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RECORDING SEQUENCE:13

WHEN RECORDED, RETURN TO:

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FILED BY

THIS SPACE FOR RECORDER'S USE:

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34.00  
MARIE SCOTT  
BONNER COUNTY RECORDER

lf DEPUTY

SUPPLEMENTAL DECLARATION  
OF  
COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS  
OF  
BLOCKS 7 & 9  
OF THE  
DOVER BAY PLANNED UNIT DEVELOPMENT

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS, ("Supplemental Declaration") is made by DOVER BAY DEVELOPMENT, INC., an Idaho corporation, ("Declarant") as follows:

ARTICLE 1: RECITALS

1.1 Declarant is the owner of all of the real property located in the City of Dover, County of Bonner, State of Idaho, together with the improvements thereon (the "Property") described as follows:

All real property contained in the Dover Bay Planned Unit Development Block 7 - "Riverside" Replat, according to the Plat thereof, recorded the 20 day of July, 2005 as Instrument No. 682110, Page 218 of Book 7 of Plats, records of Bonner County, Idaho.

All real property contained in the Dover Bay Planned Unit Development Block 9 - "Sandy Beach" Replat, according to the Plat thereof, recorded the 20 day of July, 2005 as Instrument No. 682108, Page 216 of Book 7 of Plats, records of Bonner County, Idaho.

1.2 The purpose of this Supplemental Declaration is to set forth additional covenants, conditions, restrictions, reservations, limitations, easements, equitable servitudes, and the like (collectively "Covenants") that apply to the Property or a portion(s) of the Property, pursuant to the Declaration. The mutually beneficial Covenants are designed to preserve the Property's value, desirability, and attractiveness, to ensure a well integrated high-quality development, and to guarantee adequate maintenance of the Common Area, and the improvements located thereon, in a cost effective and administratively efficient manner.

#### ARTICLE 2: DECLARATION

Declarant declares that the Property shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied, and improved subject to the following additional Covenants, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement, and sale of the Property, and to enhance the value, desirability, and attractiveness of the Property.

The additional Covenants set forth herein:

- A. Shall run with the land constituting the Property, and with each estate therein, and shall be binding upon all persons having or acquiring any right, title, claim, or interest in the Property or any lot, parcel, tract, or portion thereof;
- B. Shall inure to the benefit of every lot, parcel, tract or portion of the Property and any interest therein; and,
- C. Shall inure to the benefit of, and be binding upon, Declarant, Declarant's successors in interest, and each grantee or owner, and such grantee's or owner's respective successors in interest, and may be enforced by Declarant, by any owner, or such owner's successors in interest, or by the Association as hereinafter described.

By acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment, respecting the Property or any Building Lot, it is agreed that this Declaration, together with the Plat(s) referred to herein or regarding the Dover Bay Planned Unit Development, state covenants, conditions, restrictions, and reservations effecting a common plan for the Development mutually beneficial to all of the Property and Lots, and that the covenants, conditions, restrictions, reservations, and plans are binding upon the entire Property and upon each such Lot as a parcel of realty, and upon its owners or possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the Property or any security interests therein, without any

requirement of further specific reference or inclusion in deeds, contracts, or security instruments and regardless of any subsequent forfeitures, foreclosures, or sales of Lots under security instruments.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Development insofar as reasonably possible.

Declarant is the original owner of all the Property and will continue to be deemed the owner thereof except as conveyances or documents changing such ownership regarding specifically described Lots are filed of record with the City of Dover or Bonner County.

Notwithstanding the foregoing, no provision of this Declaration shall be construed as to prevent or limit Declarant's right to complete development of the Property and to construct improvements thereon, nor Declarant's right to maintain model homes, construction, sales, or leasing offices, or similar facilities (temporary or otherwise) on any portion of the Property, including the Common Area or any public right-of-way, nor Declarant's right to post signs incidental to construction, sales, or leasing, nor Declarant's right to modify plans for the Property, including in accordance with any necessary approvals of the City of Dover, Idaho.

### ARTICLE 3: DEFINITIONS

All definitions contained in the master Declaration shall apply to the provision herein, unless the specific context requires otherwise, including but not limited to, application to only Block 7 and/or Block 9.

3.1 "Block 7" shall mean all real property contained in the Dover Bay Planned Unit Development Block 7 - "Riverside" Replat.

3.2 "Block 9" shall mean all real property contained in the Dover Bay Planned Unit Development Block 9 - "Sandy Beach" Replat.

3.3 "Lot" shall mean one lot (or more than one in certain contexts) within the Property as specified or shown on the respective Plat of Block 7 or Block 9.

