

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Declaration, made on the date hereinafter set forth by LARKSPUR DEVELOPERS, LLC, a limited liability company created under the laws of the State of Montana, hereinafter referred to as "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Cascade, State of Montana, (the "Property") which is more particularly described as:

Larkspur Estates No. 1, a subdivision of Cascade County, Montana according to the official map or plat thereof filed and recorded in the office of the Clerk and Recorder of Cascade County on January 17, 1995.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part hereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I - DEFINITIONS

Section 1. "Association" shall mean and refer to Larkspur Estates Homeowners Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including

0081854.01

Return to World Church, Heavens, La

RECORDED FEB 3 1995
TIME 8:30 A.M.
DOCUMENT NO.
RITA HUDAK
Clerk and Recorder
Cascade County, Montana
By R. [Signature] Deputy

98.75
14.00
117.75

contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" or "Properties" shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners; including, but not limited to, the roadway easement depicted on the Plat of Larkspur Estates Subdivision, and recorded in the Official Records of Cascade County, Montana.

Section 5. "Lot" shall mean and refer to any plat of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to LARKSPUR DEVELOPERS, a limited liability company, and its successors and assigns, if such successors or assigns should acquire more than five undeveloped Lots from the Declarant for the purpose of development.

Section 7. "Modular Home" shall mean those structures defined in Section 17.09.384, Great Falls City Code as of November 5, 1992.

Section 8. "Manufactured Home" shall mean those structures defined in Section 17.09.364, Great Falls City Code as of November 5, 1992.

Section 9. "Trailer" shall mean a factory assembled structure or structures, other than a manufactured home, built on a permanent chassis for transportation to a site for installation and used as a dwelling with or without a permanent foundation when connected to required utilities and described either as an individual structure or a module for combination with other.

elements to form a dwelling unit.

Section 10. "Home Occupation" shall mean a lawful occupation carried on by an Owner within a dwelling unit maintained on a Lot with the approval of the Architectural Committee, provided that no signs shall be permitted advertizing said occupation and provided further that such occupation shall not be permitted if it creates a nuisance.

ARTICLE II - PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

a. The right, but not the obligation, of the Association to charge reasonable admission and other fees for the use of any recreational facility which may be situated upon the Common Area;

b. The right, but not the obligation, of the Association to suspend the voting rights and right to use of the Common Areas by an Owner for any period during which any assessment against the Owner's Lot remains unpaid;

c. The right, but not the obligation, of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been signed by two-thirds (2/3) of those members entitled to vote has been recorded;

d. The right of access or easements granted for public utilities of any and all kinds, including light, water, power, gas and telephone services; and

e. The right of the Association, at its sole option, to fence the exterior boundaries of the Properties and to install access control devices.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, the Owner's right of enjoyment to the Common Area and facilities to the Owner's family, guests, tenants, or contract purchasers who reside on the Property. No Owner can delegate the

right of enjoyment to the Common Area and facilities to any other person or entity, including, but not limited to, the general public or to any governmental agency.

ARTICLE III - MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote of such Lot shall be exercised as the owners of that Lot among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted automatically to Class A membership when the total votes outstanding in the Class A membership equal three times the total votes outstanding in the Class B membership.

ARTICLE IV - COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien for Personal Obligation of Assessments. The Owner of any Lot by acceptance of a Deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association, (a) annual assessments or charges, and (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest,

costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, fire protection, safety, and welfare of the residents of the Properties and for the improvement, maintenance and prevention of damage to the Common Area and improvements thereon.

Section 3: Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$500.00 per Lot. Notwithstanding any other provision herein, no lot owned by Declarants shall be subject to annual or special assessments unless and until such lot has been sold or transferred to a third party, or until used by one of the persons comprising Declarant as such person's personal property for residential purposes.

Thereafter, annual assessments shall be determined by the Board of Directors of Association provided, however, that from and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may not be increased each year more than ten percent (10%) above the maximum assessment for the previous year without the vote or written assent of fifty-one percent (51%) of each class of membership. In the event that the annual assessments collected within one year are not used in their entirety, then the Class A members will receive a credit against their next year's assessment in an amount equal to not less than twenty-five percent (25%) of that portion of the

Class A member's assessment which was not used during the year.

