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Page: 1 of 35 07/03/2025 11:57:19 AM Fee: $280.00
Eric Semerad - Gallatin County, MT MISC

RETURN AFTER RECORDING:
The Summits Homeowners' Association
2115 Durston Road, Unit 11
Bozeman, MT 59718

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE SUMMITS SUBDIVISION

THIS DECLARATION is made this 1st day of July, 2025, by Folan South 19th, LLC hereinafter referred to as "Declarant".

WHEREAS, Declarant is the owner of real property situated in Gallatin County, Montana, more particularly described on Exhibit "A" attached hereto and incorporated herein ("Property");

WHEREAS, Declarant intends to develop, sell and convey the above-described real property, hereinafter referred to as the "The Summits";

WHEREAS, Declarant desires to subject all of said real property, together with the Lots contained therein to the covenants, conditions, restrictions and reservations herein set forth and referred to as "Covenants";

NOW THEREFORE, Declarant does hereby establish, dedicate, declare, publish and impose upon the Property the following Protective Covenants, Conditions and Restrictions which shall run with the land, and shall be binding upon and be for the benefit of all persons claiming such Property, their grantors, legal representatives, heirs, successors and assigns, and shall be for the purpose of maintaining a uniform and stable value, character, architectural design use, and development of the Property. Such Covenants shall apply to the entire Property, including but not limited to all Lots, Open Space and improvements placed or erected thereon, unless otherwise specifically excepted herein. The Covenants shall inure to and pass with each and every parcel, tract, Lot or division.

Said Covenants shall be as follows:

ARTICLE I – THE SUMMITS SUBDIVISION

It is the Declarant's intent that The Summits Subdivision enhance, preserve and protect the environment and natural beauty of the Property upon which it is located. The Declarant, the Association and the Owners shall be environmentally conscience with respect to the development

of the Lots, such that the Improvements to be built within The Summits Subdivision are designed to preserve the scenic beauty of The Summits Subdivision while incorporating environmentally sustainable building and design practices that emphasize water conservation and energy efficiency while minimizing the impact on the natural habitat as well as the quality of the ground and surface waters.

All proposed water features to be situated on the Property shall only be provided if the Declarant successfully obtains all necessary governmental approvals and permits.

ARTICLE II– DEFINITIONS

Section 1. "Articles of Incorporation" shall mean the Articles of Incorporation for The Summits Homeowners' Association, Inc., a Montana non-profit corporation, filed with the Montana Secretary of State.

Section 2. "Association" or "Homeowners' Association" shall mean The Summits Homeowners' Association, Inc., its successors and assigns. The Association shall be incorporated as a Montana nonprofit corporation, with all Lot Owners being Members of the Association.

Section 3. "Bylaws" shall mean the Bylaws for The Summits Homeowners' Association, Inc.

Section 4. "Community Center" shall mean the building provided for use by the Lot Owners and the Association, subject to rules and regulations adopted by the Board of Directors.

Section 5. "Community Water System for Domestic Use" shall mean the community water system providing water for domestic use which shall be operated and maintained by a third-party operator.

Section 6. "Community Water System for Irrigation Use" shall mean the community water system providing water for irrigation use which shall be operated and maintained by a third-party operator.

Section 7. "Contract Purchaser" shall mean a person buying a Lot pursuant to a contract for deed, trust indenture or mortgage.

Section 8. "Covenants" shall mean this Declaration of Protective Covenants, Conditions and Restrictions for The Summits Subdivision, and as it may, from time to time, be amended or supplemented.

Section 9. "Declarant" shall mean Folarel South 19th, LLC, a Delaware Limited Liability. Company, and its successors and assigns.

Section 10. "Declaration" shall mean this Declaration of Protective Covenants, Conditions and Restrictions for The Summits Subdivision, and as it may, from time to time, be amended or supplemented.

Section 11. "Design Guidelines" shall mean the separate document known as The Summits Subdivision Design and Landscape Guidelines, and any amendments thereto, adopted by the Declarant and or the Association.

Section 12. "Directors" or "Board of Directors" shall mean the Board of Directors of the Association.

Section 13. "Domestic Irrigation and Water Restrictions" shall mean those domestic irrigation and water restrictions specified in Exhibit B, attached hereto and incorporated by reference herein.

Section 14. "Fire Department" or "FPAHJ" shall mean the Hyalite Rural Fire Department.

Section 15. "Gallatin County Regulations" shall mean any and all rules and regulations adopted by Gallatin County that governs the Property and the Lots, including, but not limited to land use regulations, Subdivision Regulations, the Gallatin County Transportation Design and Construction Standards, and Zoning Regulations, including, but not limited, to the Gallatin County/Bozeman Area Donut, Residential Suburban Zoning District.

Section 16. "The Summits Architectural Review Committee" or "Architectural Committee" shall mean the Architectural Committee appointed by the Board of Directors of The Summits Homeowners' Association, whose function is to review and approve or disapprove plans, specifications, designs, landscaping, sites and locations of improvements to be constructed within The Summits.

Section 17. "Improvement(s)" or "Structure(s)" shall include, but are not limited to, all buildings, single family residences, residences, outbuildings, stairs, decks, bridges, roads, trails, pathways, driveways, parking areas, fences, screening walls and barriers, hedges, windbreaks, plantings, trees, shrubs, retaining walls, yard and lawn ornaments, tree houses, solar panels, water lines, sewer lines, electrical, gas, telephone and internet transmission lines, cable television, television and radio transmission facilities, dishes, towers, poles, signs, and all other buildings, installations and landscaping of every type and kind, whether above or below the land or Lot surface. Any of the above definitions may also appear individually in this Declaration, but shall be considered an Improvement or Structure for purposes of this Declaration.

Section 18. "Individual Sewage Disposal System" or "ISDS" means an individual sewage disposal system with a Level 2 Treatment System or a system that provides equal or better treatment approved by the Montana Department of Environmental Quality. The design and permitting of the ISDS for each Lot, and the cost thereof, is the responsibility of the Lot Owner. With respect to the ISDS, each Owner shall allow a third-party contractor that is contracted by the Association to access said Owner's Lot to provide annual inspections of the ISDS situated on the Owner's Lot. The pumping of the septic tank on each Lot, and the cost of maintenance for the ISDS, is the responsibility of the Lot Owner. All drainfield laterals shall be a minimum of 30 inches below finished grade; no plans may include outside spigots connected the domestic water system of any structure.

Section 19. "Lot(s)" or "Property(ies)" shall mean and refer to all real property herein described

and platted into thirty-five (35) residential lots as The Summits Subdivision according to the official plat, and any amendments thereto, thereof on file and of record in the office of the County Clerk and Recorder, Gallatin County, Montana. Lots shall mean any real property platted into Lots in any future phases of The Summits subdivision, if any. The Lots in the Subdivision shall be used exclusively for the construction of single-family residences and accessory buildings or detached garages.

Section 20. "Lot Owner(s)" or "Owner(s)" shall mean and refer to any person or entity, whether one or more persons or entities, owning a fee simple title to or interest in a Lot or a Contract Purchaser, whether one or more persons or entities, owning or purchasing a Lot, but excluding those having a mortgage or an interest merely as security for the performance of an obligation; provided, however, that prior to the first conveyance of a Lot for value, the terms "Lot Owner" or "Owner" shall mean the "Declarant" or its successors or assigns. The term "person" shall include any person, persons or entities.

Section 21. "Member" shall mean any Lot Owner or Owner.

Section 22. "Open Space" means those areas set aside for the use of the Lot Owners and any other allowed persons, and shall include the trails, proposed pond, proposed waterways, common areas, parks, open space, utility tract, water conveyance facilities/irrigation ditches, mail boxes, benches, playground equipment, and proposed community center.

Section 23. "Open Space Management and Vegetation Plan" shall mean the management plan for the Open Space and Parkland described as parcels O.S.1, O.S.2, O.S.3, O.S.4, and Parkland 1. The Open Space Management and Vegetation Plan may be obtained by providing a written request to the Association.

Section 24. "Subdivision" shall mean The Summits Subdivision.

Section 25. "Zoning District" shall mean the Gallatin County/Bozeman Area Donut, Residential Suburban Zoning District.

Section 26. "Zoning Regulations" shall mean and refer to the Zoning Regulations of the Zoning District and any and all amendments thereto.

