by Gotham Bay Estates Homeowners' Association, Inc. The association may join with associations of adjacent land for joint maintenance. All road right-of-ways are hereby designated as easements for utilities such as water, sewer, electricity, telephone, cable television and natural gas.

The side slopes of any roadways or driveways shall be constructed with minimal impact as possible to the angle of repose of the land. After construction, the fill slopes and cut banks shall be seeded using a naturalizing seed blend, as per water and erosion control design professional specifications. Reseeding shall be completed within one week of finish grade. If finish grade is not completed by September 15th, all disturbed areas shall be seeded and mulched regardless of their state of completion.

13. WATER SYSTEM:

The Homeowners' Association shall be responsible for ownership, maintenance and repair of the water system serving the subdivision of Gotham Bay Estates, including the well, pumps and all distribution systems up to meters for each lot owner. The Homeowners' Association's responsibilities for the water system include all obligations required by law applicable to ownership of a public drinking water system and maintenance of the system in accordance with applicable law and the system's Operation and Maintenance Manual. Lot owners shall be responsible for procuring and maintaining meters and for all other water system construction, repair and improvement from the water meter to any part of their lot. The Homeowners' Association shall also be responsible for upkeep and environmental testing of the water system as required by law to ensure all lot owners receive water for public quality domestic and landscape purposes.

The Homeowners' Association shall be responsible for maintaining the source protection plan relating to protection of all well lots and pump houses, including the following:

- a. Prohibit storage of any toxics such as fertilizers, yard chemicals, paints and thinners, or motor fuels and lubricants on the well lot(s) in the pump house.
- b. Ensure all drainage be directed away from the pump house and well heads.
- c. Only allow chemicals used for the reduction of high levels of iron and manganese to be stored in the pump house. Use these chemicals only for water treatment and ensure the chemicals are located in a safe, dry location in the pump house.

14. CONSERVATION EASEMENT:

The Homeowners' Association shall be responsible for maintaining the Conservation Easement portion of the Gotham Bay Estates Subdivision pursuant to the terms of the Conservation Easement and at the direction of Grantee. The Homeowners' Association shall compensate Grantee on a reasonable basis and in accordance with customary and usual practices and the Conservation Management Agreement.

15. LIABILITY INSURANCE:

The Homeowners' Association shall maintain a minimum liability insurance policy in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) for liability relating to the insurable obligations of the Homeowners' Association.

16. BEACH AND DOCK CLUB:

The undersigned owner intends on contributing the real property described in **Exhibit D** attached hereto to the Homeowners' Association for purposes of a beach recreation and dock club. The contribution shall be subject to a use agreement whereby all or a portion of the dock use shall be reserved for use by certain members. The Homeowners' Association shall be responsible for maintaining the property described on **Exhibit D** and portions of the dock used by members in general in a condition to provide safe and comfortable recreation for the members. The portions of the dock that are not used by the members in general shall be maintained by a dock association consisting of members which shall be the members entitled to dock use pursuant to the use agreement.

17. SEVERABILITY AND ENFORCEMENT:

Invalidation of any one of these Protective Covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant; either to restrain violation or to recover damages.

In any suit or action brought to enforce these covenants, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees from the other party.

18. LEGAL DESCRIPTION OF GOTHAM BAY ESTATES:

See **Exhibit A** attached hereto.

WE MAKE THIS DECLARATION as to the limitations, restrictions and uses to which the lots described above may be put. WE FURTHER DECLARE that these covenants and this declaration shall replace and supersede any previous declaration of protective covenants or restrictions covering any of the above described property AND FURTHER, that any such previous declaration of protective covenants or restrictions covering any of the above described property are void, canceled, withdrawn and of no force or effect.

THESE DECLARATIONS shall constitute covenants to run with the land and shall be binding upon all persons claiming under them and are for the benefit, enjoyment and limitation upon all future owners of the subject property.