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the vote or written assent of fifty-one percent (51%) of each class of members.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Any action authorized under Sections 3 or 4 shall be taken at a meeting of the members of Association called for that purpose, written notice of which shall be sent to all members not less than ten (10) days in advance of the meeting. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than the requisite fifty-one percent (51%) of each class of members, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than thirty (30) days from the date of such meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all deeded Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall be levied on the first day of the month following the closing of the sale to an individual Owner. Voting rights attributable to property interest shall not vest until assessments against those interests have been levied by the Association. The first

annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each deeded Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum or the maximum rate permitted by applicable law, whichever is less. The Association may bring an action at law against the Owner personally obligated to pay the same, foreclose the lien against the property, or avail itself of any remedy allowed under the laws of Montana. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V - MAINTENANCE

The Association shall maintain the Common Area, including any roadways located thereon, and shall make such repairs and replacements as may be from time to time necessary and in performance with approved site plans. Roadway maintenance shall include providing surface maintenance thereon and snow removal of snow therefrom as required to keep such roads reasonably passable.

In the event that the need for maintenance or repair of any part of the Common Area is caused through the willful or negligent act of an Owner, an Owner's family, guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Owner's Lot is subject pursuant to Article IX, Section 7 hereof. For purposes of this Article V, maintenance and repair caused by willful acts of an Owner shall include maintenance and repairs required as a result of utility repairs or other actions of contractors or agents of the Owner performed outside the boundary of such Owner's Lot.

The covenants and restrictions of this Declaration on maintenance shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association and the Owner of any Lot subject to this Declaration, and shall further inure to the benefit of Cascade County, a body politic, as a third party beneficiary, with equal rights of enforcement vested in the County of Cascade.

ARTICLE VI - UTILITIES

Section F. Refuse Disposal. No part of the Property shall be used or maintained as a dumping-ground for rubbish, trash or garbage. By way of illustration and not limitation, the terms rubbish, trash and garbage shall include grass clippings, leaves, tree limbs and other

organic wastes; provided however, that compost piles may be maintained on a Lot if they are properly maintained and controlled and are not allowed to emit offensive odors. All waste shall be kept in sanitary containers, until removal. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and shall comply with all applicable laws and regulations.

Section 2. Sewage Treatment. No outhouses or portable toilets shall be allowed on any Lot for any reason whatsoever. Sewage disposal shall be by individual septic systems. Each Owner and all persons claiming under such Owner shall comply at all times with all county, state and federal laws and regulations pertaining to sanitary disposal systems and no condition will be permitted to exist that pollutes the atmosphere or neighboring groundwater. No individual sewage disposal system shall be permitted on any Lot unless such system is located, constructed and equipped in accordance with the standards and requirements which are maintained substantially equal to, or exceed the minimum requirements for such systems as issued by the Federal Housing Administration in connection with the insurance of mortgages covering property in this state and the regulations of the Department of Health and Environmental Sciences of the State of Montana as said regulations exist at the date such system is constructed.

Section 3. Water Systems. Water shall be from individual systems, unless a water cistern system owned by Association is available to provide water to a Lot, and the Owner of that Lot elects to connect to said water cistern system. Association owned cisterns shall be metered so as to measure each connector's water usage. Water charges and maintenance costs for Association owned cisterns shall be paid by the Association and apportioned among the users

of the respective cisterns. Said charges shall have the same affect as a maintenance assessment and shall constitute a lien against the Lots of the respective owners. Either wells or cisterns shall be acceptable for individual water systems. All systems must be equipped and constructed in accordance with the requirements and regulations of state and local health authorities.

Section 4. Reservation of Utility Easements. Each Lot in the above described property shall be subject to an easement solely for the benefit of the Properties and for the purposes of constructing, operating, maintaining, enlarging, reducing, removing, laying or relaying lines and related facilities and equipment for utilities including but not limited to those providing heat, communication and electrical power. Said easements shall be as shown on the Minor Plat, Larkspur Estates No. 1, a subdivision of Cascade County, Montana, filed in the office of the Clerk and Recorder of Cascade County, Montana, on January 1995 (PL# 395) which plat is incorporated by reference herein.