Section 27. Other definitions may be found throughout these Covenants and those definitions are binding upon all Owners. Any term not specifically defined shall be deemed to have a common and ordinary meaning. All definitions herein are also binding on the Design Guidelines.

ARTICLE III – THE SUMMITS SUBDIVISION LOTS

The Summits Subdivision shall consist of thirty-five (35) Lots. The Lots in the Subdivision shall be used exclusively for the construction of single family residences and accessory buildings and detached garages. No more than one (1) single family residence with an attached garage, one (1) detached garage, and one (1) accessory building may be constructed on each Lot. No living quarters are permitted in any detached garage or accessory building.

ARTICLE IV – THE SUMMITS HOMEOWNERS' ASSOCIATION

Section 1. Association.

The Association shall have all the powers of a nonprofit corporation enumerated and set forth in the Montana Nonprofit Corporation Act (Title 35, Chapter 2, Montana Code Annotated) and as set forth in its Articles of Incorporation, these Covenants, and the Bylaws.

Section 2. Members.

Every Owner, Lot Owner or Contract Purchaser of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separate from the ownership of any Lot. Each Owner shall be responsible for advising the Association of their acquisition of ownership, of their mailing address, and of any changes of ownership or mailing address. Each Member, Owner, Lot Owner or Contract Purchaser agrees to abide by and be bound by these Covenants, the Articles of Incorporation and Bylaws for the Association, and any resolutions adopted by the Board or the Association.

For the purpose of determining membership, at any meeting a person or entity shall be deemed to be a Member upon the recording of a duly executed deed to that Owner, or upon the recording of a Notice of Purchaser's Interest or an Abstract of Contract for Deed showing a contract purchase by an Owner. The legal title retained by the original seller selling under a Contract for Deed shall not qualify the original seller for membership.

Foreclosure of a mortgage, trust indenture or the termination or foreclosure of a Contract for Deed shall terminate the Member's membership associated with the foreclosed Lot, whereupon all rights to such membership shall vest in the legal owner.

Section 3. Articles of Incorporation & Bylaws.

The Articles of Incorporation and Bylaws establish the duties, powers, operations, and rights of the Association and its Members. The Association shall be governed by and empowered to act in accordance with the Bylaws. All Owners in the Subdivision, as Members of the Association, shall be bound by the Articles of Incorporation and Bylaws of the Association.

Section 4. Board of Directors.

The Members shall have the authority to set the number of Board of Directors, which number shall not be less than three nor more than seven, and shall be an odd number. However, until at least 90% of all Lots existing or to be platted in the Subdivision have been sold, there shall be three Directors, and Declarant shall have the right to appoint the Board of Directors, who shall not be required to be Lot Owners or Members of the Association. Upon the sale of 90% of the Lots, the Board of Directors shall call a meeting within 30 days of such occurrence to transition and turn over the Board of Directors and Association to the Members.

Section 5. Board of Director's Duties and Responsibilities.

The Board of Directors shall have the power and responsibility of acting on behalf of the Association and its Members as shall be reasonably necessary to carry out the purposes of the Association, including but not limited to take such actions as shall be necessary or reasonable to care for, protect and maintain the easements, proposed pond, proposed waterways, Open Space, Community Center, trails, common areas, community signs or identification; to establish irrigation schedules for all Lots, specifying days and times during which specific Lots may irrigate; to adopt rules and regulations for the use of the proposed pond, proposed waterways, Open Space, Community Center, trails, common areas, to enforce these Covenants; to set and collect assessments; to set annual and/or special meetings; and to act in any other matters set forth herein or which may serve The Summits Subdivision, including the formation of special improvement districts, either public or private, for such improvements as the Association shall approve. Neither the Board of Directors nor any Board of Director, officer or Committee member acting in good faith shall be liable to any Owner or Member of the Association as a result of any decision or determination made by the Board, a Director, officer or Committee Member.

The Board of Directors shall have the authority to hire additional professional officers, management personnel or companies, consultants, accounting services, legal services or any other personnel which they deem necessary for the smooth, efficient, and professional functioning of the Association. They may include, but not be limited to, a manager, Secretary, Treasurer, professional consultants, accountants, attorneys and maintenance personnel. The Board of Directors shall also have the authority to make contractual arrangements with outside entities, including but not limited to attorneys, accountants, engineers, environmental consultants, maintenance contractors, and building contractors to provide for the smooth, efficient, and professional functioning of the Association.

ARTICLE V - ANNUAL AND SPECIAL ASSESSMENTS; WATER AND SEWER TREATMENT SERVICES

Section 1. Assessments.

Each Owner, whether or not it shall be so expressed in any deed or contract, is deemed to have agreed to these Covenants, and to pay to the Association:

a. Annual assessments or charges; and,

b. Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; and

The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Property or Lot, and shall be a continuing lien upon the Property or Lot against which each such assessment is made. Each assessment, together with the interest, costs and reasonable attorney's fees, shall be the personal obligation of the Owner of such Property or Lot at the time when the assessments are due.

Section 2. Purpose of Assessments.

The assessments levied by the Association shall be used to promote the recreation, health, safety, convenience and welfare of the Members; for the improvement, repair, replacement and maintenance of roadways, easements, trails, Open Space, proposed pond, proposed waterways, common areas, the Community Center, mail boxes, community signs or identification, benches, playground, central fire suppression system, water conveyance facilities/irrigation ditches, and any landscaping located in the Subdivision that is the responsibility of the Association; insurance; general maintenance; creation and funding of reserves; management and administration of trails, Open Space, proposed pond, proposed waterways, the Community Center, the benches; the real estate taxes or fees for Open Space, trails, proposed pond, proposed waterways or the Community Center; weed control in the Open Space, trails and common areas; maintenance, repair, and improvement of the Community Center sewer system and the Community Water Systems; and for any other purposes, expressed or implied, in these Covenants or determined by the Association. It is the intent of the Declarant that the completion of any road replacement and maintenance required for the Property take place through the creation of a Rural Improvement District ("RID") and that the cost thereof shall be assessed to the Lot Owners through the RID.

Section 3. Amount and Approval of Assessments.

The maximum assessment per Lot which may be made by the Association in every calendar year shall not substantially exceed the projected and budgeted actual and reasonable costs to be incurred by the Association during the coming year in carrying out the purposes herein set forth, and may include a reasonable reserve for contingencies. The amount of the annual assessments shall be fixed by the Board of Directors of the Association in the following manner:

At each annual meeting of the Members of the Association, the Board of Directors shall present a proposed budget of the estimated expenses for the Association for the coming year to the Members for review, discussion, amendment, comment and approval. The Members shall approve or amend the proposed budget by a majority vote of the Members present or voting by proxy. After the annual meeting, the Board of Directors shall set the amount of the assessments and the date(s) due for the coming year to cover the budget approved in the manner herein set forth.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or other capital improvements of The Summits Subdivision, including, but not limited to, Open Space, proposed pond, proposed waterways, landscaping, roadways and Community Center, including fixtures and personal property related thereto, provided that any such assessment shall have the approval of two-thirds (2/3) or more of all of the votes of the Members who are present, in person or by proxy, at a meeting duly called for that purpose. Special assessments may be levied to be paid over one or more years. Assessments for normal

maintenance and repairs shall not require two-thirds (2/3) vote.

Section 5. Uniform Rate of Assessment.

Annual assessments shall be fixed by the Board of Directors at a uniform rate for each Lot, except the Board of Directors may, but is not required to, fix a different uniform rate for improved and unimproved Lots. The assessments may be collected on a monthly, quarterly or annual basis, or any other regular basis as shall be determined by the Board of Directors of the Association. Special assessments shall be fixed at the same rate for each Lot affected by the special assessments.

Section 6. Date of Commencement of Annual Assessments; Due Dates.

Except as herein provided, the annual and special assessments provided for herein shall be due on the date determined by the Board of Directors. The Board of Directors shall fix the amount of the annual assessments against each Lot at least thirty days in advance of the due date of each annual assessment, and at least ninety days in advance of a special assessment. Written notice of the annual and special assessments shall be mailed or personally delivered to every member subject thereto, at their last known mailing address.

Section 7. Effect of Nonpayment of Assessments; Remedies of the Association.

Any assessment not paid within thirty days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner obligated to pay the same, file and foreclose a lien against the property or Lot, restrict the Owner's right to vote and/or utilize the Open Space, Community Center, trails or common areas. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Open Space, Community Center, trails or common areas or by abandonment of the Owner's Lot.

