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Bailey & Butler Enterprize, LLC
484 Cold Smoke Dr.
Bozeman, MT 59715

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Page: 1 of 35 08/08/2023 03:08:42 PM Fee \$280.00
Eric Semerad - Gallatin County, MT MISC



DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE JACKRABBIT RESERVE SUBDIVISION AND BYLAWS OF THE JACKRABBIT RESERVE HOMEOWNERS ASSOCIATION

THIS DECLARATION is made this _____ day of _____, 2023 by BAILEY & BUTLER ENTERPRIZE, LLC, a Montana limited liability company, hereinafter referred to as "Declarant."

WHEREAS, Declarant is the owner in fee simple of all the property withing the boundaries of Jackrabbit Reserve Major Subdivision, being Lot 2B1A of Minor Subdivision No. 177C, located in the SE1/4 of Section 11, Township 1 South, Range 4 East, P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder, Gallatin County, Montana (Plat Reference: J-728) and hereinafter known as the "Jackrabbit Reserve;"

WHEREAS, Declarant intends to develop, sell, and convey the Lots created on the above described real property; and

WHEREAS, the Jackrabbit Reserve is located within the boundaries of the City of Belgrade, County of Gallatin, State of Montana, is subject to the City of Belgrade subdivision regulations, and is created pursuant to the laws of the State of Montana and, therefore, is subject to the terms and conditions set forth in the applicable subdivision and zoning regulations;

NOW THEREFORE, the Declarant does hereby establish, dedicate, publish, and declare that all of the Jackrabbit Reserve together with all Lots created thereon, shall be owned, held, sold, conveyed, encumbered, leased used, occupied, and developed subject to the following Declaration of Protective Covenants, Conditions and Restrictions ("the Covenants") which shall run with the land and be binding upon the Jackrabbit Reserve and all parties having any right, title, or interest in the Jackrabbit Reserve or any part thereof, their grantees, legal representatives, heirs, devisees, successors, and assigns, and shall be for the purpose of maintaining a uniform and stable value, character, architectural design, use, and development. These Covenants shall apply to all real property located in the Jackrabbit Reserve and all improvements placed or erected thereon unless otherwise specifically provided herein.

**ARTICLE I
PURPOSE**

These Covenants are adopted to preserve and maintain the values of the Property for the benefit of the owners. It is the purpose of these Covenants and Restrictions to preserve and protect the environment, the natural beauty, view, and surroundings of the Property, and to preserve and protect the interests and investment of the individual owners.

**ARTICLE II
DEFINITIONS**

Association. The Jackrabbit Reserve Homeowners Association, a Montana nonprofit mutual benefit corporation, which is all of the Owners acting as a group and in accordance with these duly adopted Bylaws and this Declaration.

Board of Directors or Board. The body responsible for administration of the Association serving as the board of directors under Montana law.

Bylaws. The Bylaws governing the Association.

Commercial Unit. An attached or detached Unit intended for commercial occupancy.

Common Areas. All real property within the Subdivision and Property, excluding any Lots, owned by the Association including, but not limited to CA1, CA2, Roadways, boulevards in the Roadways, parks, trails, paths, the underground storm pond, and the stormwater utility easements as shown on the Subdivision Plat or any subsequent plats.

Common Expenses. All costs associated with maintenance, repair, and replacement of the Common Areas, all administrative expenses of the Association, all costs incurred by the Association for the general benefit and welfare of the Property, and all costs designated as common herein.

Condominium Unit. A parcel of real property created by the submission of a Lot to condominium ownership under the Montana Unit Ownership Act.

Declarant. Bailey & Butler Enterprize, LLC, a Montana limited liability company.

Design Review Committee. The body responsible for approval of Lot Owners' plans for improving, building, or remodeling on any Lot as more specifically described in this Declaration.

Design Review Guidelines. Guidelines applicable to all development activities on the Property as adopted by the Declarants and/or the Design Review Committee and as more specifically described in this Declaration.

Dwelling Unit. An attached or detached residential Unit intended for occupancy by a single-household, including (but not limited to) a detached single-household home, an attached townhouse, an apartment located within a multi-household building, and a Condominium Unit.

Fiscal Year. From the beginning of January through the end of December.

Lot or Lots. A parcel of real property in the Subdivision as depicted on the Subdivision Plat and any parcel of real property annexed to the Subdivision as provided in this Declaration.

Lot Owner. One or more persons who hold the record title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a contract for sale, the purchaser (rather than the fee owner) will be considered the Lot Owner.

Manufactured Home. A factory-built, single-household structure that is manufactured under the authority of 42 USC §5401, the National Manufactured Home Construction and Safety Standards Act, is built on a permanent chassis, and is used as a place for human habitation, but which is not constructed or equipped with a permanent hitch or other device allowing transport of the unit other than for the purpose of delivery to a permanent site, and which does not have wheels or axles permanently attached to its body or frame. This definition specifically does not include recreational vehicles, Mobile Homes, or a housetrailer. Any dwelling meeting the definition of Modular Home is not a Manufactured Home.

Member. A person entitled to membership in the Association.

Mobile Home. Forms of housing also known as "trailers", "housetrailers", or "trailer coaches" designed to be moved from one place to another by an independent power connected to them, or any trailer, housetrailer, or trailer coach used as a residence suitable for year-round single-household occupancy and having water, electrical and sewage connections similar to those of conventional dwellings. This definition applies only to units constructed prior to the Federal Manufactured Housing Construction and Safety Standards Act of 1974, which became effective June 15, 1976. Recreational Vehicles are not Mobile Homes.

Modular Home. A home that has all of the following characteristics: (1) is constructed in accordance with applicable Montana building codes; (2) is constructed off-site using conventional home floor joists and delivered to a site on a trailer or flatbed truck; (3) is placed on a permanent foundation; (4) is treated by lenders and government loan insurers (such as the Federal National Mortgage Association) the same as homes built on-site; and (5) is not subject to the standards or regulations of the United States Department of Housing and Urban Development.

Plat. The official plat of the Subdivision recorded on AUGUST 8, 2023 with the Clerk and Recorder of Gallatin County, Montana (Plat Reference: J-728) and as subsequently amended.

Property or Properties. All the real property included within the boundaries of the Subdivision, as designated on the official Plat on file and of record with the Clerk and Recorder of Gallatin County, Montana and any additional property annexed to the Subdivision.

Roadway. Any street or roadway within the Subdivision used for access to Lots as shown on the Plat including "ROAD A" as shown on the Plat.

Subdivision. Jackrabbit Reserve as designated on the official Plat on file and of record with the Clerk and Recorder of Gallatin County.

Unit. Any part of a Lot (and may in some cases include the entire Lot) intended for any type of independent use with a direct exit to a public street or to a common area leading to a public street.

Unit Owner or Owner. One or more persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a contract for sale, the purchaser (rather than the fee owner) will be considered the Unit Owner.

ARTICLE III COVENANTS

A. RESTRICTIONS ON USE

1. No Owner, Member, or person is permitted to use any Lot or other property within the Subdivision in a manner inconsistent with the applicable City of Belgrade zoning code unless such use is specifically permitted by these Covenants and approved by the City of Belgrade in a writing provided to the Association.
2. All Dwelling Units constructed within the Subdivision must be constructed on-site. Modular Homes, Manufactured Homes, Mobile Homes, or any other type of Dwelling Unit constructed off-site are not permitted to be installed or located upon any Lot in the Subdivision.
3. No part of the Subdivision shall be used or maintained as dumping ground for rubbish, trash, recyclable material, or other refuse.
4. No Lot may be used for the storage of any inoperable automobiles, boats, equipment, machinery, vehicles, or any other inoperable thing unless fully contained within a Building.
5. No Lot or Unit may be used to store any articles, vehicles, equipment, or other personal property of any quantity in excess of the needs of the Owner or the occupants of a Unit within the Subdivision. The storage of materials, supplies, equipment, vehicles, tools or trade items is prohibited

unless such items are stored in the main structure, the garage, or another authorized area. However, a business operating in the Subdivision may store articles, vehicles, equipment, or other personal property outside of the main structure, garage, or other authorized area if (i) the stored property is screened from street view, (ii) the stored property does not interfere with the ingress/egress for any Lot, Unit, or the Subdivision, (iii) and the stored property does not interfere with any streets, right of way, sidewalk, or easement.

