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SETTLEMENT AGREEMENT BETWEEN QUAKING ASPEN ESTATES HOMEOWNERS ASSOCIATION AND THE KOOTENAI ENVIRONMENTAL ALLIANCE IN REGARDS TO IDWR APPLICATION FOR PERMIT NO. 96-17025

This Settlement Agreement (Agreement) is entered into by and between the Kootenai Environmental Alliance, Inc. (KEA) and Quaking Aspen Estates Homeowner's Association to resolve disputes regarding IDWR Application for Permit No. 96-17025. In consideration of the mutual promises specified herein and by conditioning their performance under this Agreement upon satisfaction of the identified conditions precedent, and for other good and valuable consideration, the Parties agree as follows:

A. Scope of Agreement

This Agreement is intended to settle all matters related solely to the protest filed by KEA of Quaking Aspen Estates Homeowner's Association Inc. Application for Permit filed with IDWR (Permit No. 96-17025).

B. Actions of Quaking Aspen Estates Homeowner's Association.

Under the terms of this Agreement, Quaking Aspen Estates Homeowner's Association agrees to undertake the following water conservation measures:

1. Agree to limit the number of users to no more than 10 connections for the water requested. There may be multiple water connections on each lot for residences, outbuildings, shops and barns.
2. Upon the sale of an existing lot, the new lot owner, if he/she desires to hook up to the Quaking Aspen community water system is responsible for installing a water meter on the subject lot and is subject to inspection by the Association.
3. Recommend the supplement of existing soils, as necessary, to enhance the moisture retention characteristics of the soils that will be used in the irrigated portions of each lot in the development.
4. Recommend to the property owners in the Quaking Aspen Community utilize water efficient landscaping on their property.
5. Recommend to the property owners in the Quaking Aspen Community that rain sensors will be installed as an integral part of any constructed automatic irrigation systems on properties.
6. Recommend to the property owners in the Quaking Aspen Community to not irrigate during the high evaporation times between 9:00 a.m. and 7:00 p.m. and utilize an odd only or an even only watering schedule.
7. Recommend to the property owners in the Quaking Aspen Community that drip systems for shrubs; recommend that property owners in the proposed development employ reputable landscape irrigation companies.
8. Limits irrigated areas to ½ acre per lot, and develop the property in such a manner as to keep it as natural as possible.

C. Mutual Actions

The Parties agree to jointly file a notice of settlement, a copy of this Agreement, and a motion to withdraw protest requesting that IDWR issue a water right that references this Agreement and includes a copy of this Agreement in the permit file.

The Parties further agree not to protest or otherwise challenge the terms of IDWR's water right permit should the terms of that permit be issued in a manner consistent with this Agreement.

D. Actions of KEA

In consideration for the actions identified above and upon the issuance of a final water rights permit to Quaking Aspen Estates Homeowner's Association that incorporates the terms set forth, KEA agrees to a full and final dismissal of its protest.

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E. Enforcement

1. KEA and Quaking Aspen Estates Homeowner's Association agree that all terms of this Agreement may be enforceable, to the extent practicable, through an action by IDWR or by the enforcement action described as follows in the Quaking Aspen Estates Homeowner's Association Declaration of Protective Covenants, Conditions and Restrictions:

"It is recommended to supplement the existing soils, as necessary, to enhance the moisture retention characteristics of the soils that will be used as irrigated portions of the lot and to add drip systems for shrubs and trees. Reputable landscaping companies should be used to avoid inefficient irrigation systems. To conserve water, no more than ½ acre of landscape area shall be planted in lawn grass, garden area or be irrigated and all irrigation systems are recommended to have a rain sensor. During High evaporation periods, homeowner's are not to water between the hours 9:00 AM and 7:00 PM and may be subject to an "odd or even" day watering schedule. The Quaking Aspen Board of Director's agrees to enforce all water conservation mandates outlined in the Quaking Aspen CC&Rs. These disciplinary measures include issuing warnings, fines and temporary membership suspensions."

F. Good Faith

The Parties to this Agreement agree to act in good faith and make all reasonable efforts to satisfy the conditions of the Agreement.

G. Successors and Assigns

This Agreement will be binding and will inure to the benefit of the Parties and their respective heirs, legal representatives, successors and permitted assigns, except as restricted by this Agreement.

H. Authorizations

All individuals executing this Agreement and other documents on behalf of the respective Parties certify and warrant that they have the capacity and have been duly authorized to so execute the documents on behalf of the Party so indicated.

Kootenai Environmental Alliance, Inc.

Adrienne Cronebaugh, Executive Director

Adrienne Cronebaugh Date 1/22/16

Quaking Aspen Estates Homeowner's Association, Inc.

Shane Zaring, President

Shane Zaring Date 1-21-16