Upon delivery of the notice of assessment to the Owner, the assessment shall be a lien upon the Owner's Lot until paid. The Association may record a notice of the lien with the Clerk and Recorder of Gallatin County, Montana. In the event of non-payment within thirty days after the recording of the notice of lien, the Association may foreclose the lien in the manner set forth under Montana law for the foreclosure of liens against real property. The Association is entitled to collect during an action for delinquent assessments any and all reasonable attorneys' fees and costs accrued prior to and in association with the collection of delinquent assessments.

Section 8. Sale or Transfer of a Lot.

The sale, transfer or encumbrance of any Lot shall not affect the assessment lien if recorded in the records of Gallatin County, Montana, or the personal liability of the Owner responsible for the assessment. No sale or transfer to a third party with actual or constructive knowledge of an assessment shall relieve such new owner from the liability for and responsibility to pay any outstanding assessments, or from any assessments thereafter becoming due, or from the recorded lien thereof. A person or entity purchasing a Lot shall be responsible for checking with the

Association for any outstanding assessments against said Lot before the closing upon the purchase.

Section 9. Declarant's Obligation to Pay Assessments; and Commencement Date for Declarant's Payment of Assessments.

Declarant, or any successor Declarant, shall not be obligated to pay any assessments on Lots owned by Declarant, or any successor Declarant, until such time as, at least, 90% of all Lots existing or to be platted have been sold.

Section 10. The Association shall own, control, and maintain the Community Water System for Domestic Use and the Community Water System for Irrigation Use, and all related water lines. Once transferred by Declarant per Article VI, Section 8 ("Water Rights"), the Association shall own all water rights appurtenant to the Property and Subdivision.

Section 11. The Association shall have inspected the ISDS situated on each Lot, and report findings from the inspection to the Lot Owner and the Members of the Association.

Section 12. Rate Structure for Water Use; ISDS inspection; and Penalty for Excessive Water Use.

The Association shall charge each Owner and each Owner shall pay to the Association a fee for use of the Community Water System for Domestic Use, use of the Community Water System for Irrigation Use, and the inspection and maintenance of their ISDS.

The Board shall create and adopt a rate structure for the Community Water System for Irrigation Use and for the Community Water System for Domestic Use. Said rates shall be sufficient to generate revenues in each instance that are adequate to pay the total annual operation and maintenance expenses associated with each such system, and such additional amounts as the Board deems appropriate for capital reserve and replacement accounts for the systems, provided that, no assessment shall be made of capital reserves and replacement accounts until at least 32 homes are connected to each system. The Board may amend such rate structures from time to time as it considers appropriate to assure sufficient revenues for operation and maintenance and capital reserves and replacements.

The Board shall bill each Owner of each Lot for water deliveries at intervals adopted by the Board, but not less often than biannually. The Board shall adopt dates at which payments for water deliveries are due, interest charges that the Board deems appropriate for late payments. For any payment that is more than sixty (60) days in arrears, the Board may elect to terminate water deliveries to the Lot by providing the Owner thereof thirty (30) days to make full payment on the delinquent account. In the event that full payment is not made within such thirty (30) day period, the Board may thereafter pursue all remedies available under Section 7 ("Effect of Nonpayment of Assessments; Remedies of the Association"), above.

The rate structure shall initially be $100.00 per month per Lot, which pays for for both irrigation water and domestic use.

ARTICLE VI- OPEN SPACE

Section 1. Open Space.

The Open Space, including but not limited to, the parks, trails, proposed pond, proposed waterways, open space, and common area within the Subdivision, as designated on the final plat, and any amended plat, shall be preserved in perpetuity for use by the Association and shall be maintained and owned by the Association. The Association shall be responsible for the maintenance, payment of fees, liability insurance and taxes for these areas, and shall have the right and obligation to provide for the protection, management, development, operation, and maintenance of the Open Space.

Section 2. Assessments for Open Space.

The Board of Directors shall establish assessments for the payment of taxes, insurance, management fees, and maintenance of all Open Space under the control and authority of the Association. The assessments levied by the Board of Directors for the maintenance, upkeep, repair, management and operation of the Open Space, like all other assessments, become a lien on each Lot within the Subdivision. The Board of Directors, may, in its discretion, adjust the assessments to meet the changing needs of the Subdivision and the areas serving the Subdivision; however, such annual assessments for Open Space shall not be increased by more than 15% above the prior year's annual assessments.

Section 3. Open Space Management and Vegetation Plan.

The Subdivision is designed to meet the goals and objectives of, and comply with the Gallatin County Regulations by preserving a substantial amount of Open Space, by maintaining wildlife corridors, by creating a proposed pond, proposed waterways and new wildlife habitat, by enhancing existing watercourses and related vegetation, and by providing trail connectivity through the Subdivision and into the adjacent neighborhoods.

The Open Space Management and Vegetation Plan is intended to provide a guideline for the protection, management, development, operation, and maintenance of the Open Space, trails, proposed pond, and proposed waterways situated within the Subdivision, and a copy may be obtained by providing a written request to the Association.

Section 4. Purpose of the Open Space Management and Vegetation Plan.

a. The Subdivision contains approximately 9.94 acres of Open Spaces, including parklands, open space, a common area/utility tract, and a storm water utility tract, that are dedicated for the use by the Members. This Open Space provides an important open space amenity to the Members of The Summits Subdivision. In order to maintain the health of the Open Space, enhance the Lots within the

Subdivision, and ensure fire protection measures are maintained, the Open Space must be properly used and maintained.

b. The Open Space Management and Vegetation Plan is intended as a guide with respect to the general principles of land management, and shall be for the use of the Association in establishing robust and enriching Open Space that enhances the landscape and provides measures for optimum fire protection for the Open Space and Structures located within the Subdivision.

c. The requirements necessary to manage the Open Space will continue to evolve over time, such that the Open Space Management and Vegetation Plan does not purport to anticipate all future needs for the Open Space. Instead, it establishes a system for management that permits flexibility and responsiveness to changing conditions and needs, and a means to revise procedures and resolve problems if they arise. The use and management of the Open Space shall comply with the Zoning District regulations.

Section 5. Administration and Applicability.

a. The Open Space Management and Vegetation Plan may be administered an implemented by the Board of Directors through the hiring by the Board of Directors of a manager, if the Board of Directors deems hiring a manager necessary.

b. All Open Space within the Subdivision shall be operated pursuant to the provisions of this Article VI, with the following exceptions:

i. Open Space specifically dedicated to fire protection; or

ii. Open Space used by any fire or sheriff's department, ambulance or other agencies requiring such use as a result of an emergency.

Section 6. Description and Use of Open Space.

a. The final plat identifies the areas of Open Space within the Subdivision. The Open Space is dedicated to the Owners of Lots within the Subdivision.

b. The Open Space is for the intended use of the Members, Owners and their guests. Open Space and Parkland may contain trails, playgrounds, picnic areas, and similar uses. The use of motorized vehicles for recreational use, construction access, or Lot access shall be prohibited within the Open Space, with the exception of any construction within the parcels specified as parkland which may contain Structures for the benefit of The Summits Subdivision. Motorized vehicles or equipment are allowed in or on the Open Space and trails exclusively for agricultural purposes, snow removal, landscape maintenance, such as mowing, weed spraying, trail maintenance, pond or stream access, and for emergencies, such as fire protection.

Section 7. Maintenance of O.S. 2.

O.S. 2 shall be irrigated and mowed by Steven and Teresa Baldus for the duration of their residence at 6931 South 19th Avenue, Bozeman, Montana. Once the Balduses no longer live in the residence at 6931 South 19th Avenue, the Association shall maintain Open Space 2. The Board may choose to irrigate O.S. 2, in its discretion.

Section 8. Water Rights.

Water rights that are appurtenant to the Subdivision shall be retained by Declarant until such time that 90% of the Lots within the Subdivision are purchased by third parties. Once 90% of the Lots within the Subdivision have been purchased by third parties, the Declarant shall transfer, without warranty all of its right, title and interest in and to the water and water supplies reflected by or arising out of Water Right Nos. 41H-22548-00, 41H-138882-00, 41H-138883-00, and contract water through the Middle Creek Water Users Association.

Section 9. Reporting and Evaluation of the Open Space Management and Vegetation Plan.