THESE DECLARATIONS of Restrictive Covenants are for the purpose of establishing and preserving the quality and integrity of the property, protecting the tranquility of the neighborhood and for keeping the property harmonious, desirable, uniform and suitable in architectural design and use for the benefit and enjoyment of future owners of the property. These covenants shall become effective upon the recordation of the plat of Gotham Bay Estates and shall remain in effect for perpetuity unless an instrument executed and acknowledged by 75% or more of the owners of the subject lots has been recorded canceling said covenants. Until 85% of the lots have been conveyed, the undersigned Owner retains the exclusive power and authority to make corrections, clarifications, alterations, modifications or amendments to these covenants which are not inconsistent with the purpose of these covenants, after which time these covenants may be altered, amended or deleted in whole or in part by written instrument, duly acknowledged and recorded, executed by 75% or more of the lot owners.

Dated this 9th day of November, 2006.

BIG ROCK TIMBER & DEVELOPMENT, LLC


Douglas D. Anderson, Manager

STATE OF IDAHO)
)ss.
COUNTY OF KOOTENAI)

On this 9th day of November, 2006, before me, a Notary Public in and for the State of Idaho, personally appeared before me Douglas D. Anderson, Manager of Big Rock Timber & Development, LLC, who being by me first duly sworn, declared that he is the Manager of Big Rock Timber & Development, LLC, and that he signed the foregoing document as Manager of said limited liability company.