6. Recreational vehicles, camper trailers, equipment trailers, motorhomes, off-road vehicle trailers, and other such vehicles and trailers must be parked and/or stored in garages or other completely enclosed and covered structures. However, such items may be parked in a driveway or other designed parking space for a period not to exceed 96 hours in any seven-day period.
7. On-street parking is permitted if it adheres to all applicable local government ordinances and restrictions. No vehicle may be parked on-street for the primary purpose of (i) displaying such vehicle for sale or (ii) performing maintenance or repair on such vehicle, except for repairs necessitated by an emergency rendering the vehicle inoperable. Owners must take reasonable efforts to utilize garage, driveway, or other designated parking space affiliated with their Unit before utilizing on street parking.
8. No parking is permitted on grass, common areas not designated as parking areas, yards, or any other place not designed as a parking area.
9. No residential space of a temporary character may be used on any Lot. Campers, trailers and tents may not be used for residential purposes on any Lot.
10. No more than two common household pets are permitted per Unit. All Owners are expected to attend to the proper care and control of all household pets. All applicable laws, rules, and regulations regarding pets must be strictly adhered to. All pets must, at all times, be under the immediate control and supervision of their owners. Water-fowl, chickens, horses, swine, cattle, goats, and sheep are prohibited in all instances.
11. Each structure within the Subdivision may have only 1 Dwelling Unit for each Commercial Unit within the structure. There is no limit on the number or proportion of Commercial Units in a structure.
12. Dogs may not be chained to a stake, post, or other implement. Frequent dog barking is not permitted.

13. One sign of reasonable size is allowed for each distinct commercial operation operating in the Subdivision. For purposes of this restriction, A “sign of reasonable size” means a sign no larger than 18 square feet measured by the outer boundaries of the sign. No freestanding signs are permitted. All signs must be permanently attached to the building.
14. No individual Unit may operate more than one distinct commercial operation. For example, a Lot with 4 distinct Units can maintain only 4 distinct commercial operations; 1 distinct commercial operation per Unit.
15. Except for personal use on the 4th of July and 1st of January, no fireworks of any kind may be brought onto, discharged upon, or stored upon any Lot.
16. No firearms or air rifles may be discharged within the Subdivision.
17. The cutting of firewood with a chainsaw is prohibited within the Subdivision.
18. Any firewood stored on a Lot must be stored in either a covered structure with at least two walls designed for the storage of wood or in a garage. No firewood may be stored, and no firewood storage structure may be installed along the side or front of a house.
19. Outdoor recreational fires are permitted on a Lot if the fire is contained in a metal or masonry container not exceeding 36 inches at its widest point of measure and is located at least 30 feet from any structure, fence, refuse pile, compost pile, stockpile of flammable material, property line, tree, or bush.
20. No snowmobiles, dirt bikes, ATVs, or similar off-road vehicles may be used within the Subdivision.
21. No person may violate any applicable federal, state, or local laws within the Subdivision.
22. Disruptive or loud commercial activities cannot take place within the Subdivision between the hours of 7:00 PM and 7:00 AM. Such activities include, but are not limited to: loading/unloading of large commercial vehicles, use of pneumatic tools, and the operation of loud equipment. This restriction is in no way intended to impact other commercial activities that are not inherently disruptive or loud.
23. The following business uses are not allowed within the Subdivision:
 - i. Adult video/Adult entertainment stores or service providers;
 - ii. Alcohol/Drug rehabilitation offices/facilities;

- iii. Off-track betting establishments;
 - iv. Businesses that sell, barter, trade, grow, test, buy, or dispense marijuana, for medical use or otherwise;
 - v. Adult video/Adult entertainment stores or service providers;
 - vi. Alcohol/Drug rehabilitation offices/facilities;
 - vii. Off-track betting establishments;
 - viii. Businesses that sell, barter, trade, buy, or dispense marijuana, for medical use or otherwise;
 - ix. Probation/parole offices.
 - x. Bars, taverns, billiard halls;
 - xi. Pawn shops;
 - xii. Dance studios or karate studios;
 - xiii. Unemployment or Social Security offices;
 - xiv. Liquor stores;
 - xv. Tattoo shops/body art/piercing;
 - xvi. Beauty/Hair Salons, Cosmetology Services;
 - xvii. Smoke/Tobacco or Vapor/E-Cigarette shops;
 - xviii. Child Care/Children's gymnasium;
 - xix. Veterinarian/Dog Grooming/Animal Boarding;
 - xx. Gym/Workout facility;
 - xxi. Same day cash/loan shops;
 - xxii. Massage parlors;
 - xxiii. Police substations;
 - xxiv. Vehicle repair shops, wheel and brake shops, body and fender shops, and similar repair and service activities.
24. The Association may have any vehicle or piece of equipment or personal property that is noncompliant with these Covenants removed or towed from the Subdivision after the issuance of a single warning. The Association shall not be required to issue more than one warning per offending vehicle or piece of personal property in any twelve (12) month period. Any expense incurred by the Association in connection with the towing of any noncomplying vehicle or equipment shall be paid by the owner of the vehicle or equipment to the Association upon demand. If the vehicle or piece of equipment is owned by an Owner, any amounts payable to the Association shall be a lien upon the Owner's Unit and the Association may enforce collection of said lien in the same manner provided for in this Declaration for the collection of assessments.

B. COMMON AREAS

- 1. As set forth herein, the Association is charged with the maintenance and repair of the Common Areas and the regulation of the use of the Common Areas. No improvements shall be constructed on the Common Areas except as determined by the Association. No gates or obstructions shall be

placed upon or shall impede access to the Common Areas on the Property except and unless approved by the Association.

2. Maintenance, repairs, and replacements of Common Area grounds and improvements shall be the expense of the Association provided, however, if such damage is caused by a negligent or tortious act of any Owner, members of his or her family, guest or employee, then such Owner shall be responsible and liable for all such damage. No cutting of trees is allowed in the Common Areas except as determined as necessary by the Association.

C. CONSTRUCTION SCHEDULES

Any and all construction, alterations or improvements shall be subject to advance approval by the Design Review Committee and shall be diligently worked on to completion and shall be completed within eighteen (18) months following commencement. No aspect of construction shall at any time impede, obstruct, or interfere with pedestrian or vehicular traffic. No construction activity can take place between the hours 7:00 PM and 7:00 AM.

D. MAINTENANCE

Lot Owners shall maintain their Lots, improvements and landscaping in good repair and appearance at all times.

E. NUISANCE PROHIBITED.

No noxious or offensive activity shall be permitted upon any portion of the Property, nor shall any use or activity be permitted which may be or may become an annoyance or nuisance to adjacent Lot Owners or which may depreciate the natural environmental amenities of said Property.

F. EASEMENTS.

1. Ingress and Egress: An easement for general ingress and egress to each Lot for the general use of all Owners and their guests shall exist over all roadways and parking spaces on the Property.
2. Right of Access: A right of access shall be reserved to the Declarant and the Association and be immediate for making of emergency repairs in improvements or Lots on the Property. These repairs may be needed to prevent property damage, personal injury, or continued property damage.
3. Utilities: A 10 foot easement for the installation, occupation, and maintenance of all utilities service shall exist on the front of all Lots.