The Board of Directors, or manager, if any, shall prepare and present a brief annual report to the Association assessing the overall health of the Open Spaces and identifying any problems or issues that require attention. The Board of Directors shall use this report to make needed changes to the management protocols for the Open Space and establish a budget for maintenance of the Open Space.

Section 10. Recreational Amenities and Operational Amenities.

So long as it is allowed under the Gallatin County Regulations, the Association may place certain recreational or operational amenities, including, but not limited to, benches, picnic tables, irrigation structures, signage, or irrigation pump station in any portion of the Open Space designated for such amenities that may be approved by majority vote of the Members voting at any regular or special meeting called in accordance with the Bylaws and these Covenants.

Section 11. Trails.

Trails may be located so as to provide opportunities for proposed waterways and pond viewing and enjoyment. Ancillary facilities such as benches, picnic tables, or overlook locations may be located and constructed along trails. The trail network shall connect to the existing public trail within Hyalite View Estates Subdivision and shall be constructed to Neighborhood Trail Standards found in the Gallatin County Transportation Design and Construction Standards.

Section 12. Mechanized Vehicles Prohibited.

No motorcycles, ATV's, snowmobiles, boats or similar means of transportation are permitted in

or on the Open Space, proposed pond, proposed waterways and trails. Motorized vehicles or equipment are allowed in or on the Open Space and trails exclusively for agricultural purposes, snow removal, landscape maintenance, such as mowing, weed spraying, trail maintenance, pond or stream access, and for emergencies, such as fire protection.

Section 13. Landscaping of Open Space.

Landscaping and plantings shall feature native species, but may incorporate non-native and ornamental species of trees and shrubs that will minimize maintenance and water consumption, or that will contribute to wildlife depredation problems. Terrain modification may occur where needed to enhance opportunities for human activities, especially in conjunction with the trails, to improve vegetative screening, to enhance watercourse development, and to minimize maintenance. Temporary fencing around shrubs and trees may be utilized to prevent or minimize destruction by animals or people during the time necessary to ensure the protection and survival of any plantings.

Section 14. Noxious Weeds.

Noxious weeds shall be controlled on all common and Open Space areas. The preferred method is by introduction of desirable plant species that eliminate weeds. Interim measures permitted include herbicide applications, mowing and biological control. All herbicide applications shall be conducted according to applicable regulations. Noxious weeds in all Open Space areas may be controlled and maintained by the Association, or through a Rural Improvement District created for the Subdivision.

Section 15. Wildlife.

No feeding of wildlife other than birds shall be allowed in or on trails or Open Space. The killing, hunting or taking of any wildlife species by any means within Open Space is prohibited except for the catching and release of fish, and the control of specific animals known to be causing unacceptable damage to property or persons (i.e. beavers damming the watercourses or porcupines identified as girdling planted trees). In such cases, the Board of Directors shall contact appropriate professional consultants to trap and relocate such animals.

Section 16. Domestic Pets.

Domestic pets shall not be allowed at any time in or on the Open Space, trails or other common areas unless on a leash. Pet owners shall be required to clean up after any pets they take on the trails and Open Space. At no time shall any domestic pet be permitted to chase or harass wildlife in or on the trails or Open Space, or other common areas.

Section 17. Prohibited Uses.

No use of fireworks, firearms, fire, weapons, hunting and/or loud music or having loud parties in the Open Space is permitted.

Section 18. Fencing of Open Space.

No fences shall be permitted in the Open Space, unless otherwise provided herein. The boundary of the Property, including the Open Space, shall not be fenced so as to allow wildlife migration through the Property. Temporary fences for the protection of plantings, as identified above, may be permitted.

Section 19. Signage.

Signs shall be permitted to identify trail routes, direct human activity or provide interpretive information. Directory signs should be combined with landscaping features, be made of natural appearing materials, and must comply with these Covenants, Gallatin County Regulations, and Zoning Regulations.

Section 20. Nuisance.

No Owner, guest or invitee of Owner may use or occupy the Open Space, trails, proposed pond, proposed waterways or common areas in such a manner as to disturb or interfere with the peaceful use, occupancy or enjoyment of any other Owner, guest or invitee of the Subdivision. Violations shall be enforced by the Board as provided for in these Covenants, including, but not limited to the levying of a fine and seeking compensation from such Owner, guest or invitee.

Section 21. Permitted Users of the Open Space.

Permitted users of the Open Space shall be all Members, Owners, Lot Owners and their invitees and guests, as well as users permitted by the Declarant, including, but not limited to, the Members of The Summits Homeowners' Association and their invitees and guests.

Section 22. Damages to the Open Space.

Should any Owner, or guest or invitee of Owner, damage any Open Space, trails, proposed pond, proposed waterways or common areas, said Owner shall be responsible for and pay for the cost incurred by the Association to remedy, repair or replace such damage with a competent contractor and, if necessary, in compliance with Gallatin County standards. If the Owner fails to to pay the Association for the remedying, repairing or replacing of the damage, the Association may lien the Owner's Lot and foreclose the lien.

ARTICLE VII - ARCHITECTURAL REVIEW COMMITTEE AND ARCHITECTURAL REVIEW PROCESS

Section 1. Architectural Review Committee

The Summits Architectural Review Committee (hereinafter the "Architectural Committee") shall consist of three (3) Members appointed by the Board of Directors, one of whom shall be designated as the Chairperson. It is suggested that at least one of the Members of the Architectural Committee have professional qualifications in the area of architecture, landscape architecture, or construction.

Section 2. Scope of Responsibilities

The Architectural Committee has the right to exercise control over all construction of any Improvement or Structure within the Subdivision. It will also review all Owner's alterations and modifications to existing Improvements or Structures, including, but not limited to, exterior walls, exterior painting, renovations, and landscaping.

No residence, Structure, Improvement, wall, garage, outbuilding or other Structure or Improvement shall be made, erected, altered or permitted to remain upon the Lot until written plans and specifications showing the site plans, floor plans, design, nature, kind, color, dimensions, shape, elevations, material, use and location of the same shall have been submitted and approved, in writing, by a majority of the Architectural Committee as to the plans and specifications being compliance with these Covenants and the Design Guidelines.

All documents submitted for review must be dated and labeled with the specific project title, owner, architect, contractor, and address, and must be accompanied by the fees required for review.

Section 3. Standards for Architectural Review.

It shall be the Owner's responsibility to ensure that all proposed construction of any Improvement shall comply with the Building Code, Gallatin County Regulations, National Plumbing Code, the National Electrical Code, and 2020 Community Plan, these Covenants, the Design Guidelines, and any amendments thereto.

All plans must be harmonious with the overall plan for the Subdivision. All plans and specifications must be suitable to the Lot, the adjacent Lots, the adjacent properties, and the neighborhood. All Improvements must be compatible with the surrounding properties and Lots so as to not impair or degrade the Subdivision or its aesthetic values.

The Owner shall reference and follow all design guidelines and design requirements of the Subdivision Fire Protection Plan when designing any Improvement or Structure. The Subdivision Fire Protection Plan is included in Article XI herein.

Section 4. Review Fee.

A review fee will be required at the time of submission of all of the documents and sample materials. The Owner shall submit the documents and the required fee to the Architectural Committee chairperson or other designated member of the Architectural Committee. The purpose of the design review fee shall be to defray the Association's cost of review of all proposed site plans and specifications submitted to them. The fee, which shall be set by the Board of Directors, and may be modified from time to time without amending these Covenants, shall initially be $1,000.00, but may be increased by the Architectural Committee.

Section 5. The Design Guidelines are a separate document and not included in these

Covenants. It is each Owner's responsibility to obtain a copy of the Design Guidelines prior to purchasing a Lot in the Subdivision, and prior to commencing any architectural or design plans for any proposed Improvement or Structure to be constructed in the Subdivision. An Owner may contact the Declarant for a copy of the most current Design Guidelines. If the Subdivision has been turned over to the Association, an Owner may seek a copy of the most current Design Guidelines from the Architectural Committee.

Section 6. Documents Required for Review.