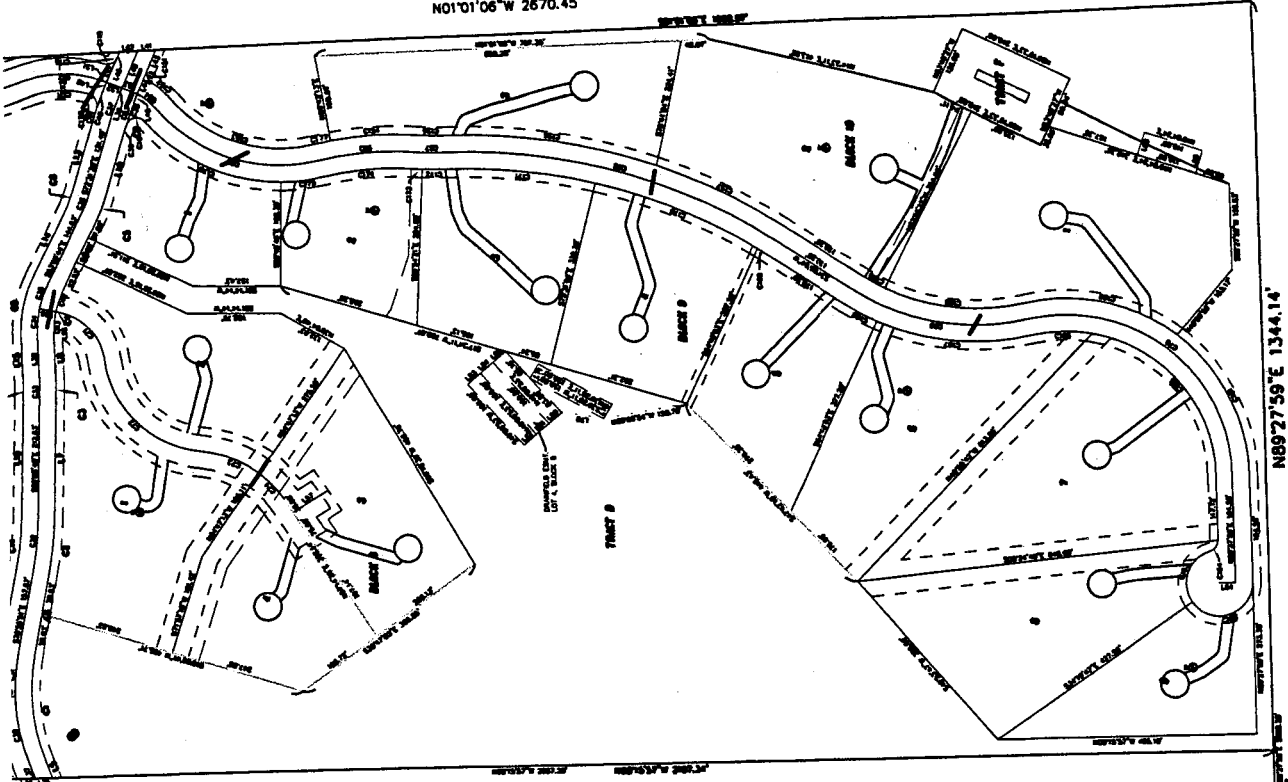


Stephanie Belden
Notary Public for Idaho
Residing at: Coeur d'Alene
My Commission Expires: 3/9/2010

EXHIBIT A

EXHIBIT B

- BASE OF BEARINGS -
 N01°01'06"W 2670.45'



GRAPHIC SCALE



(IN FEET)