Section 5. Use of Utility Easements. At no time will patios, barbecues, or other permanent structures be erected upon any utility easement within the exterior boundary of a Lot. Further, other than lawns, no perennials, including by way of illustration, and not by way of limitation, trees, shrubs, or hedges shall be planted in any easement strip. Fencing of a permanent nature shall be permitted only if it is of a type that is easily and quickly removed in the form of panels, gates or other similar units of construction. Fence posts or other supporting members shall not be set in concrete or other permanent footing within an easement strip, to the end that there shall be a method of access to the utilities throughout said easement strips for the purposes of installation, maintenance, repairs, alteration and removal. These utility easements are for the exclusive use and benefit of the Properties, and the benefits thereof may not be

extended beyond the Property except in accordance with Article X, Section 6 hereof.

Section 6. Roadway Easements. Some or all of the Lots in the Properties may be encumbered with roadway easements for ingress and egress by Owners of Lots within the Properties. These roadway easements are for the exclusive use of the Owners of Lots, their guests and invitees, and only for access to the Lots within the Properties. The benefits or use of these roadway easements may not be extended beyond the Properties or to non-Owners except in accordance with Article X, Section 6 hereof. Further, these roadway easements may not be used for ingress and egress to land outside the Properties, whether or not said land is owned by the owner of a Lot.

ARTICLE VII - ARCHITECTURAL CONTROLS

Section 1. Temporary Structures, Trailers Forbidden.

No structure of a temporary character, Modular Home, Manufactured Home, mobile home, Trailer, basement, tent, shack, garage or any other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently. All structures must be of new materials, and must thereafter be maintained in a reasonable manner to present a neat and attractive exterior appearance.

Section 2. Minimum Residence Requirements. No dwelling of a size less than required herein shall be constructed or permitted on any Lot, unless, in the opinion of the Architectural Committee, a smaller dwelling proposed by an Owner will nonetheless satisfy the objectives of quality construction and value found elsewhere in this Declaration. In the absence of a waiver from the Architectural Committee, the ground floor area of the dwelling structure, exclusive of garages and open porches, shall have a footprint of not less than 2000 square feet. In the

computation of this footprint area, daylight basements in homes, including split-entry style homes, shall not be included. In tri-level style and two-story homes, the upper level shall not be included in the computation. In no style of structure shall more than two living levels be used in computation of this square foot area. In determining said footprint, the garage shall not be included. It is the intention of this covenant that all dwellings shall be of a quality of workmanship and materials substantially the same as, and compatible with, those which are found elsewhere on the Property or in subdivisions of comparable cost, location, size and purpose in the Great Falls, Montana, area.

Section 3. The exterior colors of all structure constructed on the site shall be compatible with other structures in the Properties and with the surrounding environment.

Section 4. Accessory Buildings. All accessory buildings such as garages and storage buildings shall be of new materials and must be architecturally compatible with the residence on, or being constructed on, the Lot.

Section 5. Fencing. The type of fencing around a Lot shall be determined by the Owner. However, all fences shall be of a good quality and construction, shall be kept in good repair so as to preserve utility and appearance, and shall not be installed so as to interfere with any fence or entry control device constructed by the Association. No fence shall be constructed on a Lot until the design, materials and color of said fence shall have been approved by the Architectural Committee.

Section 6. Limitation on Lot Size. No Lot shall be further subdivided into smaller parcels.

Section 7. Building Location. No building shall be located nearer than ten (10) feet

from any side Lot line. All buildings must be constructed far enough back from front Lot lines so as to not interfere with roadway easements, fences and entry control devices constructed by the Association or the utility easement, and so as not to cover any private septic system drain fields. Each building constructed upon a Lot shall be constructed within the area designated as the "Building Area" on the plat attached to the purchase documents, prior to conclusion of the initial sale thereof by Declarant.

ARTICLE VIII - ARCHITECTURAL COMMITTEE

Section 1. An Architectural Committee shall be created and shall be composed of three (3) or more persons appointed by the Declarant, so long as long as there is Class B membership in the Association. After Class B membership terminates, the Board of Directors of Association shall appoint the Architectural Committee, provided however that a majority of the members of the Architectural Committee appointed by the Board of Directors of Association shall be Class A members. The Board of Directors of Association may appoint itself to serve as said committee.

Section 2. The Architectural Committee shall approve or reject all requests for construction of structures on a lot, after submission of the plans therefore and a current financial statement from the contractor or contractors. The Architectural Committee shall only review plans for compliance with these covenants, and it shall review financial statements only for an indication of current solvency on the part of the proposed contractor(s). The Architectural Committee shall not be responsible for or be considered to have reviewed the plans or financial statements for any other purpose, including but not limited to, review thereof for compliance with building Codes, other safety considerations, or the ability of the contractor or contractors

to perform their obligations under any contract with any third party.