Three copies of the following documents at a minimum scale of 1"=100' should be submitted to the Architectural Committee chairperson:

a. Site plans including:

   i. Lot lines and setback lines with dimensions; Building/Improvement footprints with entries, porches, roof overhangs, balconies and decks delineated; Location, dimensions and materials for driveways; Elevation of first floor; Height of foundation from the adjacent roadway; Landscaping requirements and concepts; Exterior light locations and type; Location, height and material for retaining walls or garden walls; Water, electric, natural gas, telephone, storm water components, sewer system and Individual Sewage Disposal System ("ISDS") with a Level 2 Treatment System or a system that provides equal or better treatment approved by the Montana Department of Environmental Quality and Gallatin City-County Health Department. With respect to the ISDS, each Owner is responsible for the design and construction of the ISDS, and all costs related thereto. A third-party contractor hired by the Association will have access to each Lot for the purpose of providing inspections and regular maintenance of each ISDS. Pumping of the septic tank located on an Owner's Lot, and the cost thereof, is the responsibility of the Lot Owner. All drainfield laterals shall be a minimum of 30 inches below finished grade; no plans may include outside spigots attached to any structure and connected to the domestic water system.

b. Complete plan submittal, including floor plans, exterior elevations of all sides, roof design, specifications, and any construction details, as follows:

   i. Floor Plans showing: foundation plan dimensioned; exterior walls shown and dimensioned; room use and dimension; wall, window and door openings dimensioned; all overhangs of floors and roofs as dashed lines; overall dimensions; and total enclosed square footage.

   ii. Elevations including: a description of the material for the front street elevation; porches, balconies, doors and windows; principal materials rendered and specified; height of each floor, eaves, and roof peak dimensioned from the first floor; overall height from ground level; roof pitch; major building sections; typical walls from ground to ridge; and typical porch section from ground to roof.

   iii. Roof Plan: elevations of the Roof; and description of roof materials.

iv. Landscape Plan: listing of all trees and plants to be installed and their respective locations on the Lot.

v. High resolution color photos of all exterior materials in their respective color proposals in an adequate size to evaluate.

Section 7. Review Procedures.

The Owner will be notified in writing by the Architectural Committee within thirty (30) business days after receipt of all documents and items required for submittal in Article VII, Section 6, whether the design has been approved, approved with stipulations, or disapproved. The Architectural Committee's thirty (30) business day review period will not commence until all documents and items specified in Article VII, Section 6 have been submitted to the Architectural Committee and the documents and items have been deemed complete by Architectural Committee subject to the Architectural Committee needing additional information from the Owner.

The Architectural Committee may request additional plans, specifications, and samples in order to complete their review. In the event of such request, the review time period shall toll and shall not again commence running until after such additional plans, specifications, and samples have been submitted to the Architectural Committee.

An application may be withdrawn by an Owner without prejudice, provided the request for withdrawal is made in writing to the Architectural Committee. No fees will be refunded due to such withdrawal.

If the Architectural Committee does not contact the Owner within thirty (30) business days of the review commencement date, the application shall not be deemed "approved," and the Owner shall be entitled to file a written request with the Board of Directors that the application be reviewed by the Architectural Committee within five (5) business days of the date the Architectural Committee receives the Owner's written request.

If an application is approved with stipulations or is disapproved, the reasons for the approval with stipulations or disapproval will be clarified for the Owner by the Architectural Committee, in writing and/or with drawings.

If an application has been denied, or the approval is subject to stipulations that the Owner feels are unacceptable, the Owner may request a hearing before the Architectural Committee to justify the Owner's position. The Architectural Committee will consider the arguments and facts presented by the Owner and notify the Owner of its final decision within ten (10) business days of the hearing. If the Owner disagrees with the Architectural Committee's final decision, the Owner may appeal such decision to the Board of Directors and the Board of Directors shall hold a hearing, during which the Owner and the Architectural Committee may be heard. The Board of Directors shall consider all arguments and facts presented and shall render a final decision within ten (10) business days of such hearing.

Section 8. Action Upon Architectural Committee's Approval.

Approval by the Architectural Committee does not relieve an Owner of the Owner's obligation to obtain any government, state and county approvals and permits necessary to construct the Improvement or Structure, including, but not limited to, a Gallatin County land use permit, and a Gallatin County Wastewater Treatment System Permit (septic permit). If such approvals are required and are not obtained by the Owner, the Architectural Committee and/or the applicable government, state and county agency may take whatever actions are necessary against the Owner to force compliance.

Upon approval by the Architectural Committee, the Owner must obtain a land use permit and septic permit from Gallatin County prior to commencing any construction on a Lot. With the Owner's application for a land use permit, the Owner shall also submit the Architectural Committee's approval letter or approval stamp on the Owner's plans, and a Gallatin County Wastewater Treatment System Permit as a prerequisite for Gallatin County reviewing and issuing such land use permit. Upon receipt of the Architectural Committee's approval letter, septic permit and the land use permit, the Owner shall provide the Architectural Committee with copies of all permits and may then commence construction in strict accordance and adherence with the plans and specifications submitted to and approved of by the Architectural Committee. Any deviation from said plans and specifications which, in the judgment of the Architectural Committee, is a deviation of substance from the plans and specifications approved of by the Architectural Committee, the Design Guidelines, or any other provision of these Covenants, and/or is a detriment to the appearance of the Improvement or Structure, or to the surrounding or neighboring areas or Lots, shall be promptly corrected by the Owner, at the Owner's expense, to conform with the plans and specifications submitted by the Owner and approved of by the Architectural Committee, or such deviation may be corrected by the Association at the Owner's expense as provided in these Covenants. If the Owner fails to correct the deviation and the Association elects not to correct the deviation, the Association may elect to pursue all equitable and legal remedies permitted the Association under Montana law, including, but not limited to attorneys' fees and costs, for the Owner's noncompliance.

Section 9. Variances.

All variance requests pertaining to the Architectural Committee approvals must be made in writing to the Architectural Committee, and must be accompanied by written verification that the requested variance does not violate the Zoning Regulations, the Gallatin County Regulations, and that such a variance has not already been requested by the Owner from the Zoning District and/or Gallatin County. Any variance granted shall be considered unique and will not set any precedent for future decisions.

The Architectural Committee may, upon application, grant a variance from the Architectural Guidelines, provided that the spirit of these Covenants and the Design Guidelines are complied with, the requested variance does not violate the Zoning Regulations or any Gallatin County Regulations, and written notice of the nature of the variance has been mailed or personally delivered to all other Lot Owners in the Subdivision at least ten (10) days before the variance is considered by the Architectural Committee, in order to give the other Owners a chance to

comment and provide input to the Architectural Committee. The Architectural Committee shall have the duty and power to make the final decision on the granting of the variance, without any liability being incurred by the Architectural Committee or damages being assessed against the Architectural Committee, due to any decision of the Architectural Committee.

Section 10. Eighteen Months for Completion.

Any Improvements or Structures to be constructed or erected in accordance with plans and specifications approved of by the Architectural Committee and the associated Architectural Committee written approval, including all landscaping, must be diligently continued and completed within twenty-four (24) months from the date of approval, unless otherwise extended in writing by the Architectural Committee. If construction of any Improvement or Structures is not commenced within one year after approval, a new approval must be obtained, including payment of review fees.

If any Improvement or Structure is commenced within one year of the Architectural Committee approval, but is not completed in accordance with the plans and specifications within twenty-four (24), the Board of Directors of the Association, at their option, may take such action as may be necessary, in their judgment, to improve the appearance of the Improvement or Structure so as to make the Lot harmonious with other Lots and Properties, and to comply with these Covenants and the Design Guidelines, including completion of the exterior, removing the uncompleted Improvement or Structure, or any combination thereof. The amount of any expenditures made in so doing shall be the responsibility and obligation of the Owner. A lien on the Lot may be recorded and shall be enforceable by an action at law. In lieu thereof, the Association may take such action as is available by law or equity, including, but not limited to, an injunction, or seeking damages, and shall be entitled to reimbursement of the Association's costs and attorney fees as may be awarded by the Court.

Section 11. Inspection and Compliance with Approved Plans and Specifications.

The Architectural Committee shall inspect all work in progress and any completed Improvement or Structure, and give notice to the Owner of any noncompliance as set forth below.

During construction or upon completion of any Improvement or Structure, if the Architectural 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, it shall notify the Owner and the Board of Directors of such noncompliance, and shall require the Owner to remedy the same. If upon the expiration of seven (7) business days from the date of the notification, the Owner has failed to commence to remedy such noncompliance, the Board of Directors shall determine the nature and extent of the noncompliance, the estimated cost of correction and any fine the Board of Directors so elects to assess for such noncompliance or pursuant to a fine schedule adopted by the Board of Directors. The Board of Directors shall notify the Owner in writing of the Board of Director's estimated cost of correction action, which may include removal, and any associated fine. The Owner shall then have five (5) business days to pay any assessed fine and to commence such corrective action. Any corrective action must be completed within thirty (30) days of the Board of Directors providing the Owner written notice of the cost of corrective action.