 1 inch = 200 ft.

S00°27'59\"/>



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 Post Falls, Idaho 83854
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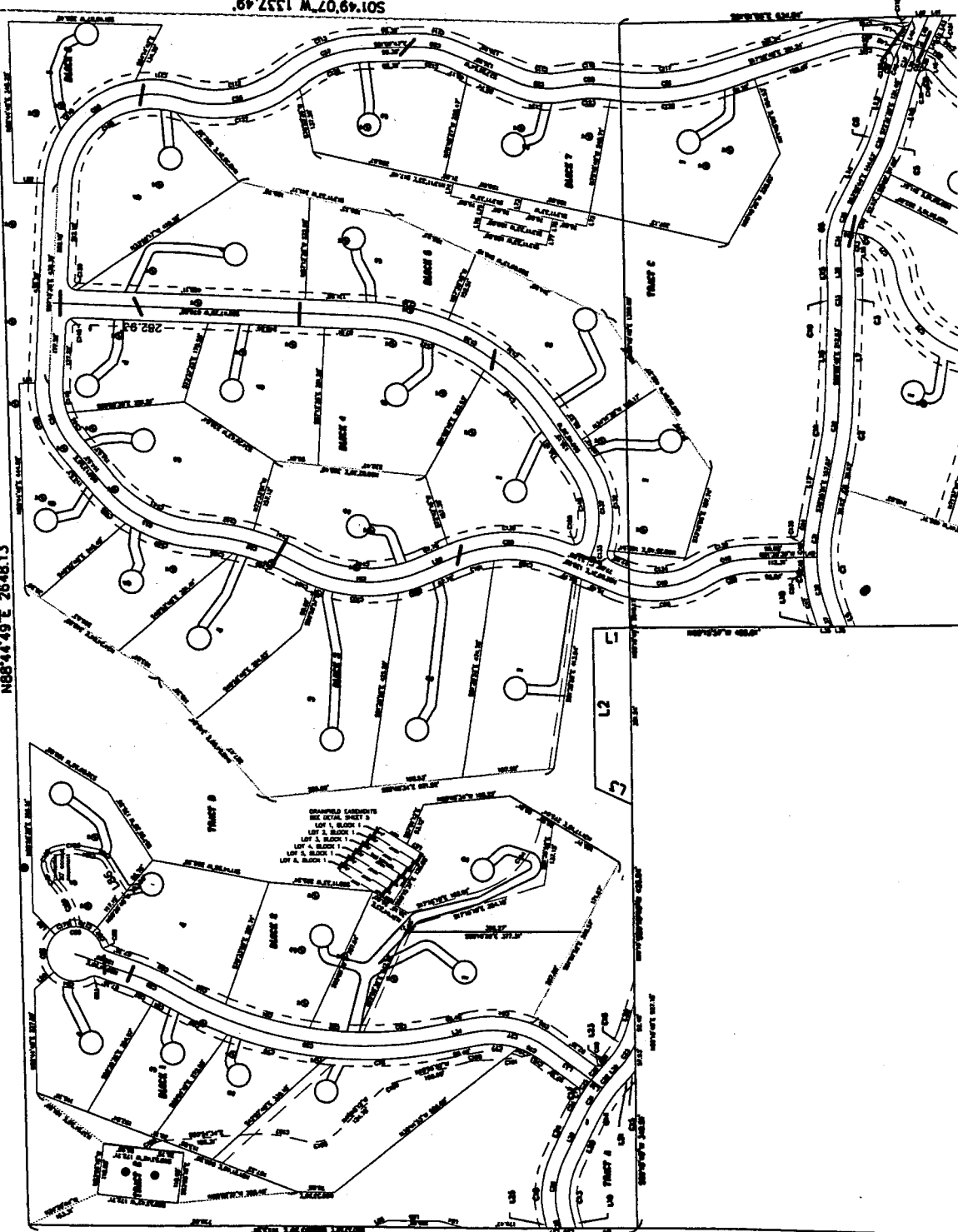
GOTHAM RAY
KOOTENAI COUNTY, IDAHO