G. COMPLIANCE.

Every Owner and occupier of any structures on the Property shall comply with this Declaration, the Bylaws, the Design Review Guidelines, any applicable local laws, and the rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or equity, by the Association, the Declarant, or in the proper case, by any aggrieved Owner.

H. DRIVEWAYS.

1. Lot Owners are responsible for the maintenance, repair, and removal of snow from their Lots.
2. The Association is responsible for removing snow from all Common Areas intended for travel as well as all parking areas classified (as determined by the Association) as Common Areas. If a parking area is the sole property of a Lot Owner, the Lot Owner is responsible for removing the snow from that parking area.
3. All garages must have a driveway leading from the street to the garage. All driveways must be constructed pursuant to these covenants and the Design Review Guidelines and applicable local government ordinances and restrictions. All driveways must be constructed of concrete or asphalt. Driveways may not be constructed of gravel, dirt, or any other material. All driveways must enter the Roadway at a perpendicular angle. Drop-curbs for driveways may only be installed with the initial curb construction when the final building locations have been determined. Driveway locations shall conform to the Belgrade City Subdivision Regulations. Sidewalks shall be 6-inches thick across driveways, and 4-inches thick elsewhere.
4. Driveways may not encroach upon the property of another Lot or within an easement not intended for such purpose.
5. The construction and maintenance of all driveways shall be the responsibility of the Lot Owner. Driveways and parking areas shall be crowned and appropriately sloped to ensure adequate draining. Pedestrian ramps shall be constructed in accordance with City of Belgrade Modifications to Montana Public Works Standard Drawings and Americans with Disabilities Act (ADA) requirements.
6. In the event the City of Belgrade enacts more stringent restrictions regarding driveway widths, all driveway widths must comply with all requirements passed by the City of Belgrade.

7. The grade of a driveway shall not exceed 1:20 for the first 20 feet from the roadway, and shall not exceed 1:10 for all other portions of the driveway.
8. No side yard parking pad sites are permitted unless otherwise specifically approved by the Design Review Committee.

I. UTILITIES.

1. Each Lot Owner is responsible for acquisition, installation, and connection of their utilities to commercially available systems or public systems. This includes connections to sewer, water, gas, electricity, telecommunications, or any other utility.
2. Each Lot Owner is responsible for the removal and cost of removal of their garbage from their Lot. All waste shall be stored in dedicated and sanitary containers.
3. All utilities (including natural gas, electric, telecommunications and other like services) shall be installed underground.
4. Utility meters shall be placed in a location acceptable to the applicable utility company and yet not visible from adjoining Roadways.
5. All conduit, wires, pipes, etc. are to be beneath the exterior wall or shall be otherwise enclosed. Meters, transformers, and other utility boxes shall be concealed with landscaping.

ARTICLE IV COMMON AREAS

1. Maintenance, repairs, landscaping, and replacements of Common Areas and improvements shall be a Common Expense of the Association provided, however, if such damage is caused by a negligent or tortious act of any Owner, members of his or her family, guest or employee, then such Owner shall be responsible and liable for all such damage. No cutting of trees is allowed in the Common Areas except as determined as necessary by the Association (or by the Declarant if the Declarant owns the Common Areas).
2. All walking trails present in the Subdivision shall be classified as Common Areas. The Association shall maintain all walking trails within the Subdivision.
3. All Common Areas, as depicted on the final plat shall be reserved in perpetuity as areas for the common use and benefit of all Owners and the general public. Each Owner shall have the right to use and enjoy the Common Areas and facilities, if any, subject to any restriction in these covenants. The Association shall be fully

responsible for all liability insurances, taxes, assessments, and maintenance expenses of all Common Areas and facilities.

4. Declarant shall be the record owner of all Common Areas until the sooner of 75% of the Lots within the Subdivision being sold or Declarant transferring title of the Common Areas to the Association.
5. The maintenance and removal of snow from the Roadways is the responsibility of the Association unless the City of Belgrade takes on that responsibility. The Association is responsible for the maintenance and removal of snow from any non-roadway Common Areas as determined by the Association. The Association is not responsible for the maintenance and removal of snow from sidewalks and driveways that are the property of a Lot Owner or Lot Owners.

**ARTICLE V
DESIGN REVIEW COMMITTEE, CONSTRUCTION,
AND DESIGN REVIEW GUIDLINES**

A. GENERAL

1. The intent of the Design Review Guidelines set forth in this Article is to promote and maintain a level of architectural quality, size, appearance and continuity amongst the buildings, site improvements and landscape. Furthermore, the intent is to establish minimum standards to ensure that the type of building structure constructed is compatible and that the property values are protected.
2. No structure shall be placed, erected, or installed upon any Lot, no improvements (including clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials), and no additions or changes (including exterior remodeling) of any portions of a Lot shall take place except in compliance with the Design Review Guidelines, this Declaration, and with the prior approval of the Design Review Committee.
3. The Design Review Committee shall have the authority to reject the materials, designs, and/or colors submitted with plans, or the plans themselves, if they are incompatible with these Covenants, the Design Review Guidelines, or with the rest of the Subdivision.
4. The Design Review Committee shall have the power, authority, standing, and right to enforce these Covenants and Design Review Guidelines in any court or law or equity when the Design Review Committee reasonably believes the same have been violated. The Design Review Committee shall have the authority to revoke or suspend building approval and/or order the suspension or cessation of any construction or work in violation

of these Covenants or of any approval issued by the Design Review Committee.

5. Notwithstanding anything in this Declaration to the contrary, all Lots owned by the Declarant or any other entity or individual so designated in writing as exempt by the Declarant shall be exempt from the requirements of design review by the Design Review Committee.

B. COMPOSITION

1. The Design Review Committee shall have exclusive jurisdiction over all original construction and remodeling on any portion of the Property.
2. The Design Review Committee shall, at all times, be composed of three (3) individuals.
3. Until such time as the Declarant has conveyed 100% of the Lots to Lot Owners other than Declarant (excluding builders/real estate agents), the Design Review Committee shall consist of two persons selected by the Declarant and one Owner selected by a majority vote of the Association. The Association shall also select one additional Owner to serve as an alternate Owner member of the Design Review Committee. The alternate Owner member of the Design Review Committee shall serve in the place of the regular Owner member of the Design Review Committee if the regular Owner member is unable to attend a meeting of the Design Review Committee or if the regular Owner member is prevented from voting for any reason. Upon the Declarant conveying 100% of the Lots to Lot Owners that are not builders/real estate agents, the agents selected by the Declarant to serve on the Design Review Committee shall no longer be voting members of the Design Review Committee. At that time, the Association's Board shall select two additional Members to serve as members of the Design Review Committee whose terms shall last until the next annual meeting of the Members of the Association.
4. The Declarant retains the right to review and approve or deny all plans submitted for Design Review approval until such time as 100% of the Property has been conveyed by Declarant to Lot Owners other than builders/real estate agents.
5. After the Declarant has conveyed 100% of the Lots to Lot Owners other than Declarant (excluding builders/real estate agents), the Members of the Association shall elect the members of the Design Review Committee at the Association's annual meeting. Member(s) elected by the Members of the Association shall serve for a term of 1 year. Any member of the Design Review Committee elected by the Members may be removed by a majority vote of Members at any Association meeting and a new member

of the Design Review Committee shall be elected at said meeting. If one of the positions elected by the Members becomes vacant for any reason other than removal by the Members, the Association's Board shall appoint a person to complete the remaining term.

C. VOTING

Each member of the Design Review Committee shall have one (1) vote. No member of the Design Review Committee shall vote on issues before the Design Review Committee involving his/her own Lot or Lots owned by a person whom the member represents in any other capacity. The restriction in the preceding sentence does not apply to any Lot owned by the Declarant. The alternate Design Review Committee member shall be permitted to vote when the Owner member of the Design Review Committee is not available to review the plans or is otherwise prevented from voting.