If the Owner does not comply with the Board of Director's determination within the five (5)

business day period referenced above, the Board of Directors, at its' option, may stop the Owner's construction of the Improvement or Structure, remove the noncomplying Improvement or Structure, or remedy the noncompliance, and the Owner shall reimburse the Association upon demand for any and all expenses incurred as a result of the Owner's noncompliance. If such expenses are not promptly paid by the Owner to the Association, the Board of Directors may levy an assessment against the Owner and/or file a lien against the Owner's Lot upon which the Improvement or Structure was/is situated, for reimbursement of the Association's expenses, including, but not limited to all attorneys' fees and costs, and the same shall be enforced and/or foreclosed upon in the manner provided for by law.

Section 12. Limitation of Responsibilities and Liability.

The primary goal of the Architectural Committee is to review the Owner's submitted application, plans, specifications, materials and samples in order to determine if the proposed Improvement or Structure conforms with the Design Guidelines. The Architectural Committee neither makes any representations nor assumes any responsibility for the following:

a. The structural adequacy, capacity or safety features or the proposed Improvement or Structure.

b. Soil erosion, ground water levels, non-compatible or unstable soil conditions.

c. Compliance with any or all building codes, safety requirements, and governmental laws, regulations or ordinances.

Neither the Declarant, the Association, the Board of Directors, the Architectural Committee, nor the individual Members thereof, may be held liable to any person or Owner for any damages for any action taken pursuant to these Covenants and/or the Design Guidelines, including, but not limited to, damages which may result from correction, amendment, changes or rejection of plans and specifications, the issuance of approvals, or any delays associated with such action on the part of the Board of Directors or the Architectural Committee.

Section 13. Construction Site Maintenance and Clean-up.

Construction materials shall not at any time prior to, or during construction, be placed or stored in the street or located anywhere else that would impede, obstruct or interfere with pedestrians or motor vehicle traffic within the trails and/or street rights-of-way. All construction materials shall be removed from the entire Lot within thirty (30) days of substantial completion of construction. Construction sites shall be kept clean, neat, and well organized at all times. Removal and maintenance of all construction debris shall be the responsibility of the Owner and the Owner's contractor, and shall be kept clean and properly stored on a daily basis. If construction debris blows onto another Lot, it is the responsibility of the Owner and the Owner's contractor to clean it up immediately. Street cleanliness is of particular concern. Any construction debris, especially dirt, gravel, rocks, and concrete, that falls or is left in the street shall be removed immediately from the street, and be brought back to a broom clean condition. The Association shall strictly enforce this provision, and reserves the right to fine negligent

parties up to $500.00 for each infraction, per occurrence, to complete any clean up the Board of Directors determines to be necessary, and/or to assess the Lot Owner for all clean-up costs.

ARTICLE VIII – MAINTENANCE

Section 1. Each Owner, at Owner's expense, shall be responsible for the maintenance and repair of the Owner's Lot, including, but not limited to, the driveway, parking area, walkways and landscaping.

Section 2. The Association shall be responsible for the maintenance, repair and replacement of the Open Space, fences within open spaces and parklands, the Community Center, and any other common areas, including, but not limited to the commonly owned stormwater pond, proposed pond system, culverts (excluding individual residential driveway culverts), out fall and roadside ditch. The Association shall maintain, repair and provide snow removal and maintenance of all common roadways, excepting driveways, and common areas. Should any maintenance, repairs or replacement of the Open Space, trails, proposed waterways, proposed pond, fences within open spaces and parklands, the Community Center, or any other common areas be the result of damages caused by a Lot Owner, guest or invitee, said Lot Owner shall be responsible for the costs incurred by the Association for any maintenance, repairs or replacements resulting from such damage, and, if the Lot Owner fails to promptly pay for such costs after receiving written notice thereof, may be assessed for such costs or may have a lien placed against the Owner's Lot by the Association to secure repayment of the costs.

Section 3. The Association shall own, control, and maintain the Community Water System for Domestic Use and the Community Water System for Irrigation Use (collectively the "Water Systems") and related water lines. Once transferred from Declarant per Article VI, Section 8 ("Water Rights"), the Association shall own all water rights appurtenant to the Property and Subdivision. The Association shall hire a professional third-party service provider to operate and provide routine maintenance for the Water Systems. This service is to be paid for from the Association's assessments. A routine maintenance schedule shall be established and may, from time to time, be modified at the Association's discretion. Each of the individual sewage disposal systems shall be designed, installed, and maintained by the Owner of the Lot upon which the Individual Sewage Disposal System is to be situated, at the Lot Owner's sole cost and expense. The ISDS shall be inspected by a professional third-party service provider hired by the Association.

At a minimum, the Domestic Water System shall be sampled and analyzed for coliform and nitrate-nitrite. In addition, the individual water meters within each home shall be recorded annually at approximately the same date each year. The Water Systems shall be inspected for proper operation at the time of sampling. Any necessary repairs shall be the responsibility of the Association and shall be assessed to the Lot Owners. These results shall be published and distributed to the residents of the subdivision. Owners shall contact the Association prior to the installation of the individual water meters to obtain model number and coordinate the serial number with the water system operator.

Each ISDS shall be inspected bi-annually. The sludge levels within the septic tanks shall be measured to determine pumping frequency for each lot. Each level 2 treatment system shall be maintained per the manufacturer's recommendations. Each pumping system shall be tested annually for proper operation. Each pump shall be maintained per the manufacturer's recommendations. Drainfields shall be jetted at a minimum of every five years. Any necessary repairs and pumping of the septic tanks shall be the responsibility of the Lot Owner and shall be paid for by the Lot Owner. The results of any service work shall be published and distributed to the Owner of the ISDS.

ARTICLE IX – MISCELLANEOUS

Section 1. Aggregation or Division of Lots.

There shall be no further division of any Lot. An Owner may aggregate two or more Lots so long as the Owner obtains prior written approval of the Association and Gallatin County for the aggregation and files, at the Owner's expense, any necessary amended plat or other documentation as required by Gallatin County to aggregate the Lots. Once aggregated, the Lots shall be treated as a single-family Lot such that only one main residence, one detached garage, and one accessory building may be constructed on the Lot, however, the Association may still collect assessments for two Lots.

Section 2. Proposed Pond and Waterways.

The Owner of a Lot shall at all times conduct its use and activities in a manner that will preserve the integrity of the proposed pond and proposed waterways within the Open Space, including, but not limited to, the prevention of any degradation of water quality, any reduction or increase in the flow of said proposed waterways, any damage to the stream bed or banks of the proposed waterways or proposed pond. The Owner shall not conduct or permit – the discharge of any liquid, solid, gas or refuse of any kind into the proposed waterways and pond. The Board shall adopt rules and regulations for the use of the proposed pond, such that the proposed pond may only be used in a manner consistent with said rules and regulations. The pond(s) shall only be used for the pond(s) intended functional purpose. Owners, guests and invitees shall follow all posted signage and rules pertaining to the use, preservation, and enjoyment of the proposed pond and waterways.

Section 3. Rental of Residences.

Should an Owner rent the Owner's residence to any third party, the Owner shall provide the tenant a copy of these Covenants and any rules and regulations adopted by the Board of Directors, and said tenant shall comply with the terms of these Covenants and all rules and regulations. The Owner shall be responsible for the tenant's compliance with the terms of these Covenants and all rules and regulations and shall be liable for the tenant's violation of the terms of these Covenants and any rule or regulation. The Owner shall be responsible for any fines Board of Directors may impose fines or damages related to the tenant's violation. No rental of an Owner's residence shall be for a rental term of less than six (6) consecutive months. Rentals for rental terms of less than six (6) consecutive months are considered short term rentals. All short term rentals, including, but not limited, to VRBO and Air BNB rentals, are prohibited. If an Owner is found to be renting the

Owner's residence on a short term rental basis, the Board may enforce these Covenants and the Owner shall be subject to a fine of a minimum of $500/day until the short term rental is terminated.

Section 4. Nuisance.

No Owner, guest or invitee may use or occupy a Lot in such a manner as to disturb or interfere with the peaceful use, occupancy or enjoyment of any other Owner, guest or invitee of the Subdivision. Violations shall be enforced by the Board as provided for in these Covenants, including, but not limited to the levying of a fine and seeking compensation from such Owner, guest or invitee.