DRAWN BY: JOM	DATE: 11/9/08	*DRIVEWAY_BUILDINGE5H.DWG	SHEET: 1 OF 1
PROJ: 04-181		SCALE: 1"=200'	CK BY :

STATE AGRICULTURE

S0149'07" W 1337.49'

N88°44'49"E 2648.13'



L1
L2
L3

STATE AGRICULTURE

EXHIBIT D

**LEGAL DESCRIPTION
TAX NUMBER 5600
LAKE FRONTAGE**

A parcel of land being a portion of Government lot 1 in the North Half of the West Half of Section 18, Township 49 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, per record of survey recorded in book 21 at page 149 records of Kootenai County, and being more particularly described as follows:

COMMENCING at the Northwest corner of the Southwest quarter of the Northeast corner of section 18, marked by a found 1" iron pipe from which the center quarter of section 18 bears S 00°33'59"W a distance of 1309.57 feet, said point being the **TRUE POINT OF BEGINNING**;

Thence, along the South line of said Government Lot 1, N 89°45'24"W a distance of 499.67 feet to the intersection with East right-of-way of Gotham Bay road as established in the Survey by Jon Monaco in 1992 marked by a set 5/8" iron rod and PLS 9367 cap;

Thence, along said East right-of-way, N 17°10'57" E a distance of 223.95 feet to a set 5/8" iron rod and PLS 9367 cap;

Thence, continuing along said right-of-way, N 10°51'03" W a distance of 194.03 feet to the intersection with the Southerly right-of-way of Highway 97 marked by a set 5/8" iron rod and PLS 9367 cap;

Thence, along said South right-of-way, N 76°40'57" E a distance of 184.10 feet to the intersection with the Easterly boundary of property described in instrument number 1963307 marked by a Set 5/8" iron rod and PLS 9367 cap on the Southerly right-of-way said Highway 97;

Thence, leaving said right-of-way, S 32°56'04" E a distance of 535.03 to the **TRUE POINT OF BEGINNING**.

Parcel containing 1.58 acres, of land, more or less.

TOGETHER WITH a parcel of land being a portion of Government lot 1 in the North Half of the West Half of Section 18, Township 49 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, lying Southerly of the shoreline of Coeur d'Alene Lake and Northerly of Highway 97, said parcel more particularly described as follows:

COMMENCING at the Northwest corner of the Southwest quarter of the Northeast corner section 18, marked by a found 1" iron pipe from which the center quarter of section 18 bears S 00°33'59"W a distance of 1309.57 feet, Thence N 32°56'04" W a distance of 588.11 to a point on the Northerly right-of-way highway 97 and the **TRUE POINT OF BEGINNING**;

Thence, along said Northerly right-of-way, S 76°40'57" W a distance of 257.17 feet to a point;

Thence, continuing along said right-of-way along a curve to the left having a radius of 383.10 an arc length of 159.69 and a central angle of 23°52'58" with a chord bearing a distance of S 64°44'28" W a distance of 158.54 feet to a point;

Thence, leaving said right-of-way, N 05°28'25" W a distance of 4.69 feet to the intersection with the high water line of Coeur d' alene Lake;

Thence, along said high water line the following twenty nine (29) courses.

