

COVENANTS

KNOW ALL MEN BY THESE PRESENTS:

THESE COVENANTS made, entered and declared into this 4th day of August, 1992, by and between VIDAR COMPANIES, INC., a California corporation, with offices at 21 Burning Tree, Napa, California 94558, and AMERIMONT, INC., a Montana corporation with offices at 211 West Main Street, Bozeman, Montana, and AMOREX LAND CO., a Delaware corporation with offices at 1145 North Green Bay Road, Lake Forest, Illinois 60045, hereinafter for convenience collectively referred to as "Declarants" is as follows:

W I T N E S S E T H :

WHEREAS, the parties hereto are the record owners of real property located in Gallatin County, Montana, which properties are contiguous to each other and which properties are more fully described as shown and set forth on Exhibit "A" attached hereto, which by this reference is fully and completely incorporated herein; and

WHEREAS, each of the parties hereto is desirous of insuring that their respective properties are managed and maintained to the mutual benefit and advantage with respect to the other party hereto; and

WHEREAS, the parties hereto are desirous of setting forth certain restrictions for the benefit of each other's lands.

NOW, THEREFORE, for and in consideration of the terms, covenants and conditions contained herein, the parties hereto do hereby declare these Covenants to run with and bind their lands so long as the undersigned are the owners of the same, or for a period of twenty (20) years, whichever is greater.

Restrictions

1. That neither party shall store, locate, deposit, or allow to be stored, located or deposited any hazardous or toxic waste, substances, materials or by-products within the confines of the real property described on Exhibit "A" attached hereto.

STC# 22769

10

2. That neither party hereto shall allow any part or portion of the real property described on Exhibit "A" attached hereto to be used as a landfill or other garbage disposal or refuse disposal site, collection area or pit.

3. That neither party hereto shall allow any mobile homes to be located on the real property described on Exhibit "A" attached hereto except for those specific instances when such mobile homes are used as a temporary residence for a period of less than twelve (12) months, during which time a permanent residence is being constructed.

4. That no junk or abandoned vehicles or automobiles shall be stored or located upon the real property unless the same are screened from the view of adjacent property.

5. That any residence constructed on the real property which is the subject of these covenants shall be constructed to have a minimum of 1,200 square feet of living space.

6. That each and every one and all of the above-referenced terms, covenants, conditions and restrictions shall run with and bind the real property described on Exhibit "A" attached hereto for so long as the parties hereto are the respective record owners of the real property described on Exhibit "A" attached hereto, or for a period of twenty (20) years, whichever is greater.

Attorney's Fees

It is agreed and understood by and between the parties hereto that in the event that any of the parties hereto, their heirs, personal representatives, or successors-in-interest bring an action to enforce the terms, covenants, and conditions herein set forth, reserved, and contained on the part of the parties to be kept and performed, it is agreed that the prevailing party shall be entitled to a reasonable attorney's fee as found and determined by the court. In this connection, the parties hereto agree that any action instituted, at law or in equity, to enforce the terms, covenants, and conditions of this Agreement as herein set forth,

reserved, and contained, shall be instituted in a district court having jurisdiction over the county in which the real property which is the subject of this Agreement is located.

Binding Effect

It is agreed and understood by and between the parties hereto that all of the terms, covenants, and conditions herein set forth, reserved, and contained on the part of the parties to be kept and performed shall be binding upon and inure to the benefit of, and be enforceable by the parties, their heirs, assigns, personal representatives and successors-in-interest.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

VIDAR COMPANIES, INC.

BY: 

AMERIMONT, INC.

BY:  PARES

AMOREX LAND CO.

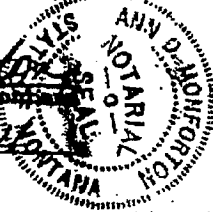
BY: 
attorney in fact

STATE OF MONTANA)
 :ss
 County of Gallatin)

On this 31st day of July, 1992, before me, a Notary Public for the State of Montana, personally appeared THOMAS H. LANGEL known to me to be the President of Amerimont, Inc., a Montana Corporation, and acknowledged to me he executed the same pursuant to the power and authority vested in him.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal as of the day and year first above written.

Ann D. Monforton
Notary Public for the State of Montana
Residing at Bozeman, Montana
My Commission Expires 7/15/95



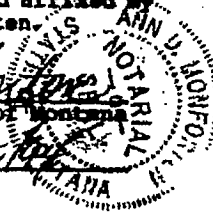
(Seal)

STATE OF MONTANA)
 :ss
 County of Gallatin)

On this 31st day of July, 1992, before me, a Notary Public for the State of Montana, personally appeared Samuel Vidar known to me to be the President of Vidar Companies, Inc., a California Corporation, and acknowledged to me he executed the same pursuant to the power and authority vested in him.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal as of the day and year first above written.

Ann D. Monforton
Notary Public for the State of Montana
Residing at Bozeman, Montana
My Commission Expires 7/15/95



(Seal)

STATE OF MONTANA)
 : ss.
COUNTY OF GALLATIN)

On this 4th day of August, 1992, before me, a Notary Public for the State of Montana, personally appeared PERRY J. MOORE, known to me to be the Attorney-in-Fact for AMOREX LAND CO., a Delaware corporation, and acknowledged to me he executed the same pursuant to the power and authority vested in him.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal as of the day and year first above written.



Betty Adams
Notary Public for State of Montana
Residing at Bozeman, Montana
My Commission expires: 8/1/93

EXHIBIT A.

PARCEL 1:

All that part of the Southeast Quarter of the Southwest Quarter and the South Half of the Southeast Quarter of Section Ten, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, lying South of the following described line: Commencing at a point on the South line of Section Ten which is 2318 feet East of the Southwest corner of said Section Ten; thence running North 56°47' East a distance of 648 feet; thence running South 75°40' East a distance of 1200 feet; thence running North 72°35' East a distance of 1325 feet to the East line of said Section Ten.

All that part of the South Half of Section Eleven in Township Two North, Range Three East, M.P.M., Gallatin County, Montana, lying South of the following described line: Commencing at a point on the West line of Section Eleven which is 450 feet North of the Southwest corner of said Section Eleven; thence running North 72°35' East a distance of 113 feet; thence running North 85°33' East a distance of 1300 feet; thence running North 59°07' East a distance of 846 feet; thence running North 42°31' East a distance of 375 feet; thence running North 88°40' East a distance of 2440 feet to the East line of said Section Eleven.

All that part of the Southwest Quarter of Section Twelve, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, lying South of the following described line: Beginning at a point on the West line of said Section Twelve which is 1620 feet North of the Southwest corner of said Section; thence running North 88°40' East a distance of 1672 feet; thence running South 58°34' East 259 feet; thence running South 85°34' East 731 feet to the East line of the Northeast Quarter of the Southwest Quarter of said Section Twelve.

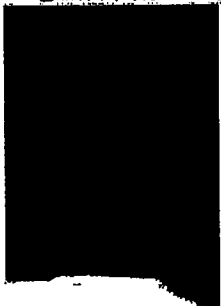
All of Sections 13, 15 and 21, Township 2 North, Range 3 East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

The Northwest Quarter; the North Half of the Northeast Quarter; the East Half of the Southeast Quarter; the North Half of the Southwest Quarter; all in Section Fourteen, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

The South Half and the South Half of the North Half of Section Twenty-two in Township Two North, Range Three East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

The South Half and the South Half of the North Half of Section Twenty-four in Township Two North, Range Three East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

(continued)



The North Half, and the Northwest Quarter of the Southwest Quarter, and the Northeast Quarter of the Southeast Quarter, all in Section Twenty-Six, Township Two North, Range Three East, N.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

The North Half, and the North Half of the South Half of Section Twenty-seven, Township Two North, Range Three East, N.P.M., Gallatin County, Montana, and all that part of the South Half of the South Half of said Section Twenty-seven, Township Two North, Range Three East, N.P.M., Gallatin County, Montana, described as commencing at a point 948 feet North of the Southwest corner of the Southeast Quarter. Thence East 414 feet; thence North 72½° East 427 feet, thence South 80½° East 200 feet; thence North 81½° East 200 feet; thence North 59½° East 478 feet; thence West 1528 feet to the North and South center line of said Section; thence South thereon 368 feet to the point of beginning.

The Northeast Quarter of Section Twenty-eight, Township Two North, Range Three East, N.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

All of the above as previously described in Quit Claim Deed recorded in Film 1, page 437.

All of that parcel of real property lying North of Tract 2-A as contained and set forth in Certificate of Survey No. 1038-B, it being the intent of this deed that all the remaining portion of Certificate of Survey 1038-A not contained in Tract 2-A of Certificate of Survey 1038-B be transferred, set over, conveyed and assigned by these presents, by the Grantors to the Grantee; which real property is situated in the South ½ of Section 27, Township 2 North, Range 3 East, N.P.M., Gallatin County, Montana. According to plat recorded in Film 83, page 3137.

PARCEL 11:

S½SE¼ Section 12; SE¼NE¼ Section 14; N½N½ Section 22; and N½N½ Section 24 all in Township 2 North, Range 3 East, N.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

PARCEL 111:

W½SE¼, SW¼NE¼, S½SW¼ Section 14, Township 2 North, Range 3 East, N.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.



FILM 125 PAGE 1160

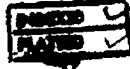
N&SEA Section 28, Township 2 North, Range 3 East, N.P.M., Gallatin County, Montana,
lying North of the Gallatin River.

Recorder Form No. 11119

Tract One of Certificate of Survey No. 1622, being:
A Tract of land being all that portion of the South-
East One-Quarter of Section 28, Township 2 North,
Range 3 East, Principal Meridian Montana, Gallatin
County, Montana, lying North of the centerline of
the Gallatin River and being further described as
follows:

Beginning at the northeast corner of said Southeast
One-Quarter. Thence South 01°-39'-14" East along
the east line of said Southeast One-Quarter a dis-
tance of 1027.48 feet, more or less, to the center
of the Gallatin River. Thence along the centerline
of the Gallatin River through the following courses:
North 71°-41'-47" West a distance of 533.55 feet,
South 83°-52'-29" West a distance of 206.18 feet,
South 72°-17'-03" West a distance of 377.92 feet,
South 84°-17'-22" West a distance of 401.99 feet,
North 78°-13'-54" West a distance of 367.73 feet,
North 88°-18'-35" West a distance of 706.16 feet,
more or less, to the west line of said Southeast One-
Quarter. Thence North 02°-55'-04" West, along said
west line, a distance of 911.25 feet, more or less,
to the northwest corner of said Southeast One-Quarter.
Thence North 89°-18'-49" East, along the north line
of said Southeast One-Quarter, a distance of 2554.47
feet, more or less, to the point of beginning.

249084



INSTRUMENT OF POOR
PHOTOGRAPHIC QUALITY

State of Montana)
County of Gallatin) ss.
Filed August 5, 1992
at 11:35 AM, and
Recorded in book 125 of
MISCELLANEOUS Page 1153
Shelley M. Cheney
County Clerk & Recorder
By *Shelley M. Cheney*
Fee \$ 54.00

Rt: Security Title

CORRECTION OF COVENANTS

BE IT KNOWN THAT;

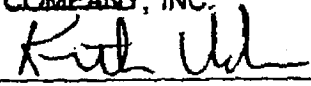
On the 4th day of August, 1992, covenants were made, entered, and declared by and between VIDAR COMPANIES, INC., a California corporation, with offices at 21 Burning Tree, Napa, California 94558, and AMERIMONT, INC., a Montana corporation, with offices at 211 West Main Street, Bozeman, Montana 59715, and AMOREX LAND COMPANY, a Delaware corporation, with offices at 1145 North Green Bay Road, Lake Forest, Illinois 60045, hereinafter for convenience collectively referred to as "Declarants." Said covenants were recorded at Film 125, page 1153, Document No. 249084, on August 5, 1992 by the Clerk and Recorder of Gallatin County, Montana.

Exhibit "A" to said covenants inadvertently did not include the legal description for that property owned by AMOREX LAND COMPANY.


WHEREAS, Declarants, hereby execute for re-recording said Covenants attached hereto in their entirety.

DATED this 28th day of November 1992.

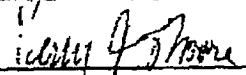
VIDAR COMPANIES, INC.

By: 
Kenneth Vidar

AMERIMONT, INC.

By: 
Thomas H. Langel

AMOREX LAND COMPANY

By: 
Perry J. Moore,
Attorney in Fact

STATE OF MONTANA)
) ss.
County of Gallatin)

On this 28th day of December, 1992, before me, the undersigned officer, personally appeared KENNETH VIDAR, known to me to be the President of Vidar Companies, Inc., the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

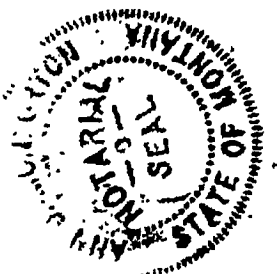


Ann E. Montforter
Notary Public for the State of
Montana residing at Bozeman.
My commission expires: 2/15/94

STATE OF MONTANA)
) ss.
County of Gallatin)

On this 28th day of December, 1992, before me, the undersigned officer, personally appeared THOMAS H. LANGEL, known to me to be the President of AmeriMont, Inc., the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.



Ann E. Montforter
Notary Public for the State of
Montana residing at Bozeman.
My commission expires: 2/15/94

COVENANTS

KNOW ALL MEN BY THESE PRESENTS:

THESE COVENANTS made, entered and declared into this 22nd day of December, 1992, by and between VIDAR COMPANIES, INC., a California corporation, with offices at 21 Burning Tree, Napa, California 94558, and AMERIMONT, INC., a Montana corporation with offices at 211 West Main Street, Bozeman, Montana, and AMOREX LAND CO., a Delaware corporation with offices at 1145 North Green Bay Road, Lake Forest, Illinois 60045, hereinafter for convenience collectively referred to as "Declarants" is as follows:

W I T N E S S E T H :

WHEREAS, the parties hereto are the record owners of real property located in Gallatin County, Montana, which properties are contiguous to each other and which properties are more fully described as shown and set forth on Exhibit "A" attached hereto, which by this reference is fully and completely incorporated herein; and

WHEREAS, each of the parties hereto is desirous of insuring that their respective properties are managed and maintained to the mutual benefit and advantage with respect to the other party hereto; and

WHEREAS, the parties hereto are desirous of setting forth certain restrictions for the benefit of each other's lands.

NOW, THEREFORE, for and in consideration of the terms, covenants and conditions contained herein, the parties hereto do hereby declare these Covenants to run with and bind their lands so long as the undersigned are the owners of the same, or for a period of twenty (20) years, whichever is greater.

Restrictions

1. That neither party shall store, locate, deposit, or allow to be stored, located or deposited any hazardous or toxic waste, substances, materials or by-products within the confines of the real property described on Exhibit "A" attached hereto.

2. That neither party hereto shall allow any part or portion of the real property described on Exhibit "A" attached hereto to be used as a landfill or other garbage disposal or refuse disposal site, collection area or pit.

3. That neither party hereto shall allow any mobile homes to be located on the real property described on Exhibit "A" attached hereto except for those specific instances when such mobile homes are used as a temporary residence for a period of less than twelve (12) months, during which time a permanent residence is being constructed.

4. That no junk or abandoned vehicles or automobiles shall be stored or located upon the real property unless the same are screened from the view of adjacent property.

5. That any residence constructed on the real property which is the subject of these covenants shall be constructed to have a minimum of 1,200 square feet of living space.

6. That each and every one and all of the above-referenced terms, covenants, conditions and restrictions shall run with and bind the real property described on Exhibit "A" attached hereto for so long as the parties hereto are the respective record owners of the real property described on Exhibit "A" attached hereto, or for a period of twenty (20) years, whichever is greater.

Attorney's Fees

It is agreed and understood by and between the parties hereto that in the event that any of the parties hereto, their heirs, personal representatives, or successors-in-interest bring an action to enforce the terms, covenants, and conditions herein set forth, reserved, and contained on the part of the parties to be kept and performed, it is agreed that the prevailing party shall be entitled to a reasonable attorney's fee as found and determined by the court. In this connection, the parties hereto agree that any action instituted, at law or in equity, to enforce the terms, covenants, and conditions of this Agreement as herein set forth,

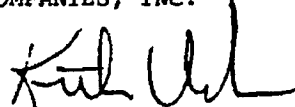
reserved, and contained, shall be instituted in a district court having jurisdiction over the county in which the real property which is the subject of this Agreement is located.

Binding Effect

It is agreed and understood by and between the parties hereto that all of the terms, covenants, and conditions herein set forth, reserved, and contained on the part of the parties to be kept and performed shall be binding upon and inure to the benefit of, and be enforceable by the parties, their heirs, assigns, personal representatives and successors-in-interest.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

VIDAR COMPANIES, INC.

BY: 

AMERIMONT, INC.

BY: 

AMOREX LAND CO.

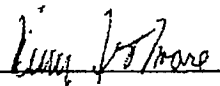
BY: 
attorney in fact

EXHIBIT "A"

Township 3 North, Range 3 East, M.P.M.

Section 22:	All
Section 23:	All
Section 25:	S $\frac{1}{2}$
Section 27:	All
Section 34:	All except SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 35:	All
Section 24:	All
Section 25:	N $\frac{1}{2}$
Section 26:	S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$

Township 2 North, Range 3 East, M.P.M.

Section 1:	All
Section 2:	All
Section 3:	All

Township 3 North, Range 4 East, M.P.M.

Section 19:	All
Section 29:	NW $\frac{1}{4}$
Section 30:	N $\frac{1}{2}$

PARCEL 1:

All that part of the Southeast Quarter of the Southwest Quarter and the South Half of the Southeast Quarter of Section Ten, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, lying South of the following described line: Commencing at a point on the South line of Section Ten which is 2318 feet East of the Southwest corner of said Section Ten; thence running North 56°47' East a distance of 648 feet; thence running South 75°40' East a distance of 1200 feet; thence running North 72°35' East a distance of 1325 feet to the East line of said Section Ten.

All that part of the South Half of Section Eleven in Township Two North, Range Three East, M.P.M., Gallatin County, Montana, lying South of the following described line: Commencing at a point on the West line of Section Eleven which is 450 feet North of the Southwest corner of said Section Eleven; thence running North 72°35' East a distance of 113 feet; thence running North 85°33' East a distance of 1300 feet; thence running North 59°07' East a distance of 846 feet; thence running North 42°31' East a distance of 375 feet; thence running North 88°40' East a distance of 2440 feet to the East line of said Section Eleven.

All that part of the Southwest Quarter of Section Twelve, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, lying South of the following described line: Beginning at a point on the West line of said Section Twelve which is 1620 feet North of the Southwest corner of said Section; thence running North 88°40' East a distance of 1672 feet; thence running South 58°34' East 259 feet; thence running South 85°34' East 731 feet to the East line of the Northeast Quarter of the Southwest Quarter of said Section Twelve.

All of Sections 13, 15 and 21, Township 2 North, Range 3 East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

The Northwest Quarter; the North Half of the Northeast Quarter; the East Half of the Southeast Quarter; the North Half of the Southwest Quarter; all in Section Fourteen, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

The South Half and the South Half of the North Half of Section Twenty-two in Township Two North, Range Three East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

The South Half and the South Half of the North Half of Section Twenty-four in Township Two North, Range Three East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

(continued)

The North Half, and the Northwest Quarter of the Southwest Quarter, and the Northeast Quarter of the Southeast Quarter, all in Section Twenty-Six, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

The North Half, and the North Half of the South Half of Section Twenty-seven, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, and all that part of the South Half of the South Half of said Section Twenty-seven, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, described as commencing at a point 948 feet North of the Southwest corner of the Southeast Quarter. Thence East 414 feet; thence North 72½° East 427 feet, thence South 80½° East 200 feet; thence North 81½° East 200 feet; thence North 59½° East 476 feet; thence West 1628 feet to the North and South center line of said Section; thence South thereon 366 feet to the point of beginning.

The Northeast Quarter of Section Twenty-eight, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

All of the above as previously described in Quit Claim Deed recorded in Film J, page 437.

All of that parcel of real property lying North of Tract 2-A as contained and set forth in Certificate of Survey No. 1038-B, it being the intent of this deed that all the remaining portion of Certificate of Survey 1038-A not contained in Tract 2-A of Certificate of Survey 1038-B be transferred, set over, conveyed and assigned by these presents, by the Grantors to the Grantee; which real property is situated in the South ½ of Section 27, Township 2 North, Range 3 East, M.P.M., Gallatin County, Montana. According to plat recorded in Film 83, page 3137.

PARCEL 11:

S½SE¼ Section 12; SE¼NE¼ Section 14; N½N½ Section 22; and N½N½ Section 24 all in Township 2 North, Range 3 East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

PARCEL 111:

W½SE¼, SW¼NE¼, S½SW¼ Section 14, Township 2 North, Range 3 East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

FILM 128 PAGE 3924

N&SEA Section 20, Township 2 North, Range 3 East, N.P.M., Gallatin County, Montana,
lying North of the Gallatin River.

Reorder Form No. 11119

Tract One of Certificate of Survey No. 1622, being:

A Tract of land being all that portion of the South-East One-Quarter of Section 28, Township 2 North, Range J East, Principal Meridian Montana, Gallatin County, Montana, lying North of the centerline of the Gallatin River and being further described as follows:

Beginning at the northeast corner of said Southeast One-Quarter. Thence South 01°-39'-14" East along the east line of said Southeast One-Quarter a distance of 1027.48 feet, more or less, to the centerline of the Gallatin River. Thence along the centerline of the Gallatin River through the following courses:
North 71°-41'-47" West a distance of 533.55 feet,
South 83°-52'-29" West a distance of 206.18 feet,
South 72°-17'-03" West a distance of 177.92 feet,
South 84°-17'-22" West a distance of 401.99 feet,
North 78°-13'-54" West a distance of 367.73 feet,
North 88°-18'-35" West a distance of 706.16 feet,
more or less, to the west line of said Southeast One-Quarter. Thence North 02°-53'-04" West, along said west line, a distance of 911.25 feet, more or less, to the northwest corner of said Southeast One-Quarter. Thence North 89°-18'-49" East, along the north line of said Southeast One-Quarter, a distance of 2554.47 feet, more or less, to the point of beginning.

