

CONSERVATION EASEMENT

This Agreement is made this 7th day of November, 2006, by and between BIG ROCK TIMBER & DEVELOPMENT, LLC (“Grantor”), THREE LAKES CONSERVATION GROUP, INC., an Idaho nonprofit corporation (“Grantee”), and GOTHAM BAY ESTATES HOMEOWNERS ASSOCIATION, INC. (“Manager”).

WITNESSETH:

WHEREAS, Grantor owns certain property more particularly described on **Exhibit A** attached hereto and is developing the same as a subdivision in Kootenai County, Idaho, called Gotham Bay Estates;

WHEREAS, Gotham Bay Estates is being developed under Kootenai County Subdivision Ordinance No. 344 and Article 4 therein with Conservation Design for Green Space;

WHEREAS, Grantor, as sole owner in fee simple of the real property described in **Exhibit A** desires to create an easement covering the property described on **Exhibit B** (the “Easement Property”);

WHEREAS, the Easement Property is generally characterized as a forest reserve, wildlife habitat and travel corridors, and lands generally set aside to be enjoyed for quiet recreation and enjoyment by the Gotham Bay Estates residents;

WHEREAS, the purpose of the Conservation Easement is to protect the Easement Property in its current condition in perpetuity;

WHEREAS, **Exhibit C** attached hereto describes as a baseline inventory the condition of the Easement Property at the time of this conveyance;

WHEREAS, Grantor is a conservation organization that has expertise in managing easement property and is empowered to hold an interest in real property under the laws of the state, and is a “Holder” of “Conservation Easements” under Idaho Code §55-2101 and has authority to enforce the rights conveyed hereby;

WHEREAS, contemporaneously with execution and recording of this Conservation Easement or subsequent thereto, Grantor shall convey title to the Easement Property to Manager to manage the Easement Property pursuant to the terms of this Conservation Easement;

WHEREAS, all parties that have an interest in the property described in **Exhibit B** and the grant of this easement shall execute this Conservation Easement;

WHEREAS, Manager and Grantee, as holders of the easement shall execute this Conservation Easement as accepting the easement; and

WHEREAS, this easement is created pursuant to the Uniform Conservation Easement Act, Idaho Code Title 55, Chapter 21.

NOW, THEREFORE, the parties agree as follows:

1. Grant of Easement. Grantor hereby grants a perpetual easement to Grantee for purposes of preserving the property described in **Exhibit B** as Green Space under Kootenai County Subdivision Ordinance No. 344, Section 4.02B, including but not limited to wildlife habitat or wildlife corridors, stream corridors, draws, wetlands, grasslands, stands of mature timber, areas with snags, wintering areas, nesting and roosting sites, waterfront areas and travel corridors between habitat blocks and sources of food and water.

2. Management. Grantor and Grantee hereby appoint Gotham Bay Estates Homeowners Association, Inc., as managing agent (“Manager”) and Gotham Bay Estates Homeowners Association, Inc., hereby accepts said appointment to manage the Easement Property in conformance with the best management practices and approved land management plans.

3. Grantee’s Right of Protection. Grantor additionally hereby grants Grantee the right to protect the conservation values of the Easement Property to inspect the property to determine whether the property condition is in compliance with the Conservation Easement and the right to enforce the terms of this Conservation Easement. Grantee shall have the right to inspect said Easement Property between the hours of 8:00 a.m. and 5:00 p.m. on any business day by giving three (3) days’ prior notice to Manager. Grantee shall have the right to inspect the Easement Property by physical inspection and perform reasonable scientific tests relating to the condition of the property.

4. Enforcement of Easement. Grantee shall have enforcement rights limited as follows: Grantee shall give Manager written notice of any violation and reasonable time not being less than fourteen (14) days or greater than thirty (30) days to correct the same. If Manager fails to correct said violation as specified in said notice or fails to initiate a correction process which, in Grantee’s sole discretion, is satisfactory to correct the violation, Grantee shall have the right to correct the same and impose a lien on the properties of the members of Manager in the Gotham Bay Estate Subdivision in the amount of the cost of the correction and enforcement. Alternatively, Grantee shall have the right to seek an injunction to prohibit ongoing damages or to pursue any other legal remedy against Manager for failure to maintain the easement.

5. Limitations in Use. There shall be no further divisions of the land set forth on **Exhibit B**. There shall be no industrial or mining activities conducted on the Easement Property or any other uses that are inconsistent with the purposes of the easement.

6. Permitted Use of Property. The permitted uses of the Easement Property are all uses not inconsistent with the purposes of the easement or prohibited by law.

7. Reserved Rights of Grantor. Grantor reserves the right to convey all of Grantor's rights relating to the Easement Property not conveyed hereby, including title to Gotham Bay Estates Homeowners Association, Inc.

8. Subsequent Owners. Grantor, Manager or any person or entity subsequently holding title to the Easement Property shall not convey or lease an interest in the property by conveyance unless the instrument conveying an interest in the Easement Property specifically refers to the conservation easement granted hereby, and that as a part of any subsequent conveyance the grantor or conveyor shall give written notice to Grantee or Grantee's subsequent assigns of the name and address of the subsequent land owner of the Easement Property.

9. Costs and Liabilities. All costs and liabilities, such as taxes, shall be the responsibility of Manager.

10. Assignment. Grantee shall have the right to assign its rights and obligations to another conservation organization or governmental agency that agrees to enforce the terms of the Conservation Easement.