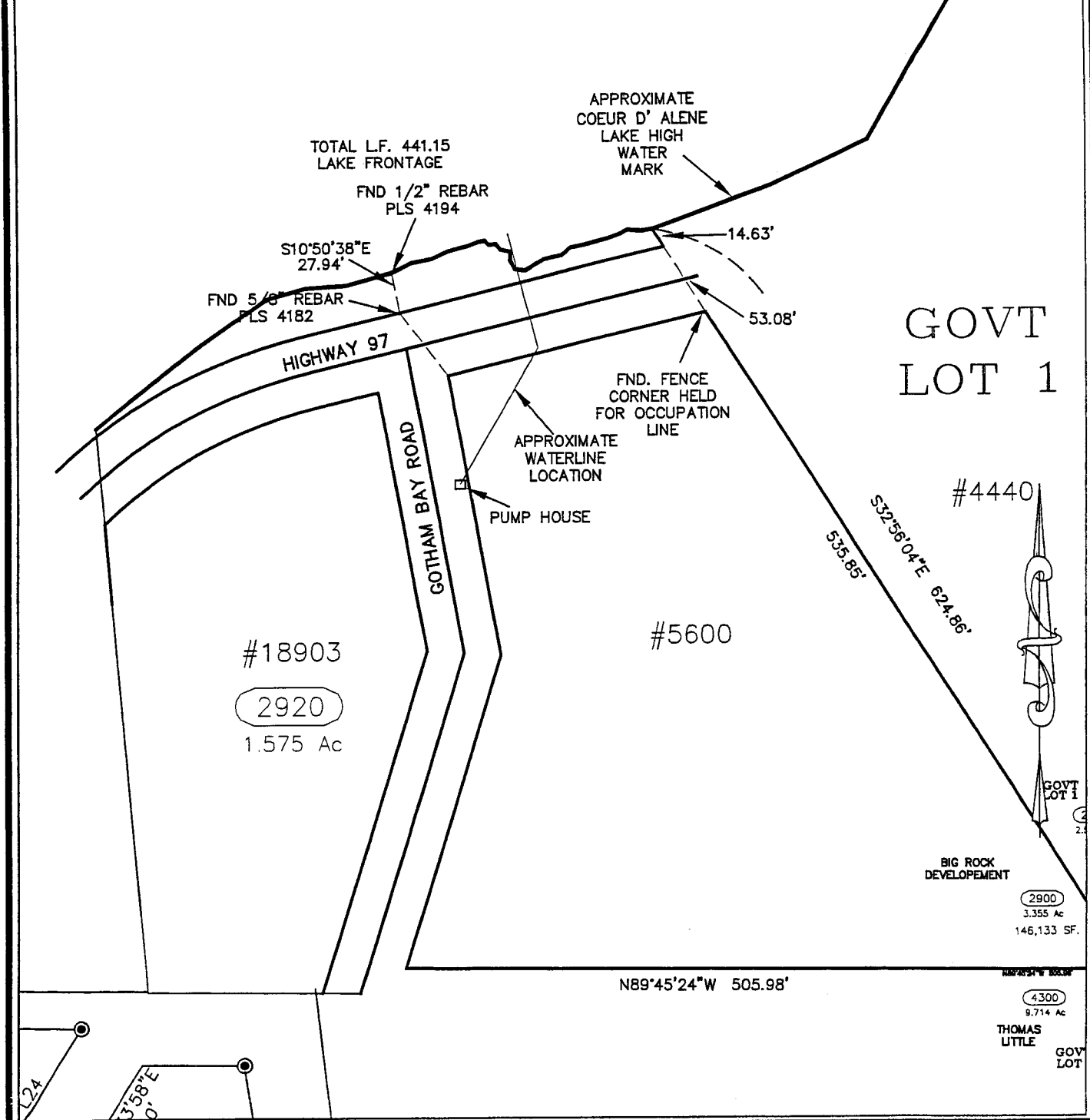
- 1) N 51°17'18" E a distance of 47.29 feet to a point; Thence,
- 2) N 52°30'10" E a distance of 40.71 feet to a point; Thence,
- 3) N 54°20'31" E a distance of 29.63 feet to a point; Thence,
- 4) N 55°44'18" E a distance of 30.63 feet to a point; Thence,
- 5) N 74°52'05" E a distance of 27.05 feet to a point; Thence,
- 6) N 86°29'39" E a distance of 28.51 feet to a point; Thence,
- 7) N 75°06'29" E a distance of 32.73 feet to a point; Thence,
- 8) N 64°14'18" E a distance of 15.09 feet to a point; Thence,
- 9) N 79°03'57" E a distance of 14.34 feet to a point; Thence,
- 10) N 65°34'24" E a distance of 12.35 feet to a point; Thence,
- 11) N 75°53'12" E a distance of 14.74 feet to a point; Thence,
- 12) N 70°12'35" E a distance of 7.46 feet to a point; Thence,
- 13) N 78°52'58" E a distance of 4.71 feet to a point; Thence,
- 14) S 45°43'04" E a distance of 4.06 feet to a point; Thence,
- 15) N 87°01'06" E a distance of 4.96 feet to a point; Thence,
- 16) S 38°36'43" E a distance of 4.75 feet to a point; Thence,
- 17) S 78°50'29" E a distance of 7.31 feet to a point; Thence,