INSTRUMENT OF RECORD
PHOTOGRAPHIC QUALITY

256972



State of Mont., County of Gallatin. ss Filed for record December 30, 1992
at 4:55 P. M. and recorded in Book 128 of MISCELLANEOUS page 3915
Shelby M. Cheney Recorder. By Barbara Jensen Deputy

Fee: \$66.00 paid
Rt: Amerimont Financial
211 W. Main
Bozeman MT 59715

DECLARATION OF CONDITIONS, PROTECTIVE COVENANTS AND RESERVATIONS FOR GALLATIN RIVER RANCH

The undersigned, being the Owner/Developer of all of the privately owned land included within the boundaries, described in Exhibit A attached, and known as the Gallatin River Ranch (GRR) Phase One, hereby adopts the following Declaration of Conditions, Protective Covenants, and Reservations.

The following Declaration of Conditions, Protective Covenants and Reservations shall be binding on all that property described in Exhibit A and inure to the benefit of all those tracts, and/or parcels that are created upon said land.

Declarant plans to create tracts, parcels and/or lots on the land so that the overall density does not exceed one tract, and/or parcel per twenty (20) acres of land. It is the intention of Declarant to develop GRR as a residential ranch and recreational community. Declarant reserves the right to include other uses that would provide services to the community or be a compatible use. Said uses might include but not be limited to, retail services, boarding facilities for horses, membership resort, and multi-residential housing.

NON-PROFIT ASSOCIATION

It is the intention of the Owner/Developer (or Declarant) to form a non-profit association called "The Gallatin River Ranch Homeowner's Association" to serve as the representative of the Owners with respect to the assessment, collection and application of all charges imposed hereunder, the enforcement of all covenants contained herein, and the creation, operation, ranch management and maintenance of the facilities and services referred to hereinafter, as well as the roads, boundary fences, and common use areas.

After fifty (50) percent of the parcels within the GRR have been sold by the Owner/Developer (or Declarant), then all rights, privileges, powers, duties and authority of the Owner/Developer (or Declarant), subject to the provisions of paragraph 4.1, voting rights, contained in these reservations and Protective Covenants shall thereupon vest in the Association. Until the transfer when the term "Owner/Developer" (or Declarant) is used, it shall be taken to mean the "Association". When voting on any matters pertaining to these Covenants, there shall be one (1) vote for each tract, or parcel owned.

Now therefore, Declarant hereby declares that the Property shall be held, sold, conveyed, encumbered, used, occupied and improved subject to the following easements, restrictions, covenants and conditions, all of which are in furtherance of such plan and are established for the purpose of enhancing the value, desirability and attractiveness of the real property and every part thereof and maintaining a uniform and stable value, character, architectural design, use and development of the property. All of the easements, restrictions, covenants and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall be for the benefit of each owner of any portion thereof and inure to the benefit of and be binding upon each successor in interest of such owners.

ALTC-PA

**ARTICLE I
DEFINITIONS**

FILM 135 PAGE 45

- 1.1 "Association" shall mean Gallatin River Ranch Owners' Association.
- 1.2 "Board of Directors" or "Board" shall mean the duly elected and qualified members of the Board of Directors of the Association.
- 1.3 "Common Easement Area" shall mean all of the Premises over which an easement(s) has been granted herein to the Association for use by the Association and its members and the owners in common.
- 1.4 "Declarants" shall mean jointly and together Hill Country, Inc., a Montana Corporation, and MEKEN Corporation, a Montana Corporation, dba Gallatin River Ranch, with offices at 211 W. Main Street, Suite A, Bozeman, MT 59715.
- 1.5 "Declaration" shall mean this Declaration of Conditions, Protective Covenants, and Reservations for Gallatin River Ranch and as it may, from time to time, be amended or supplemented,
- 1.6 "Guidelines" shall mean design guidelines which may from time to time be adopted and published by the Review Committee, together with the Declarants and the Association to set forth procedures for review of plans and standards and criteria which Declarants expect to follow, and expect the Association to follow, in reviewing proposed development(s) within the Premises.
- 1.7 "Improvement(s)" shall include, but not exclusively, all buildings, outbuildings, bridges, roads, trails, pathways, driveways, parking areas, fences, screening walls and barriers, retaining walls, stairs, decks, water lines, sewers, septic tanks, springs, ponds, ditches, viaducts and electrical, gas and TV distribution facilities, hedges, windbreaks, crop planting, natural or planted trees and shrubs, poles, signs, and all other structures, installations and landscaping of every type and kind, whether above or below the land surface.
- 1.8 "Capital Improvement(s)" shall mean an improvement of two or more interdependent improvements of a substantial nature benefitting the Association, Common Easement Area or Premises as a whole which, when undertaken, may reasonably be anticipated to require a projected expenditure by the Association of a total amount greater than \$20,000 or such equivalent amount as proportionately adjusted from the date hereof to correspond to variations in the index for U.S. Wholesale Prices.
- 1.9 "Occupant" shall mean a lessee or licensee of an Owner, or any other person or entity other than an Owner in lawful possession of a Parcel with the permission of the Owner.
- 1.10 "Owner" shall mean any persons or entity which is the record owner of fee simple title of any Parcel including buyers under a contract for deed, but excluding any entity of person who holds such interest as security for the payment of an obligation, other than a contract seller, Mortgagee, or other such security holder in actual possession of the Parcel.
- 1.11 "Parcel" shall mean each tract as shown and numbered on the Master Plan of Gallatin River Ranch, and any other maps or plans adopted by the Declarants and the Association, all of which shall have the same density of no greater than one unit per twenty (20) acres.
- 1.12 "Premises" shall mean and refer to all of the lands included in the description in Exhibit A as well as such additions as may hereafter be annexed thereto by Declarants in accordance with the terms hereof.

1.13 "Project" shall mean the organization, division, improvement, operation and sale of Property in Gallatin River Ranch, as a Planned Residential Ranch and Recreational Community, together with any additions of land or other property as may hereafter be annexed thereto by Declarants.

1.14 "Record", "recording", and "recorded" or "recordation", shall mean with respect to any document that recordation of said document in the office of the Clerk and Recorder of Gallatin County, Montana.

1.15 "Review Committee" or "Committee" shall mean the Committee appointed by the Board of Directors of the Association whose function is to review and approve plans, specifications, designs, sites and locations of structures, landscaping, and other improvements to be constructed or erected on any Parcel.

1.16 "Road or Roads" shall mean any street, highway, road or thoroughfare within or adjacent to the Premises and shown on the master plan or maps adopted by the Declarants and any recorded plat, or record or survey, whether designed thereon as street, avenue or road.

1.17 "Sign" shall mean any structure, device or contrivance, electric or non-electric, upon or within which any poster, bill, bulletin, printing, lettering painting, device, or other advertising of any kind whatsoever is used, placed, posted, tacked, nailed, pasted or otherwise fastened or affixed.

1.18 "Visibility" shall mean, with respect to any given object on a Parcel that such object is or would be visible to a person six (6) feet tall, standing on any part of any Parcel or other part of the Premises.

ARTICLE II GOVERNING SUBJECT PROPERTY

2.1 Addition of Other Realty. Declarants may at any time during the pendency of this Declaration add all or a portion of any real property now or hereinafter owned by Declarants to the Premises, upon recording of a "notice of addition of real property" containing at least the provisions set forth in Section 2.3; and a declaration and covenants that shall not permit any individual owner from dividing or partitioning his parcel except Declarants, in accordance with paragraph 2.4. Thereafter, to the extent that this Declaration is made applicable thereto, the rights, powers and responsibilities of Declarants and the owners and occupants of lands within such added real property shall be the same as Owners in the real property described in Exhibit A.

2.3 Notice of Addition to Land. The notice of addition of real property referred to in Section 2.2 shall contain at least the following provisions:

(a) A reference to this Declaration stating the date of recording and the book or books of the records of Gallatin County, Montana, and the page numbers where this Declaration is recorded;

(b) A statement that the provisions of this Declaration, or some specified part thereof, shall apply to such added real property;

(c) A legal description of such added real property; and,

(d) Such other or different covenants, conditions and reservations as Declarants shall in their discretion, specify to regulate and control the use, occupancy and improvements of such real

property in the manner consistent with this Declaration.

2.4 Subdivision of Parcels. The Parcels of Gallatin River Ranch shall not be subdivided to be less than twenty (20) acres per parcel by any Owner of any parcel on the Premises. If in fact he finds it necessary, Declarant may subdivide any tract on the Premises below the twenty (20) acre minimum at his discretion.

**ARTICLE III
PROPERTY RIGHTS; WATER RIGHTS**

3.1 Easements Reserved by Declarants for Conveyance to the Association: Declarants hereby define and reserve, for conveyance to the Association for its benefit and that of its members and the Owners in common, the following easements which shall define "Common Easement Areas";

(a) An easement over, through and across each Parcel for the purposes whatsoever which are consistent with the intent of this Agreement including ingress and egress and for the use of the property for grazing of livestock, maintenance of wildlife, landscaping, growing of crops, and the pursuit of recreational activities, the storage of personal property which is under the control and regulation of the Association and for the erection, maintenance, use and repair of water wells, roads, streets, bridges, trails, ponds, ditches, fences, buildings and other structures, utilities and improvements belonging to the Association; provided, however, that no structure such as a residential building or one which accommodates such use shall be permitted except those approved by the Association to house Association staff, or temporary guests of the Association or its members

(b) An easement over, through and across each Parcel to within fifty (50) feet of all inside boundaries of each Parcel for the installation and maintenance of electrical power lines and telephone lines.

(c) An easement and right-of-way for any irrigation ditches, ponds and/or canals and for all courses, channels and beds of any streams, creeks, drainage or rivers and an easement and right-of-way over twenty (20) feet of any banks thereof which occupy, cross, flow or traverse any Parcel (or part thereof).

(d) An easement over, through under and across all of the Premises (or part thereof) for the purposes of constructing, installing, using, maintaining and repairing driveways, wells, septic tanks and drainfields providing any and all buildings subsequently erected in such areas. The Association shall be entitled to grant to any Owner the use of such easement over, under or across a portion of the Premises for the benefit of such Owner for the purpose of installing, operating, maintaining, repairing or replacing a driveway, water well, septic tank or drainfield in a portion of this Parcel (or part thereof). Such Owners shall remain responsible for all costs and expenses associated with the ownership, construction, operation, maintenance, repair or replacement of such facilities. Nothing stated herein shall give an Owner the right to an easement in the Premises for the foregoing purposes, and the decision to grant or refusal to grant such easement(s) as provided in this Section 3.1(d) shall be solely within the discretion of the Association.

(e) Declarants do hereby convey by the recording of this Declaration the easements reserved above to the Association which recording shall be prior to the time of the conveyance

of the first Parcel in the Premises.

3.2 Owner's Easement of Enjoyment. Every Owner, and his children under the age of 23, shall have a right and easement of enjoyment in and to the Common Easement Areas which shall be appurtenant to and shall pass with the title to every Parcel, subject to the following provisions:

(a) The right of the Association to provide reasonable restrictions on the use of the Common Easement Areas for the overall benefit of the Association and its members including limitations of the number of guests permitted to use the Common Easement Areas, length of stay that guests are permitted to use the Common Easement Areas, and rules, restrictions or prohibitions on the type of activity and use including, but not limited to, the use of horses, firearms and motorized vehicles in the Common Easement Areas;

(b) The right of the Association to charge reasonable fees for the disproportionate use or appropriation by Owners or others of any recreational or other facility situated upon the Common Easement Areas;

(c) The right of the Association to suspend the voting rights and right to use of the Common Easement Areas and the recreational or other facilities of the Association by any Owner and/or Occupant for the period during which any assessment against his Parcel or person remains unpaid and for a period not to exceed one hundred eighty (180) days for any infraction of its published rules and regulations;

(d) The right of the Association to dedicate or transfer all or any part of its rights to the Common Easement Areas to any public agency, authority, utility, person, corporation or other entity for such purposes and subject to such conditions as may be agreed to by its members. No such dedication or transfer shall be effective unless approved by Declarants or a majority of Association members after transfer.

3.3 Delegation of Use. Any Owner may delegate, upon notification to the Association, to the members of his immediate family under the age of 23, or his guests subject to the rules and regulations set out by the Association for number and length of stay, his right of enjoyment to the Common Easement Areas and facilities. Any owner may also designate to a tenant, approved by the association, or any contract purchaser of his property his right of enjoyment to the Common Easement Areas and facilities, by giving up his use of these areas, and transfers this right to an approved tenant or a contract purchaser.

3.4 Reservation of Access Easement. The Declarants do hereby reserve for themselves or their assigns an easement over and along the roads and in the Common Easement Areas of the Premises for the purposes of completing the Project and also providing ingress and egress to any real property owned by Declarants or others, which property is not part of the Premises.

3.5 Right of Access. The Association or its delegated representatives, or the Declarants shall have the irrevocable right to have access across any Parcel to each house, dwelling or improvement on any Parcel from time to time during reasonable hours as may be necessary for the inspection, maintenance, repair, or replacement of any grounds or improvements thereon including any Owners' structure thereon in accordance with Sections 6.6, 6.7, 6.9, 7.3 and 8.1. Except for improvements owned by the Association or used by the Association for its benefit or that of its members, all maintenance, repairs, or replacements in any Parcel or on any structure thereon belonging to an Owner shall be at the expense of the Owner thereof. A similar right of access shall also be reserved and be immediate for the making of emergency repairs therein in

order to prevent property damage or personal injury. All damaged improvements shall be restored to substantially the same condition in which they existed prior to the damage. All maintenance, repairs, and replacements of the Common Easement Area grounds and Improvements shall be the common expense of the Association and all of the Owners; provided, however, if such damage is caused by a negligent act of any Owner, members of his family, his Occupant, agents, employees, invitees, licensees, or tenants, then such Owner shall be responsible and liable for all such damage.

3.6 **Water Rights.** It is the intent of the Declarants to make adequate water available to all parcels of land sold in this development. To that end, the Declarants are reserving the right to explore for and develop water in the areas designated as common easement areas. These rights may be assigned to subsequent parcel owners or to the Association as may become necessary or desirable.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

4.1 **Membership.** Every Owner of a Parcel 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 Parcel which is subject to assessment.

4.2 **Classes of Members.** The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Class B members named below. Class A members shall be entitled to one vote for each Parcel owned. When more than one person holds an interest in any Parcel, all such persons shall be members. The vote for such Parcel shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Parcel. In the event, however, that there is a dispute among two or more Owners regarding the vote of a Parcel in which such Owners hold an interest, the Association, being duly notified in writing by any such interested Owner that the dispute exists, may appoint an officer of the Association or any independent party to cast such vote on behalf of the Owners of the Parcel in a manner as such officer, in his sole discretion and business judgement, may decide as being in the best interest of the Association and all Owners of such Parcel shall be deemed to have provided the Association and such officer their proxy on such occasion.

Class B. The Class B members shall be the Declarants. Class B members shall be entitled to one and one half (1.5) votes for each Parcel owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

ARTICLE V ASSESSMENTS

5.1 **Creation of the Lien and Personal Obligation of Assessments.** The Declarants, for each Parcel owned within the Premises, hereby covenants, and each Owner of any Parcel by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree; 1) to pay to the Association: (1) Annual assessments or charges, and (2)

special assessments for capital improvements or otherwise as hereinafter provided; and (b), that the annual and special assessments, together with interest, costs, and reasonable attorney's fees, if any, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal (joint and severable) obligation of the person or persons who was or were the Owner(s) of such Parcel at the time when the assessment fell due. Although such charges shall be a continuing lien upon the property until paid, the personal obligation for delinquent assessments shall not pass to the Owner(s)'s successors in title unless expressly assumed by them with the consent of the Association.

5.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purposes of promoting the health, safety, and welfare of the Owners of Gallatin River Ranch and the Association and for the establishment, improvement, maintenance and protection of the Premises and the interest of the Owners therein, and/or for property or facilities enhancing their use and enjoyment and/or the conservation of the natural amenities of the Premises. As such, these purposes may also include, but shall not be limited to, funding for: The payment of taxes, insurance for common properties and risks involving the Association; maintenance (including snow removal) of roads, parking areas, utilities, bridges and or other improvements or easements owned by the Association or used by the Owners in common; the establishment, maintenance and protection of pastures, land, crops, streams, ponds, livestock, wildlife and animals within the Premises; the cultivating, mowing of lawns and crops on fields or lands within the common areas; the construction, maintenance and repair of all recreational facilities owned by the Association and constructed on the Common Easement Areas or elsewhere for the benefit of the Association; and the cost of labor, equipment, services, materials, management, protection and supervision of the assets and interests of the Association.

5.3 Annual Assessments. Annual assessments shall be determined by the Board of Directors in an amount estimated to cover the normal operating expenses of the Association for each year as determined in conformity with standard accounting practices, together with such additional amounts as may, in their reasonable judgement, be necessary to cover any past deficits from operations or to create reasonable reserves for the future cost of operations of the Association. Such annual assessments shall be payable in advance on a quarterly basis, due on the first day of January, April, July and October of each year. Method and due date of payment of annual assessments may be changed from time to time by the Board of Directors of the Association or Declarants. In no event shall the assessment exceed One Thousand Two Hundred Dollars (\$1200), plus a prorated share of taxes owed on any commonly owned easements or improvements, per annum unless at least sixty percent (60%) of the members shall concur.

5.4 Special Assessments. In addition to the annual assessment to cover the Association's operating expenses, the Association, by an action of its Board, may levy, in any assessment year, special assessment(s) for the purpose of reserving or paying for, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a Capital Improvement of the Association or upon the Common Easement Areas including fixtures and personal property related thereto, and for such other purposes or projects benefiting the Association and its interests provided that any such assessment shall have the assent of two-thirds of the votes of each class of Members voting in person or by proxy at a meeting duly called for this purpose. Nothing stated herein shall restrict the right of the Association to provide for the repayment of the special

assessment over a term of months or years subsequent to the date of such assessment, and upon terms and conditions it deems appropriate, including the collection of interest on the deferred balance.

5.5 Notice and Quorum for Any Action Authorized Under Section 5.4. Written notice of any meeting called for the purpose of taking any action authorized under Section 5.4 of Article F shall be sent to all members not less than fifteen (15) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of members or their proxies entitled to cast thirty (30) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held sooner than thirty (30) days following the preceding meeting.

5.6 Uniform Rate of Assessment. Both annual and special assessments must be fixed in equal amounts for all Parcels and may be collected on a quarterly basis; provided, however, when in the judgement of the Board, a Capital Improvement is of a nature that uniquely restores damages or provides value only to certain individual Parcels then, to the extent determined by the Board that such Improvements are not beneficial to the Association as a whole or to the Members or Parcels in general, such portion of costs which solely contribute to those certain individual Parcels may be pro-rated, scheduled and assessed among only those Owners or Parcels affected.

a) The initial Annual Dues shall be \$600.00 per parcel sold, payable \$150.00 per quarter in advance. It is further understood that during the initial development phases that the developer will be funding the improvements and upkeep of the ranch, therefore until the operation of the ranch has been turned over to the Association, the Declarant may use these funds to supplement their own for the operation, management, and maintenance of the Ranch.

5.7. Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to all Parcels on the first day of the month following the conveyance of the Parcel and shall be assessed on a calendar year basis. The first quarterly assessment shall be adjusted according to the number of months remaining in the quarter. The Board of Directors shall fix the amount of the annual assessment against each Parcel at least thirty (30) days in advance of each annual assessment period (each calendar year). Written notice of the annual assessment shall be sent to every Owner subject thereto. Credits and reimbursements to Owners shall be determined and arranged so that the burden of taxes and governmental assessments and, if possible, payments, shall be shared pro-rata by Owners for taxes assessed against any common properties, Improvements (or usage) of the Association and the Owners, including, for instance, taxes on any Common owned Easement Areas and improvements. 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 Parcel have been paid.

5.8 Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate which shall be the greater of twelve (12) percent per annum or two (2) percent above the Prime Rate for Bank Lending in New York City, but in no event to exceed the maximum rate permitted under Montana law or such lower rate as may be set from time to time by the Board

of the Association. The Association may record a notice of lien against the property and bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property in the same manner as a mortgage on real property, and the Association shall be entitled in any such actions or foreclosure proceedings to recover its costs, expenses and reasonable attorneys' fees. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Easement Areas or abandonment of his Parcel.

5.9 Non-subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be superior and not subordinate to the prior lien of any first mortgage or prior recorded liens which are recorded after the date of the recording of this Declaration. Sale or transfer of any Parcel shall not affect the assessment lien, whether such lien arises prior to such sale or transfer, or thereafter becomes due.

5.10 Declarants Assessments. For the purposes of assessments, any Parcel owned by the Declarants shall not be subject to the same assessments and provisions of those Articles as Parcels of any other Owner. Assessments are not triggered on a parcel until it is sold by the Declarants.

ARTICLE VI PROTECTIVE COVENANTS: ARCHITECTURAL CONTROL

6.1 Purpose. The intent of Declarants in establishing the following protective covenants is to provide a uniform plan for the development of the Premises which will create, conserve and maintain the natural environment and present scenic and aesthetic quality of the Premises to the greatest extent compatible with providing use to the Owners for the development of single family residences together with such recreational pursuits which may be reasonably consistent with the natural environment of the Premises and its surroundings, and to further provide every practical and legal means to safeguard and protect the interests of all Owners and the value and stability of the Premises.

6.2 Requirement of Review by Committee. Except insofar as its duties may be extended with respect to a particular area by the Association, the Committee shall review and approve or disapprove all plans and specifications submitted to it for any proposed Improvement.