Section 3. Except as otherwise provided herein, no building, fence, wall or other structure, of any nature or kind, shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Committee of the Association.

Section 4. All requests for approval for construction by the Owner of a Lot shall be submitted to the Architectural Committee in writing with attached plans or drawings as appropriate. The Architectural Committee shall acknowledge receipt of all such requests in writing. The decisions of the Architectural Committee shall be issued in writing and delivered to the applicant, within thirty (30) days of the submission of a complete application. In the event the Architectural Committee fails to approve or disapprove a complete application within thirty (30) days after its submission, approval will not be required, and the requirements of this Section 4 will be deemed to have been satisfied.

ARTICLE IX - USE RESTRICTIONS

Section 1. Single Family Residences. A Lot, or any portion thereof, shall not be used for any purpose other than a single family residence, a garage for housing the automobiles of the occupants of said residence and such storage building as may be necessary for keeping of the personal property of said occupants.

Section 2. No Commercial Use. There shall be no use of the Properties of any building

constructed thereon for industrial use of any kind. Commercial or business uses shall be strictly limited to those home occupations by Owners which do not require the presence of business employees, customers, vendors or business associates on the Properties and which do not result in any modification or degradation of the residential style and purpose of the Properties. Nothing in this Article IX, Section 2, shall be construed to restrict an Owner from entertaining guests in the Owner's home, to prevent an Owner from hiring others to perform cleaning, maintenance, repair or construction on the Owner's premises, or to limit the right of an Owner to hire on-site domestic help or child care providers for Owner's premises or children.

Section 3. Animals. No livestock or poultry including, but not limited to, horses, cows, sheep, pigs, goats, chickens, or turkeys, shall be kept, bred or raised for any reason on the Properties. Dogs, cats or other household pets may be kept in reasonable numbers provided they are confined to the Lot of their owner. Household pets may not be kept, bred or maintained for any commercial purposes. Pets shall be not allowed to become a nuisance or annoyance to neighboring Owners, nor shall they be allowed to wander at large or molest wildlife or birds.

Section 4. Storage of Equipment. No Lot shall be used for the storage of any inoperable vehicle, machinery or equipment. No Lot shall be used for storage of any articles, vehicle, equipment or other personal property of any quantity in excess of the immediate needs and personal use of the Owner of a Lot or the occupants thereof as the case may be.

Section 5. Commercial Vehicles. No Lot shall be used for the parking or storage of any commercial trucks, large commercial vehicles, or other heavy equipment, except as may be necessary during reasonable periods of construction.

Section 6. Recreational Equipment. All campers, trailers, motor homes, and similar items may be parked on the owner's Lot but subject nevertheless to the limitations of Section 4 and 5 above. In no event shall such equipment be parked on roads or Common Areas.

Section 7. Offensive Activity.

a. No noxious or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon which may be, or may become, an annoyance to the neighborhood. By way of illustration and not by way of limitation, during the period of construction of a structure upon a Lot and after conclusion of construction, all excess or unusable construction materials shall be stored or otherwise contained in accordance with the provisions of Article VI, Section 1, of this Declaration. Any damage to the Common Area as a result of construction activities will be the responsibility of the Owner engaged in or contracting for such activities, and such Owner shall either repair or pay the cost of repairs for such damage within fifteen (15) days of written notice from the Association of such damage and the need for repairs. If such repairs have not been commenced within thirty (30) days of such notice, the Association may proceed with repairs and assess the Owner for the cost thereof. All construction activity must be diligently pursued, and, in the absence of a written waiver from the Association, all such activity should be completed within eighteen (18) months of the date on which such activity commenced.

b. No fireworks of any kind may be bought, brought into, discharged or stored on the Property.

c. No firearms shall be discharged on the Property.

Section 8. Mineral Development. No mining, quarrying or excavating except for

excavation necessary to construct or place improvements on the Property is permitted on the Property.

ARTICLE X - GENERAL PROVISIONS

Section 1. Effects of Covenants on Mortgage. A breach of any of the foregoing provisions, conditions, restrictions or covenants, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value on any Lot, or portion of any Lot, and any improvements thereon, but said provisions, conditions, restrictions and covenants shall be binding upon and effective against any owner thereof whose title thereto was acquired by foreclosure, trustee sale or otherwise.