Section 5. Home Occupations.

Home occupations or professions may be conducted upon the Lot or within the residence by the Owner or occupant of the residence, provided that there are no employees on the premises, and there is no advertising of any product, work for sale, or service provided to the public upon such Lot or in the residence. No advertising or directory signs relating to the home occupation shall be allowed. No child care centers shall be allowed. All such home occupations or professions must comply with the requirements of the Zoning Regulations or Gallatin County regulations regarding such activities, and all required licenses must be obtained prior to commencing such activities.

Section 6. Community Center.

If a Community Center is provided for the Owners' use, the Board shall adopt rules and regulations for the use of the Community Center, including establishing fees for certain usage of the Community Center by the Members. The Association shall be responsible for the maintenance, insurance, repair and operation of the Community Center and the maintenance, insurance and repair of any contents therein, the cost of which shall be assessed to the Owners. Any Owner, guest or invitee of an Owner who damages the Community Center and/or the contents therein shall be responsible to the Association for the costs related to such damage.

The rate structure shall initially be $100.00 per month per Lot.

Section 7. Irrigation Water Restrictions.

Exhibit B contains the domestic irrigation and water restrictions.

Section 8. Outdoor Spigots are Prohibited.

Outdoor spigots on the Lot, or attached to any Improvement and/or Structure are prohibited, unless directly connected to only the community irrigation water system.

Section 9. Dark Sky Compliant Lights.

All exterior lights associated with a Lot, Improvement or Structure shall be dark sky compliant.

Section 10. Storage of Recreational Vehicles, Boats, Rafts, Trailers, ATVs and UTVs.

All recreational vehicles, boats, rafts, trailers, ATVs and UTVs shall be stored inside an Improvement or Structure, whether within a garage or permitted accessory building. An Owner may allow the Owner's recreational vehicles, boats, rafts, trailers, ATVs and UTVs to be on the Owner's Lot, not stored inside an Improvement or Structure, for up to seventy-two (72) hours prior to use and up to seventy-two (72) hours after use, not to exceed 7 days in a two-week period.

ARTICLE X – GALLATIN COUNTY REQUIRED COVENANTS

These Gallatin County Required Covenants included in this Article may not be amended or revoked without the mutual consent of the Owners in accordance with the amendment procedures specified in Article XII, Section 1 and without the express written consent of the governing body of Gallatin County.

a. The control of noxious weeds by the Association on those areas for which the Association is responsible (right(s)-of-way, easement(s), parks, and any other common areas) and the control of noxious weeds by individual Owners on their respective Lots shall be as set forth and specified under the Montana Noxious Weed Control Act (MCA 7-22-2101 through 7-22-2153) and the rules and regulations of the Gallatin County Weed Control District. The control of Noxious Weeds is the responsibility of the Lot Owner whether the lot is improved or unimproved and shall be as set forth and specified under the Montana Noxious Weed Control Act (MCA § 7-22-2101 through 7-22-2153 as amended) and the rules, regulations, and management Plans of the Gallatin County Weed Control District. The Lot Owner shall be responsible for the control of state and county declared noxious weeds on his or her Lot, and the Subdivision road right-of-way and/or road easement(s) adjoining their Lot. In the event a Lot Owner does not control the noxious weeds, after 10 days' notice from the Association, the Association may cause the noxious weeds to be controlled. The cost and expense associated with such weed management shall be assessed to the lot and such assessment may become a lien if not paid within thirty (30) days of the mailing of such assessment. Nothing herein shall require or obligate the Gallatin County Weed District to undertake any management or enforcement on behalf of the Association or Lot Owners that is not otherwise required by law, or the rules, regulations, and management Plans of the Gallatin County Weed District.

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

c. Lot Owners are hereby notified that State of Montana law provides specific protections in regards to liability and nuisance claims for agricultural operations and irrigators. Those specific protections include, but are not limited to Section 85- 7-2211, MCA; Section 85-

7-2212, MCA; and Section 27-30-101, MCA.

d. No water may be removed from any irrigation ditch, canal, or other Water Conveyance Facility without a water right, permit, or written water lease agreement with the appropriate water users and/or Water Conveyance Facility's authorized representatives.

e. Unless there is written consent from the appropriate water users and/or Water Conveyance Facility's authorized representatives, stormwater, snowmelt runoff, water from dewatering practices, or other water originating from within the boundaries of the Subdivision shall not discharge into or otherwise be directed into any irrigation ditch, canal, pipeline, or other Water Conveyance Facility.

f. The Association shall remove any trash or debris that originated from within the Subdivision and has accumulated in the water conveyance facilities passing through their Subdivision by no later than May 1st of each year. If the Association fails to remove the trash or debris as described above, the water users and/or Water Conveyance Facility's authorized representatives may cause the trash or debris to be removed and bill the Association for such efforts.

g. Until such time that the Association assumes responsibility for the requirements described herein, such requirements shall be the responsibility of Declarant.

h. Lot Owners are hereby notified of the water users, Water Conveyance Facility's authorized representatives, and/or their designee's right to access the property to maintain and repair the Water Conveyance Facility (this includes, but is not limited to, placement of excavated material, removal of vegetation and debris along the Water Conveyance Facility); to install, repair, and or adjust headgates and other diversion Structures; and to carry out other normal means of repair and maintenance related to the ditch/canal.

i. Neither the Association nor any Lot Owner shall undertake any activity that would result in the interference or obstruction in the transmission of water in the Water Conveyance Facility. Before any maintenance, improvements, or modifications are performed on any Water Conveyance Facility, written permission must be obtained from the water users and/or Water Conveyance Facility's authorized representatives prior to commencing such work. Upon completion of maintenance, improvements, or modifications to any Water Conveyance Facility, the person responsible for such work shall provide written notice to the water users and/or Water Conveyance Facility's authorized representatives and allow them an opportunity to inspect such work.

j. The Association shall hire a third-party water system operation and maintenance provider to monitor and report the irrigation water use data to the Department of Natural Resources and Conservation and the Hoy Ditch and Middle Creek Water Users Association upon request.

k. The artificial feeding of all wildlife and big game shall be prohibited, including providing any food, garbage, or other attractant.

l. Pets shall be controlled by each Lot Owner, and not allowed to roam at large.

m. Owners acknowledge that wildlife damage to landscaping and other property may occur. Owners shall accept the risk and shall not file claims against any governing body for such damages.

n. All fencing shall be of a wildlife-friendly fencing design that allows relatively free passage for animals to jump over and crawl under and be highly visible for both ungulates and birds. Lot Owners should consult with Montana Fish Wildlife and Parks publication A Landowner's Guide to Wildlife Friendly Fences: How to Build Fence with Wildlife in Mind for specific designs.

o. All Structures shall be constructed in compliance with Montana State adopted codes for construction, including codes for the pertinent Seismic Zone, and current fire codes as adopted by the State of Montana.

p. The Open Space parcel (O.S. 1) shall be preserved and maintained for protection of natural features and the water conveyance facility.

q. Temporary erosion control measures shall be installed and continuously maintained for the duration of construction and shall include:
   - All non-construction areas shall be clearly marked and protected during construction by fencing or other identification;
   - The protection of loose piles of clay, debris, sand, silt, or other earthen material during periods of precipitation or runoff with filter fabric fence, hay bales, temporary gravel, and/or earthen or sand bag dikes;
   - All soil disturbance activities shall cease if adverse weather conditions exist. Adequate temporary erosion control measures shall be immediately installed during adverse weather conditions.

r. Each of the individual wells within the Subdivision shall install a water meter upon construction for water usage monitoring purposes. Each Lot is designated 0.28 acre- feet for domestic use. The Association must annually publish and make available to the public all domestic water usage data for the preceding year. This data must be annually collected, certified by a licensed professional engineer, and be submitted to the Bozeman DNRC Water Resources Regional Office by November 30 of each year.

s. No outside spigots connected to the domestic water supply are allowed on any Structure or building within the Subdivision.

t. Lot Owners shall be required to install and be served by a Level 2 Treatment System for sewage disposal. For the proper operation and maintenance of each septic system, the Association shall contract with a third-party service provider to ensure all septic systems within each lot are operated and maintained appropriately. This third-party service provider shall report to the Association, and the Montana Department of Environmental

Quality if requested.