11. Notice. Any notification required under this Conservation Easement shall be deemed made upon depositing such notice in the U. S. mails by certified mail with return receipt to the following:

Grantor: Big Rock Timber & Development, LLC
P. O. Box 3053
Coeur d'Alene, ID 83816

Manager: Gotham Bay Estates Homeowners Association, Inc.
Attn: Doug Anderson
P. O. Box 3053
Coeur d'Alene, ID 83816

Grantee: Three Lakes Conservation Group, Inc.
Attn: Greg Frohn
2418 Avon Circle
Hayden, ID 83835

12. Encumbrances. Grantor covenants that upon recording of this Conservation Easement there shall be no mortgages, liens or similar encumbrances on title to the property not subordinate to the easement created hereby.

13. Controlling Law. Interpretation of this Conservation Agreement and the rights of parties shall be governed by the laws of the State of Idaho.

14. Successors. Covenants, terms, conditions and restrictions of this Conservation Easement are binding upon and inure to the benefit of the parties, their heirs, successors and assigns and continue as a servitude running in perpetuity with the land.

15. Amendment. This Conservation Easement may be amended only with the written consent of the title holder of the Easement Property, Grantee or Grantee's assign at the time of amendment, and Manager or its successor, as applicable, at the time of amendment.

GRANTOR:

BIG ROCK TIMBER & DEVELOPMENT, LLC

By *Douglas D. Anderson*, Manager

GRANTEE:

THREE LAKES CONSERVATION GROUP, INC.

By *Greg Frohly* President
Greg Frohly, President

MANAGER:

GOTHAM BAY ESTATES HOMEOWNERS
ASSOCIATION, INC.

By *Douglas D. Anderson* President
, President

STATE OF IDAHO)
)ss.
COUNTY OF KOOTENAI)

On this 7th day of November, 2006, before me, a Notary Public in and for the State of Idaho, personally appeared before me Douglas D. Anderson, who, being by me first duly sworn, declared that he is Manager of Big Rock Timber & Development, LLC, that he signed the foregoing instrument as Manager of the company.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Stephanie Belden
Notary Public for Idaho
Residing at Coeur d'Alene
My Commission Expires 3/8/2010

STATE OF IDAHO)
)ss.
COUNTY OF KOOTENAI)

On this 7th day of November, 2006, before me, a Notary Public in and for the State of Idaho, personally appeared before me Greg Frohn, who, being by me first duly sworn, declared that he is President of Three Lakes Conservation Group, Inc., that he signed the foregoing instrument as President of Three Lakes Conservation Group, Inc., and that the statements therein contained are true.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Stephanie Belden
Notary Public for Idaho
Residing at Coeur d'Alene
My Commission Expires 3/8/2010

STATE OF IDAHO)
)ss.
COUNTY OF KOOTENAI)

On this 7th day of November, 2006, before me, a Notary Public in and for the State of Idaho, personally appeared before me Douglas D. Anderson, who, being by me first duly sworn, declared that he/she is President of Gotham Bay Estates Homeowners Association, Inc., that he/she signed the foregoing instrument as President of the corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Stephanie Belden
Notary Public for Idaho
Residing at Coeur d'Alene
My Commission Expires 3/8/2010

EXHIBIT A

EXHIBIT B

Exhibit C

The following document describes the baseline inventory of the Conservation Easement lands as set forth in this Gotham Bay Estates Subdivision.

These lands are located in Harrison, Idaho, Kootenai County and a Portion of the NE $\frac{1}{4}$ of Section 18 T49N R3W; B.M. And are further described in the plat as Tracts 1, 2, 3, and 4.

Tract 1. 0.81 acres This site is in its entirety, separated from the subdivision by the Gotham Bay Road. A fair portion of it is occupied by a grassy slope created from improvements done to the County road. The balance is comprised of pole sized Grand Fir, Western Larch and Ponderosa Pine.

Tract 2. 21.43 acres This tract is located on the lowest elevation and westernmost portion of the subdivision. It is bounded by the Boy Scout's Camp Easton along its entire North boundary as well as two separate private residential properties to the South and West. A long narrow perimeter strip along the North East portion of the project is also included. The lower stretch of Gotham Bay Creek is contained on this tract as well as the subdivision's water wells and pump house. The water system infrastructure is accessed by a narrow access road which begins on Lot 1. The terrain is west facing with moderately steep slopes. The soils are clay loam with a basalt base. The trees occupying this site are an open canopy of dominant, mature Ponderosa Pine, Douglas Fir and Western Larch. The understory is comprised of sapling stands of Grand Fir, Douglas Fir, Ponderosa Pine, and Larch with a scattering of open grassy areas. There is a seasonal minor creek drainage to the NE corner of this Tract. The steepest ground on the entire subdivision is located on this Tract.

Tract 3. 10.48 acres This tract is in the NE corner, North of the Gotham Bay Road and is bounded by homesites and Kula Road. This tract contains the uppermost reach of Gotham Bay Creek which is of seasonal flow. This portion is mostly forested of similar stand structure to Block 2. There is a small fill area which has been planted to grasses to act as a wildlife food plot. Slopes here are mostly West facing and are reasonably well drained.

Tract 4. 22.30 acres This is the largest tract within the subdivision project. Western most portion is a large drainage area and includes a narrow buffer area along the southern and eastern property boundaries. An area in the center has been developed into a 3-4 acre wildlife food plot. The forested perimeter includes mature Ponderosa Pine and Douglas Fir as well as the largest concentration of Western Larch on the subdivision. Grand Fir regeneration and pole stock prevails in the understory along with small natural grassy areas. The community water system reservoir site is located on the eastern perimeter.

Overall all of these tracts are characterized by the native forest environment originally found on the property prior to development. In many cases the forest and terrain has been enhanced by brush and erosion control practices. Future management plans will

provide a path forward for these lands which will include a non-motorized trail system, additional wildlife food plots, wildfire prevention infrastructure, invasive weed control, and forest management. The goal will be to continually provide for a healthy natural forest environment for future Gotham Bay Estates residents to enjoy.