D. DESIGN REVIEW COMMITTEE PROCEDURE AND OPERATION

The Design Review Committee shall be governed by the following procedure and rules in its consideration of plans and specifications submitted for approval:

1. The primary purpose and use of the Subdivision is to provide mixed residential housing and commercial space.
2. In considering any plans and/or specifications, the Design Review Committee shall examine the suitability of the proposed design and materials to the subject Lot, to the surrounding Lots, and to the Subdivision as a whole. The Design Review Committee may also examine the degree of deviation from the Pre-Approved Plans. Although not required, use of the Pre-Approved Plans is encouraged, and the Design Review Committee may base a denial on the extent to which the submitted plans deviate and/or are not in harmony with the Pre-Approved Plans.
3. The Design Review Committee has pre-approved certain building plans for each Lot ("Pre-Approved Plans"). In the event a Lot Owner wishes to use the Pre-Approved Plans, the Design Review Committee shall be deemed to have granted approval to all portions of the Pre-Approved Plans and the Lot Owner shall only need to have any variations from the Pre-Approved Plans approved by the Design Review Committee, along with color selection and landscaping plan.
4. Except for any variances which have been granted by the Design Review Committee and the Pre-Approved Plans, no plans and/or specifications shall be approved unless they are in compliance with provisions contained in the Design Review Guidelines and these Covenants.

5. All applicable requirements of the City of Belgrade and the Montana Building Code shall be satisfied for all structures constructed.
6. The Design Review Committee may approve the construction of structures identical or nearly identical to other structures within the Subdivision. However, the Design Review Committee shall require identical or nearly identical structures to differ their exterior color so that no two identical or nearly identical structures have the same exterior color scheme.

E. SUBMISSION OF PLANS.

1. Before beginning construction or installation of any structure, landscaping, or improvements upon a Lot (including clearing, excavation, grading, other site work, exterior alteration of existing improvements, remodeling, or the planting or removing of major landscaping materials) a scaled site plan 1:20 scale shall be submitted to the Design Review Committee showing the following:
 - The footprint of the structure(s);
 - A landscaping plan including plans for fences, drainage, trees, shrubbery, grass, irrigation, and exterior lighting;
 - A description and samples where needed of the materials and colors to be used in construction of all structures;
 - A proposed construction completion date;
 - All required City of Belgrade permits, approvals, etc.; and
 - Two copies of complete construction drawings including floor plans, exterior elevations, roof design, specifications, and any construction details.
2. A review fee shall be paid by the applicant to the Design Review Committee at the time of the applicant's submission of proposed plans and specifications to the Design Review Committee. The initial fee shall be \$500.00 per plan submitted, regardless of the number of structures or Units contained in the plan. For proposals that use the Pre-Approved Plans, the submittal fee shall be \$100.00. For re-submitted or previously denied plans that only alter the color, finish, or aesthetic aspects of the plan, the additional fee shall be \$175.00. For re-submitted or previously denied plans that contain structural changes to the plan, the additional fee shall be \$250.00. The amount of the review fee may be altered by the Design Review Committee from time to time.

F. CONSTRUCTION SCHEDULES.

1. The Lot Owner shall initiate construction within one (1) year of the receipt of written approval from the Committee and the Lot Owner shall proceed diligently toward completion of all approved excavation and construction activities. If the Lot Owner fails to initiate construction within one (1) year of the receipt of written approval from the Committee, the Committee's approval shall be deemed expired and the Lot Owner's approval shall be deemed denied.
2. A Lot Owner may apply to the Committee for an extension to the one (1) year construction initiation deadline at any time prior to the expiration of the then current construction expiration deadline.
3. The Committee may, in its absolute discretion, grant or deny an application for an extension to the then-current construction initiation deadline. The Committee may grant an extension of any length up to one (1) year. There is no limit to the number of extensions that may be granted.
4. If the Committee fails to affirmatively approve or deny an application for an extension prior to the expiration of the then-current construction initiation deadline, the applicant's application for an extension is deemed denied.
5. All construction on a Lot, or within any structure located on a Lot, shall be diligently pursued to completion. Construction on a Lot, or within any structure located on a Lot, must be completed within eighteen (18) months of initiation of construction unless specific written extension is granted by the Design Review Committee. No construction material shall, at any time, be placed or stored so as to impede, obstruct, or interfere with pedestrian or vehicular traffic and no construction materials shall be placed or stored on a Lot for a period of more than thirty (30) days following substantial completion of construction.

G. FAILURE TO ACT.

In the event the Design Review Committee fails to approve or to disapprove any application within thirty (30) days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Review Guidelines, if any, or this Declaration unless a variance has been granted in writing by the Design Review Committee.

H. VARIANCE.

1. The Design Review Committee may authorize variances from compliance with any of its guidelines and procedures when circumstances require, but only in accordance with duly adopted rules and regulations.
2. Variances may only be granted, when unique circumstances dictate and no variance shall: (1) be effective unless in writing; (2) be contrary to this Declaration; or (3) stop the Design Review Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not necessarily be considered a hardship warranting a variance.
3. The Design Review Committee may not grant a variance from compliance regarding any state or local building code unless the same variance has been granted by the applicable jurisdiction.

I. NO WAIVER OF FUTURE APPROVALS.

Approvals of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

J. LIMITATION ON LIABILITY.

1. Approval by the Design Review Committee neither represents, nor shall the Design Review Committee offer any opinion as to whether plans and specifications conform to building codes or state and local regulatory requirements.
2. Approval does not include examination for errors or omissions. Neither the Design Review Committee, the Association, Declarant, nor any member of the foregoing shall bear any responsibility for ensuring structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements.
3. Neither the Design Review Committee, the Association, Declarants nor any member of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Lot.

K. INDEMNIFICATION

1. The Association shall indemnify any member of the Design Review Committee and the Declarant against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by such person by reason of such person having been made or having been threatened to be made a party to a proceeding because said person was or is a member of the Design Review Committee or a Declarant if said individual conducted him or herself in good faith and reasonably believed that his or her conduct was allowed by this Declaration or in the Association's best interests or, in the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.
2. The Association may not indemnify a person if said person is adjudged liable to the Association or the Design Review Committee in an action brought by the Association or the Design Review Committee or if in any action said person has been found to have received improper personal benefit at the expense of the Association or the Design Review Committee. The foregoing limitation does not apply to the Declarant or any member thereof.
3. If the Association's Committee determines the person qualifies for indemnification under this Section K., the Association insurance shall advance the expenses reasonably expected to be incurred.

L. DESIGN REVIEW GUIDELINES

1. Landscaping
 - i. Weather permitting, all landscaping shall be completed within three (3) months after occupancy or completion of the structure located on the Lot.
 - ii. Weather permitting, all Lots are required to install sod within three (3) months after occupancy or completion of the structure located on the Lot.
 - iii. An underground sprinkler system is required on each Lot.
 - iv. No Lot may initially install grass via seeding or hydro-seeding. All grass to be initially installed upon a Lot must be sod.
 - v. All Lots must install and maintain (or replace as necessary) at least two (2) trees visible from the street entrance to the Lot. Such trees must be a minimum of 1 and 1/2 inch in diameter at the time of installation.
2. Siding

- i. The exterior siding of all structures shall consist of natural wood, wood look-alikes, or wood products, brick, stone, stucco, metal, or other manufactured exterior good quality materials.
- ii. Cement block siding, vinyl siding, and/or plywood sheet siding is prohibited.
- iii. Siding shall run horizontally or vertically; but not at other angles.
- iv. Garage doors may not be oriented towards the Roadway, but shall be de-emphasized as a feature of the building. Garage doors must either match the color of the main building or match the trim color of the main building. Garage doors shall not exceed sixteen (16) feet in width.