Section 2. Incorporation by Reference. In any conveyance of any of the lands covered hereby, it shall be sufficient to insert a provision therein to the effect that the conveyance is subject to the restrictions and covenants contained in this Declaration, without setting forth such restrictions and covenants verbatim or in substance in such conveyance.

Section 3. Enforcement. Enforcement of these covenants shall be by procedure of law or in equity against any person or persons violating or attempting to violate any covenants, and the legal proceedings may be either to restrain the violation of the covenants or to recover damages, or both. Each person who has been found by a Court of competent jurisdiction to have violated one or more of these covenants shall be liable for all attorney's fees and costs incurred in connection with the litigation. The failure of any Owner or Owners of any Lot or Lots to enforce any of the restrictions set forth in this document at the time of its violation, shall in no event be deemed a waiver of the right to do so thereafter. The restrictions set forth herein

shall be personally binding upon any person, persons or corporations, only with respect to breaches committed during its, his or their ownership of or title to any of said tracts and any part thereof.

Section 4. Severability. Invalidation of any of these covenants by judgment or a court order shall not affect any of the other provisions, and the balance of the covenants shall remain in full force and effect.

Section 5. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than ninety percent (90%) of the Lots and by the Declarants, if it is still in existence, and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots. Any amendment must be recorded.

Section 6. Annexation. During the first five (5) years from the date of this Declaration, additional residential property and Common Area may be annexed to the Property and the benefits and use of easements may be extended to such additional Common Area or residential property by the affirmative vote of not less than sixty percent (60%) of the Class A votes and not less than two-thirds ($66 \frac{2}{3}\%$) of the Class B votes if the Class B membership has not been converted to Class A membership on the date such vote is taken. Thereafter, any such annexation shall require amendment of this Declaration in accordance with Article X, Section 5, above.

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IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto
set its hand and seal this 1 day of February, 1995.

LARKSPUR DEVELOPERS, LLC

BY: John Rosalbaum
Authorized Signatory

STATE OF MONTANA)

: ss.

County of Cascade)

On this 1 day of February, 1995, before me, the undersigned, a Notary Public
for the State of Montana, personally appeared John Rosalbaum, known to me to be an
authorized signatory of the limited liability company that executed the within instrument and
acknowledged to me that such limited liability company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the
day and year hereinabove first written.

Barbara L. Stearns
Notary Public for the State of Montana
Residing at Great Falls, Montana
My Commission expires: 10/21/97

(NOTARIAL SEAL)

REEL 288 DOCUMENT 986

REEL 288 DOCUMENT 1409

**LARKSPUR ESTATES
FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

The undersigned, as the owners of all of the lots in Larkspur Estates No. 1, by this instrument amend the Declaration of Covenants, Conditions and Restrictions for Larkspur Estates No. 1 recorded February 3, 1995 on Reel 268 as Document 1008 of the records of the Clerk and Recorder of Cascade County, Montana. Unless expressly amended, the provisions of the original declaration remain in force.

1. Article I - Definitions, Section 4, shall be amended to read as follows:

Section 4. "Common area" shall mean all real property owned by the Association for the common use and enjoyment of the owners; including, but not limited to, the utility and roadway easements depicted on the Plat of Larkspur Estates Subdivision, and recorded in the Official Records of Cascade County, Montana.

2. Article II - Property Rights, Section 1d is hereby amended to read as follows:

d. The right of access or easements granted for public and private utilities of any and all kinds, including light, water, power, gas and telephone services; and,

3. Article III - Membership and Voting Rights, is hereby amended to read as follows:

ARTICLE III - MEMBERSHIP, VOTING RIGHTS AND GOVERNANCE

Section 1. Every Owner of a Lot which is subject to assessment as part of the Property shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment as part of the Property.

- Section 2. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each Lot owned. When

more than one person holds an interest in any Lot, all such persons shall be members. The vote of such Lot shall be exercised as the owners of that Lot among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted automatically to Class A membership when the total votes outstanding in the Class A membership equal three times the total votes outstanding in the Class B membership.

Section 3. Proxies. The vote or votes of a member may be cast in person or by proxy. A member may appoint a proxy to vote or otherwise act for the member by signing an appointment form, either personally or by attorney-in-fact. An appointment is valid for eleven (11) months unless a longer or shorter period is expressly provided in the appointment form.