### ARTICLE 4: GENERAL AND SPECIFIC RESTRICTIONS

4.1 Use and Size of Dwelling Structures and Accessory Structures. All Lots shall be used exclusively for single-family residential purposes. No Building or Structure shall be built upon a Lot except for one (1) single-family dwelling unit or structure, and three (3) accessory structures, subject to the following restrictions and limitations:

ITEM	RESTRICTION AND LIMITATION
Residential Structure Size Minimum & Maximum Square Footage (including attached garage)	<p><u>Block 7</u>: Minimum of 2500 square feet to a maximum of 6000 square feet.</p> <p><u>Block 9</u>: Minimum of 2500 square feet to a maximum of 4500 square feet.</p>
Residential and Accessory Structure Minimum Setbacks (including porch, deck, attached garage, etc.)	<p><u>Street</u>: 25 feet (measured from property line). Exception for Block 9, Lots 1, 2, 3, 6, &amp; 7 of 20 feet.</p> <p><u>Side</u>:</p> <p><u>Block 7</u>: 15 feet (excluding projections no greater than 3 feet into any side setback).</p> <p><u>Block 9</u>: 10 feet on one side and 20 feet on the other side (excluding projections no greater than 3 feet into any side setback).</p> <p><u>Lake</u>:</p> <p><u>Block 7</u>: Varies from 40 feet to 90 feet as set forth on the Plat for Block 9 (measured from Artificial High Water Mark of approximately 2062.5 feet above sea level).</p> <p><u>Block 9</u>: 40 feet (measured from Artificial High Water Mark of approximately 2062.5 feet above sea level).</p>
Residential Structure Maximum Height	<p><u>Block 7</u>: 30 feet.</p> <p><u>Block 9</u>: 35 feet.</p>
Residential Structure Maximum Lot Coverage	50% of the square footage of the lot above the Artificial High Water Mark of approximately 2062.5 feet above sea level.
Accessory Structure Size Minimum & Maximum	Maximum levels of two. Ground level maximum of 1152 square feet. Upper level maximum of 750 square. Total number of accessory structures not to exceed three.

**4.2 Rental of Structures or Lots.** The leasing or renting of a Structure or Lot by its Owner is limited and is governed by the provisions herein:

**4.2.1 Period.** No Owner shall be permitted to lease his or her Lot or any Structure thereon for other than single family purposes and for a period of not less than one full year (twelve consecutive calendar months). Trusts, corporations, limited liability companies, partnerships, or other such entities which own a Lot may not allow use thereof by a beneficiary, officer, manager, partner, employee or other such person and his or her

immediate family for a period of less than one full year (twelve consecutive calendar months). Nothing in this paragraph shall limit the ability of an Owner or lessee to have non-paying guests.

4.2.2 Entire Lot. No Owner may lease less than the entire Lot or Structure.

4.2.3 Written Leases. All leasing or rental agreements shall be in writing and be subject to this Supplemental Declaration and the Declaration with an automatic default by the tenant in complying with any provision herein or of the Declaration constituting a default under the lease or rental agreement.

4.3 Home Occupations. An Owner may engage in a home occupation contained wholly within the structure upon the Lot, which shall meet any applicable City of Dover zoning ordinance(s) and which shall not involve any customer or client being present at the structure or Lot.

#### ARTICLE 5: RELATION TO MASTER ASSOCIATION AND COVENANTS

5.1 Applicability. The provisions of the Supplemental Declaration for a specific area or portion of the PUD, is subordinate to the Declaration, except as expressly set forth herein.

#### ARTICLE 6: MISCELLANEOUS

6.1 Term of Easements. The easements created hereunder, if any, shall be perpetual, subject only to extinguishment by the holders of such easements as provided by law.

6.2 Term of Covenants. The covenants, conditions, restrictions, equitable servitudes, and the like created hereunder shall run for a period of thirty years from the date of recording of the Declaration, unless amended as herein provided and shall thereafter be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by Members holding at least seventy-five percent (75%) of the voting power of the Owners and such written instrument is recorded with the Bonner County Recorder.

6.3 Amendment. Except where a greater percentage is required by an express provision in this Supplemental Declaration, the provisions of this Supplemental Declaration may be amended by a written instrument signed and acknowledged by the Owners certifying and attesting that such amendment has been approved by the vote or written consent of Owners representing at least sixty-seven percent (67%) of the respective Block 7 or Block 9, respectively, and such amendment shall be effective upon its recordation with the Bonner County Recorder. Any amendment to a required percentage of an express

provision in this Supplemental Declaration shall require the vote or written consent of Owners holding at least ninety-five percent (95%) of the voting power of the Sub-Association, and in no event shall be amended to be less than fifty-one percent (51%).