No construction, improvements, or alterations of any structure affecting the external appearance of any main building or secondary buildings and no driveways, parking areas, swimming pools, ponds, tennis courts, fences, walls, railings, artifacts, or other similar improvements and no wire, pipe, sewage disposal system, well, or walkway shall be made, erected, altered, placed or permitted to remain upon the Premises until a site plan and specifications showing the design, location, material(s) and color(s) together with the name of the contractor shall have been submitted to and such site plan and specifications approved in writing by a Review Committee, which shall consist of three members appointed by the Board of Directors of the Association.

In considering applications, the Committee shall use in its evaluation its established guidelines, which shall incorporate therein the principal guidelines required by Section 6.4 and individual site's characteristics as the primary and foremost criteria of design objectives so that improvements, although of merit and interest, shall not overly dominate their surroundings, but rather shall be reasonably subservient to them and harmonious with the land and its forms. The

total mood of such improvements should be one of relaxation, embodying the environment. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, exterior finishes and materials and similar features and the overall benefits and detriment to the surrounding area and Gallatin River Ranch generally, but shall not be responsible for reviewing, nor shall its approval of any plans and specifications be deemed approval thereof, particularly from the standpoint of structural safety, the engineering soundness or conformance of any Improvements with building or other codes.

6.3 Membership of Committee. At least two of the three members of the Review Committee shall be members of the Association or the persons representing the Declarants and it is suggested that at least one of the members have professional qualifications in the area of architecture, design or land planning.

6.4 Guidelines. The Review Committee shall establish and publish Guidelines which will set forth the procedures and criteria for review of residences or other structures to be constructed or installed on the Premises. Such criteria shall be consistent with the intent of Section 6.2 and the provisions of Article VII and shall specifically require that:

- a) the substantial portions of the exterior surfaces of all structures shall be muted tones typically found in the surrounding lands.
- b) no residence, garage, guest house, antenna or other structure constructed on the Premises shall exceed the average height of thirty (30) feet above the natural grade of the undeveloped land at the highest portion of the actual site boundaries and shall, wherever reasonably possible, be below the ridgeline of surrounding land contours except as may be specifically permitted in writing by the Review Committee and signed by two members, and
- c) all structures shall be of good design, high quality materials and workmanship and be suitable for the purpose intended, and
- d) all buildings shall, in the opinion of the Committee, reflect a high quality structure.

Failure to follow procedures or criteria set forth in the Guidelines as published shall form an adequate basis for rejection of the submitted site plan and specifications.

6.5 Variances. The Association Board may authorize variances from compliance with any of the architectural provisions of this Declaration, including restrictions upon height, bulk, size, shape, floor area, land area, placement of structures, setbacks, colors, materials or similar restrictions when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations may, in their sole and absolute discretion, warrant. Such variances must be evidenced in writing and must be approved by at least a majority of the Board. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision and in the particular instance covered by the variance.

6.6 Approval or Disapproval by Committee. In the event the Review Committee fails to approve or disapprove such design, location, construction, and materials within thirty (30) days after the detailed site plan and specifications have been submitted to it, approval shall not be required and this Article shall be deemed to have been fully complied with. Any plans, specifications and proposals so approved, either expressly in writing or by the expiration of the thirty (30) day period hereinabove provided, shall then permit the Owner to commence construction in accordance with said plan, but any deviation from said plan which, in the judgment of said Committee, is also 1) a deviation of substance from either the Guidelines; b)

the requirements of this Declaration; or c) is a detriment to the appearance of the structure or to the surrounding area shall be promptly corrected to conform with the submitted plan by the Owner or after reasonable notice is provided in accordance with Section 6.7 to such Owner by the Association at the Owner's expense. Any structure to be erected in accordance with approval so given shall be diligently prosecuted to completion and must be commenced and completed within eighteen (18) months of approval, or new approval must be obtained unless specific written extension is granted by the Review Committee. If any structure is begun but is not completed within eighteen (18) months of the commencement of construction, and in the reasonable judgment of the Review Committee is of offensive or unsightly appearance, then the said Committee or the Directors of the Association, at the option of either, may after reasonable notice to the Owner, take such action as may be necessary in accordance with Section 6.7 in its judgment to improve the appearance so as to make the property harmonious with other properties, including completion of the exterior of the structure, removal of the structure, installation of screening or covering of the structure or any combinations thereof, or similar operations; and the amount of any expenditures made in so doing shall be a lien on the property and may be enforceable by an action at law. The Review Committee may act by a majority of its members and any authorization or approval made by the Committee must be signed by a majority of the members thereof.

6.7 Inspection of Work. Upon the completion of any Improvement for which approved plans and specifications are required under this Declaration, the Owner shall give written notice of completion to the Committee. Within such reasonable time as the Committee may set in its rules, but not to exceed thirty (30) days after such notification and any adjustment for weather conditions, the Committee or its duly authorized representative, may inspect such Improvement. If the Committee finds that such work was not done in strict compliance with all approved plans and specifications submitted or required to be submitted for its prior approval as required by Section 6.6, it shall notify the Owner in writing of such noncompliance within such period, specifying in reasonable detail the particulars of noncompliance within such period, specifying in reasonable detail the particulars of noncompliance and shall require the Owner to remedy the same. If, upon the expiration of thirty (30) days from the date of such notification, the Owner shall fail to remedy such noncompliance, the Committee shall notify the Board in writing of such failure. Upon notice and hearing, the Board shall determine whether there is a noncompliance and if so, the nature thereof and the estimated cost of correction or removing the same. If noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board's ruling. If the Owner does not comply with the Board's ruling within such period, the Board, at its option, may either remove the noncomplying Improvement or remedy the noncompliance, and the Owner shall reimburse the Association upon demand for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy an assessment against such Owner and the Improvement in question and the land on which the same is situated for reimbursement and the same shall constitute a lien upon such land and Improvement and be enforced as in this Declaration provided. The Committee may inspect all work in progress and give notice of noncompliance as provided above. If the Owner denies that such noncompliance exists, the procedures set out above shall be followed, except that no further work shall be done, pending resolution of the dispute, which would hamper correction of the

noncompliance if the Board shall find that such noncompliance exists. **FORM 135 PAGE 55**

6.8 Materials. Construction materials shall not at any time be placed or stored so as to impede, obstruct or interfere with pedestrian or vehicular traffic and construction materials shall not be kept, placed or stored on Parcels for a period exceeding thirty (30) days following substantial completion of construction (as shall be determined by the Committee) without specific approval of the Review Committee or as permitted by Section 7.1(h).

6.9 Restoration of Parcel. Upon completion of the construction on any Parcel, the Owner shall to the greatest extent possible restore the Parcel to the conditions which existed prior to such construction so that the Parcel and improvement shall be in harmony with the surrounding unimproved property. The Owner must complete said restoration within forty-five (45) days or such other period as may reasonably be dictated by weather conditions following completion of construction on any parcel. In the event restoration is not completed within said time period, Declarants or Association, upon reasonable notice to the Owner, may complete said restoration at the expense of the Owner.

ARTICLE VII MINIMUM BUILDING AND USE RESTRICTIONS

7.1 Building Restrictions. No structure, other than those currently standing at the time of this Declaration, which fails to meet the following minimum standards shall be erected, placed or allowed to remain on any Parcel, and the Review Committee shall have no power to approve any structure failing to meet, at a minimum these conditions:

a) No structure (except those belonging to the Association to be constructed in the Common Easement Areas) shall be erected, altered, placed, or permitted to remain on any Parcel other than one single family dwelling, a private garage, and/or barn, and/or guest quarters without approval of the Association. In the main residence on the property an in-law unit or guest or maids quarters shall be allowed inclusive within the structure, so long as the exterior appearance of the building shall appear to be a single family residence. Under no circumstances shall this unit be used as a rental. All structures shall be erected only on specific sites approved by the Review Committee. All such single-family dwellings shall contain in total at least 1600 square feet in the footprint or foundation (and not less than 2,000 in total square footage), exclusive of porches, basements, decks, patios, adjoining guest quarters, and garages. Separate guest quarters shall not exceed in size 70% of the living space of the primary residence on the Premises. All concrete that extends 12 inches or more above ground may be required to be painted a blending color with its natural surroundings. Declarant reserves the right as stated in the opening paragraph on page 1 to include other uses that would provide services to the community or be a compatible use to the residential ranch concept.

b) Any building or residence erected on any Parcel shall be of new construction, no mobile homes, trailers, old buildings or pre-assembled homes shall be placed or moved onto said Parcel; however, an exception to the pre-assembled type home shall be Log Homes constructed with pre-cut logs, which shall be permitted. An old building which, in the sole discretion of the Review Committee, is deemed to be of significant design, historical or aesthetic value may be placed or incorporated with new construction on a Parcel with such specific approval of the Review Committee.

c) No basement or structure on any Parcel may be used for dwelling purposes until after its area, as defined by the foundation, has been completely enclosed according to the plans and until it has been substantially completed, with sanitary facilities and utilities permanently installed. No tent, shack or other outbuilding erected on a Parcel shall at any time be used as a residence, temporarily or permanently.

d) Exterior TV, radio, satellite dishes or other antennae may be installed on private Parcels, but number, location, height, color, screening and size of such antennae must conform to reasonable guidelines established by the Review Committee to minimize their appearance or visibility from neighboring Parcels.

e) All water, gas, electricity, telephone, and similar improvements, together with facilities constructed incidental thereto, shall be placed and installed underground. Propane tanks shall not be visible from neighboring property, and shall be screened or enclosed by a structure approved by the Review Committee. Outdoor lighting shall be permitted that is consistent with the safety and security of the Association, Owners and occupants but it shall be of a subdued nature, harmonious to the surroundings, of reasonable candle power and generally shall be shaded so that the source of illumination is not directly visible and annoying to neighboring Parcels. The installation and use of such lighting shall be subject to the approval of the Review Committee.

f) Any fences abutting roadways and Common Area Easements shall be of material and design approved by the Review Committee. No fence, gate or other structure or obstruction shall be constructed on the Premises so as to block or hinder the use of any of the Common Area Easements.

g) No home or recreational trailers or other living convenience shall be kept on said Parcels before construction of a residence, nor shall any trailer or other living convenience be used for temporary living quarters at any time, without the approval of the Association. The only exception to this would be a construction trailer used by the contractor during the construction period, to be removed when construction is completed. Adequate enclosed garage or screened parking space shall be provided on each Parcel for cars, recreational vehicles, trucks, trailers, boats, tractors, buses, snowmobiles or other mobile devices regularly situated on any Parcel so they may be properly housed and screened from sight of the roads, Common Easement Areas and visibility of neighboring Parcels and do not obstruct, hinder or interfere with the free flow of two-way traffic and the construction, maintenance, repair and snow removal from roadways. No "junk" inoperative autos, or equipment, shall be thrown, dumped, or left on any portion of a Parcel.

h) No garbage, trash or unsightly debris, organic or inorganic waste shall be collected and/or permitted by an Owner to accumulate on any Parcel or in any road adjacent thereto, but shall be promptly and efficiently disposed of, and no vacant lands or other Parcel shall be used as a dump ground or burial pit by any Owner. The only allowable outside trash or refuse cans or containers shall be those which are kept and maintained in effective animal-proof condition and enclosed or screened by a structure approved by the Review Committee. Outside incinerators shall not be permitted. Nothing stated herein shall preclude a central trash collection or incineration facility or preclude the designation and use by the Association or the Declarants of portions of the Common Easement Area for the removal or storage of gravel, building materials and equipment of the Association or the Declarant. The Association may from time to time

establish reasonable regulations for disposal of trash and garbage and the control thereof, which shall be binding upon and observed by the Owners and Occupants of all Parcels in Gallatin River Ranch.

i) No signs, billboards, posters, other advertising devices or media of any kind or character shall be erected or displayed on or upon any of the Parcels except signs of a type and size approved by the Review Committee and used to identify Gallatin River Ranch, Parcels, dwellings, Parcel availability, occupants of a dwelling or structure or directions signs of the Association, unless approved by the association.

j) All secondary buildings on a Parcel shall be of the same general construction and materials as used in the primary residence.

k) Wells, septic tanks and drainfields shall be constructed or installed in accordance with state and county standards at location(s) approved by the Review Committee.

l) No mining, quarrying, excavation, oil drilling or development of any kind shall be allowed in or on the Premises except for such excavation for road building, gravel, ponding or other structures as may be necessary in connection with the completion of the Project by the Declarants or placing of Improvements thereon in accordance with the terms and restrictions of these Declarations or with the specific approval of the Association.

7.2 Use Restrictions. The following use restrictions shall be applicable to all Parcels:

a) Neither hunting, trapping nor the discharge of any rifle, shotgun, pistol or other firearms or use of traps shall be permitted anytime on the Premises unless such activities are expressly authorized and permitted by the Board of Directors of the Association.

b) Animals and livestock may be raised, bred, or kept on any Parcel, subject to these covenants, notwithstanding the fact that no animals or livestock may be raised for commercial purposes, except on specific parcels or acreage designated by Declarant for ranch management or uses compatible with the residential ranch concept. All animals and livestock, exclusive of dogs and cats, shall be kept in a fenced enclosure and suitably maintained insofar as their well being is concerned at all times. Poultry or game birds may be kept on any Parcel in quantities of 10 or fewer adults. No swine of any kind shall be permitted for any purpose on any Parcel, unless raised by a 4-H club member or equivalent program. No more than four large animals may be kept on any Parcel. No stable, corral, pen, or other confine to hold animals shall be constructed, installed, or placed within 100 feet of a river, stream, spring, or other water source, or placed within 50 feet of any roadway or property line. Should, in the discretion of the Association, a particular animal or animals become a nuisance to livestock or wildlife, no such household animal or animals will be allowed off an Owner's Parcel unless in the immediate company and control of its owner. The Association may withdraw permission for animals to remain on the Premises from any Owner who, after due notice, violates the restrictions of this paragraph or who's animal is, or has become a nuisance to livestock, wildlife, property or other Owners, invitees or Association personnel, or is in violation of good animal husbandry.

In regards to large animals, it is understood that this land is not capable of producing enough food for more than one animal and over-grazing can destroy plant life quickly. For this reason, each parcel owner agrees to keep animals penned and fed. Animals should only be out for exercise as not to over graze any parcel. Good animal husbandry will be expected from all parcel owners.

c) The Association, or Declarant, is authorized to erect in the Common Easement

Areas, or on parcels owned by the Declarant, for the benefit of the Owners, the Association, or Declarants, to be run as a business, such stables, corrals, fences and other necessary structures for keeping horses or other livestock on the Gallatin River Ranch. There may be rules and regulations set forth by the Board of Directors governing riding and grazing on the Premises, use of the Common Easement Areas and any common corrals, stables or other facilities, private or common, that may be constructed. Notwithstanding the above, nothing contained herein shall create an obligation on the part of the Association to construct any corrals, stables or other facilities if it shall be judged in the opinion of the Association to be detrimental to the Association or Premises or in contravention of any law or regulation of any governmental authority.

d) No attempt shall be made by anyone to domesticate any wild animals on the properties.

e) There shall be no cutting, removal or voluntary destruction of timber, rock, or vegetation located in the Premises except by the Declarant to complete the Project or to the extent reasonably permitted by the Review Committee or the Association to enable the building of structures and improvements on a building site, and, as approved by the Association for the removal of dead or diseased trees, noxious weeds; the maintenance or establishment of other approved roads, streams, paths, ponds, or for the direct health and care of the lands.

f) No Owner shall permit noxious weeds or other undesirable plants to grow or spread upon his Parcel. In the event any Owner fails to control or eliminate the growth or spreading of such noxious weeds and undesirable plants, the Association shall, after reasonable notice, be entitled to take such action as is necessary to eradicate or control such weeds and plants at the expense of the Owner or Owners of the Parcel, and the full amount of any costs and expenses shall be due and payable within thirty (30) days after the Owner is billed therefor.

g) No external burning of refuse or other materials shall be permitted on any Parcel without the specific approval of the Association. The Association may set aside "controlled burning" days at their discretion. No Owner shall do any act or permit the continuance of any condition that creates an unnecessary or unreasonable risk of fire and shall follow the rules for fire prevention and protection established by the Association.

h) The Association shall adopt and publish reasonable rules governing the use of all designated roads, streets and trails as well as all other Common Easement Areas on the Premises and penalties or assessments for violations and all Owners, occupants, and invitees shall be bound and abide by such rules. Snowmobiles, motorcycles, trail bikes or other off-road motorized vehicles shall be used within the Premises only on roads in accordance with rules established by the Association. Any off-road riding will be prohibited by the rules of the Association.

i) The Owners or Occupants of any Parcel shall at all times conduct their use and activities in a manner that will preserve the integrity of the springs, ponds, river, streams and creeks within the Premises, including the prevention of any degradation of water quality, any reduction or increase in the flows of the river, springs, creeks or streams, or any damage to the streambeds or banks. Further, the Owners or Occupants shall not conduct or permit the conduct of any activities which encourage or facilitate the discharge of any liquid, solid or gas, into such waterways or the polluting of such waterways. The Association is authorized to adopt rules and regulations designed to preserve the integrity and quality of said springs, ponds, streams, river and creeks, and each Owner or Occupant shall abide by said rules and regulations so adopted.

The outdoor use of potentially damaging or hazardous fertilizers, pesticides or herbicides by an Owner, unless approved by the Association, is expressly prohibited.

j) No Parcel or building thereon shall at any time be used for the storage of agricultural or commercial supplies or equipment for the purpose of any trade, profession, manufacturing or business of any description except the supplies, business and management of the Association and the Project; nor, except for purposes of the Association or as consistent with Section 7.2(n), shall any Parcel or building be used for duplexes, apartment houses, or any other multiple dwelling houses, except as previously excepted for the Association or Declarant, or as allowed in section 7.1 (a) for in-laws guests or maids. Notwithstanding the above, an Owner or Occupant with the specific approval of the Association, may engage in their professional activities and maintain an office within their residence for such activities providing it involves no regular traffic with the public and the attendance of no more than two employees.

k) No illegal, noxious, unsightly or offensive activities shall be carried on, nor shall anything be done on any Parcel or in the Common Easement Areas which may become an unreasonable annoyance or nuisance to the other Owners or occupants in the quiet and peaceful enjoyment of the Premises.

l) The Declarants have divided the Premises for the purpose of providing Parcels to accommodate a limited number of permanent and recreational single family residences, and shall maintain Common Easement Areas in order to maintain wildlife, the pursuit of recreation, and to protect the natural scenic and environmental integrity of the Premises and to facilitate the security and quiet enjoyment of Owners, occupants and their guests. Consistent with this theme, the rental of a residence or guest quarters as a commercial or communal enterprise is not anticipated or encouraged, and no Owner shall permit communal activities in or lease or rent, for money or otherwise, his Parcel, residence or guest quarters without first securing the written permission of the Association. Any Owner who desires to rent his residence shall submit a written statement to the Association stating that he is moving out of the property and, disclosing the names of the prospective tenants or occupants and the length of the rental or occupant period. Any rights to utilize the amenities of the Gallatin River Ranch or the common area facilities will be transferred to the tenants and the owner shall have no rights to utilize the facilities while his property is rented. If the Association fails to communicate its disapproval of the plan with ten (10) days, the plan shall be deemed approved in accordance with these provisions subject to the Association's right to review such plans for possible disapproval on thirty (30) days notice. If the Association disapproves a rental, it shall furnish the Owner with written reasons for such rejection or disapproval within a reasonable period of time. In reviewing a particular rental request, the Association shall be entitled to consider such factors as it, in its sole discretion, shall deem appropriate. The foregoing provisions establish no duty upon Declarants, the Board or the Association to allow any such activity or to investigate the financial or personal responsibility or character of a prospective tenant, and neither the Declarant, the Board nor the Association shall be in any way or manner liable for the review activities or in connection with the approval or disapproval of a particular request submitted by an Owner.

m) Owners shall be responsible to the Association for all acts of tenants resulting in damage to Association property and for the tenant's adherence to all the covenants and restrictions which may be applicable and to all guidelines, rules and regulations of the Association.

n) The Declarants have the right to use all unsold lots, common areas, and sold but

unfenced lots for the grazing of livestock. It shall be the responsibility of each land owner to protect his property from damage by livestock. This can be done by fencing those areas which could be damaged.

o) The Declarants shall have the right to mine gravel, rock, move trees or any other need which is deemed in their best interest until the property is fully developed.

p) The Declarants will only transfer common areas proportionate to tracts sold and is under no obligation to provide any additional common areas which is proposed on any preliminary master plan or development plan.

7.3 Exterior Maintenance. Each Owner shall provide exterior maintenance within his Parcel, including maintaining structures in good repair and condition, maintaining the grounds to preclude unsightly growths, not permitting fire hazards, refuse piles or other unsightly objects to accumulate or remain on the grounds. In providing such exterior maintenance, the Owner shall utilize materials, colors, landscaping schemes harmonious with the surrounding areas and consistent with generally accepted concepts of desirable residential developments and any prior approved plans by the Review Committee. In the event any Owner shall fail or neglect to provide such exterior maintenance, the Association shall notify such Owner in writing specifying the failure and demanding that it be remedied within thirty (30) days. If the Owner shall fail or refuse to provide such exterior maintenance within the thirty (30) day period, the Association may then enter such Parcel and provide required maintenance at the expense of the Owner. The full amount shall be due and payable within thirty (30) days after the Owner is billed therefor. Such entry on a Parcel by the Association shall not be deemed to be trespassing.

ARTICLE VIII GENERAL PROVISIONS

8.1 Enforcement. Violation by an Owner, Occupant, Licensee or designee of the Owner of any restrictions, conditions, covenants or agreements herein contained shall give to the Association, acting through its Directors, and with reasonable notice, the right to enter upon the property concerned, and to summarily abate and remove at the expense of the Owner any erection, thing, or condition that may be in, or upon, said Parcel contrary to the provisions hereof without being deemed guilty of trespassing. The result of every act or omission whereby any restrictions, condition, covenant or agreement is violated in whole, or in part, is hereby declared to be and constitute a nuisance, and every remedy allowed by law against a nuisance, whether public or private, shall be applicable against every such result. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

8.2 Costs of Enforcement. Should any lawsuit or other legal proceeding be instituted by the Association against an Owner alleged to have violated one or more of the provisions of this Declaration and should the Association be wholly or partially successful in such proceeding, the offending Owner shall be obligated to pay the costs of such proceeding, including reasonable attorney's fees.