Section 4. Governance. The Association shall be governed by a Board of Directors consisting of three (3) persons elected annually by the members, each for a term of one year. The officers of the Association shall be a president, vice-president and secretary/treasurer, each to be elected annually for a one year term by the Board of Directors.

Section 5. Meetings. The members shall meet at least annually. The Board of Directors shall hold an organizational meeting immediately following the annual meeting of the members and shall meet with such frequency as the board deems necessary.

Section 6. Notice of Meetings. Ten (10) days' notice in writing shall be given to the members of the time and place of any meeting of members. Five (5) days' notice in writing shall be given to directors of any meeting of directors except as may be otherwise established by resolution of the Board of Directors.

REEL 288 MENT 986

REEL 288 MENT 1409

Section 7. - Quorum. A majority of the votes which may be cast by the members present in person or by proxy shall constitute a quorum sufficient for the conduct of business of the members of the Association. If a quorum is present, except as otherwise expressly provided in these Covenants, action on a matter is approved if the votes favoring the action exceed those opposed. A majority of the directors then in office shall constitute a quorum sufficient to conduct the business of the Board of Directors. A vote of a majority of the directors at any meeting in which a quorum is present shall be sufficient to constitute the action of the directors.

Section 8. Action without a Meeting. Except as otherwise expressly required in these Covenants, the written consent of the members who may cast a majority of the votes of the members shall be sufficient to constitute the action of the membership without a formal meeting. The written consent of all of the directors then in office shall be sufficient to constitute the action of the Board of Directors without the necessity of a formal meeting.

Section 9. Incorporation. The Association may take whatever steps are necessary to become incorporated under the Montana Nonprofit Corporation Act or to be become organized under such other law of the State of Montana as may be deemed appropriate, if such action is approved unanimously by the Board of Directors or by the vote of fifty-one percent (51%) of each class of membership.

4. **Article VI - UTILITIES, Section 3,** shall be amended to read as follows:

Section 3. Water Systems. The Property shall be served by a system of potable water cisterns and associated pumps, pipes, valves and other equipment located in the utility easements depicted on the plat or plats of Larispur Estates Subdivision, and each phase thereof, and all land annexed thereto, which shall be the exclusive source of potable water to

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the Lots for domestic consumption. Each Lot shall be metered and the charges for operation, maintenance and repair of the potable water systems shall be paid by the Association and apportioned among the Lots on the basis of metered usage. Said charges shall have the same effect as a maintenance assessment and shall constitute a lien against the Lots of the respective owners.

The potable water system is expected to include two cisterns for which water will be provided by purchase from the City of Great Falls or other acceptable sources. Cistern No. 1 is presently located in the northwest corner of Lot 5 in Larkspur Estates Subdivision Phase 1 and presently serves Lots 1-5 of said Phase 1. It is contemplated that upon approval by the Montana Department of Environmental Quality and the platting of Phases 2 and 3 that cistern No. 1 will also serve proposed Lots 4 and 5 in Larkspur Estates Phase 2 and proposed Lots 4 and 5 of Larkspur Estates Phase 3. Cistern No. 2 is proposed to be located in the northwest corner of what would be Lot 2 in proposed Phase 3 but which is presently a utility easement for the location of said cistern for the benefit of the properties to be served thereby which easement is more particularly described as follows:

A 20.0 foot wide utility easement located in the SE¼ of Section 28, Twn.20N., Rg.3E. P.M.M., Cascade County, Montana, more fully described as follows: Beginning at the Southwest corner of Lot 2, Block 1, Larkspur Estate No. 2, a minor subdivision to Cascade County, Montana; thence S.0 28'W. 39.0' feet, to the true point of beginning; EXTENDING THENCE S.0 28'W. 20.0' feet; thence N.89 41'36"E. 298.15' feet; thence N.0 28'E. 20.0' feet; thence S.89 41'36"W. 298.15' feet, to the point of beginning and containing an area of 5,783.0 square feet.

It is contemplated that upon approval by the Montana Department of Environmental Quality, cistern No. 2 will serve proposed Lots 1-3 in proposed Phase 2 and Lots 1-3 in proposed Phase 3 with capacity to serve three additional lots that may be established immediately south of and adjacent to proposed Phase 3. The use of the cisterns is expressly reserved by Larkspur

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Developers, LLC for purposes of this contemplated future development which future development shall be permissive and not obligatory on the part of Declarant and subject to the approval of the Department of Environmental Quality.