Any amendment of this Supplemental Declaration approved in the manner specified above shall be binding on and effective as to all Owners and their respective properties notwithstanding that such Owners may not have voted for or consented to such amendment. Such amendments may add to and increase the covenants, conditions, restrictions, and easements applicable to the Property but shall not prohibit or unreasonably interfere with the allowed uses of an Owner's property which existed prior to the said amendment.

6.4 Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Supplemental Declaration shall operate to defeat or render invalid the rights of the beneficiary under any first deed of trust or a mortgagee under any first mortgage upon a Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after foreclosure of any such first deed of trust or mortgage such Lots shall remain subject to this Supplemental Declaration, as amended.

6.5 Notices. Any notices permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by U.S. mail. If delivery is made by U.S. mail, it shall be deemed to have been delivered seventy-two (72) hours after the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association. Such address for any person may be changed from time to time by notice in writing given to the Association.

6.6 Enforcement and Non-Waiver.

6.6.1 Right of Enforcement. Except as otherwise provided herein, any Owner of any Lot shall have the right to enforce any or all of the provisions hereof against any property within the Property and Owners thereof.

6.6.2 Violations and Nuisances. The failure of any Owner of a Lot to comply with any provision of this Supplemental Declaration or any provision of any applicable Plat, is hereby declared a nuisance and will give rise to a cause of action in the Declarant, the Association, or any Owner within the Property for recovery of damages or for negative or affirmative injunctive relief or both. However, any other provision to the contrary notwithstanding, only Declarant, the Association, or a duly authorized agent of any of them, may enforce by self-help any of the provisions hereof only if such self-help is preceded by reasonable notice to the Owner.

6.6.3 Violation of Law. Any violation of any state, municipal, or local law, ordinance, or regulation pertaining to the ownership, occupation, use, or any activity upon any property within the Property is hereby declared to be a violation of this Supplemental Declaration and subject to any or all of the enforcement procedures set forth in this Supplemental Declaration and any or all enforcement procedures in law and equity.

6.6.4 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

6.6.5 Non-Waiver. The failure to enforce any of the provisions herein at any time shall not constitute a waiver of the right to enforce any such provision at any time.

6.7 Interpretation. The provisions of this Supplemental Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Property, including the PUD. This Supplemental Declaration shall be construed and governed under the laws of the State of Idaho.

6.7.1 Covenants Construed Together. All of the provisions hereof shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in this Supplemental Declaration and for the PUD.

6.7.2 Covenants Severable. Notwithstanding the provisions of the foregoing paragraph, each of the provisions of this Supplemental Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

6.7.3 Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural singular, and the masculine, feminine, or neuter shall each include the masculine, feminine, and neuter.

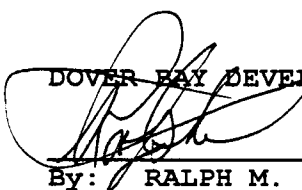
6.7.4 Captions. All captions and titles used in this Supplemental Declaration are intended solely for convenience or reference and shall not affect that which is set forth in any of the provisions hereof.

6.8 Successors and Assigns. All references herein to Declarant, Owners, Association, Sub-Association, or person shall be construed to include all successors, assigns, and authorized agents of such Declarant, Owners, Association, or person.

IN WITNESS WHEREOF, the Declarant has executed this Declaration effective on the date of recording in the real estate records of

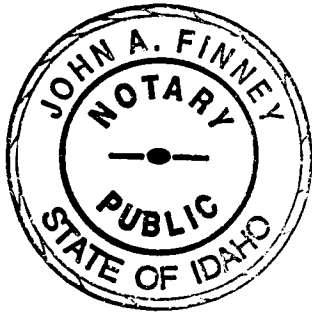
DECLARANT:

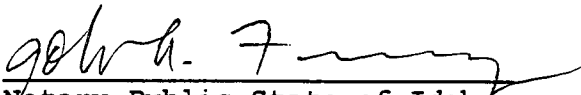
~~DOVER BAY DEVELOPMENT, INC.~~

  
By: RALPH M. SLETAGER, JR.  
Its: President

STATE OF IDAHO            )  
                                  ):        ss.  
COUNTY OF BONNER        )

On this 20<sup>th</sup> day of July, 2005, before me, the undersigned Notary Public, personally appeared, RALPH M. SLETAGER, JR., proved to me on the basis of satisfactory evidence, to be the President of DOVER BAY DEVELOPMENT, INC. that executed the instrument or the person who executed the instrument on behalf of the corporation and acknowledged to me that such corporation executed the same.



  
Notary Public-State of Idaho  
Residing at: Sandpoint  
My Commission Expires: 10-15-2006