8.3 Severability. Invalidation of any one of these covenants or restrictions by judgment

or court order shall in no way affect any other provisions which shall remain in full force and effect.

8.4 Amendment. Except those provisions requiring a greater consent, any provision herein may be amended or revoked and additional provisions added, at any time by written instrument recorded in the Office of the Clerk and Recorder of Gallatin County, Montana, duly signed and acknowledged by the Owners of record of not less than seventy-five (75) percent of the Parcels subject to this Declaration; provided, however, that so long as there are any Class B members, any such amendment shall require the additional consent of one hundred (100) percent of such Class B members.

8.5 Term. The provisions of this Declaration shall be binding for a term of twenty-five (25) years from the date of this Declaration, after which time the Declaration shall be automatically extended for successive periods of twenty five (25) years unless an instrument agreeing to amend, revoke or terminate this Declaration has been signed by the owners of seventy-five (75) percent of the Parcels and has been recorded; provided, however, that so long as there are any Class B members, any such revocation or termination shall require the additional consent of one hundred (100) percent of such Class B members.

8.6 Non-Liability of Board and Committee Members. Neither the Committee nor any member thereof nor the Board nor any member thereof shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Committee or its member or the Board or its member, as the case may be.

8.7 Non-Dedication to Public Uses. Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Premises or the Common Easement Areas to or for any public use or purpose whatsoever.

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have hereunto set their hand this 16 day of AUGUST, 1993.

Declarant Partnership: Hill Country, Inc., a Montana Corporation
By: Thomas L. Langel, President



MEKEN Corporation, a Montana Corporation
By: Kenneth M. Vidar, President



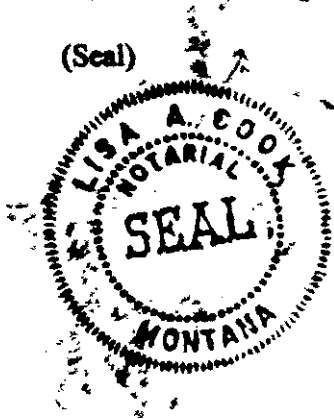
STATE OF MONTANA)
COUNTY OF GALLATIN)

EXH 135 PAGE 62

On this 16th day of August, 1993, before me a Notary Public for the State of Montana, personally appeared Kenneth M. Vidar and Thomas L. Langel known to me to be the Presidents respectively of MEKEN Corporation, and Hill Country, Inc., dba Gallatin River Ranch, who executed the foregoing instrument.

Lisa A. Cook
Notary Public for the State of Montana
Residing at 1102 S. Grand, Bozeman
My commission expires 6-15-96

(Seal)



North Half of the Northeast Quarter of the Northwest Quarter of Section 27;
 South Half of the Northeast Quarter of the Northwest Quarter of Section 27;
 North Half of the Southeast Quarter of the Northwest Quarter of Section 27;
 South Half of the Southeast Quarter of the Northwest Quarter of Section 27;
 East Half of the Northeast Quarter of the Southwest Quarter of Section 27;
 West Half of the Northeast Quarter of the Southwest Quarter of Section 27;
 East Half of the Northwest Quarter of the Southeast Quarter of Section 27;
 West Half of the Northwest Quarter of the Southeast Quarter of Section 27;
 North Half of the Northwest Quarter of the Northeast Quarter of Section 27;
 South Half of the Northwest Quarter of the Northeast Quarter of Section 27;
 North Half of the Southwest Quarter of the Northeast Quarter of Section 27;
 South Half of the Southwest Quarter of the Northeast Quarter of Section 27;
 South Half of the Southeast Quarter of the Southwest Quarter of Section 22;
 South Half of the Southwest Quarter of the Southeast Quarter of Section 22;
 All in Township Two North, Range Three East, M.P.M., Gallatin County, Montana,
 according to the official plat thereof on file and of record in the office of the County
 Clerk and Recorder of Gallatin County, Montana.



270272

State of Mont., County of Gallatin. ss Filed for record AUGUST 20, 1993
 at 10:15A. M., and recorded in Book 135 of MISCELLANEOUS page 44
Shelby M. Clary Recorder. By Melody A. Louse Deputy

RT: AMERICAN LAND TITLE CO FEE: \$120.00

DECLARATION OF CONDITIONS, PROTECTIVE COVENANTS AND RESERVATIONS FOR GALLATIN RIVER RANCH

The undersigned, being the Owner/Developer of all of the privately owned land included within the boundaries, described in Exhibit A attached, and known as the Gallatin River Ranch (GRR) Phase One, hereby adopts the following Declaration of Conditions, Protective Covenants, and Reservations.

The following Declaration of Conditions, Protective Covenants and Reservations shall be binding on all that property described in Exhibit A and inure to the benefit of all those tracts, and/or parcels that are created upon said land.

Declarant plans to create tracts, parcels and/or lots on the land so that the overall density does not exceed one tract, and/or parcel per twenty (20) acres of land. It is the intention of Declarant to develop GRR as a residential ranch and recreational community. Declarant reserves the right to include other uses that would provide services to the community or be a compatible use. Said uses might include but not be limited to, retail services, boarding facilities for horses, membership resort, and multi-residential housing.

NON-PROFIT ASSOCIATION

It is the intention of the Owner/Developer (or Declarant) to form a non-profit association called "The Gallatin River Ranch Homeowner's Association" to serve as the representative of the Owners with respect to the assessment, collection and application of all charges imposed hereunder, the enforcement of all covenants contained herein, and the creation, operation, ranch management and maintenance of the facilities and services referred to hereinafter, as well as the roads, boundary fences, and common use areas.

After fifty (50) percent of the parcels within the GRR have been sold by the Owner/Developer (or Declarant), then all rights, privileges, powers, duties and authority of the Owner/Developer (or Declarant), subject to the provisions of paragraph 4.1, voting rights, contained in these reservations and Protective Covenants shall thereupon vest in the Association. Until the transfer when the term "Owner/Developer" (or Declarant) is used, it shall be taken to mean the "Association". When voting on any matters pertaining to these Covenants, there shall be one (1) vote for each tract, or parcel owned.

Now therefore, Declarant hereby declares that the Property shall be held, sold, conveyed, encumbered, used, occupied and improved subject to the following easements, restrictions, covenants and conditions, all of which are in furtherance of such plan and are established for the purpose of enhancing the value, desirability and attractiveness of the real property and every part thereof and maintaining a uniform and stable value, character, architectural design, use and development of the property. All of the easements, restrictions, covenants and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall be for the benefit of each owner of any portion thereof and inure to the benefit of and be binding upon each successor in interest of such owners.

ALTC 1-46089-5L

ARTICLE I
DEFINITIONS

- 1.1 "Association" shall mean Gallatin River Ranch Owners' Association.
- 1.2 "Board of Directors" or "Board" shall mean the duly elected and qualified members of the Board of Directors of the Association.
- 1.3 "Common Easement Area" shall mean all of the Premises over which an easement(s) has been granted herein to the Association for use by the Association and its members and the owners in common.
- 1.4 "Declarants" shall mean jointly and together Hill Country, Inc., a Montana Corporation, and MEKEN Corporation, a Montana Corporation, dba Gallatin River Ranch, with offices at 211 W. Main Street, Suite A, Bozeman, MT 59715.
- 1.5 "Declaration" shall mean this Declaration of Conditions, Protective Covenants, and Reservations for Gallatin River Ranch and as it may, from time to time, be amended or supplemented.
- 1.6 "Guidelines" shall mean design guidelines which may from time to time be adopted and published by the Review Committee, together with the Declarants and the Association to set forth procedures for review of plans and standards and criteria which Declarants expect to follow, and expect the Association to follow, in reviewing proposed development(s) within the Premises.
- 1.7 "Improvement(s)" shall include, but not exclusively, all buildings, outbuildings, bridges, roads, trails, pathways, driveways, parking areas, fences, screening walls and barriers, retaining walls, stairs, decks, water lines, sewers, septic tanks, springs, ponds, ditches, viaducts and electrical, gas and TV distribution facilities, hedges, windbreaks, crop planting, natural or planted trees and shrubs, poles, signs, and all other structures, installations and landscaping of every type and kind, whether above or below the land surface.
- 1.8 "Capital Improvement(s)" shall mean an improvement of two or more interdependent improvements of a substantial nature benefiting the Association, Common Easement Area or Premises as a whole which, when undertaken, may reasonably be anticipated to require a projected expenditure by the Association of a total amount greater than \$20,000 or such equivalent amount as proportionately adjusted from the date hereof to correspond to variations in the index for U.S. Wholesale Prices.
- 1.9 "Occupant" shall mean a lessee or licensee of an Owner, or any other person or entity other than an Owner in lawful possession of a Parcel with the permission of the Owner.
- 1.10 "Owner" shall mean any persons or entity which is the record owner of fee simple title of any Parcel including buyers under a contract for deed, but excluding any entity of person who holds such interest as security for the payment of an obligation, other than a contract seller, Mortgagee, or other such security holder in actual possession of the Parcel.
- 1.11 "Parcel" shall mean each tract as shown and numbered on the Master Plan of Gallatin River Ranch, and any other maps or plans adopted by the Declarants and the Association, all of which shall have the same density of no greater than one unit per twenty (20) acres.
- 1.12 "Premises" shall mean and refer to all of the lands included in the description in Exhibit A as well as such additions as may hereafter be annexed thereto by Declarants in accordance with the terms hereof.

1.13 "Project" shall mean the organization, division, improvement, operation and sale of Property in Gallatin River Ranch, as a Planned Residential Ranch and Recreational Community, together with any additions of land or other property as may hereafter be annexed thereto by Declarants.

1.14 "Record", "recording", and "recorded" or "recordation", shall mean with respect to any document that recordation of said document in the office of the Clerk and Recorder of Gallatin County, Montana.

1.15 "Review Committee" or "Committee" shall mean the Committee appointed by the Board of Directors of the Association whose function is to review and approve plans, specifications, designs, sites and locations of structures, landscaping, and other improvements to be constructed or erected on any Parcel.

1.16 "Road or Roads" shall mean any street, highway, road or thoroughfare within or adjacent to the Premises and shown on the master plan or maps adopted by the Declarants and any recorded plat, or record or survey, whether designed thereon as street, avenue or road.

1.17 "Sign" shall mean any structure, device or contrivance, electric or non-electric, upon or within which any poster, bill, bulletin, printing, lettering painting, device, or other advertising of any kind whatsoever is used, placed, posted, tacked, nailed, pasted or otherwise fastened or affixed.

1.18 "Visibility" shall mean, with respect to any given object on a Parcel that such object is or would be visible to a person six (6) feet tall, standing on any part of any Parcel or other part of the Premises.

ARTICLE II GOVERNING SUBJECT PROPERTY

2.1 Addition of Other Realty. Declarants may at any time during the pendency of this Declaration add all or a portion of any real property now or hereinafter owned by Declarants to the Premises, upon recording of a "notice of addition of real property" containing at least the provisions set forth in Section 2.3; and a declaration and covenants that shall not permit any individual owner from dividing or partitioning his parcel except Declarants, in accordance with paragraph 2.4. Thereafter, to the extent that this Declaration is made applicable thereto, the rights, powers and responsibilities of Declarants and the owners and occupants of lands within such added real property shall be the same as Owners in the real property described in Exhibit A.

2.3 Notice of Addition to Land. The notice of addition of real property referred to in Section 2.2 shall contain at least the following provisions:

(a) A reference to this Declaration stating the date of recording and the book or books of the records of Gallatin County, Montana, and the page numbers where this Declaration is recorded;

(b) A statement that the provisions of this Declaration, or some specified part thereof, shall apply to such added real property;

(c) A legal description of such added real property; and,

(d) Such other or different covenants, conditions and reservations as Declarants shall in their discretion, specify to regulate and control the use, occupancy and improvements of such real

property in the manner consistent with this Declaration.

2.4 Subdivision of Parcels. The Parcels of Gallatin River Ranch shall not be subdivided to be less than twenty (20) acres per parcel by any Owner of any parcel on the Premises. If in fact he finds it necessary, Declarant may subdivide any tract on the Premises below the twenty (20) acre minimum at his discretion.

ARTICLE III
PROPERTY RIGHTS; WATER RIGHTS

3.1 Easements Reserved by Declarants for Conveyance to the Association: Declarants hereby define and reserve, for conveyance to the Association for its benefit and that of its members and the Owners in common, the following easements which shall define "Common Easement Areas";

(a) An easement over, through and across each Parcel for the purposes whatsoever which are consistent with the intent of this Agreement including ingress and egress and for the use of the property for grazing of livestock, maintenance of wildlife, landscaping, growing of crops, and the pursuit of recreational activities, the storage of personal property which is under the control and regulation of the Association and for the erection, maintenance, use and repair of water wells, roads, streets, bridges, trails, ponds, ditches, fences, buildings and other structures, utilities and improvements belonging to the Association; provided, however, that no structure such as a residential building or one which accommodates such use shall be permitted except those approved by the Association to house Association staff, or temporary guests of the Association or its members

(b) An easement over, through and across each Parcel to within fifty (50) feet of all inside boundaries of each Parcel for the installation and maintenance of electrical power lines and telephone lines.

(c) An easement and right-of-way for any irrigation ditches, ponds and/or canals and for all courses, channels and beds of any streams, creeks, drainage or rivers and an easement and right-of-way over twenty (20) feet of any banks thereof which occupy, cross, flow or traverse any Parcel (or part thereof).

(d) An easement over, through under and across all of the Premises (or part thereof) for the purposes of constructing, installing, using, maintaining and repairing driveways, wells, septic tanks and drainfields providing any and all buildings subsequently erected in such areas. The Association shall be entitled to grant to any Owner the use of such easement over, under or across a portion of the Premises for the benefit of such Owner for the purpose of installing, operating, maintaining, repairing or replacing a driveway, water well, septic tank or drainfield in a portion of this Parcel (or part thereof). Such Owners shall remain responsible for all costs and expenses associated with the ownership, construction, operation, maintenance, repair or replacement of such facilities. Nothing stated herein shall give an Owner the right to an easement in the Premises for the foregoing purposes, and the decision to grant or refusal to grant such easement(s) as provided in this Section 3.1(d) shall be solely within the discretion of the Association.

(e) Declarants do hereby convey by the recording of this Declaration the easements reserved above to the Association which recording shall be prior to the time of the conveyance

of the first Parcel in the Premises.

3.2 **Owner's Easement of Enjoyment.** Every Owner, and his children under the age of 23, shall have a right and easement of enjoyment in and to the Common Easement Areas which shall be appurtenant to and shall pass with the title to every Parcel, subject to the following provisions:

(a) The right of the Association to provide reasonable restrictions on the use of the Common Easement Areas for the overall benefit of the Association and its members including limitations of the number of guests permitted to use the Common Easement Areas, length of stay that guests are permitted to use the Common Easement Areas, and rules, restrictions or prohibitions on the type of activity and use including, but not limited to, the use of horses, firearms and motorized vehicles in the Common Easement Areas;

(b) The right of the Association to charge reasonable fees for the disproportionate use or appropriation by Owners or others of any recreational or other facility situated upon the Common Easement Areas;

(c) The right of the Association to suspend the voting rights and right to use of the Common Easement Areas and the recreational or other facilities of the Association by any Owner and/or Occupant for the period during which any assessment against his Parcel or person remains unpaid and for a period not to exceed one hundred eighty (180) days for any infraction of its published rules and regulations;

(d) The right of the Association to dedicate or transfer all or any part of its rights to the Common Easement Areas to any public agency, authority, utility, person, corporation or other entity for such purposes and subject to such conditions as may be agreed to by its members. No such dedication or transfer shall be effective unless approved by Declarants or a majority of Association members after transfer.

3.3 **Delegation of Use.** Any Owner may delegate, upon notification to the Association, to the members of his immediate family under the age of 23, or his guests subject to the rules and regulations set out by the Association for number and length of stay, his right of enjoyment to the Common Easement Areas and facilities. Any owner may also designate to a tenant, approved by the association, or any contract purchaser of his property his right of enjoyment to the Common Easement Areas and facilities, by giving up his use of these areas, and transfers this right to an approved tenant or a contract purchaser.

3.4 **Reservation of Access Easement.** The Declarants do hereby reserve for themselves or their assigns an easement over and along the roads and in the Common Easement Areas of the Premises for the purposes of completing the Project and also providing ingress and egress to any real property owned by Declarants or others, which property is not part of the Premises.

3.5 **Right of Access.** The Association or its delegated representatives, or the Declarants shall have the irrevocable right to have access across any Parcel to each house, dwelling or improvement on any Parcel from time to time during reasonable hours as may be necessary for the inspection, maintenance, repair, or replacement of any grounds or improvements thereon including any Owners' structure thereon in accordance with Sections 6.6, 6.7, 6.9, 7.3 and 8.1. Except for improvements owned by the Association or used by the Association for its benefit or that of its members, all maintenance, repairs, or replacements in any Parcel or on any structure thereon belonging to an Owner shall be at the expense of the Owner thereof. A similar right of access shall also be reserved and be immediate for the making of emergency repairs therein in

order to prevent property damage or personal injury. All damaged improvements shall be restored to substantially the same condition in which they existed prior to the damage. All maintenance, repairs, and replacements of the Common Easement Area grounds and Improvements shall be the common expense of the Association and all of the Owners; provided, however, if such damage is caused by a negligent act of any Owner, members of his family, his Occupant, agents, employees, invitees, licensees, or tenants, then such Owner shall be responsible and liable for all such damage.

3.6 Water Rights. It is the intent of the Declarants to make adequate water available to all parcels of land sold in this development. To that end, the Declarants are reserving the right to explore for and develop water in the areas designated as common easement areas. These rights may be assigned to subsequent parcel owners or to the Association as may become necessary or desirable.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

4.1 Membership. Every Owner of a Parcel 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 Parcel which is subject to assessment.

4.2 Classes of Members. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Class B members named below. Class A members shall be entitled to one vote for each Parcel owned. When more than one person holds an interest in any Parcel, all such persons shall be members. The vote for such Parcel shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Parcel. In the event, however, that there is a dispute among two or more Owners regarding the vote of a Parcel in which such Owners hold an interest, the Association, being duly notified in writing by any such interested Owner that the dispute exists, may appoint an officer of the Association or any independent party to cast such vote on behalf of the Owners of the Parcel in a manner as such officer, in his sole discretion and business judgement, may decide as being in the best interest of the Association and all Owners of such Parcel shall be deemed to have provided the Association and such officer their proxy on such occasion.

Class B. The Class B members shall be the Declarants. Class B members shall be entitled to one and one half (1.5) votes for each Parcel owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

ARTICLE V ASSESSMENTS

5.1 Creation of the Lien and Personal Obligation of Assessments. The Declarants, for each Parcel owned within the Premises, hereby covenants, and each Owner of any Parcel by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree; 1) to pay to the Association: (1) Annual assessments or charges, and (2)

special assessments for capital improvements or otherwise as hereinafter provided; and (b), that the annual and special assessments, together with interest, costs, and reasonable attorney's fees, if any, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal (joint and severable) obligation of the person or persons who was or were the Owner(s) of such Parcel at the time when the assessment fell due. Although such charges shall be a continuing lien upon the property until paid, the personal obligation for delinquent assessments shall not pass to the Owner(s)'s successors in title unless expressly assumed by them with the consent of the Association.

5.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purposes of promoting the health, safety, and welfare of the Owners of Gallatin River Ranch and the Association and for the establishment, improvement, maintenance and protection of the Premises and the interest of the Owners therein, and/or for property or facilities enhancing their use and enjoyment and/or the conservation of the natural amenities of the Premises. As such, these purposes may also include, but shall not be limited to, funding for: The payment of taxes, insurance for common properties and risks involving the Association; maintenance (including snow removal) of roads, parking areas, utilities, bridges and or other improvements or easements owned by the Association or used by the Owners in common; the establishment, maintenance and protection of pastures, land, crops, streams, ponds, livestock, wildlife and animals within the Premises; the cultivating, mowing of lawns and crops on fields or lands within the common areas; the construction, maintenance and repair of all recreational facilities owned by the Association and constructed on the Common Easement Areas or elsewhere for the benefit of the Association; and the cost of labor, equipment, services, materials, management, protection and supervision of the assets and interests of the Association.

5.3 Annual Assessments. Annual assessments shall be determined by the Board of Directors in an amount estimated to cover the normal operating expenses of the Association for each year as determined in conformity with standard accounting practices, together with such additional amounts as may, in their reasonable judgement, be necessary to cover any past deficits from operations or to create reasonable reserves for the future cost of operations of the Association. Such annual assessments shall be payable in advance on a quarterly basis, due on the first day of January, April, July and October of each year. Method and due date of payment of annual assessments may be changed from time to time by the Board of Directors of the Association or Declarants. In no event shall the assessment exceed One Thousand Two Hundred Dollars (\$1200), plus a prorated share of taxes owed on any commonly owned easements or improvements, per annum unless at least sixty percent (60%) of the members shall concur.

5.4 Special Assessments. In addition to the annual assessment to cover the Association's operating expenses, the Association, by an action of its Board, may levy, in any assessment year, special assessment(s) for the purpose of reserving or paying for, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a Capital Improvement of the Association or upon the Common Easement Areas including fixtures and personal property related thereto, and for such other purposes or projects benefiting the Association and its interests provided that any such assessment shall have the assent of two-thirds of the votes of each class of Members voting in person or by proxy at a meeting duly called for this purpose. Nothing stated herein shall restrict the right of the Association to provide for the repayment of the special

assessment over a term of months or years subsequent to the date of such assessment, and upon terms and conditions it deems appropriate, including the collection of interest on the deferred balance.