3. Roof

- i. All roofs shall be covered with shakes, tiles, metal roofing, or shingles. Roofing material shall only act as accent and shall not be the dominant exterior material on any building.
- ii. Consideration shall be given to the prevention of excessive snow build-up and snow shedding.
- iii. Dormers and secondary roofs are often necessary to add interest and scale to major roof areas and to make habitable use of the attic space within the roof. Dormers and secondary roofs shall be gable, shed, hip, and modified hip roofs and may be stacked in multiple forms. Flatter roofs may be considered with 24 inch eaves. Hip dormers shall have the same pitch as the main roof. However, no roof may be at a pitch of less than 3:12 and no eave may be less than twelve inches (12").
- iv. When designing the location of skylights, consideration shall be given to both the interior and exterior appearance of the residence. Locations shall also be coordinated with window and door locations. Skylights shall be located away from valleys, ridges, and all other areas where snow may hinder the performance and safety of the unit. Skylights shall be of high quality, insulated, double pane construction. Roof skylights shall be flat in profile. Bubble and/or dome skylights are not permitted.
- v. Solar collectors and/or photovoltaic cells shall be integrated into the overall roof design and shall be placed flush with the slope of the roof or wall of the building. All solar collectors shall be screened or concealed from view of the other dwellings and common areas.
- vi. No roof installed within the Subdivision may have a roof pitch of less than 3:12 unless the roof is also a usable rooftop patio.

4. Decks, Balconies, and Porches
 - i. Decks, balconies, terraces, and porches shall be designed to enhance the overall architecture of the building by creating variety and detail.
 - ii. Terraces may be used to integrate the building and landscape by creating a transition between the built and natural character of the site.
 - iii. No deck, balcony, or porch may be used for the storage of any items. Any furniture placed on a deck, balcony, or porch must be designed and certified for outdoor use.
 - iv. Exterior carpeting is not permitted unless it is not visible from a Roadway or Neighboring Lot.
 - v. All railing shall be made of wood, approved wood-like material, or approved metal and be colored in a manner appropriate with the color of the main structure.
 - vi. Covered decks, projecting balconies, and bay windows shall be integrated into the design of the building.
 - vii. Low level decks shall be skirted to grade and must provide proper ventilation and access. Decks which are not practical to skirt shall be designed to assure the underside of the deck is integrated with the design of the building. Exposed metal joist hangers are not permitted to be visible.
 - viii. Support posts shall be a minimum of six (6) inches square. Support posts shall be a minimum of eight (8) inches in length. Support posts may be built from stone, masonry, concrete, or wood.
 - ix. Column base piers may be no smaller than twelve inches square (12 x 12).
 - x. Deck, balcony, and porch materials and colors shall be consistent with the building and surrounding landscape.
 - xi. Front porches must be open so as to permit viewing from the Roadway. Screened in porches and glazing are not permitted.
 - xii. Steps leading to front entry porches must be constructed of concrete or stone masonry. Wood steps are not permitted.

5. Foundations

- i. All foundations shall be constructed from masonry materials and/or concrete. Foundations shall not be constructed from any other materials.
- ii. A foundation wall may be exposed no more than eight (8) inches above the ground for Lots that are relatively level and no more than twelve (12) inches above the ground for Lots that are not relatively level. On sloping grades, siding shall remain at least one (1) foot above grade. Foundations exposed more than outlined above must have an architectural finish complimenting the architecture of the overall structure. The top of the foundation wall shall not be more than eighteen (18) inches above the top side of the curb on the Lot.
- iii. All foundations must be constructed in accordance with the current edition of the International Building Code.

6. Exterior Lighting

- i. A Lot Owner may install exterior lights on any structure on a Lot. Exterior lights may not be placed on a pole, post, or beam extending above or away from a structure. No exterior light shall be installed above the height of a structure on the Lot.
- ii. Stand-alone light poles, posts, or beams are not permitted. Nothing in this part shall be construed as preventing the Association or the Declarant from installing light poles or posts on or near Common Areas.
- iii. All exterior lights must not be any brighter than a 60-watt compact fluorescent lighting bulb. The use of mercury vapor, obtrusive flood lighting, or any other bright exterior lighting is not permitted.
- iv. All exterior lights shall be free from glare and must be fully shielded.
- v. All exterior lights must be "night sky compliant," must comply with any applicable local codes and regulations, and must comply with the codes and regulations of all nearby airport authorities.

7. Other Exterior Color and Architecture

- i. Log and/or timber homes are not permitted. Porch posts and/or knee braces are permitted as accents.

- ii. The exterior color of all structures shall be local earth tones, white, off white, or wood colors. No bright, "loud," or glossy colors are permitted as exterior colors. Prohibited colors included, but are not limited to, bright orange, royal blue, pink, purple, and other similar hues and colors.
- iii. Every structure must utilize at least three (3) different exterior colors. Any exposed rock, steel, wood, or other exposed building material is considered to be a different exterior color.
- iv. Trim may be of a brighter intensity and contrasting color scheme.
- v. The exterior design, style, and color of each and every structure on a Lot shall conform to the design, style, and colors of the main building. Breaks in roof lines and wall lines that add interest to the form and help define the design of the structure are encouraged.
- vi. Residential backyards and side yards are permitted, but not required, to be fenced. If fencing is installed, all fences must be constructed from wood or materials appearing as natural wood. No Lot Owner may install a chain-link fence, wire fence, or vinyl fence. Only local natural colors shall be allowed. White or off white colors are not permitted. All front yards must be free from fences. No fence may be more than six (6) feet high.
- vii. A Lot Owner may install up to two (2) satellite dishes or antennas on a Lot. In no case shall a satellite dish or antennae exceed 24" in diameter.

Fenced areas are permitted. However, if one Unit in a structure has a fenced yard, all units within the same structure must have a fenced yard. All fences must be complete enclosures and no fences are permitted within the Subdivision that do not create a complete enclosure.
- viii. Dog kennels are not permitted unless kennels are installed within a fenced enclosure.
- ix. Structures within the Subdivision shall not exceed thirty five feet (35') in height as measured from the highest point of the ground on the foundation perimeter.
- x. Masonry shall be natural or approved synthetic materials. Dry stack, uncoursed settings with minimal exposed mortar are preferred. Masonry shall not be applied to individual wall surfaces in order to avoid a

vener-like appearance. It shall continue around corners to an inside corner.

8. Entry, Overhangs, and Fascia

- i. The main entrance to the main structure shall provide weather protection and visual definition. A concrete walk shall be installed from the driveway to the main entrance.
- ii. Steps leading to main entrances, if any, shall be constructed of concrete or masonry. Steps leading to main entrances, if any, may not be constructed from wood.
- iii. All roofs shall overhang an exterior wall by at least twelve (12) inches and by no more than twenty four (24) inches unless that overhang is covering a patio.
- iv. All fascia materials shall have a minimum width of six (6) inches.

9. Floor Space, Height Restrictions, and Floor Plan

- i. All buildings and improvements shall comply with height restrictions as set forth by the City of Belgrade, Montana and restrictions applicable to the Subdivision.
- ii. No Dwelling Unit within the Subdivision may exceed two (2) floors above ground level in height.
- iii. No outbuildings are permitted within the Subdivision.
- iv. No dwelling, structure, or building within the Subdivision may exceed:
(x) thirty-five (35) feet in height as measured from average finish grade to the ridge line for structures with roof ridges of 6:12 or greater;
or (y) twenty-eight (28) feet in height as measured from average finish grade to the ridge line for structures with roof pitches of 3:12 but less than 6:12.

10. Amendment to Design Review Guidelines.

The Design Review Committee has the sole and exclusive power to amend the Design Review Guidelines set forth in this Section L by majority vote of the Design Review Committee. Any amendment to the Design Review Guidelines shall not be effective until recorded in the office of the Clerk and Recorder of Gallatin County, Montana. Any amendment shall apply only to construction and modifications commenced after the effective date of said amendment and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced.