Lot Owners may provide water for irrigation of yards, trees, shrubs and flowers from individual wells, the cost of which shall be borne by the Lot Owner owning the well involved. Private arrangements among Lot Owners for the common use of wells shall be permitted and shall not require the approval of the Association so long as such activity and related agreements do not interfere with the potable water system systems operated by the Association. The Board of Directors may, at its complete discretion, regulate, restrict or prohibit absolutely the usage of potable water for irrigation of yards, trees, shrubs and flowers.

All systems must be constructed and equipped in accordance with the requirements and regulations of the state and local health authorities.

5. Article VI - UTILITIES, shall be further amended by adding the following Section 7:

Section 7. Extension of the Benefit of Easements. Despite any other provision in these Covenants to the contrary, and even though not annexed pursuant to Article X, Section 6 hereof, the benefit of these easements for utilities and roadways as described in Sections 4, 5 and 6 of this Article VI and the use of roadways and entrance controls is extended to lots which may be established in the property described in Exhibit A to this First Amendment to the extent that said Exhibit A property is developed for residential use by the erection of single-family dwellings. The owners of lots developed on the Exhibit A property shall not become members of the Association except upon their consent and the annexation of their land pursuant to Article X, Section 6 hereof. Nevertheless, as a condition precedent to use of these

easements and improvements, lots developed in the Exhibit A property and their owners shall be subject to assessment by the Association for the cost of operation, maintenance and repair of said roads, entrance controls, and utilities in the same manner and be subject to the same lien and collection power and procedure as members of the Association and Lots comprising the Property so long as such assessments are equitably apportioned among all users.

6. Article VII - ARCHITECTURAL CONTROL, shall be amended by adding the following sentence to Section 2:

The Architectural Committee shall have broad discretion to grant waivers respecting the minimum ground floor area of dwelling structures.

7. Article VIII - ARCHITECTURAL COMMITTEE, shall be amended by substituting the following for Section 1 and Section 2:

Section 1. An Architectural Committee shall be established composed of three (3) or more persons. So long as there is Class B membership, the Architectural Committee shall be appointed by the Declarant. When Class B membership terminates, the Board of Directors shall appoint the Architectural Committee. In the absence of an appointed Architectural Committee, the Board of Directors shall serve as the Architectural Committee.

Section 2. The Architectural Committee shall approve or reject all requests for construction of structures on a lot, including remodeling, after submission of the plans therefor. The Architectural Committee may, in its discretion, require a bond from the owner, the owner's contractor, or both in favor of the Association to assure construction in accordance with approved plans and specifications. The Architectural Committee shall review plans for compliance with these Covenants, including but not limited to considerations such as building location, style, color, area, height and materials and shall have broad discretion with respect to

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compatibility of design, colors and materials. The Architectural Committee shall have the discretion to grant waivers respecting the requirements of these Covenants when compliance, in the Committee's judgment is not feasible and the detriment of noncompliance is deemed to be moderate. Any such waiver shall be in writing. The Architectural Committee shall not be responsible for or be considered to have reviewed the plans or the financial capacity of owners or contractors for any purpose other than compliance with these Covenants and fulfillment of the discretionary objectives of the Architectural Committee. The members of the Architectural Committee shall not be liable to any person or entity for their action or inaction as a Committee member so long as they proceeded in good faith.

8. Article IX - USE RESTRICTIONS, shall be amended by adding the following sentence at the end of Section 7, Offensive Activity:

Any assessment made against an Owner under this provision shall be a lien on all of the Owner's Lots enforceable according to the provisions of Article IV hereof but shall be due and payable immediately upon notice to the Owner of the assessment.

9. Article X - GENERAL PROVISIONS, shall be amended by substituting the following for Section 6:

Section 6. Annexation. During the first seven years from the date of this Declaration, additional residential property and Common Area may be annexed to the Property and the benefits and use of easements may be extended to such additional residential property and Common Area by the affirmative vote of not less than two-thirds (66%) of the Class B votes if the Class B membership has not been converted to Class A membership on the date such vote is taken. In the event Class B membership has then been converted to Class A membership, such annexation may be accomplished by the affirmative vote of not less than

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sixty percent (60%) of the Class A votes. Thereafter, any such annexation shall require amendment of this Declaration in accordance with Article X, Section 5, above.