5.5 Notice and Quorum for Any Action Authorized Under Section 5.4. Written notice of any meeting called for the purpose of taking any action authorized under Section 5.4 of Article F shall be sent to all members not less than fifteen (15) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of members or their proxies entitled to cast thirty (30) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held sooner than thirty (30) days following the preceding meeting.

5.6 Uniform Rate of Assessment. Both annual and special assessments must be fixed in equal amounts for all Parcels and may be collected on a quarterly basis; provided, however, when in the judgement of the Board, a Capital Improvement is of a nature that uniquely restores damages or provides value only to certain individual Parcels then, to the extent determined by the Board that such Improvements are not beneficial to the Association as a whole or to the Members or Parcels in general, such portion of costs which solely contribute to those certain individual Parcels may be pro-rated, scheduled and assessed among only those Owners or Parcels affected.

a) The initial Annual Dues shall be \$600.00 per parcel sold, payable \$150.00 per quarter in advance. It is further understood that during the initial development phases that the developer will be funding the improvements and upkeep of the ranch, therefore until the operation of the ranch has been turned over to the Association, the Declarant may use these funds to supplement their own for the operation, management, and maintenance of the Ranch.

5.7. Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to all Parcels on the first day of the month following the conveyance of the Parcel and shall be assessed on a calendar year basis. The first quarterly assessment shall be adjusted according to the number of months remaining in the quarter. The Board of Directors shall fix the amount of the annual assessment against each Parcel at least thirty (30) days in advance of each annual assessment period (each calendar year). Written notice of the annual assessment shall be sent to every Owner subject thereto. Credits and reimbursements to Owners shall be determined and arranged so that the burden of taxes and governmental assessments and, if possible, payments, shall be shared pro-rata by Owners for taxes assessed against any common properties, Improvements (or usage) of the Association and the Owners, including, for instance, taxes on any Common owned Easement Areas and improvements. 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 Parcel have been paid.

5.8 Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate which shall be the greater of twelve (12) percent per annum or two (2) percent above the Prime Rate for Bank Lending in New York City, but in no event to exceed the maximum rate permitted under Montana law or such lower rate as may be set from time to time by the Board

of the Association. The Association may record a notice of lien against the property and bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property in the same manner as a mortgage on real property, and the Association shall be entitled in any such actions or foreclosure proceedings to recover its costs, expenses and reasonable attorneys' fees. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Easement Areas or abandonment of his Parcel.

5.9 Non-subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be superior and not subordinate to the prior lien of any first mortgage or prior recorded liens which are recorded after the date of the recording of this Declaration. Sale or transfer of any Parcel shall not affect the assessment lien, whether such lien arises prior to such sale or transfer, or thereafter becomes due.

5.10 Declarants Assessments. For the purposes of assessments, any Parcel owned by the Declarants shall not be subject to the same assessments and provisions of those Articles as Parcels of any other Owner. Assessments are not triggered on a parcel until it is sold by the Declarants.

ARTICLE VI PROTECTIVE COVENANTS: ARCHITECTURAL CONTROL

6.1 Purpose. The intent of Declarants in establishing the following protective covenants is to provide a uniform plan for the development of the Premises which will create, conserve and maintain the natural environment and present scenic and aesthetic quality of the Premises to the greatest extent compatible with providing use to the Owners for the development of single family residences together with such recreational pursuits which may be reasonably consistent with the natural environment of the Premises and its surroundings, and to further provide every practical and legal means to safeguard and protect the interests of all Owners and the value and stability of the Premises.

6.2 Requirement of Review by Committee. Except insofar as its duties may be extended with respect to a particular area by the Association, the Committee shall review and approve or disapprove all plans and specifications submitted to it for any proposed Improvement.

No construction, improvements, or alterations of any structure affecting the external appearance of any main building or secondary buildings and no driveways, parking areas, swimming pools, ponds, tennis courts, fences, walls, railings, artifacts, or other similar improvements and no wire, pipe, sewage disposal system, well, or walkway shall be made, erected, altered, placed or permitted to remain upon the Premises until a site plan and specifications showing the design, location, material(s) and color(s) together with the name of the contractor shall have been submitted to and such site plan and specifications approved in writing by a Review Committee, which shall consist of three members appointed by the Board of Directors of the Association.

In considering applications, the Committee shall use in its evaluation its established guidelines, which shall incorporate therein the principal guidelines required by Section 6.4 and individual site's characteristics as the primary and foremost criteria of design objectives so that improvements, although of merit and interest, shall not overly dominate their surroundings, but rather shall be reasonably subservient to them and harmonious with the land and its forms. The

total mood of such improvements should be one of relaxation, embodying the environment. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, exterior finishes and materials and similar features and the overall benefits and detriment to the surrounding area and Gallatin River Ranch generally, but shall not be responsible for reviewing, nor shall its approval of any plans and specifications be deemed approval thereof, particularly from the standpoint of structural safety, the engineering soundness or conformance of any Improvements with building or other codes.

6.3 Membership of Committee. At least two of the three members of the Review Committee shall be members of the Association or the persons representing the Declarants and it is suggested that at least one of the members have professional qualifications in the area of architecture, design or land planning.

6.4 Guidelines. The Review Committee shall establish and publish Guidelines which will set forth the procedures and criteria for review of residences or other structures to be constructed or installed on the Premises. Such criteria shall be consistent with the intent of Section 6.2 and the provisions of Article VII and shall specifically require that:

- a) the substantial portions of the exterior surfaces of all structures shall be muted tones typically found in the surrounding lands.
- b) no residence, garage, guest house, antenna or other structure constructed on the Premises shall exceed the average height of thirty (30) feet above the natural grade of the undeveloped land at the highest portion of the actual site boundaries and shall, wherever reasonably possible, be below the ridgeline of surrounding land contours except as may be specifically permitted in writing by the Review Committee and signed by two members, and
- c) all structures shall be of good design, high quality materials and workmanship and be suitable for the purpose intended, and
- d) all buildings shall, in the opinion of the Committee, reflect a high quality structure.

Failure to follow procedures or criteria set forth in the Guidelines as published shall form an adequate basis for rejection of the submitted site plan and specifications.

6.5 Variances. The Association Board may authorize variances from compliance with any of the architectural provisions of this Declaration, including restrictions upon height, bulk, size, shape, floor area, land area, placement of structures, setbacks, colors, materials or similar restrictions when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations may, in their sole and absolute discretion, warrant. Such variances must be evidenced in writing and must be approved by at least a majority of the Board. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision and in the particular instance covered by the variance.

6.6 Approval or Disapproval by Committee. In the event the Review Committee fails to approve or disapprove such design, location, construction, and materials within thirty (30) days after the detailed site plan and specifications have been submitted to it, approval shall not be required and this Article shall be deemed to have been fully complied with. Any plans, specifications and proposals so approved, either expressly in writing or by the expiration of the thirty (30) day period hereinabove provided, shall then permit the Owner to commence construction in accordance with said plan, but any deviation from said plan which, in the judgment of said Committee, is also 1) a deviation of substance from either the Guidelines; b)

the requirements of this Declaration; or c) is a detriment to the appearance of the structure or to the surrounding area shall be promptly corrected to conform with the submitted plan by the Owner or after reasonable notice is provided in accordance with Section 6.7 to such Owner by the Association at the Owner's expense. Any structure to be erected in accordance with approval so given shall be diligently prosecuted to completion and must be commenced and completed within eighteen (18) months of approval, or new approval must be obtained unless specific written extension is granted by the Review Committee. If any structure is begun but is not completed within eighteen (18) months of the commencement of construction, and in the reasonable judgment of the Review Committee is of offensive or unsightly appearance, then the said Committee or the Directors of the Association, at the option of either, may after reasonable notice to the Owner, take such action as may be necessary in accordance with Section 6.7 in its judgment to improve the appearance so as to make the property harmonious with other properties, including completion of the exterior of the structure, removal of the structure, installation of screening or covering of the structure or any combinations thereof, or similar operations; and the amount of any expenditures made in so doing shall be a lien on the property and may be enforceable by an action at law. The Review Committee may act by a majority of its members and any authorization or approval made by the Committee must be signed by a majority of the members thereof.

6.7 Inspection of Work. Upon the completion of any Improvement for which approved plans and specifications are required under this Declaration, the Owner shall give written notice of completion to the Committee. Within such reasonable time as the Committee may set in its rules, but not to exceed thirty (30) days after such notification and any adjustment for weather conditions, the Committee or its duly authorized representative, may inspect such Improvement. If the Committee finds that such work was not done in strict compliance with all approved plans and specifications submitted or required to be submitted for its prior approval as required by Section 6.6, it shall notify the Owner in writing of such noncompliance within such period, specifying in reasonable detail the particulars of noncompliance within such period, specifying in reasonable detail the particulars of noncompliance and shall require the Owner to remedy the same. If, upon the expiration of thirty (30) days from the date of such notification, the Owner shall fail to remedy such noncompliance, the Committee shall notify the Board in writing of such failure. Upon notice and hearing, the Board shall determine whether there is a noncompliance and if so, the nature thereof and the estimated cost of correction or removing the same. If noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board's ruling. If the Owner does not comply with the Board's ruling within such period, the Board, at its option, may either remove the noncomplying Improvement or remedy the noncompliance, and the Owner shall reimburse the Association upon demand for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy an assessment against such Owner and the Improvement in question and the land on which the same is situated for reimbursement and the same shall constitute a lien upon such land and Improvement and be enforced as in this Declaration provided. The Committee may inspect all work in progress and give notice of noncompliance as provided above. If the Owner denies that such noncompliance exists, the procedures set out above shall be followed, except that no further work shall be done, pending resolution of the dispute, which would hamper correction of the

noncompliance if the Board shall find that such noncompliance exists.

6.8 Materials. Construction materials shall not at any time be placed or stored so as to impede, obstruct or interfere with pedestrian or vehicular traffic and construction materials shall not be kept, placed or stored on Parcels for a period exceeding thirty (30) days following substantial completion of construction (as shall be determined by the Committee) without specific approval of the Review Committee or as permitted by Section 7.1(h).

6.9 Restoration of Parcel. Upon completion of the construction on any Parcel, the Owner shall to the greatest extent possible restore the Parcel to the conditions which existed prior to such construction so that the Parcel and improvement shall be in harmony with the surrounding unimproved property. The Owner must complete said restoration within forty-five (45) days or such other period as may reasonably be dictated by weather conditions following completion of construction on any parcel. In the event restoration is not completed within said time period, Declarants or Association, upon reasonable notice to the Owner, may complete said restoration at the expense of the Owner.

ARTICLE VII MINIMUM BUILDING AND USE RESTRICTIONS

7.1 Building Restrictions. No structure, other than those currently standing at the time of this Declaration, which fails to meet the following minimum standards shall be erected, placed or allowed to remain on any Parcel, and the Review Committee shall have no power to approve any structure failing to meet, at a minimum these conditions:

a) No structure (except those belonging to the Association to be constructed in the Common Easement Areas) shall be erected, altered, placed, or permitted to remain on any Parcel other than one single family dwelling, a private garage, and/or barn, and/or guest quarters without approval of the Association. In the main residence on the property an in-law unit or guest or maids quarters shall be allowed inclusive within the structure, so long as the exterior appearance of the building shall appear to be a single family residence. Under no circumstances shall this unit be used as a rental. All structures shall be erected only on specific sites approved by the Review Committee. All such single-family dwellings shall contain in total at least 1600 square feet in the footprint or foundation (and not less than 2,000 in total square footage), exclusive of porches, basements, decks, patios, adjoining guest quarters, and garages. Separate guest quarters shall not exceed in size 70% of the living space of the primary residence on the Premises. All concrete that extends 12 inches or more above ground may be required to be painted a blending color with its natural surroundings. Declarant reserves the right as stated in the opening paragraph on page 1 to include other uses that would provide services to the community or be a compatible use to the residential ranch concept.

b) Any building or residence erected on any Parcel shall be of new construction, no mobile homes, trailers, old buildings or pre-assembled homes shall be placed or moved onto said Parcel; however, an exception to the pre-assembled type home shall be Log Homes constructed with pre-cut logs, which shall be permitted. An old building which, in the sole discretion of the Review Committee, is deemed to be of significant design, historical or aesthetic value may be placed or incorporated with new construction on a Parcel with such specific approval of the Review Committee.

c) No basement or structure on any Parcel may be used for dwelling purposes until after its area, as defined by the foundation, has been completely enclosed according to the plans and until it has been substantially completed, with sanitary facilities and utilities permanently installed. No tent, shack or other outbuilding erected on a Parcel shall at any time be used as a residence, temporarily or permanently.

d) Exterior TV, radio, satellite dishes or other antennae may be installed on private Parcels, but number, location, height, color, screening and size of such antennae must conform to reasonable guidelines established by the Review Committee to minimize their appearance or visibility from neighboring Parcels.

e) All water, gas, electricity, telephone, and similar improvements, together with facilities constructed incidental thereto, shall be placed and installed underground. Propane tanks shall not be visible from neighboring property, and shall be screened or enclosed by a structure approved by the Review Committee. Outdoor lighting shall be permitted that is consistent with the safety and security of the Association, Owners and occupants but it shall be of a subdued nature, harmonious to the surroundings, of reasonable candle power and generally shall be shaded so that the source of illumination is not directly visible and annoying to neighboring Parcels. The installation and use of such lighting shall be subject to the approval of the Review Committee.

f) Any fences abutting roadways and Common Area Easements shall be of material and design approved by the Review Committee. No fence, gate or other structure or obstruction shall be constructed on the Premises so as to block or hinder the use of any of the Common Area Easements.

g) No home or recreational trailers or other living convenience shall be kept on said Parcels before construction of a residence, nor shall any trailer or other living convenience be used for temporary living quarters at any time, without the approval of the Association. The only exception to this would be a construction trailer used by the contractor during the construction period, to be removed when construction is completed. Adequate enclosed garage or screened parking space shall be provided on each Parcel for cars, recreational vehicles, trucks, trailers, boats, tractors, buses, snowmobiles or other mobile devices regularly situated on any Parcel so they may be properly housed and screened from sight of the roads, Common Easement Areas and visibility of neighboring Parcels and do not obstruct, hinder or interfere with the free flow of two-way traffic and the construction, maintenance, repair and snow removal from roadways. No "junk" inoperative autos, or equipment, shall be thrown, dumped, or left on any portion of a Parcel.

h) No garbage, trash or unsightly debris, organic or inorganic waste shall be collected and/or permitted by an Owner to accumulate on any Parcel or in any road adjacent thereto, but shall be promptly and efficiently disposed of, and no vacant lands or other Parcel shall be used as a dump ground or burial pit by any Owner. The only allowable outside trash or refuse cans or containers shall be those which are kept and maintained in effective animal-proof condition and enclosed or screened by a structure approved by the Review Committee. Outside incinerators shall not be permitted. Nothing stated herein shall preclude a central trash collection or incineration facility or preclude the designation and use by the Association or the Declarants of portions of the Common Easement Area for the removal or storage of gravel, building materials and equipment of the Association or the Declarant. The Association may from time to time

establish reasonable regulations for disposal of trash and garbage and the control thereof, which shall be binding upon and observed by the Owners and Occupants of all Parcels in Gallatin River Ranch.

i) No signs, billboards, posters, other advertising devices or media of any kind or character shall be erected or displayed on or upon any of the Parcels except signs of a type and size approved by the Review Committee and used to identify Gallatin River Ranch, Parcels, dwellings, Parcel availability, occupants of a dwelling or structure or directions signs of the Association, unless approved by the association.

j) All secondary buildings on a Parcel shall be of the same general construction and materials as used in the primary residence.

k) Wells, septic tanks and drainfields shall be constructed or installed in accordance with state and county standards at location(s) approved by the Review Committee.

l) No mining, quarrying, excavation, oil drilling or development of any kind shall be allowed in or on the Premises except for such excavation for road building, gravel, ponding or other structures as may be necessary in connection with the completion of the Project by the Declarants or placing of Improvements thereon in accordance with the terms and restrictions of these Declarations or with the specific approval of the Association.

7.2 Use Restrictions. The following use restrictions shall be applicable to all Parcels:

a) Neither hunting, trapping nor the discharge of any rifle, shotgun, pistol or other firearms or use of traps shall be permitted anytime on the Premises unless such activities are expressly authorized and permitted by the Board of Directors of the Association.

b) Animals and livestock may be raised, bred, or kept on any Parcel, subject to these covenants, notwithstanding the fact that no animals or livestock may be raised for commercial purposes, except on specific parcels or acreage designated by Declarant for ranch management or uses compatible with the residential ranch concept. All animals and livestock, exclusive of dogs and cats, shall be kept in a fenced enclosure and suitably maintained insofar as their well being is concerned at all times. Poultry or game birds may be kept on any Parcel in quantities of 10 or fewer adults. No swine of any kind shall be permitted for any purpose on any Parcel, unless raised by a 4-H club member or equivalent program. No more than four large animals may be kept on any Parcel. No stable, corral, pen, or other confine to hold animals shall be constructed, installed, or placed within 100 feet of a river, stream, spring, or other water source, or placed within 50 feet of any roadway or property line. Should, in the discretion of the Association, a particular animal or animals become a nuisance to livestock or wildlife, no such household animal or animals will be allowed off an Owner's Parcel unless in the immediate company and control of its owner. The Association may withdraw permission for animals to remain on the Premises from any Owner who, after due notice, violates the restrictions of this paragraph or who's animal is, or has become a nuisance to livestock, wildlife, property or other Owners, invitees or Association personnel, or is in violation of good animal husbandry.

In regards to large animals, it is understood that this land is not capable of producing enough food for more than one animal and over-grazing can destroy plant life quickly. For this reason, each parcel owner agrees to keep animals penned and fed. Animals should only be out for exercise as not to over graze any parcel. Good animal husbandry will be expected from all parcel owners.

c) The Association, or Declarant, is authorized to erect in the Common Easement

Areas, or on parcels owned by the Declarant, for the benefit of the Owners, the Association, or Declarants, to be run as a business, such stables, corrals, fences and other necessary structures for keeping horses or other livestock on the Gallatin River Ranch. There may be rules and regulations set forth by the Board of Directors governing riding and grazing on the Premises, use of the Common Easement Areas and any common corrals, stables or other facilities, private or common, that may be constructed. Notwithstanding the above, nothing contained herein shall create an obligation on the part of the Association to construct any corrals, stables or other facilities if it shall be judged in the opinion of the Association to be detrimental to the Association or Premises or in contravention of any law or regulation of any governmental authority.

d) No attempt shall be made by anyone to domesticate any wild animals on the properties.

e) There shall be no cutting, removal or voluntary destruction of timber, rock, or vegetation located in the Premises except by the Declarant to complete the Project or to the extent reasonably permitted by the Review Committee or the Association to enable the building of structures and improvements on a building site, and, as approved by the Association for the removal of dead or diseased trees, noxious weeds; the maintenance or establishment of other approved roads, streams, paths, ponds, or for the direct health and care of the lands.

f) No Owner shall permit noxious weeds or other undesirable plants to grow or spread upon his Parcel. In the event any Owner fails to control or eliminate the growth or spreading of such noxious weeds and undesirable plants, the Association shall, after reasonable notice, be entitled to take such action as is necessary to eradicate or control such weeds and plants at the expense of the Owner or Owners of the Parcel, and the full amount of any costs and expenses shall be due and payable within thirty (30) days after the Owner is billed therefor.

g) No external burning of refuse or other materials shall be permitted on any Parcel without the specific approval of the Association. The Association may set aside "controlled burning" days at their discretion. No Owner shall do any act or permit the continuance of any condition that creates an unnecessary or unreasonable risk of fire and shall follow the rules for fire prevention and protection established by the Association.

h) The Association shall adopt and publish reasonable rules governing the use of all designated roads, streets and trails as well as all other Common Easement Areas on the Premises and penalties or assessments for violations and all Owners, occupants, and invitees shall be bound and abide by such rules. Snowmobiles, motorcycles, trail bikes or other off-road motorized vehicles shall be used within the Premises only on roads in accordance with rules established by the Association. Any off-road riding will be prohibited by the rules of the Association.

i) The Owners or Occupants of any Parcel shall at all times conduct their use and activities in a manner that will preserve the integrity of the springs, ponds, river, streams and creeks within the Premises, including the prevention of any degradation of water quality, any reduction or increase in the flows of the river, springs, creeks or streams, or any damage to the streambeds or banks. Further, the Owners or Occupants shall not conduct or permit the conduct of any activities which encourage or facilitate the discharge of any liquid, solid or gas, into such waterways or the polluting of such waterways. The Association is authorized to adopt rules and regulations designed to preserve the integrity and quality of said springs, ponds, streams, river and creeks, and each Owner or Occupant shall abide by said rules and regulations so adopted.