- 18) S 03°42'29" W a distance of 6.02 feet to a point; Thence,
19) S 31°00'58" E a distance of 6.92 feet to a point; Thence,
20) S 81°55'39" E a distance of 7.68 feet to a point; Thence,
21) N 59°13'56" E a distance of 14.77 feet to a point; Thence,
22) N 77°59'13" E a distance of 12.63 feet to a point; Thence,
23) N 50°52'37" E a distance of 8.35 feet to a point; Thence,
24) N 79°13'12" E a distance of 8.70 feet to a point; Thence,
25) N 75°25'50" E a distance of 17.87 feet to a point; Thence,
26) N 70°55'52" E a distance of 8.82 feet to a point; Thence,
27) N 60°48'16" E a distance of 5.61 feet to a point; Thence,
28) S 86°28'05" E a distance of 10.83 feet to a point; Thence,
29) N 78°36'46" E a distance of 6.63 feet to a point; Thence,

Thence, leaving said shoreline, S 31°59'46" E a distance of 14.63 feet to the **TRUE POINT OF BEGINNING.**

Parcel containing 0.20 acres, of land, more or less.

SHORELINE EXHIBIT



ISSUE DATE: 03/16/06 DRAWN BY: EAB
 DWG FILE: 06-010LLAGOTHAM SCALE: 1"=100'
 PROJ. # 04-161, 04-096, 06-010

SHORELINE EXHIBIT



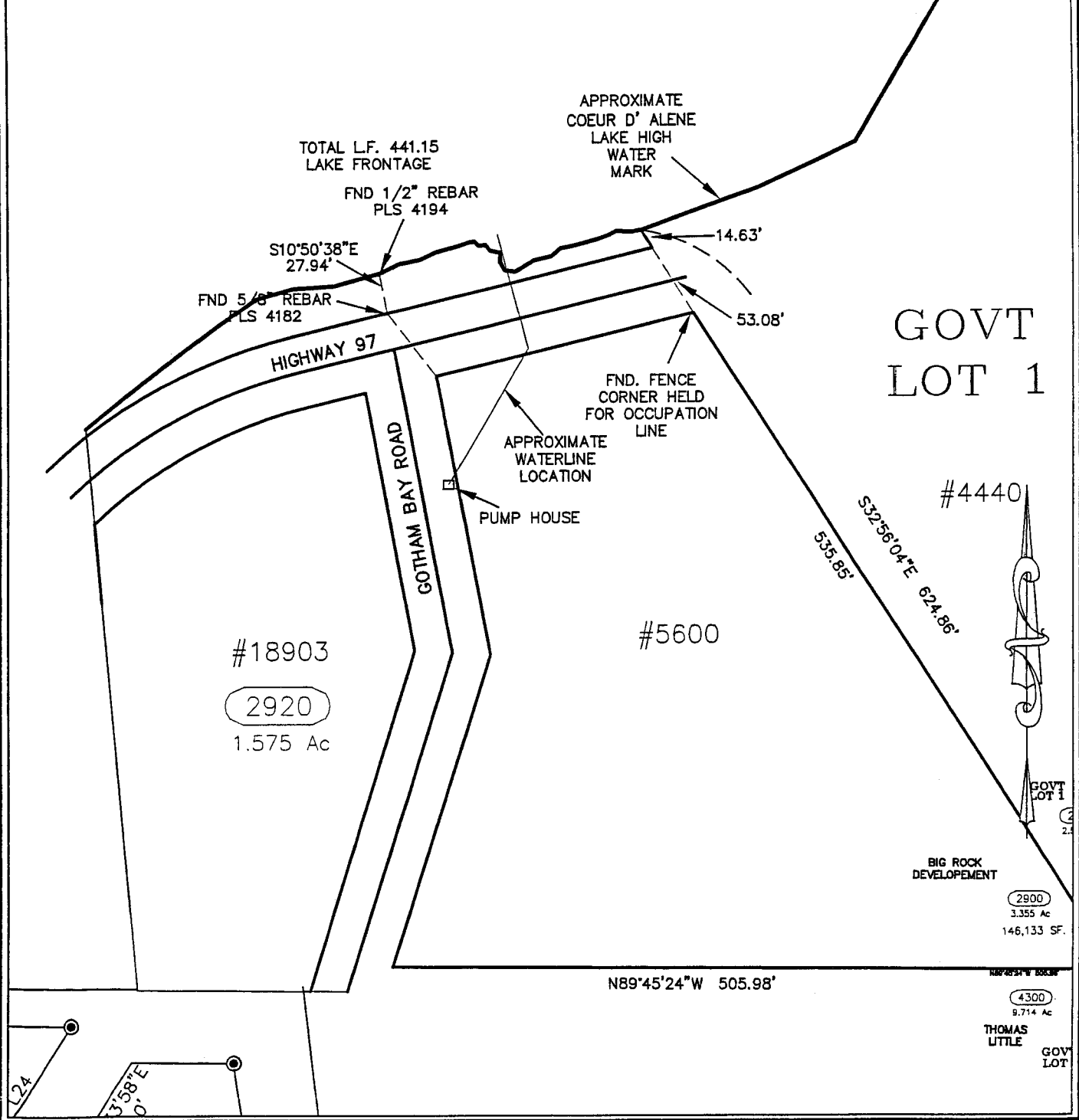
Inland Northwest Consultants

ENGINEERS • SURVEYORS • PLANNERS

620 Post Street, Post Falls, Idaho 83854

PHONE (208) 773-8370 www.inlandnwc.com FAX (208) 777-2128

SHORELINE EXHIBIT



ISSUE DATE: 03/16/06 DRAWN BY: EAB
 DWG FILE: 06-010LLAGOTHAM SCALE: 1"=100'
 PROJ. # 04-161, 04-096, 06-010

SHORELINE EXHIBIT

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