11. Substantial Compliance

All improvements, construction, reconstruction, alterations, remodeling, or any activity requiring the approval of the Design Review Committee must be completed in substantial compliance with the plans and specifications initially approved by the Design Review Committee.

ARTICLE VI BELGRADE REQUIRED COVENANTS

The covenants set forth in this Article VI were required by the City of Belgrade for final plat approval of the Subdivision. In the event that the covenants and restrictions set forth under this Article VI conflict or are inconsistent with any other covenant or restriction set forth in this Declaration, the covenants and restrictions set forth in this Article VI shall control. Any covenant or restriction set forth in this Article VI may not be amended or revoked without the written consent of the City of Belgrade and also in accordance with Article ~ of this Declaration.

A. Each Lot Owner shall control declared noxious weeds on his or her individual lot and the Association shall control noxious weeds on those areas for which the Association is responsible as set forth and specified under the Montana Noxious Weed Control Act (7-22-2101 through 7-22-2153 MCA) and the rules and regulations of the Gallatin County Weed Control District. In the event a Lot Owner does not control the noxious weeds on his or her Lot, after thirty (30) days written notice from the Association, the Association shall cause the noxious weeds to be controlled. The cost and expense associated with such weed management shall be assessed to the Lot and such assessment shall become a lien if not paid within thirty (30) days of the mailing of such assessment.

B. Lot Owners are informed that nearby uses may be agricultural. Lot Owners accept and are aware that standard agricultural and farming practices can result in dust, animal odors, flies, smoke and machinery noise. Standard agricultural practices feature the use of heavy equipment, burning, chemical spays and the use of machinery early in the morning and sometimes late into the evening.

C. All fences bordering agricultural lands shall be maintained by the Lot Owners and/or the Association in accordance with state law.

D. A property owners association shall be established.

E. The Association shall retain ownership and maintenance of any trails and open space within the Subdivision.

F. Any covenant which is included in this Article VI as a condition of preliminary plat approval and required by the Belgrade City Council may not be amended or revoked without the mutual consent of the owners in accordance with the amendment procedures in these covenants and the governing body of the City of Belgrade.

**ARTICLE VII
INITIAL OWNERS' ASSOCIATION BYLAWS**

The Association shall be initially governed by the bylaws set forth herein until such time as the bylaws are altered or amended as provided for in the initial bylaws of the Association.

A. MEMBERSHIP

1. Membership in Association: Every Owner shall automatically be a Member of the Association and shall remain a Member until such time as he or she no longer owns a Unit at which point his or her membership in the Association shall automatically cease. Membership shall be appurtenant to and may not be separated from the ownership of a Unit. No person who is not an Owner shall be a Member of the Association.

2. Voting: Members shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be Members; however, the vote for such Unit shall be exercised as said Owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Unit. If more than one person seeks to exercise that Unit's one (1) vote, the Unit's vote shall be suspended.

3. Annual Members Meeting: The date, time, and place of the annual meeting of the Members shall be noticed by the Board, which meetings may coincide with Board's annual meeting. At such annual meeting, members from each Unit shall elect directors to the Board elect persons to the Design Review Committee, and conduct such other business as permitted by this Declaration and these Bylaws. A vote may be cast either in person or by proxy. All proxies shall be in writing and shall be filed with the secretary, and entered in the minutes of the meeting. No proxy shall be valid after eleven (11) months from the date it was made, unless otherwise provided in the proxy. Notice of the time, place, and description of the items to be considered shall be mailed by the Association to all Members not less than twenty (20) nor more than ninety (90) days in an advance of the annual members meeting. A quorum for the transaction of business at any meeting shall consist of a majority of the Members, but the Members present at any meeting where less than a quorum is present, may adjourn the meeting to a future time. Action may be taken without a meeting if the action is taken by all the Members and the action is evidenced by one or more written consents describing the action taken, Signed by all the Members, and delivered to the Association for filing with the Association records. All meetings of the Members shall be presided over by the President, or in his or her absence the Secretary, and shall be conducted in accordance with the most recent version of Robert's Rules of Order.

4. Special Members Meeting: Special meetings of the Members may be called for any purpose at any time by the President of the Association, the Board of Directors, the Declarants, or by a petition Signed by not less than fifty-one percent (51%) of the Members entitled to vote at that meeting. If a special meeting is called a written request to notice the meeting, specifying the time of the meeting and the general nature of the business to be transacted, shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the

Association. The officer receiving the request shall cause notice to be promptly given, personally or by mail to each Member's last known address, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than twenty (20) nor more than Ninety (90) days after the receipt of the request.

B. BOARD OF DIRECTORS

1. Powers and Duties: The business and affairs of the Association shall be managed by the Board. The Board is authorized to manage the business of the Association and is authorized to take such actions as shall be necessary and reasonable to carry out the functions and purposes of the Association. Pursuant to the provisions of this Declaration, the Board shall have the power and duty to:

- A. Prepare an annual budget and levy assessments;
- B. Adopt rules and regulations;
- C. Call annual and special meetings of the Association and give due notice thereof;
- D. Enforce provisions of this Declaration and any duly adopted rules and regulations;
- E. Make provisions for the general management, improvement, repair and maintenance of the Common Areas;
- G. Enter into contracts or hire personnel for the management of the affairs of the Association and the maintenance, management, improvement, and repair of the Common Areas;
- H. Provide a means of hearing grievances of Owners and to respond appropriately thereto;
- I. Meet at regularly scheduled times and to hold such meetings open to Owners or their agents;
- J. Defend in the name of the Association any and all lawsuits wherein the Association is a party defendant;
- K. Take appropriate legal action to collect delinquent assessments;
- L. Initiate legal action for purposes other than collection of delinquent assessments if two-thirds of the Members approve;
- M. Enter into contracts necessary to carry out the duties herein set forth;

N. Establish a bank account for the Association and handle Association funds;

O. Arrange, keep, maintain and renew insurance for the Association as provided for herein; and

P. In general, to act for and carry on the administration and affairs of the Association as authorized and prescribed by this Declaration, and to do all those things which are necessary and reasonable in order to carry out the governance and operation of the Property.

2. Number, Selection, Vacancy. The Association shall be governed by a Board of Directors consisting of three (3) persons. The Declarant, as incorporator of the Association, shall appoint the initial directors of the Association who shall continue to serve and be substituted by the Declarant as provided herein. Thereafter, the directors shall be elected, by non-cumulative voting, annually by the Members at the annual meeting. Should a vacancy occur on the Board, the Board shall appoint a Member to serve for the unexpired term.

3. Removal and Resignation: At any annual or special meeting of the Members, any director on the Board elected by the Members may be removed by the vote of the Members. Upon termination of membership, a director is automatically removed from the Board. A director may resign at any time by giving written notice to the Board, the President or the Secretary of the Association. Unless otherwise specified in the notice, the resignation shall take effect at the date specified in the notice or if such date is not specified, then upon receipt thereof by the Board or such officer. Acceptance of the resignation shall not be necessary to make it effective. A director appointed by the Declarant may only be removed by the Declarant.

4. Annual Board Meetings: The annual meeting of the Board shall be held each Fiscal Year in the first week of September or as soon thereafter as is practicable, at a time and place designated by the Board. The annual meeting of the Board is open to Owners. All meetings of the Board of Directors shall be presided over by the President, or in his or her absence the Secretary, and shall be conducted in accordance with the most recent version of Robert's Rules of Order.