The outdoor use of potentially damaging or hazardous fertilizers, pesticides or herbicides by an Owner, unless approved by the Association, is expressly prohibited.

j) No Parcel or building thereon shall at any time be used for the storage of agricultural or commercial supplies or equipment for the purpose of any trade, profession, manufacturing or business of any description except the supplies, business and management of the Association and the Project; nor, except for purposes of the Association or as consistent with Section 7.2(n), shall any Parcel or building be used for duplexes, apartment houses, or any other multiple dwelling houses, except as previously excepted for the Association or Declarant, or as allowed in section 7.1 (a) for in-laws guests or maids. Notwithstanding the above, an Owner or Occupant with the specific approval of the Association, may engage in their professional activities and maintain an office within their residence for such activities providing it involves no regular traffic with the public and the attendance of no more than two employees.

k) No illegal, noxious, unsightly or offensive activities shall be carried on, nor shall anything be done on any Parcel or in the Common Easement Areas which may become an unreasonable annoyance or nuisance to the other Owners or occupants in the quiet and peaceful enjoyment of the Premises.

l) The Declarants have divided the Premises for the purpose of providing Parcels to accommodate a limited number of permanent and recreational single family residences, and shall maintain Common Easement Areas in order to maintain wildlife, the pursuit of recreation, and to protect the natural scenic and environmental integrity of the Premises and to facilitate the security and quiet enjoyment of Owners, occupants and their guests. Consistent with this theme, the rental of a residence or guest quarters as a commercial or communal enterprise is not anticipated or encouraged, and no Owner shall permit communal activities in or lease or rent, for money or otherwise, his Parcel, residence or guest quarters without first securing the written permission of the Association. Any Owner who desires to rent his residence shall submit a written statement to the Association stating that he is moving out of the property and, disclosing the names of the prospective tenants or occupants and the length of the rental or occupant period. Any rights to utilize the amenities of the Gallatin River Ranch or the common area facilities will be transferred to the tenants and the owner shall have no rights to utilize the facilities while his property is rented. If the Association fails to communicate its disapproval of the plan with ten (10) days, the plan shall be deemed approved in accordance with these provisions subject to the Association's right to review such plans for possible disapproval on thirty (30) days notice. If the Association disapproves a rental, it shall furnish the Owner with written reasons for such rejection or disapproval within a reasonable period of time. In reviewing a particular rental request, the Association shall be entitled to consider such factors as it, in its sole discretion, shall deem appropriate. The foregoing provisions establish no duty upon Declarants, the Board or the Association to allow any such activity or to investigate the financial or personal responsibility or character of a prospective tenant, and neither the Declarant, the Board nor the Association shall be in any way or manner liable for the review activities or in connection with the approval or disapproval of a particular request submitted by an Owner.

m) Owners shall be responsible to the Association for all acts of tenants resulting in damage to Association property and for the tenant's adherence to all the covenants and restrictions which may be applicable and to all guidelines, rules and regulations of the Association.

n) The Declarants have the right to use all unsold lots, common areas, and sold but

unfenced lots for the grazing of livestock. It shall be the responsibility of each land owner to protect his property from damage by livestock. This can be done by fencing those areas which could be damaged.

o) The Declarants shall have the right to mine gravel, rock, move trees or any other need which is deemed in their best interest until the property is fully developed.

p) The Declarants will only transfer common areas proportionate to tracts sold and is under no obligation to provide any additional common areas which is proposed on any preliminary master plan or development plan.

7.3 Exterior Maintenance. Each Owner shall provide exterior maintenance within his Parcel, including maintaining structures in good repair and condition, maintaining the grounds to preclude unsightly growths, not permitting fire hazards, refuse piles or other unsightly objects to accumulate or remain on the grounds. In providing such exterior maintenance, the Owner shall utilize materials, colors, landscaping schemes harmonious with the surrounding areas and consistent with generally accepted concepts of desirable residential developments and any prior approved plans by the Review Committee. In the event any Owner shall fail or neglect to provide such exterior maintenance, the Association shall notify such Owner in writing specifying the failure and demanding that it be remedied within thirty (30) days. If the Owner shall fail or refuse to provide such exterior maintenance within the thirty (30) day period, the Association may then enter such Parcel and provide required maintenance at the expense of the Owner. The full amount shall be due and payable within thirty (30) days after the Owner is billed therefor. Such entry on a Parcel by the Association shall not be deemed to be trespassing.

ARTICLE VIII GENERAL PROVISIONS

8.1 Enforcement. Violation by an Owner, Occupant, Licensee or designee of the Owner of any restrictions, conditions, covenants or agreements herein contained shall give to the Association, acting through its Directors, and with reasonable notice, the right to enter upon the property concerned, and to summarily abate and remove at the expense of the Owner any erection, thing, or condition that may be in, or upon, said Parcel contrary to the provisions hereof without being deemed guilty of trespassing. The result of every act or omission whereby any restrictions, condition, covenant or agreement is violated in whole, or in part, is hereby declared to be and constitute a nuisance, and every remedy allowed by law against a nuisance, whether public or private, shall be applicable against every such result. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

8.2 Costs of Enforcement. Should any lawsuit or other legal proceeding be instituted by the Association against an Owner alleged to have violated one or more of the provisions of this Declaration and should the Association be wholly or partially successful in such proceeding, the offending Owner shall be obligated to pay the costs of such proceeding, including reasonable attorney's fees.

8.3 Severability. Invalidation of any one of these covenants or restrictions by judgment

or court order shall in no way affect any other provisions which shall remain in full force and effect.

8.4 Amendment. Except those provisions requiring a greater consent, any provision herein may be amended or revoked and additional provisions added, at any time by written instrument recorded in the Office of the Clerk and Recorder of Gallatin County, Montana, duly signed and acknowledged by the Owners of record of not less than seventy-five (75) percent of the Parcels subject to this Declaration; provided, however, that so long as there are any Class B members, any such amendment shall require the additional consent of one hundred (100) percent of such Class B members.

8.5 Term. The provisions of this Declaration shall be binding for a term of twenty-five (25) years from the date of this Declaration, after which time the Declaration shall be automatically extended for successive periods of twenty five (25) years unless an instrument agreeing to amend, revoke or terminate this Declaration has been signed by the owners of seventy-five (75) percent of the Parcels and has been recorded; provided, however, that so long as there are any Class B members, any such revocation or termination shall require the additional consent of one hundred (100) percent of such Class B members.

8.6 Non-Liability of Board and Committee Members. Neither the Committee nor any member thereof nor the Board nor any member thereof shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Committee or its member or the Board or its member, as the case may be.

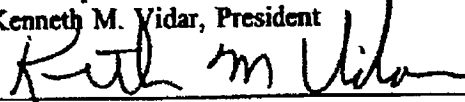
8.7 Non-Dedication to Public Uses. Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Premises or the Common Easement Areas to or for any public use or purpose whatsoever.

IN WITNESS WHEREOF the undersigned, being the Declarants herein, have hereunto set their hand this 6th day of January 1994.

Declarant Partnership: Hill Country, Inc., a Montana Corporation
By: Thomas L. Langel, President



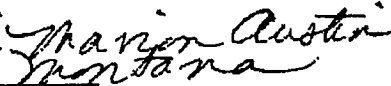
MEKEN Corporation, a Montana Corporation
By: Kenneth M. Vidar, President



STATE OF MONTANA)
COUNTY OF GALLATIN)

On this 6th day of January 1994, before me a Notary Public for the State of Montana; personally appeared Kenneth M. Vidar and Thomas L. Langel known to me to be the Presidents respectively of MEKEN Corporation, and Hill Country, Inc., dba Gallatin River Ranch, who executed the foregoing instrument.

for the State of Montana



My commission expires 10/1/97



North Half of the Northwest Quarter of the Southwest Quarter of Section 22;
 South Half of the Northwest Quarter of the Southwest Quarter of Section 22;
 North Half of the Southwest Quarter of the Southwest Quarter of Section 22;
 South Half of the Southwest Quarter of the Southwest Quarter of Section 22;
 North Half of the Northeast Quarter of the Southwest Quarter of Section 22;
 South Half of the Northeast Quarter of the Southwest Quarter of Section 22;
 North Half of the Southeast Quarter of the Southwest Quarter of Section 22;
 North Half of the Northeast Quarter of the Southeast Quarter of Section 22;
 South Half of the Northeast Quarter of the Southeast Quarter of Section 22;
 North Half of the Southeast Quarter of the Southeast Quarter of Section 22;
 South Half of the Southeast Quarter of the Southeast Quarter of Section 22;
 North Half of the Northwest Quarter of the Southeast Quarter of Section 22;
 South Half of the Northwest Quarter of the Southeast Quarter of Section 22;
 North Half of the Southwest Quarter of the Southeast Quarter of Section 22;
 North Half of the Northwest Quarter of the Northwest Quarter of Section 27;
 South Half of the Northwest Quarter of the Northwest Quarter of Section 27;
 North Half of the Southwest Quarter of the Northwest Quarter of Section 27;
 South Half of the Southwest Quarter of the Northwest Quarter of Section 27;
 North Half of the Northeast Quarter of the Northeast Quarter of Section 27;
 South Half of the Northeast Quarter of the Northeast Quarter of Section 27;
 North Half of the Southeast Quarter of the Northeast Quarter of Section 27;
 South Half of the Southeast Quarter of the Northeast Quarter of Section 27;
 West Half of the Northwest Quarter of the Southwest Quarter of Section 27;
 East Half of the Northwest Quarter of the Southwest Quarter of Section 27;
 West Half of the Northeast Quarter of the Southeast Quarter of Section 27;
 East Half of the Northeast Quarter of the Southeast Quarter of Section 27;
 North Half of the South Half of Section 26;
 Northwest Quarter of Section 26;
 Northeast Quarter of Section 26;
 Northwest Quarter of Section 22;
 Northeast Quarter of Section 22;
 All in Township Two North, Range Three East, M.P.M., Gallatin County,
 Montana, according to the official plat thereof on file and of record in the office
 of the County Clerk and Recorder of Gallatin County, Montana.

278944



State of Mont., County of Gallatin. ss Filed for record JANUARY 13, 19 94
 at 10:00 A.M., and recorded in Book 140 of MISCELLANEOUS, page 158
Shelby H. Cherry Recorder. By Melody A. Lopez Deputy
 RT: AMERICAN LAND TITLE CO FEE: \$120.00

ABSTRACT OF DECLARATION OF CONDITIONS, PROTECTIVE COVENANTS AND RESERVATIONS FOR GALLATIN RIVER RANCH

COMES NOW the undersigned, being the owner and developer of all of the privately owned land included within the boundaries, described in Exhibit "A" attached, and known as Gallatin River Ranch ("GRR"), and hereby adopts by reference the Declaration of Conditions, Protective Covenants and Reservations previously recorded against other real estate located in Gallatin County, Montana.

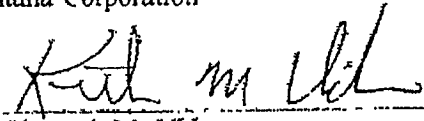
R-49876 ALT

The previously recorded Declaration of Conditions, Protective Covenants and Reservations can be found at Film 140, Pages 158 - 177, inclusive, and defined as Document 278944, in the records of Gallatin County, Montana, on file with the County Clerk and Recorder of Gallatin County, Montana.

The declarant hereby adopts in total by reference all of the terms, conditions, restrictions and parts of said Declaration of Conditions Protective Covenants and Reservations and declares that they are fully effective as to the real estate described in Exhibit "A".

DATED this 21st day of December, 1994.

MEKEN CORPORATION
A Montana Corporation

By: 
Kenneth M. Vidar
President

HILL COUNTRY, INC.
A Montana Corporation

By: 
Thomas H. Langel
President

STATE OF MONTANA
COUNTY OF GALLATIN

FILE 150 PAGE 1341

On this 21 day of Dec. in the year A.D. 1994, before me, JUDY BYRD, a Notary Public for the State of Montana, personally appeared KENNETH M. VIDAR, President of MEKEN CORPORATION, and THOMAS H. LANGEL, President of HILLCOUNTRY, INC., known to me personally to be the person whose name is subscribed to the within instrument and acknowledged to me that he was authorized and executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.



Judy Byrd
Notary Public for the State of Montana
Residing at Dryman, MT
My commission expires: 1/14/95

All of Sections 13, 14, 15, 23, and 24.

Tracts 21-9 thru 21-16 and Tracts 21-18 thru 21-32 of Certificate of Survey No. 1788, located in Section 21.

The Northeast Quarter and the North Half of the Southeast Quarter of Section 28, lying North of the Gallatin River and more fully described below, in Township Two North, Range Three East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

Tract One of Certificate of Survey No. 1622, being: A tract of land being all that portion of the Southeast Quarter of Section 28, Township Two North, Range Three East, Principal Meridian Montana, Gallatin County, Montana, lying North of the centerline of the Gallatin River and being further described as follows: Beginning at the Northeast corner of said Southeast One-Quarter. Thence South 01 degrees-39'-14" East along the east line of said Southeast One-Quarter a distance of 1027.48 feet, more or less, to the center of the Gallatin River through the following courses:

North 71 degrees -41'-47" West a distance of 533.55 feet,

South 83 degrees -52'-29" West a distance of 206.18 feet,

South 72 degrees -17'-03" West a distance of 377.92 feet,

South 84 degrees -17'-22" West a distance of 401.99 feet,

North 78 degrees -13'-54" West a distance of 367.73 feet,

North 88 degrees -18'-35" West a distance of 706.16 feet,

more or less, to the west line of said Southeast One-Quarter. Thence North 02 degrees -55'-04" West, along said west line, a distance of 911.25 feet, more or less, to the Northwest corner of said Southeast One-Quarter. Thence North 89 degrees -18'-49" East, along the North line of said Southeast One-Quarter, a distance of 2554.47 feet, more or less, to the point of beginning.

All that part of the Southeast Quarter of the Southwest Quarter and the South Half of the Southeast Quarter of Section Ten, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, lying South of the following described line: Commencing at a point on the South line of Section Ten; thence running North 56 degrees 47' East a distance of 648 feet; thence running South 75 degrees 40' East a distance of 1200 feet; thence running North 72 degrees 35' East a distance of 1325 feet to the East line of said Section Ten.

All that part of the South Half of Section Eleven in Township Two North, Range Three East, M.P.M., Gallatin County, Montana, lying South of the following described line: Commencing at a point on the West line of Section Eleven which is 450 feet North of the Southwest corner of said Section Eleven; thence running North 72 degrees 35' East a distance of 113 feet; thence running North 85 degrees 33' East a distance of

1300 feet; thence running North 59 degrees 07' East a distance of 846 feet; thence running 42 degrees 31' East a distance of 375 feet; thence running North 88 degrees 40' East a distance of 2440 feet to the East line of said Section Eleven.

The South Half of the Southeast Quarter and all that part of the Southwest Quarter of Section Twelve, Township Two North, Range Three East, M.P.M., Gallatin County, Montana, lying South of the following described line: Beginning at a point on the West line of said Section Twelve which is 1620 feet North of the Southwest corner of said Section; thence running North 88 degrees 40' East a distance of 1672 feet; thence running South 58 degrees 34' East 259 feet; thence running South 85 degrees 34' East 731 feet to the East line of the Northeast Quarter of the Southwest Quarter of said Section Twelve.

All in T2N, R3E, M.P.M., Gallatin County, Montana according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.



298801

State of Mont., County of Gallatin. ss Filed for record DECEMBER 27, 19 94
at 3:20 P M., and recorded in Book 150 of MISCELLANEOUS page 1340
Shelby H. Casey Recorder. By Carrie Brancamp Deputy

FEE: \$24.00

RT: AMERICAN LAND TITLE CO

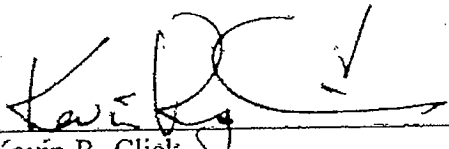
ABSTRACT OF DECLARATION OF CONDITIONS, PROTECTIVE COVENANTS AND RESERVATIONS FOR GALLATIN RIVER RANCH

COMES NOW the undersigned, being the owner of all of the privately owned land included within the boundaries, described in Exhibit "A" attached, and known as Gallatin River Ranch ("GRR"), and hereby adopts by reference the Declaration of Conditions, Protective Covenants and Reservations previously recorded against other real estate located in Gallatin County, Montana.

The previously recorded Declaration of Conditions, Protective Covenants and Reservations can be found at Film 140, Pages 158 - 177, inclusive, and defined as Document 278944, in the records of Gallatin County, Montana, on file with the County Clerk and Recorder of Gallatin County, Montana.

The declarant hereby adopts in total by reference all of the terms, conditions, restrictions and parts of said Declaration of Conditions Protective Covenants and Reservations and declares that they are fully effective as to the real estate described in Exhibit "A".

DATED this 29th day of DEC, 19 94.



 Kevin R. Click



 Dianne Chaykin Click

R-49 886 ACT

STATE OF MONTANA
COUNTY OF GALLATIN

On this 29th day of Dec., in the year A.D. 19 94, before
me, Christin K Stone, a Notary Public for the State of Montana, personally
appeared KEVIN R. CLICK AND DIANNE CHAYKIN CLICK, known to me personally to
be the persons whose names are subscribed to the within instrument and acknowledged to me
that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal
the day and year first above written.

Christin K Stone
Notary Public for the State of Montana
Residing at Brazman
My commission expires: 9-16-96

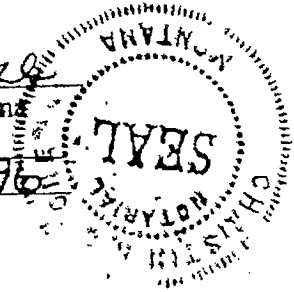


EXHIBIT "A"

FILM 150 PAGE 1723

The North 1/2 of the Northeast 1/4 of the Northeast 1/4 of Section 28, Township 2 North, Range 3 East, M.P.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

298956

INDEXED *c*
PLATED *m* ✓

State of Mont., County of Gallatin. ss Filed for record DECEMBER 29, 19 94
at 3:06 P M., and recorded in Book 150 of MISCELLANEOUS page 1721
Shelby H. Cheney Recorder. By Cassie Brancamp Deputy

FEE: \$18.00

RT: AMERICAN LAND TITLE CO

10

FILM 189 PAGE 2428

**AMENDMENT TO DECLARATION OF CONDITIONS, PROTECTIVE COVENANTS
AND RESERVATIONS FOR GALLATIN RIVER RANCH**

**(Dated January 6, 1994, and recorded January 13, 1994, in Book 140 of Miscellaneous,
at Pages 158-177) *****

ATC 1-58849-56

THIS AMENDMENT is made this 21st day of September, 1998, to that certain "Declaration of Conditions, Protective Covenants and Reservations for Gallatin River Ranch" dated January 6, 1994, and recorded with the Recorder of Gallatin County on the 13th day of January, 1994, at 10:00 A.M. in Book 140 of Miscellaneous, at pages 158-177. ***and also recorded in Film 125, Page 1153; Film 128, Page 3915; Film 135, Page 44; and Film 150, Page 1340. The recorded plats on file with Clerk and Recorder of Gallatin County refer to

"Greenbelt areas" and the "Declaration of Conditions, Protective Covenants and Reservations for Gallatin River Ranch" refer to "common areas". This Amendment is to clarify that the terms as used in either the Declaration of Conditions, Protective Covenants and Reservations for Gallatin River Ranch or on the recorded plats are to be synonymous and interchangeable.

DATED this 21st day of September, 1998.

MEKEN CORP., d/b/a
GALLATIN RIVER RANCH
By [Signature]
KENNETH VIDAR, Its President

HILL COUNTRY, INC., d/b/a
GALLATIN RIVER RANCH
By [Signature]
THOMAS LANGEL, Its President

STATE OF MONTANA)

: ss

County of GALLATIN)

FILM 189 PAGE 2429

This instrument was acknowledged before me on September 21st, 1998, by KENNETH VIDAR as President of MEKEN CORPORATION and THOMAS LANGEL as President of HILL COUNTRY, INC.



Gail D. Huls
Notary Public for the State of Montana.
Residing at Paradise, Montana.
My Commission Expires: 7/24/2002

374183

State of Mont., County of Gallatin. ss Filed for record SEPTEMBER 24, 1998
at 3:27 P.M., and recorded in Book 189 of MISCELLANEOUS page 2428
Shelley Vance Recorder. By Barbara E. Clawson Deputy

FEE: \$12.00
RT: AMERICAN LAND TITLE CO



①

FILE # 201-2567

LIMITATION, WAIVER AND RELINQUISHMENT OF EASEMENT RIGHTS

The undersigned, GALLATIN RIVER RANCH HOMEOWNERS' ASSOCIATION, a Montana Non-Profit Corporation, and MEKEN CORPORATION, and HILL COUNTRY, INC., the Developers of Gallatin River Ranch, hereby limit, waive and relinquish the following easement rights reserved to the Association under Sections 3.1(a) and 3.1(d) of the Declaration of Conditions, Protective Covenants and Reservations for Gallatin River Ranch, dated January 6, 1994, and recorded in the Office of the Gallatin County Clerk and Recorder on the 13th day of January, 1994 at 10:00 a.m. in Book 140 of Miscellaneous at Pages 158-177, under Document No. 278944 as concerns the S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 27, Township 2 North, Range 3 East, M.P.M., Gallatin County, Montana, according to Amended Certificate of Survey No. 1819B, according to the official plat thereof on file and of record in the Office of the County Clerk and Recorder of Gallatin County, Montana.

AVTC 1-61603-56

Section 3.1(a): The following easement rights reserved under this Section are waived and relinquished:

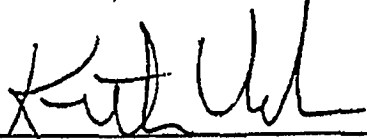
- (1) Storage of any personal property which is under the control and regulation of the Association; and
- (2) The erection of any buildings or other structures which could be used for any residential, commercial or maintenance purposes or used by the Association to house any Association staff or temporary guests of the Association or its members.

Use of the easement rights under this Section for the building of trails, establishment of ponds or water amenities and the construction of fencing is limited or restricted solely to those areas of the parcel designated as "Green Belt," "Common Areas" or "Common Easement Areas."

Section 3.1(d): The easement rights reserved under this Section are limited or restricted solely to those areas of the parcel designated as "Green Belt," "Common Areas," or "Common Easement Areas."

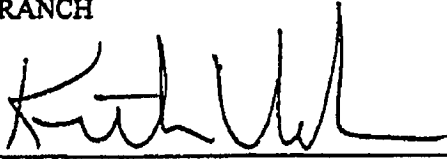
DATED this 5 day of August, 1999.