IN WITNESS WHEREOF, the undersigned, being the Declarant under the initial Covenants, and the requisite number of Lot Owners necessary for amendment of said Covenants, have hereunto set their hands and seals this 3rd day of December, 1996.

LARKSPUR DEVELOPERS, LLC

BY: John Rosenbaum
Authorized Signatory

OWNER OF LOT 2, BLOCK 1

Dave W. Schuler
DAVE W. SCHULER

Cynthia L. Oaks-Schuler
CYNTHIA L. OAKS-SCHULER

OWNERS OF LOT 3, BLOCK 1

James Conlon
JAMES CONLON

Sheila M. Conlon
SHEILA M. CONLON

OWNERS OF LOTS 4 and 5, BLOCK 1

Jeffrey Kessler
JEFFREY KESSLER

OWNER OF LOT 1, BLOCK 1

STATE OF MONTANA)

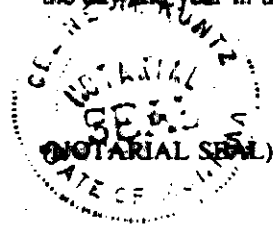
REEL 288 DOCU 986
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REEL 288 DOCU 1409
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County of Cascade)

On this 03 day of December, 1996, before me, the undersigned, a Notary Public for the State of Montana, personally appeared John Rosenbaum, known to me to be an authorized signatory of the limited liability company that executed the within instrument and acknowledged to me that such limited liability company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Celine M. Kuntz
Notary Public for the State of Montana
Residing at Great Falls, Montana
My Commission expires Aug 7, 1998

STATE OF MONTANA)

County of Cascade)

On this 09 day of December, 1996, before me, the undersigned, a Notary Public for the State of Montana, personally appeared DAVE W. SCHULER and CYNTHIA L. OAKS-SCHULER, known to me to be the persons whose names are subscribed to the within and foregoing instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove first written.



Celine M. Kuntz
Notary Public for the State of Montana
Residing at Great Falls, Montana
My Commission expires Aug 7, 1998

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MENT 1409

STATE OF MONTANA)

County of Cascade)

On this 23 day of December, 1996, before me, the undersigned, a Notary Public for the State of Montana, personally appeared JAY G. CONLON and SHEILA M. CONLON, known to me to be the persons whose names are subscribed to the within and foregoing instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove first written.



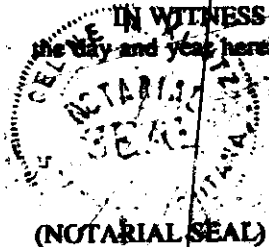
Celine M. Kestry
Notary Public for the State of Montana
Residing at Great Falls, Montana
My Commission expires Aug 7, 1998

STATE OF MONTANA)

County of Cascade)

On this 09 day of December, 1996, before me, the undersigned, a Notary Public for the State of Montana, personally appeared JEFFREY KESSLER, known to me to be the person whose name is subscribed to the within and foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove first written.



Celine M. Kestry
Notary Public for the State of Montana
Residing at Great Falls, Montana
My Commission expires: Aug 7, 1998

INDEXED
RECORDED

RECORDED
TIME 2:15 P M
DEC 18 1996

RECORDED
TIME 2:42 P M
DEC 9 1996

Ret. to: Milt Wondal
Church, Harris, et al
Siskiyew Development
1205 10th Ave North
Great Falls, MT
59407

Cascade County, Montana

Cascade County, Montana

EXHIBIT "A"

A tract of land in the SW¹/₄ of Section 27, township 20 North, Range 3 East, MPM, Cascade County, Montana, described as follows:

Beginning at the West ¹/₄ corner of said Section 27, Township 20 North, Range 3 East, extending thence North 89°38' East 1809.8 feet along the North line of said SW¹/₄; thence South 32°41' West 634.7 feet; thence South 89°38' West 1465.2 feet to the West line of said SW¹/₄; thence North 0°28' East 532.0 feet along said West line to the point of beginning.

Together with a right of way for road purposes 20 feet wide on the West side of the following described line, thence beginning at the Southeast corner of the above described tract South 32°41' West 1054.5 feet; thence South to the South line of said Section 27; thence North 89°41' East to the Great Northern Railway Company Right of Way Line as now constituted and established, said right of way being 20 feet wide on the North side of the last described course.

Deed Ref. Reel 42 Down 9917