5. Other Board Meetings: Other meetings of the Board may be called by the written request of the President or any of the directors. The President shall fix the time and place of the meeting and send notice to each director at least 5 days in advance of the meeting, setting forth the date, time, and place of the meeting. Directors may participate by means of a conference telephone or similar communication equipment through which all persons participating in the meeting may communicate with the other participants; provided, however, that all participants shall be advised of the communications equipment and the names of the participants in the meeting shall be divulged to all participants. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

6. Quorum and Voting: A quorum for the transaction of business of any meeting of the Board shall consist of a majority of the Board. At every Board meeting, each director shall be

entitled to one vote. Unless otherwise required by Montana law or these Bylaws, the affirmative vote of the majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board and of the Association. Any action of the Board may be taken without a meeting if the action is taken by all members of the board. The action must be evidenced by one or more written consents describing the action taken, be signed by each director, and be included with the Association records reflecting the action taken.

7. Action Without Meeting: Action may be taken without a Board meeting if the action is taken by all the directors. The action must be evidenced by one or more written consents describing the action taken, signed by all the directors, and delivered to the Association for filing with the Association records.

8. Compensation: No director shall receive any compensation for acting as such. Nothing herein, however, shall be construed to preclude compensation being paid for any services rendered in any other capacity for the Association, whether as employees, independent contractors or otherwise.

9. Initial Board: Upon recording of this Declaration and the Bylaws within, the Declarant shall appoint three persons to the Board of Directors of the Association. The directors appointed by the Declarant shall continue to serve as directors until the sooner of: (1) 75% of the Lots within the Subdivision being sold and owned by Lot Owners whom are not contractors or real estate agents or (2) upon written notice to all Lot Owners from the Declarant that the Declarant is assigning operation of the Association to the Lot Owners, at which time all members of the Board appointed by the Declarant shall be considered to have resigned. Upon either occurrence, the Declarant shall designate a date and time for the annual meeting to occur where the election of the Board of Directors and all other tasks of the annual meeting shall take place. The Declarant must designate a date not less than 60 days and not more than 180 days from the date of either occurrence. Until the time of the annual meeting, the directors appointed by the Declarant shall continue to be and act as the Board of Directors of the Association.

C. OFFICERS

1. Selection, Removal, Vacancy: There shall be a President, a Secretary, and a Treasurer elected by and from the Board. An officer may be removed at any time by a majority vote of the Board or by majority vote of the Members at an annual or special members meeting. Any vacancy shall be filled by the directors until a replacement can be elected at an annual or special meeting.

2. Duties of the President: The President shall be the principal executive officer of the Association and subject to the control of the Board, shall in general supervise and control all the business and affairs of the Association, including the filing of liens for unpaid assessments in accordance with this Declaration and the enforcement of activities of the Association. The President shall preside at all meetings, shall sign all written contracts, deeds, mortgages, bonds or other instruments of the Association which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or this Declaration to some other officer or agent of the Association or shall be required by law to be

otherwise signed or executed. The President shall perform all such other duties as are incidental to the office of President; in case of the absence or disability of the President, the presidential duties may be performed by the Secretary.

3. Duties of the Secretary: The Secretary shall issue notice of all meetings and shall: attend and keep the minutes of the same; maintain the names and addresses of all Members; have charge of all Association records and papers; and perform all such other duties as are incidental to the office of Secretary.

4. Duties of Treasurer: The Treasurer shall be the custodian of the Association's monies and securities, shall deposit the same in the Association's name as directed by the Board, and shall keep legal books of account, and shall submit them, together with all vouchers, receipts, records and other papers, to the Board for their examination and approval, as often as they may require, and shall perform all such other duties as may be incidental to this office. The Treasurer shall be bonded if directed by the Board.

5. Compensation: No officer shall receive any compensation for acting as such. Nothing herein, however, shall be construed to preclude compensation being paid for any services rendered in any other capacity for the Association, whether as employees, independent contractors or otherwise.

D. OFFICES AND REGISTERED AGENT

Principal Office. The address of the initial principal office of the Association is 484 Cold Smoke Drive, Bozeman, MT 59715. The initial registered agent of the Association is TROY BUTLER _____ . The Board shall maintain accurate and current registered agent records with the Montana Secretary of State.

E. ANNUAL REPORT

The Association shall file with the Montana Secretary of State or other proper state administrator a duly executed annual report as required by the Montana Nonprofit Corporation Act.

F. PERSONAL AND REAL PROPERTY FOR COMMON USE.

The Association, through action of its Board, may acquire, hold, and dispose of tangible or intangible personal property and real property. The Declarant may convey to the Association improved or unimproved real estate located on the Property, personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed.

G. REPAIRS AND MAINTENANCE

The Association shall maintain and keep in good repair the Common Areas. Repairs of the Common Areas shall be performed on an "as needed" basis and the President of the Association is authorized to initiate all repairs which are estimated at less than one thousand dollars (\$1,000) in expense. All repairs estimated at one thousand dollars (\$1,000) or more in expense shall be initiated by the President of the Association only after the Board has adopted a resolution specifically authorizing the expense. Expenses for repair and maintenance shall be paid by the Treasurer of the Association from Association funds received as assessments consistent with this Declaration. In order to implement maintenance resolutions and repairs, the President shall employ any personnel reasonably necessary to properly effect said maintenance.

The Association shall maintain and clean all storm water drains and systems within the Subdivision as follows:

1. The Association shall clear all catch basins, storm drain inlets, curbs, storm-water mains, gutters, and culverts of all sediment and debris in the spring and fall of every calendar year and as may be necessary.
2. The Association shall periodically inspect all catch basins, storm drain inlets, curbs, storm-water mains, gutters, and culverts for erosion.
3. The Association shall maintain all infiltration chambers according to the instructions and specifications of the manufacturer.

H. ASSESSMENTS

1. Authority and Obligation: The Board shall have the authority to levy assessments on each Unit for Common Expenses as the Board may specifically authorize from time to time. No Member may exempt him or herself from liability for assessments by non-use of Common Areas and/or Roadways, abandonment of his or her Unit, or by any other means. The obligation to pay assessments is a separate and individual covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or the Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes

2. Annual Assessments: At least sixty (60) days before the beginning of each Fiscal Year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year. The annual assessment shall be levied equally against all Units regardless of the size of the Units and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves and administrative overhead. The Board shall send a copy of the budget and notice of the amount of the annual assessment for the upcoming year and the due date to each Member at least thirty (30) days prior to the beginning of the Fiscal Year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at an annual or special meeting of the

Members, at which a quorum is present, by at least seventy-five percent (75%) of the Members. If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. Failure of the Board to levy an annual assessment shall not be deemed a waiver, modification, or a release of any Member or Owner from the obligation to pay the annual assessment. In such event, each Owner shall continue to pay the annual assessment on the same basis as for the last year for which an assessment was made, if any, until a new annual assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

3. Special Assessments: In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Except as otherwise specifically provided in this Declaration, any Special Assessments for Common Expenses shall require the affirmative vote or written consent of a majority of the Members present at a duly held meeting. Special assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the Fiscal Year in which the special assessment is approved.

4. Enforcement and Recovery: All assessments shall be a charge upon the land and shall be a continuing lien upon the Unit upon which the assessments are made. Each assessment shall also be a personal obligation of the person who is the Owner of the Unit at the time the assessment falls due. Upon delivery to the Owner of the notice of assessment, the assessment shall be a lien upon the Owner's Unit until paid. The Association may record a notice of the lien with the Clerk and Recorder of Gallatin County, Montana. In the event of nonpayment within thirty (30) days after recording the notice of the lien, the Association may foreclose the lien in a manner set forth under Montana law for the foreclosure of liens against real property. The Association may also bring an action at law or equity against the persons personally obligated to pay the delinquent assessments. A suit to recover a money judgment for assessments may be maintainable without foreclosing or waiving the lien securing the same.