GALLATIN RIVER RANCH HOMEOWNERS' ASSOCIATION, a Montana Non-Profit Corporation

By:  Res.
Authorized Agent

FILE # 201-2012568

MEKEN CORPORATION, d/b/a GALLATIN RIVER RANCH

By: 
Kenneth Vidar, its President

HILL COUNTRY, INC., d/b/a GALLATIN RIVER RANCH

By: 
Thomas Langel, its President

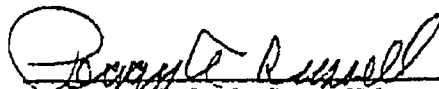
ACKNOWLEDGMENTS

STATE OF MONTANA)
) ss.
County of Gallatin)

On this 5 day of August, 1999, before me, a Notary Public for the State of Montana, personally appeared ~~Thomas Langel~~ ^{Kenneth Vidar}, known to me (or proved to me upon oath of Thomas Langel) to be the person who executed the within instrument on behalf of the GALLATIN RIVER RANCH HOMEOWNERS' ASSOCIATION and acknowledged to me that such corporation executed the same.

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



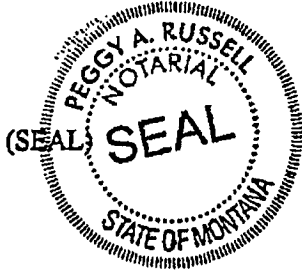

Notary Public for the State of Montana
Residing at Bozeman, Montana
My Commission expires: 3-16-02

STATE OF MONTANA)
) ss.
County of Gallatin)

FILE # 201 PAGE 2569

On this 5 day of August, 1999, before me, a Notary Public for the State of Montana, personally appeared Kenneth Vidar, known to me (or proved to me upon oath of _____) to be the person who executed the within instrument on behalf of the MEKEN CORPORATION and acknowledged to me that such corporation executed the same.

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



Peggy A. Russell
Notary Public for the State of Montana
Residing at Bozeman, Montana
My Commission expires: 3-16-02

STATE OF MONTANA)
) ss.
County of Gallatin)

On this 5 day of August, 1999, before me, a Notary Public for the State of Montana, personally appeared Thomas Langel, known to me (or proved to me upon oath of _____) to be the person who executed the within instrument on behalf of the HILL COUNTRY, INC. and acknowledged to me that such corporation executed the same.

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



Peggy A. Russell
Notary Public for the State of Montana
Residing at Bozeman, Montana
My Commission expires: 3-16-02



397039
State of Mont., County of Gallatin, ss Filed for record AUGUST 6
19 99 at 3:02 P.M., and recorded in Book 201 of
MISCELLANEOUS page 2567 Shalley Vance Recorder
By Barbara E. Clawson Deputy
FEE: \$18.00
RT: AMERICAN LAND TITLE CO.

AMENDMENT TO DECLARATION OF CONDITIONS, PROTECTIVE COVENANTS AND RESERVATIONS FOR GALLATIN RIVER RANCH
(Dated January 6, 1994, and recorded January 13, 1994, in Book 140 of Miscellaneous, at Pages 158-177)

ALTC 1-61603-5C

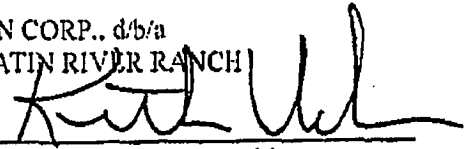
COME NOW the undersigned, being the developers and controlling votes for the Gallatin River Ranch Homeowner's Association, and hereby amend the "Declaration of Conditions, Protective Covenants and Reservations for Gallatin River Ranch" dated January 6, 1994, and recorded with the Recorder of Gallatin County on the 13th day of January, 1994, at 10:00 A.M. in Book 140 of Miscellaneous, at pages 158-177, to read as follows:

Section 3.1(b) shall be amended to read as follows:

(b) An easement over, through and across each parcel within fifty feet (50') of all inside boundaries of each parcel for the installation and maintenance of electrical power lines and telephone lines (emphasis applied).

No other change to the Declaration of Conditions, Protective Covenants and Restrictions for Gallatin River Ranch are intended by this Amendment. This Amendment is meant to clarify the language of the previous Declaration of Conditions, Protective Covenants and Restrictions for Gallatin River Ranch.

DATED this 5 day of August, 1999.

MEKEN CORP., d/b/a
GALLATIN RIVER RANCH
By 
KENNETH VIDAR, Its President

HILL COUNTRY, INC., d/b/a
GALLATIN RIVER RANCH
By 
THOMAS LANGEL, Its President

STATE OF MONTANA)
 : ss.
County of GALLATIN)

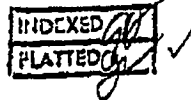
FILM 201 PAGE 2571

This instrument was acknowledged before me on August 5, 1999, by
KENNETH VIDAR, as President of MEKEN CORP., and THOMAS LANGEL, as President of
HILL COUNTRY, INC.



Peggy A. Russell
Notary Public for the State of Montana.
Residing at *Bozeman*, Montana.
My Commission expires: 3-16-02.

397040



State of Mont., County of Gallatin, ss Filed for record AUGUST 6, 19 99
at 3:03 P.M., and recorded in Book 201 of MISCELLANEOUS page 2570.
Shelley Vance Recorder. By Barbara E. Chauson Deputy

FEE: \$12.00
RT: AMERICAN LAND TITLE CO.

2421335

Page: 1 of 18 07/23/2012 02:23:19 PM Fee: \$136.00
Charlotte Mills - Gallatin County, MT MISC

**BYLAWS OF
THE GALLATIN RIVER RANCH HOMEOWNER'S ASSOCIATION**

INDEX TO BYLAWS

ARTICLE 1

GENERAL PROVISIONS

1.1 Principal Office 4

1.2 Defined Terms 4

1.3 Conflicting Provisions 5

1.4 Corporate Seal 5

1.5 Designation of Fiscal Year 5

1.6 Records 5

1.7 Association Disclosure of Information 5

1.8 Amendment 5

1.9 Members 6

ARTICLE 2

MEETINGS OF OWNERS

2.1 Annual Meeting 6

2.2 Special Meetings 6

2.3 Notice of Meetings 6

2.4 Quorum 7

2.5 Proxies 7

2.6 Record Date 7

2.7 Organization and Conduct of Meeting 8

2.8 Action by Written Ballot 9

2.9 Action by Written Consent 9

2.10 Voting Requirements 10

**ARTICLE 3
BOARD OF DIRECTORS**

3.1 Number.....	10
3.2 Appointment and Election.....	10
3.3 Term of Office.....	10
3.4 Resignation of Directors.....	11
3.5 Removal of Directors.....	11
3.6 Compensation.....	11
3.7 Action Taken Without a Meeting.....	11
3.8 Vacancies.....	11
3.9 Meetings.....	12
3.10 Quorum and Voting.....	12
3.11 Powers and Duties.....	13
3.12 Managing Agent.....	15

**ARTICLE 4
OFFICERS AND THEIR DUTIES**

4.1 Enumeration of Officers.....	16
4.2 Election.....	16
4.3 Term	16
4.4 Special Appointments.....	16
4.5 Resignation and Removal	16
4.6 Vacancies.....	16
4.7 Multiple Offices.....	17
4.8 Powers and Duties	17

ARTICLE 5

VIOLATIONS OF COVENANTS, RULES AND GUIDELINES

5.1 Power of Board to Impose Penalties and Assessments.....17
5.2 Notice of Violation and Appeal.....18

ARTICLE 6

COMMITTEES OF THE BOARD

6.1 Appointment of Committees20
6.2 Proceedings of Committees.....20
6.3 Authority of Committees.....20
6.4 Alternate Members.....20

BYLAWS OF THE GALLATIN RIVER RANCH HOMEOWNER'S ASSOCIATION

PREAMBLE

In general, the purposes of the By-Laws are to provide for the orderly process for the parcel owners to hold meetings, cast votes for and elect members to a Board of Directors, and allow the Directors and Officers to conduct the business of the Corporation, including, but not limited to, maintaining records, collecting funds, enforcing the protective covenants and architectural guidelines, and to provide for the general benefit of the parcel owners consistent with the purposes of the Corporation as a not for profit Homeowners' Association.

ARTICLE 1

GENERAL PROVISIONS

1.1 Principal Office. The principal office of this corporation shall be located at the place as is designated in the Articles of Incorporation or such other place as the Association may designate from time to time in accordance with the Montana statutes governing nonprofit corporations, but meetings of Owners and directors may be held at such other place within the State of Montana as may be designated by the Board of Directors.

1.2 Defined Terms. Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Declaration of Conditions, Protective Covenants and Reservations for Gallatin River Ranch (hereafter "the Declaration") recorded in Film 150, Page 1340 and Film 189, Page 2428 , Official Records of Gallatin County Recorder, Gallatin County, Montana, as such Declaration may be amended from time to time. Owner as defined in the Declaration also means "member" as that term is used in the Montana not-for-profit corporation statutes. GRR Documents shall mean the Articles of Incorporation, the Declaration, such Rules as the Board shall promulgate by their authority under the Declaration, and the Guidelines of the Review Committee.

1.3 Conflicting Provisions. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

1.4 Corporate Seal. The Association may have a seal in a form approved by the Board.

1.5 Designation of Fiscal Year. The fiscal year of the Association shall begin on the 1st day of July and end on the 30th day of June of every year, except that the first fiscal year shall begin on the date of incorporation of the Association.

1.6 Records. The books, records and papers of the Association, except those which by law may be withheld from disclosure, shall be available for inspection by any Owner and/or authorized agents during normal business hours at the principal office of the Association, where copies may be purchased at reasonable cost.

1.7 Association Disclosure of Information. Except for a sale of a Parcel from the Declarant to a purchaser, the Association shall furnish to a purchaser, after receipt of either a written request for information about the Association or notice of a pending sale that contains the name and address of the purchaser, a copy of the GRR Documents and any other information that may be required by applicable law within the time required by such law. The Association may charge the Owner a reasonable fee to compensate the Association for any costs incurred in the preparation of a statement furnished by the Association pursuant to this Section. The Association shall make available to any interested party the amount of any such fee established from time to time by the Association.

1.8 Amendment.

1.8.1 These Bylaws may be amended at a regular or special meeting of the Owners by a vote of the Owners having more than 50% of the votes entitled to be cast by the Owners present in person or by proxy.

1.8.2 The Board, without a vote of the Owners, may amend these Bylaws in order to conform these Bylaws to the requirements of any applicable federal, state or local government law or regulation.

1.9. Members. Membership in the corporation requires that a person or entity is an "Owner" as that term is defined in the Declaration, Article I, paragraph 1.10.

ARTICLE 2 MEETINGS OF MEMBERS

2.1 Annual Meeting An annual meeting of the Owners of the Association shall be held at least once each year at such date, time and place as is determined by the Board.

2.2 Special Meetings. Special meetings of the Owners may be called at any time by the President or by the Board or upon written demand signed by Owners having at least one-fourth (1/4) of the total authorized votes in the Association. The close of business on the thirtieth (30th) day before delivery of the demand or demands for a special meeting shall be the record date for the purpose of determining whether the demand for the special meeting has been signed by Owners having at least one-fourth (1/4) of the total authorized votes in the Association.

2.3 Notice of Meetings. Written notice of each meeting of the Owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting by e-mailing or mailing a copy of each notice, postage prepaid, at least fifteen (15) days but no more than fifty (50) days before such meeting to

each Owner entitled to vote thereat addressed to the Owner's address or e-mail address last appearing on the books of the Association or supplied by such Owner to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, including the general nature of any proposed amendment to the Declaration, Articles or Bylaws, changes in Assessments that require approval of the Owners and any proposal to remove a director of the Association. When a meeting is adjourned to another date, time or place, notice of the new date, time or place need not be given of the adjourned meeting if the time and place of the meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Association may transact any business which might have been transacted at the original meeting. If a new record date for the adjourned meeting is or must be fixed under Subsection 2.6 1 below, the Association shall give notice of the adjourned meeting pursuant to this Section to persons who are Owners as of the new record date. An Owner's attendance at a meeting waives objection to the lack of notice or defective notice of the meeting, unless the Owner at the beginning of the meeting objects to holding the meeting and transacting business in the meeting. In addition, an Owner's attendance at a meeting waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Owner objects to considering the matter at the time it is presented.

2.4 Quorum. Except as otherwise may be provided in the Covenants, the Declaration or these Bylaws, the presence in person or by proxy of Owners entitled to cast one-tenth (1/10th) of the total authorized votes in the Association shall constitute a quorum at all meetings of the Owners. If a quorum shall not be present at any meeting, the Owners entitled to vote thereat shall have the power to adjourn the meeting from time to time until a quorum shall be present.

2.5 Proxies. At all meetings of the Owners a vote may be cast in person or by proxy. An Owner may appoint a proxy to vote or otherwise act for the Owner by signing an appointment form, either personally or by the Owner's attorney-in-fact, provided that a copy of the attorney-in-fact's authority to act, duly notarized, is attached thereto). A proxy is valid for eleven months unless a shorter period is expressly provided in the appointment form. An appointment of a proxy is effective on receipt by the Secretary or other officer or agent authorized to tabulate votes. An appointment of a proxy is revocable unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest. Appointment of a proxy is revoked by the person who appoints a proxy by either (1) attending any meeting and voting in person or (2) signing and delivering to the Secretary or other officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form. The death or incapacity of the Owner who appoints a proxy shall not affect the right of the Association to accept the proxy's authority unless the Secretary or other officer or agent authorized to tabulate votes receives written notice of the death or incapacity before the proxy exercises authority under the appointment.

2.6 Record Date.

2.6.1 For any meeting of the Owners, the Board shall fix a date as the record date for determining the Owners entitled to notice of the meeting. If the Board fails to fix a record date for any meeting of the Owners, the record date for determining the Owners entitled to notice of the meeting shall be the business day before the day on which the notice of the meeting is given. The Board also shall fix a date as the record date for determining the Owners entitled to vote at a meeting of the Owners. If the Board fails to fix such a record date, the Owners on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

2.6.2 A determination of Owners entitled to notice of or to vote at a Ownership meeting is effective for any adjournment of the meeting, unless the Board fixed a new date for determining the right to notice or the right to vote. The Board shall fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date that is more than seventy (70) days after the record date for determining Owners entitled to notice of the original meeting.

2.6.3 The Board shall fix a date as the record date for the purpose of determining the Owners entitled to exercise any rights in respect of any other lawful action of the Owners. If a record date is not fixed by the Board, Owners at the close of business on the day on which the Board adopts the resolution relating to that record date, or the sixtieth (60) day before the date of other action, whichever is later, are entitled to exercise those rights.

2.6.4 The record date fixed by the Board under this Section shall be not more than seventy (70) days before the meeting or action requiring a determination of Owners.

2.7 Organization and Conduct of Meeting. All Owners attending a meeting of the Owners shall register with the Secretary (or such person or persons as may be designated by the Secretary) prior to commencement of the meeting, and all proxies must be filed with the Secretary (or such person or persons as may be designated by the Secretary) prior to commencement of the meeting. After the meeting is called to order by the chair of the meeting, no further proxies or changes, substitutions or revocation of proxies shall be accepted. All meetings of the Owners will be called to order and chaired by the President of the Association, or if there is no President or if the President is absent or so requests, then by the Vice President. If both the President and Vice President are not present at the meeting, any other officer of the Association or such Owner of the Association as is appointed by the Board may call the meeting to order and chair the meeting. The chair of the meeting may appoint any person (whether or not an Owner) to act as Recording Secretary. The chair of the meeting shall have the authority to determine the order of business to be conducted at the meeting and to establish reasonable rules for expediting the business of the meeting.

2.8 Action by Written Ballot. Any action that the Association may take at any annual, regular or special meeting of the Owners may be taken without a meeting if the Association delivers a written ballot to every

Owner entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall: (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to approve each matter other than election of directors; and (3) specify the time by which a ballot must be delivered to the Association in order to be counted, which time shall be not less than seven (7) days after the date that the Association delivers the ballot. Once a written ballot has been received by the Association, the ballot may not be revoked. Approval by written ballot pursuant to this Section is valid only if both the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes which would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. Delivery shall be by e-mail or by first class United States mail at the last known address of the member reflected in the records of the Association, and delivery shall be deemed to have been made on the third day after the day of mailing, as certified by the Secretary of the Association.

2.9 Action by Written Consent.

2.9.1 The Owners may approve any action required or permitted by law that requires the Owners' approval without a meeting of the Owners if the action is approved by Owners holding at least a majority of the voting power in the Association, unless the Declaration, Articles, these Bylaws or applicable law require a different amount of voting power. The action shall be evidenced by one or more written consents describing the action taken, signed by those Owners representing at least the requisite amount of the voting power, and delivered to the Association for inclusion in the minutes or filing with the corporate records of the Association.

2.9.2 If not otherwise fixed by the Board pursuant to Section 2.6 above, the record date for determining Owners entitled to take action without a meeting is the date the first Owner signs the consent to the action. A consent signed under this Section has the effect of a meeting vote and may be described as such in any document. Written notice of Owner approval pursuant to this Section shall be given to all Owners who have not signed the written consent. Unless otherwise specified in the consent or consents, the action is effective on the date that the consent or consents are signed by the last Owner whose signature results in the requisite amount of the voting power. Any Owner may revoke the Owner's consent by delivering a signed revocation of the consent to the President or Secretary before the date that the consent or consents are signed by the last Owner whose signature results in the requisite amount of the voting power.

2.10 Voting Requirements. Unless otherwise provided in the GRR Documents, if a quorum is present at a meeting of the Owners, the affirmative vote of a majority of the votes represented and voting is the act of the Owners.

ARTICLE 3
BOARD OF DIRECTORS

3.1 Number. The affairs of this Association shall be managed by a board of directors consisting of a minimum of five (5) and a maximum of eleven (11) directors. The Board may increase or decrease the number of directors on the Board but the number of directors must always be an odd number and shall not be less than five (5) or more than eleven (11). The number of directors for the board first elected by the Owners shall be nine. A majority of the directors shall be Owners or their spouses who maintain their principal residence on the Ranch.

3.1.1 Qualifications of Director. All directors must be Owners of the Association or the spouse of an Owner. No Owner or spouse of an Owner shall be nominated for or serve in a director position if the Owner has failed to timely remediate any violation of the GRR Documents or timely pay any assessment. See Article 5, subsection 5.2.6. An Owner or spouse may be nominated and serve as a director if the Owner has submitted a written, signed plan of remediation to the Board, including a definitive timetable for remediation, found acceptable by the Board.

3.2 Appointment and Election. The directors shall be elected by the Owners at the annual meeting of the Owners.

3.3 Term of Office. Directors appointed by the Declarant shall hold office until their successors are elected and qualify. In the first election of directors by the Owners, the directors shall be divided into two or more classes with staggered terms of office for a term of one, two or three years. The directors elected by the Owners in the first election of directors shall be assigned to one of the classes of directors based on the total number of votes each director receives, with the directors receiving the highest total number of votes being assigned to the class with the longest term. In the case of a tie in the number of votes received by candidates, election and assignment of the term of the director shall be decided by lot. In each election of directors thereafter, directors shall be elected for a term of three years. If the number of directors is increased by the Board, the Board shall assign each of the newly created directorships to one of the classes of directors.

3.4 Resignation of Directors. A director may resign at any time by delivering written notice to the Board, its presiding officer or the Association. A resignation is effective when the notice is delivered unless the notice specifies a later effective date or event. If a resignation is made effective at a later date, the Board may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

3.5 Removal of Directors. Any one or more of the members of the Board may be removed from the Board with or without cause by Owners having more than fifty percent (50%) of the votes entitled to be cast by the Owners present in person or by proxy at a meeting of the Owners called for such purpose, and a successor may then and there be elected to fill the vacancy thereby created.

3.6 Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

3.7 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of all the directors. Any such written consent shall be filed with the minutes of the proceedings of the Board.

3.8 Vacancies. Except for vacancies on the Board caused by the removal of a director in accordance with the provisions of Section 3.5 of these Bylaws, any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum, and any director so chosen shall hold office until the next election of the directors. Any newly created directorship shall be deemed a vacancy. When one or more directors resign from the Board, effective at a future time, a majority of the directors then in office, including those who have so resigned, may fill such vacancy, the vote on the vacancy to take effect when such resignation becomes effective. If by reason of death, resignation or otherwise, the Association has no directors in office, any officer or Owner may call a special meeting of the Owners for the purpose of electing the Board.

3.9 Meetings.

3.9.1 If the time and place of a meeting of the Board is fixed by the Board, the meeting is a regular meeting. All other meetings of the Board are special meetings. Regular meetings shall be scheduled by the Board to occur at a rate of one per calendar quarter.

3.9.2 Special meetings of the Board may be called by the President on two (2) business days notice to each director, given in writing, by hand delivery, mail, telegram or e-mail, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.

3.9.3 A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting or promptly on the director's arrival at the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

3.9.4 A director may participate in a regular or special meeting of the Board through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting, and a director participating in a meeting by such means is deemed to be present in person at the

meeting. The Association is not required to meet the expense of providing the means for this method of a member attending a meeting.

3.10 Quorum and Voting. A majority of the prescribed number of directors shall constitute a quorum for the transaction of business. If a quorum is present when a meeting is convened, the quorum shall be deemed to exist until the meeting is adjourned, notwithstanding the departure of one or more directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board unless the Articles or Bylaws require the vote of a greater number of directors. A director who is present at a meeting of the Board when corporate action is taken is deemed to have assented to the action taken unless either: (1) the director objects at the beginning of the meeting or promptly on the director's arrival to holding it or transacting business at the meeting; (2) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (3) the director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the Association before 5:00 P.M. on the next business day after the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken. A director may vote in person or by proxy granted to another director. A director may appoint a proxy to vote or otherwise act for the director by signing an appointment form, either personally or by the director's attorney-in-fact. The appointment does not relieve the director of liability for acts or omissions imposed by law on directors. An appointment of a proxy is effective when received by the Secretary. An appointment is valid for one (1) month unless a different, shorter period is expressly provided in the appointment form. An appointment of a proxy is revocable by the director. The death or incapacity of a director appointing a proxy shall not affect the right of the Association to accept the proxy's authority unless written notice of death or incapacity is received by the Secretary before the proxy exercises its authority under the appointment. Subject to any express limitation on the proxy's authority appearing on the face of the appointment form, the Association is entitled to accept the proxy's vote or other action as the vote of the director making the appointment. Voting through a proxy at a meeting of the Board does not constitute attendance at that meeting for the purpose of satisfying the attendance requirements for Directors during their terms of office.

3.11 Powers and Duties. The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may exercise all corporate powers of the Association, subject to any limitation set forth in the GRR Documents. In addition to the duties imposed by these Bylaws or by any resolution of the Owners that may hereafter be adopted, the Board shall have the following powers and duties:

3.11.1 Open bank accounts on behalf of the Association and designate the signatories thereon;

- 3.11.2 Make, or contract for the making of, repairs, additions to, improvements to or alterations of the Common Area, in accordance with the GRR Documents, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain, proceedings;
- 3.11.3 In the exercise of its discretion, enforce by legal means the provisions of the GRR Documents;
- 3.11.4 Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair, replacement of the Common Area and provide services for the Owners, and where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;
- 3.11.5 Provide for the operation, care, upkeep and maintenance of all of the Common Area and borrow money on behalf of the Association when required in connection with any one instance relating to the operation, upkeep and maintenance for the Common Area; provided, however, the consent of Owners having at least a majority of the total votes in the Association shall be obtained either in writing or at a meeting called and held for such purpose in accordance with the provisions of these Bylaws in order for the Association to borrow in excess of ten percent (10%) of the annual revenue budget of the Association.
- 3.11.6 Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year;
- 3.11.7 Adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the Owners and their family Owners, guests, lessees and invitees thereon and establish penalties for the infraction thereof;
- 3.11.8 Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Ownership by other provisions of the Project Documents;
- 3.11.9 Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive, or a total of five of the regular meetings of the Board during any three year term of office of such member;
- 3.11.10 Employ, hire and dismiss such employees as they deem necessary and to prescribe their duties and their compensation.
- 3.11.11 Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Owners at the annual meeting of the Owners, or at any special meeting when such statement is requested in writing by any Owner entitled to vote;
- 3.11.12 Supervise all officers, agents and employees of the Association and see that their duties are properly performed;
- 3.11.13 Levy, collect and enforce the payment of Assessments in accordance with the provisions of the GRR Documents;
- 3.11.14 Issue, or cause an appropriate agent or officer to issue upon demand to any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the

Board for the issuance of these certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

3.11.15 Procure and maintain adequate property, liability and other insurance as required by the Covenants or as the board of directors deems prudent and advisable;

3.11.16 Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

3.11.17 Cause the private roads platted in the Ranch and the Common Area to be maintained, as more fully set forth in the GRR Documents.

3.12 Managing Agent. The Board may, but shall not be required to, employ for the Association a Managing Agent at a compensation established by the Board. The Managing Agent shall perform such duties and services as the Board shall authorize, including, but not limited to, all of the duties listed in the Project Documents except for such duties and services that under the Project Documents may not be delegated to the Managing Agent. The Board may delegate to the Managing Agent all of the powers granted to the Board or the officers of the Association by the GRR Documents other than the power (i) to adopt the annual budget, any amendment thereto or to levy Assessments; (ii) to adopt, repeal or amend Association Rules or Bylaws; (iii) to designate signatories on Association bank accounts; (iv) to borrow money on behalf of the Association; (v) to acquire real property.

ARTICLE 4 OFFICERS AND THEIR DUTIES

4.1 Enumeration of Officers. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be elected by the Board, except as provided in Subsection 4.2 below. The president and vice president must be Members of the Board. Any other officers may, but need not, be Members of the Board.

4.2 Election of Officers. Until the Transition date, the Declarants shall have the right to designate the holders of the offices enumerated in Subsection 4.1 above. After the Transition Date, the election of officers shall take place at the first meeting of the Board following the annual election of directors by the Owners. Thereafter, officers shall be elected at the first meeting of the Board following each annual meeting of the Owners.

4.3 Term. After the Transition Date, the officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

4.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

4.5. Resignation and Removal. After the Transition Date, any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Association. A resignation is effective when the notice is delivered unless the notice specifies a later date or event. The acceptance of a resignation shall not be necessary to make it effective. If a resignation is made effective at a later date or event and the Board accepts the later effective date, the Board may fill the pending vacancy before the effective date if the Board provides that the successor shall not take office until the effective date.

4.6 Vacancies. After the Transition Date, a vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

4.7 Multiple Offices. The same individual may simultaneously hold more than one office in the Association.

4.8 Powers and Duties. To the extent such powers and duties are not assigned or delegated to a Managing Agent pursuant to Section 3. 1. 2 of these Bylaws, the powers and duties of the officers shall be as follows:

4.8.1 President. The president shall be the chief executive officer of the Association; shall preside at all meetings of the Board or the Owners; shall see that orders and resolutions of the Board are carried into effect; and have general and active management of the business of the Association;

4.8.2 Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board;

4.8.3 Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Owners; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Owners; keep appropriate current records showing the Owners of the Association together with their addresses, and shall perform such other duties as required by the Board;

4.8.4 Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds for appropriate Association purposes as set forth in the Project Documents; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Ownership at its regular annual meeting, and deliver a copy of each to the Owners; and, in general, perform all the duties incident to the office of treasurer.

ARTICLE 5
VIOLATIONS OF COVENANTS, RULES & GUIDELINES

5.1 Power of Board to Impose Penalties or Assessments. Pursuant to the power granted to the Board by the Declaration, the Board shall have the right to impose reasonable assessments against an Owner for a violation of any provision of the GRR Documents by the Owner, a Lessee of the Owner or by any Resident of the Owner's Lot.

5.2 Notice of Violation and Appeal.

5.2.1 The Board, a committee of the Board, or any person designated by the Board, may serve a Notice of Violation against an Owner for a violation of any provision of the GRR Documents by the Owner, a Lessee of the Owner or by any Resident of the Owner's Parcel. A Notice of Violation shall contain (i) a description of the violation, (ii) the approximate time and place at which the violation was observed, (iii) the amount of the assessment to be paid by the Owner for such violation or the abatement action required, (iv) the name of the person issuing the Notice of Violation, and (v) a statement advising the Owner of the Owner's right to request a hearing pursuant to Subsection 5.2.4 of these Bylaws. No assessment can be levied until it has been established by the Board as a assessment for a specified type of violation of an obligation under the GRR Documents or Rules promulgated thereunder and published for a period of at least 30 days to all Owners. No assessment can be levied for conduct occurring before the expiration of the 30 day publication period, but may be levied after the 30 day publication period for conditions existing on a Parcel which constitute a Covenant, Guideline or Rule violation. Publication shall be by ordinary mail addressed to the last known address of the Owner as recorded in the records of the Association. Covenant, Rule and Guideline violations existing prior to the date of establishment of any applicable assessment shall be subject to fine levy after the expiration of the 30 day publication period. Publication shall be deemed to take place on the third day following the date of mailing, as attested to by the Secretary of the Association.

5.2.2 A Notice of Violation shall be deemed to have been served if delivered personally to the Owner named in the Notice of Violation or sent to the Owner by registered or certified United States mail, return receipt requested, postage prepaid. A Notice of Violation served by mail shall be deemed to have been received by the Owner to whom the notice was addressed on the earlier of the date the notice is actually received or five (5) days after the notice is deposited in the United States mail. A Notice of Violation given by mail shall be addressed to the Owner at the address of the Owner as shown on the records of the Association. If a Parcel is owned by more than one person or entity, a Notice of Violation to one of the joint Owners shall constitute notice to all of the joint Owners. Attestation by the Secretary of notice given in accordance with this provision shall be conclusive evidence of due Notice.

5.2.3 The Owner shall pay the assessment set forth in the Notice of Violation to the Association within ten (10) days after the Notice of Violation is served on the Owner, and shall comply with any penalty, other

than an assessment, in the time set forth in the Notice of Violation, unless prior to that time the Owner requests a hearing on the violation pursuant to Subsection 5.2.4 of the Bylaws.

5.2.4 Any Owner served with a Notice of Violation may request a hearing on the violation. The request for a hearing must be addressed to the Secretary of the Association and must be actually received by the Association within ten (10) days after the service of the Notice of Violation. Upon receipt of a request for a hearing pursuant to this Section, the President or any other officer of the Association shall schedule a hearing on the violation before the Board or before a hearing officer or a committee approved by the Board and shall notify the Owner requesting the hearing of the date, time and place of the hearing. The notice of the hearing also shall advise the Owner of his right to produce statements, evidence and witnesses on his behalf and to be represented at the hearing by an attorney. If the hearing on the violation is before the Board, then the minutes of the meeting of the Board at which the hearing is held shall reflect the fact that the hearing on the violation was held and the action taken by the Board on the violation. If the hearing is held before a hearing officer or a committee appointed by the Board, then the hearing officer or the committee conducting the hearing shall, within ten (10) days after the conclusion of the hearing, make a written recommendation to the Board on what action the Board should take in the violation. Upon receipt of the recommendation from the hearing officer or the committee, the Board shall act upon the recommendation. Any penalty or assessment which is affirmed by the Board following a hearing pursuant to this Section shall be paid by the offending Owner within ten (10) days after a notice of the action of the Board is served upon the Owner. Service of the notice from the Board shall be made in the same manner as service of a Notice of Violation pursuant to Subsection 5.2.2 of these Bylaws. Unpaid assessments not paid within thirty (30) days after the due date, following the decision on any appeal taken, shall incur interest at the rate specified in Section 5.8 of the Covenants and be subject to imposition and enforcement of a lien in the same manner and to the same extent as specified in said Section 5.8, including the provisions therein for costs, expenses and reasonable attorneys fees.

5.2.5 Any assessment imposed pursuant to this Article 5 shall be the joint and several liability of all of the joint Owners of a Parcel.

5.2.6 If an Owner fails to timely remediate any violation of the GRR Documents or timely pay any assessment then the Owner shall be disabled from voting on association business brought forward for vote of the Owners and the Owner and members of the Owner's immediate family shall be disabled from nomination for or continued service on any board, committee or subcommittee of the Association. This provision does not limit in any way the rights of the Association to take whatever actions are authorized in law or equity and the GRR Documents to address such violations.

ARTICLE 6
COMMITTEES OF THE BOARD

6.1 Appointment of Committees. The Board may create one or more committees and appoint members of the Board to serve on them. Each committee shall have one or more members, and each member of a committee shall serve at the pleasure of the Board. The creation of a committee and appointment of members of the Board to the committee must be approved by the greater of: (1) a majority of all the directors in office when the action is taken; or (2) the number of directors required by Section 3.10 above to take action. .

6.2 Proceedings of Committees. The provisions of these Bylaws governing meetings, action without meetings and notice, waiver of notice, quorum and voting requirements of the Board also shall apply to committees and their members.

6.3 Authority of Committees. Each committee of the Board may exercise the authority of the Board to the extent specified by the Board or the Articles and Covenants, except that a committee shall not take any of the following actions: (1) authorize distributions or assessments; (2) approve or recommend to the Owners any action that requires the Owners' approval under the GRR Documents or by law; (3) fill vacancies on the Board or on any of its committees; and, (4) adopt, amend or repeal these Bylaws.

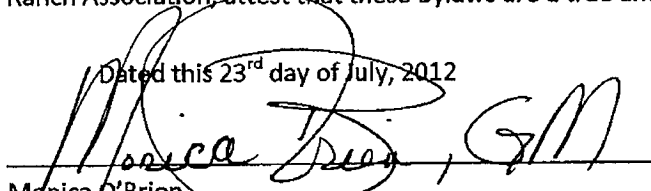
6.4 Alternate Members. The Board may designate one or more directors as alternate members of any committee who may replace any absent member at any meeting of the committee.

Know all men by these presents:

That Peak Property Management, 716 S. 20th Ave., Ste. 102, Bozeman, MT 59718, as agent on behalf of the Gallatin River Ranch Homeowner's Association, does hereby affirm the foregoing Bylaws on this the 23rd day of July, 2012, as the administrative governing and controlling documents for the Gallatin River Ranch Homeowner's Association. These Bylaws shall be recorded with the County Clerk and Recorder, County of Gallatin, State of Montana.

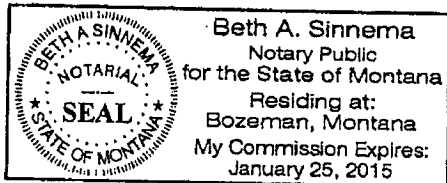
I, Monica O'Brien, General Manager of Peak Property Management, Agent for Gallatin River Ranch Association, attest that these Bylaws are a true and correct copy.

Dated this 23rd day of July, 2012



Monica O'Brien
General Manager, Peak Property Management

Subscribed and sworn to before me this 23rd day of July, 2012





Notary Public for the State of Montana
Residing at _____
(Notarial Seal) My commission expires: _____

2421336

Page: 1 of 3 07/23/2012 02:23:19 PM Fee: \$31.00
Charlotte Mills - Gallatin County, MT MISC



AMENDMENT TO 1.6 OF THE BYLAWS OF GALLATIN RIVER RANCH

Gallatin River Ranch is located in Gallatin County, Montana, as described in the attached Exhibit "A."

Pursuant to §1.8.2 of the Bylaws, the Board of Gallatin River Ranch Homeowners Association ("GRRHOA"), hereby amends §1.6 "Records" to clarify that GRRHOA records, as defined by § 35-2-906, MCA, shall be available to the members in conformance with §35-2-907 MCA, subject to any and all restrictions or conditions set forth in the Montana Code Annotated, 2007, or the Bylaws and Covenants of GRRHOA:

1.6 Records The books, records, and papers of the Association, except for those which by law may be withheld from disclosure, shall be available for inspection and copying by any owner and/or authorized agent as follows:

GRRHOA records are categorized into two tiers of records: "Tier One" and Tier Two." Tier One documents include:

- 1) Articles or restated articles and all amendments to them currently in effect;
- 2) Bylaws or restated bylaws and all amendments to them currently in effect;
- 3) Resolutions adopted by the GRRHOA Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- 4) The minutes of all meetings of members and the directors and the records of all action approved by the members and the directors for the last three years;
- 5) GRRHOA records of all actions taken by members or directors without a meeting, and a record of all actions taken by committees of the Board of Directors;
- 6) The financial statements available to members for the last three years;
- 7) A list of the names and business or home address of the GRRHOA current directors and officers; and
- 8) GRRHOA's most recent annual report delivered to the Secretary of State.

To inspect and copy Tier One records, a member shall provide written notice or a written demand at least five (5) business days before the date on which the member wishes to inspect the records. Such notice shall be sent to:

Guza, Williams, and Nesbitt, PLLC
25 Apex Dr. Suite B
Bozeman, MT 59718
(406)586-2228

The second set of records available for inspection and copying by members shall be referred to as "Tier Two" documents. Tier Two documents include:

- 1) Accounting records of GRRHOA; and,
- 2) Subject to the limitations set forth in § 35-2-910, MCA, the HOA membership list.

Subject to the limitations set forth below, to inspect and copy Tier Two records, a member shall provide written notice at least five (5) business days before the date on which the member wishes to inspect the records to:

GRRHOA
PO BOX 41
Manhattan, MT 59741

Tier Two records are available to members for inspection and copies only if:

- 1) The member's demand is made in good faith and for a proper purpose;
- 2) The member describes with reasonable particularity the purpose and the records the member desires to inspect; and
- 3) The records are directly connected with this purpose.

GRRHOA may impose a reasonable charge, covering the costs of labor and material, for copies of documents provided to the member. The charge may not exceed the estimated cost of production or reproduction of the records.

DATED this 5th day of June, 2008.

/

/

/

/

/

**AMENDMENT TO THE BYLAWS OF THE GALLATIN RIVER RANCH
HOMEOWNER'S ASSOCIATION**

The Gallatin River Ranch Homeowner's Association hereby amend, by majority vote through a mail ballot, "The Bylaws of The Gallatin River Ranch Homeowner's Association" published on the Gallatin River Ranch website; gallatinriverranchhoa.com. The amendments are as follows (changes are underlined):

Article 3.1

Existing:

3.1 Number. The affairs of this Association shall be managed by a board of directors consisting of a minimum of five (5) and a maximum of eleven (11) directors. The Board may increase or decrease the number of directors on the Board but the number of directors must always be an odd number and shall not be less than five (5) or more than eleven (11). The number of directors for the board first elected by the Owners shall be nine. A majority of the directors shall be Owners or their spouses who maintain their principal residence on the Ranch.

Amended:

3.1 Number. The affairs of this Association shall be managed by a board of directors consisting of five (5) and a maximum of eleven (11) directors. The Board may increase or decrease the number of directors on the Board but the number of directors must always be an odd number and shall not be less than five (5) or more than eleven (11). A majority of the directors shall be Owners who maintain a residence on the Ranch.

Article 4.2

Existing:

4.2 Election of Officers. Until the Transition date, the Declarants shall have the right to designate the holders of the offices enumerated in Subsection 4.1 above. After the Transition Date, the election of officers shall take place at the first meeting of the Board following the annual election of directors by the Owners. Thereafter, officers shall be elected at the first meeting of the Board following each annual meeting of the Owners.

Amended:

4.2 Election of Officers. Officers shall be elected at the first meeting of the Board following each annual meeting of the Owners.

Article 4.3

Existing:

4.3 Term. After the Transition Date, the officers of the association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Amended:

4.3 Term. Officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Article 4.5

Existing:

4.5 Resignation and Removal. After the Transition Date, any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Association. A resignation is effective when the notice is delivered unless the notice specifies a later date or event. The acceptance of a resignation shall not be necessary to make it effective. If a resignation is made effective at a later date or event and the Board accepts the later effective date, the Board may fill the pending vacancy before the effective date if the Board provides that the successor shall not take office until the effective date

Amended:

4.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Association. A resignation is effective when the notice is delivered unless the notice specifies a later date or event. The acceptance of a resignation shall not be necessary to make it effective. If a resignation is made effective at a later date or event and the Board accepts the later effective date, the Board may fill the pending vacancy before the effective date if the Board provides that the successor shall not take office until the effective date.



Article 4.6

Existing:

4.6 Vacancies. After the Transition Date, a vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

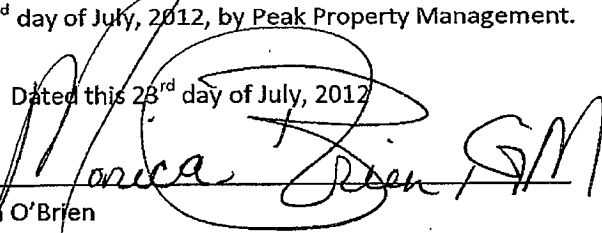
Amended:

4.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

No other changes to the Bylaws of The Gallatin River Ranch Homeowner's Association are intended by these amendments. These amendments are only meant to change Articles 3.1, 4.2, 4.3, 4.5 and 4.6 as included and indicated herein.

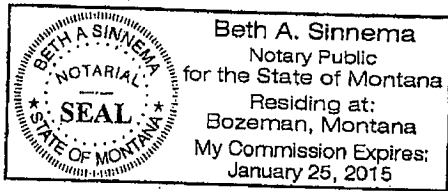
I, Monica O'Brien, General Manager of Peak Property Management, Agent for Gallatin River Ranch Association, verified that this amendment passed by a majority vote which was administered through a mail ballot, completed on August 1, 2011. This amendment is posted this 23rd day of July, 2012, by Peak Property Management.

Dated this 23rd day of July, 2012



Monica O'Brien
General Manager, Peak Property Management

Subscribed and sworn to before me this 23rd day of July, 2012





Notary Public for the State of Montana
Residing at _____
(Notarial Seal) My commission expires: _____

AMENDMENT TO THE BYLAWS OF THE GALLATIN RIVER RANCH HOMEOWNER'S ASSOCIATION

The Gallatin River Ranch Homeowner's Association hereby amend by majority vote through a mail ballot, the "Bylaws of The Gallatin River Ranch Homeowner's Association, Article 1.5 Designation of Fiscal Year" published on the Gallatin River Ranch website; gallatinriverranchhoa.com.

Existing Article 1.5 .

"Article 1.5 Designation of Fiscal Year . The fiscal year of the Association shall begin on the 1st day of July and end on the 30th day of June of every year, except that the first fiscal year shall begin on the date of incorporation of the Association."

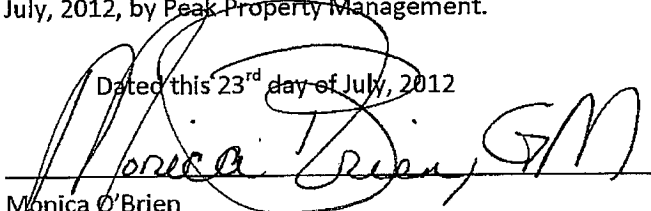
Amended Article 1.5

"1.5 Designation of Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year."

No other changes to the Bylaws of The Gallatin River Ranch Homeowner's Association are intended by this amendment. This amendment is only meant to change the fiscal year to a calendar year.

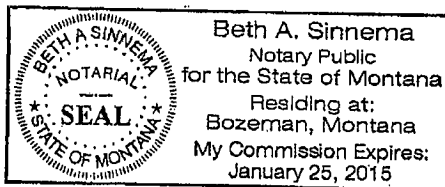
I, Monica O'Brien, General Manager of Peak Property Management, Agent for Gallatin River Ranch Association, verified that this amendment passed by a majority vote which was administered through a mail ballot, completed on June 14, 2010. This amendment is posted this 23rd day of July, 2012, by Peak Property Management.


Dated this 23rd day of July, 2012



Monica O'Brien
General Manager, Peak Property Management

Subscribed and sworn to before me this 23rd day of July, 2012





Notary Public for the State of Montana
Residing at _____

(Notarial Seal) My commission expires: _____

2421338