In the event of action to collect a past due assessment, the Association shall be entitled to recover its costs, the maximum interest allowable by law, and its reasonable attorney's fees in addition to the amount of the past due assessment. The Association may bid for the Unit at a foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure, no right to vote shall be exercised on its behalf. The sale, transfer, or encumbrance of any Unit shall not affect the assessment lien or the personal liability of the Owner. No sale, transfer or encumbrance shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

J. RULES AND REGULATIONS

The Association may adopt such additional rules and regulations as shall be reasonable and necessary to carry out its authority and duties under the terms of this Declaration, provided such rules and regulations are consistent with and are in compliance with this Declaration. Originals of all duly adopted rules and regulations shall be kept by the Secretary and copies thereof shall be provided to each Owner and prospective purchaser of a Unit upon request. In the

event of a conflict between any new rule or regulation and this Declaration (as subsequently amended), the terms of this Declaration shall control. New rules and regulations may be adopted by the affirmative vote of sixty percent (60%) of the Members present at any duly called meeting of the Association. New rules and regulations may also be adopted by the Board of Directors subject to the power of the Members to subsequently modify or delete such rules by the vote of sixty percent (60%) of the Members present at any duly called meeting of the Association.

K. NOTICES

Each Owner/Member shall register with the Association, a current mailing address and shall promptly notify the Association of any change in said address. All notices, demands, and other communication to any Owner/Member shall be sufficient for all purposes if personally served or mailed to the Owner/Member at the last mailing address on file with the Association.

L. INSURANCE.

The Association, acting through its Board or its duly authorized agent, may obtain appropriate insurance coverage for all Association personal and real property, including for the Common Areas. The Association may obtain directors' and officers' liability coverage if reasonably available. Premiums for all Association insurance coverage shall be a Common Expense and shall be included in the annual assessment. The Association, acting through its Board or its duly authorized agent, has the sole authority for filing and adjusting all insurance claims and applying the proceeds thereto.

M. CONTRACTS, LOANS AND DEPOSITS

The Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless properly authorized by a majority vote of the Board. All funds of the Association not otherwise employed shall be deposited from time to time in such banks, trust companies or other depositories as the directors may select.

N. INDEMNIFICATION

The Association shall indemnify each of its directors, officers, employees or agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by such person by reason of such person having been made or having been threatened to be made a party to a proceeding because said person was or is a director, officer, employee or agent of the Association if said individual conducted him or herself in good faith and reasonably believed that his or her conduct was in the Association's best interests. Of, in the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Association may not indemnify a director, officer, employee, or agent if said person is adjudged liable to the Association in an action brought by the Association or if in any action said person has been found to have received improper personal benefit at the expense of the Association. If

the Board determines the person qualifies for indemnification under this paragraph, the Association shall advance the expenses reasonably expected to be incurred.

O. AMENDMENT OF BYLAWS

The provisions of these Bylaws shall remain in effect until amended. These Bylaws, or any portion thereof, may be amended at any time by the execution of a written document containing the terms of the amendment and must be executed by at least seventy five percent (75%) of the Owners of the described Property based on one vote per Unit. If there is more than one owner for a Unit, the vote for said Unit shall be determined as the Owners of said Unit among themselves determine, but in no event shall more than one vote be cast with respect to any Unit. All signatures must be acknowledged by a Notary Public and a copy of the fully amended and restated Bylaws must be recorded with the office of the Gallatin County Clerk and Recorder.

ARTICLE VIII - DECLARANT'S ADDITIONAL RIGHTS

A. TRANSFER OF RIGHTS.

Any or all of the special rights and obligations of the Declarant set forth in this Declaration and these Bylaws may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration and these Bylaws. No such transfer shall be effective unless it is in a written instrument signed by the Declarants and duly recorded in the office of the Gallatin County Clerk and Recorder.

B. USE OF COMMON AREAS.

So long as the Declarant shall own any Unit within the Subdivision, the Declarant, builders authorized by the Declarant, and other agents authorized by the Declarant may maintain and carry on upon portions of the Common Areas such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the sale of such Lots or construction of such structures. The Declarant, builders authorized by the Declarant, and other agents authorized by the Declarant shall have easements for access to and use of such facilities.

So long as the Declarant shall own any Unit within the Subdivision, the Declarant may construct, reconstruct, refinish or alter any improvement upon or make or create any excavation on or fill upon or change the natural or existing drainage of or plant any trees, shrubs or ground cover upon the Common Areas if Declarant shall determine that any such work is reasonably necessary for any utility installation serving the Subdivision, is reasonably necessary for the construction or of any facility for use by the Owners, is desirable in order to provide or improve access to or to enhance the use and enjoyment of the Common Areas or is desirable to protect, support or preserve any land which constitutes a part of the Subdivision.

C. ANNEXATION OF PROPERTY

The Declarant shall have the right to annex and add additional property to the Subdivision at the sole option of the Declarant until the sooner occurrence of: (1) 75% of the Lots within the Subdivision being sold to Lot Owners who are not contractors or real estate agents or (2) the fifteen (15) year anniversary of the filing of the original plat of this Subdivision.

D. NO FURTHER SUBDIVISION

No Lot may be further subdivided. This restriction shall not prohibit the declaration of a condominium on a Lot..

ARTICLE IX - ENFORCEMENT

A. STANDING, COSTS, AND ATTORNEY'S FEES.

The Protective Covenants and Restrictions set forth in this Declaration, the Design Review Guidelines, if any, and additional rules and regulations adopted by the Association pursuant to the Bylaws may be enforced by the Association, individual Owners, or the Declarant. In the event of violation or threatened violation of any of said Protective Covenants and Restrictions, Design Review Guidelines, or additional covenants, rules, and regulations, legal proceedings may be brought in a court of law or equity for injunctive relief and/or damages. In the event of action to enforce said Protective Covenants and Restrictions, Design Review Guidelines, or additional covenants, rules, and regulations, the prevailing party shall be entitled to costs and reasonable attorney's fees. The Design Review Committee may also enforce compliance with the Design Review Guidelines by suit for specific performance, without the necessity of posting a bond and the prevailing party shall be entitled to an award of its attorney's fees and costs at trial and on appeal.

B. NO WAIVER.

The failure by the Declarant or its assigns, the Association, the Design Review Committee, or any subsequent Owner to enforce these Protective Covenants and Restrictions, the Design Review Guidelines, or additional duly adopted covenants, rules, and regulations shall in no event be deemed a waiver or in any way prejudice the right to enforce these Protective Covenants and Restrictions, the Design Review Guidelines, or additional duly adopted covenants, rules, and regulations at any time against any person breaching the same or to collect damages for any subsequent breach.

ARTICLE X – AMENDMENT OF DECLARATION

The provisions of this Declaration shall remain in effect until amended or terminated. The provisions of this Declaration, or any portion thereof, may be amended at any time by the execution of a written document containing the terms of the amendment and must be executed by at least seventy five percent (75%) of the Owners of the described Property based on one vote per Unit. If there is more than one owner for a Unit, the vote for said Unit shall be determined as the Owners of said Unit among themselves determine, but in no event shall more than one vote

be cast with respect to any Unit. All signatures must be acknowledged by a Notary Public and a copy of the fully restated and amended Declaration must be recorded with the office of the Gallatin County Clerk and Recorder.

ARTICLE XI - MISCELLANEOUS PROVISIONS

A. SEVERABILITY.

Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

B. PERPETUITY.

The provisions of this Declaration shall continue in full force and effect and shall run with land as legal and equitable servitudes in perpetuity unless amended as set forth herein.

C. MORTGAGEES AND LIENHOLDERS.

A breach of any of the foregoing restrictions, covenants, or duly adopted rules, regulations, and guidelines shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value upon any Lot or portion of the real property or any improvements thereon. However, these restrictions, covenants, and duly adopted rules, regulations, and guidelines shall be binding upon and inure to the benefit of any subsequent owner who acquired by foreclosure, trustee sale or otherwise, title to any of the Property.

D. APPLICATION

All of the Property shall be subject to the provisions of this Declaration and these Bylaws whether or not there is a reference to the same in a deed or conveyance.

[SIGNATURES ON FOLLOWING PAGE]