u. Gallatin County is an intended third-party beneficiary of these county-required covenants. Compliance with and enforcement of these covenants is primarily the responsibility of the property owners and their association. However, Gallatin County has the right to seek enforcement of these county required covenants through any action in law or in equity, and against individual Lot Owners or the Association. Should it become necessary for Gallatin County to take steps to enforce these covenants, the County is entitled to recover its costs, expenses, and reasonable attorney's fees of the Gallatin County Attorney.

v. Any covenant, which is included herein as a condition of the preliminary plat approval and required by the County Commission shall not be amended or revoked without the mutual consent of the owners, in accordance with the amendment procedures in the covenants, and the County Commission.

w. Fire Protection.

i. Definitions.

a. Fire Department shall mean any fire service area, rural fire district, municipal fire department or other authorized entity that has authority under Montana law to provide firefighting and emergency response within the specified area of land in which the real property subject to these covenants exists. The Fire Department is specifically made a party to these Fire Protection Covenants for purposes of enforcement and may take any action itself or any action in law or equity to compel the property owners subject to the covenants to enforce these Fire Protection Covenants.

ii. Amendment.

a. These Fire Protection Covenants shall remain in full force and effect and may not be amended or revoked without the mutual consent of all property owners, in accordance with the amendment procedures in these covenants, and the Gallatin County Commission shall consult the Fire Department prior to deletion, adoption or amendment of any Fire Protection Covenant.

iii. General Building Codes.

a. All Structures shall be constructed in compliance with the most current edition of applicable fire protection standards set by the Fire Department.

iv. Fire Sprinklers.

a. All inhabitable Structures or buildings with any residential capacity must be fitted with an automatic fire sprinkler system that is fully operational and compliant with the most current edition of applicable NFPA standards and fire

protection standards set by the Fire Department.

b. The Fire Department shall receive from the Owner a stamped set of automatic fire sprinkler system plans from a Montana licensed engineer for review and approval prior to any construction. Applicable inspections, including an inspection prior to enclosure with sheet rock or other interior wall covering, by the Fire Department shall be scheduled with 48 hours' notice, during construction and after completion.

c. No building may be occupied prior to the Owner providing the Fire Department with written certification from a Montana licensed engineer that the fire protection sprinkler systems are properly installed, tested and fully operational in compliance with the NFPA standards and fire protection standards set by the Fire Department. The Owner is responsible for maintaining the condition of the automatic fire sprinkler system the same level of performance and protection as the original design.

v. Roof Structures.

a. All Structures shall have a Class A roof covering. The space at the eave ends shall be fire stopped to preclude the entry of flames and embers for roof coverings where the profile allows a space between the roof covering and the roof decking.

b. Prior to the installation, the Property Owner shall obtain written confirmation from the Fire Department that the proposed roofing materials meet its applicable fire protection standards. Prior to completion of any Structure, the roof of the Structure shall be inspected by the Fire Department. The Property Owner shall be responsible for payment of any fees in connection with such inspection.

vi. Defensible Space.

a. Each Owner shall maintain a defensible area of not less than thirty feet (30') around the perimeter of any Structure. Defensible area shall be measured horizontally from the exterior walls of any Structure, not contain combustible ground covering, be maintained and be an irrigated lawn of no more than three inches. The first three feet of the defensible area shall include non-combustible washed rock or a similar product measured horizontally from the exterior walls of any Structure.

vii. Addresses and Signs.

a. Addressing meeting the follow standards shall be installed prior to construction:

- Addressing on the residence shall be in contrasting color to the building.

- Each residence shall be denoted by an address sign at the intersection of the driveway and primary access roadway to the residence. The address shall face both travel directions of the primary access roadway to the residence. The street address shall be constructed of minimum four (4) inch letters of retro-reflective material. Address signs shall meet the requirements of the FPAHJ.

b. All street signs shall be constructed of non-combustible materials.

viii. Driveways/Parking.

a. All travel routes and driveways shall be maintained by the Homeowners Association and property owner to be clear of snow and other debris to provide unobstructed access year-round to all residences.

b. To allow for emergency vehicles to access Structures where the driveway is longer than three hundred (300) feet, the driveway must have an unobstructed width of twelve (12) feet, an unobstructed vertical clearance of fifteen (15) feet, a four foot zone of reduced vegetation on each side of the driving surface, and a grade not to exceed ten percent (10%). Driveways longer than 300 feet may have a width less than 16 feet if approved by the FPAHJ and turnouts are provided every 300 feet along the driveway's length.

ix. Any action taken by the Fire Department to enforce fire protection covenants or requirements shall be at the expense of the Lot Owner against whom enforcement is sought. Absent a finding of responsibility by an individual Lot Owner, the Association shall bear the cost of enforcement.

x. Spark arrestor screens shall be placed on all fireplace and woodstove chimneys.

xi. Smoke detectors shall be installed on each level of dwelling units.

xii. Open fires shall be prohibited, except for outdoor barbecues, fire pits, or where contained within a fireproof container. Fire pits must be constantly attended to and supervised by the Lot Owner, who is an adult, and the Lot Owner is responsible for ensuring the fire is completely extinguished prior to leaving the fire pit unattended. The Lot Owner is liable for any damage resulting from use of a fire pit. The fire pit shall be a non-combustible receptacle that is sufficiently vented to induce adequate combustion and have enclosed sides and a bottom. Receptacle shall be made of cement, brick, clay or sheet metal with a minimum 18 gauge thickness. Fire pits cannot be placed on combustible decks. Fire pits shall be clear of overhangs, such as tree branches and structures. Fire pits shall not be used in windy conditions where wind speed exceeds 15 miles per hour.

ARTICLE XI - ADDITIONAL FIRE PROTECTION COVENANTS

Section 1. Separation Between Buildings on the Same Lot.

The separation between all Structures protected by approved fire sprinkler systems and all detached, non-sprinkler protected Structures, including accessory buildings, shall be a minimum of 50 feet.

Section 2. Driveways to Structures.

To allow for emergency vehicle access to Structures, the Lot Owner shall provide a driveway meeting the following requirements as approved by the FPAHJ: a minimum unobstructed driving surface of 12 feet for driveways less than 300 feet long and a 16 foot driving surface for any driveway over 300 feet long; a vertical clearance of 15 feet; and a four foot zone of reduced vegetation on each side of the driving surface. If a driveway that is less than 16 feet wide is approved by the FPAHJ, turnouts shall be designed and constructed every 300 feet along the driveway's length. If any term of this Section 3 conflicts with the Article X, Section 7(i)(ii) herein, this provision shall control as being the stricter of the provisions.

For all Improvements or Structures sites on driveways over 300 feet in length, the Lot Owner shall provide a turnaround including but not limited to a drive-through, cul-de-sac or hammerhead turn-a-round.

All gates, bridges, culverts, cattle guards and all related constructs affecting access shall be a minimum of two feet wider on each side of the driveway. The entire driveway shall have a 30-ton minimum rating for two-axle trucks including all bridges, culverts, cattle guards and all other constructs of the driveway.

Section 3. Addressing Posted.

Addressing on the building shall be contrasting on the building and reflective on the street. Number size shall be four-inch (4") minimum height. Sign numbers and the background shall be made of retro-reflective material. Address signs shall me the requirements of the FPAHJ.

Section 4. Fire Apparatus Access.

Fire apparatus shall be able to park on a roadway, driveway, or fire apparatus parking area within 150 feet of all parts of the exterior of the building. The roadway, driveway, or fire apparatus parking area shall be engineered and constructed to safely support a 30-ton, two-axle fire apparatus.

Section 5. The Lot Owner shall provide the following fire protection packages:

a. Installation in every residential Structure and every non-residential Structure within 50 feet of a residential Structure, a fire protection sprinkler system. The Fire sprinkler system shall be connected to a public water supply, and the system shall be engineered by a licensed P.E., installed and fully operation and compliance with the current edition of the applicable NFPA standard.

Section 6. Wildland/Urban Interface Fire Protection Covenants:

a. Access and Evacuation.

Road right-of-way shall be cleared of construction slash. The required clearance of the right-of-way shall be maintained, in perpetuity, in a fire-resistive state.

b. Maintenance of Fire Protection Water Supply

Fire protection water supplies must be maintained to their original performance capability in perpetuity by the Association. Performance of all fire protection features shall be certified annually by a licensed P.E. and submitted to the FPAHJ to ensure continued specific capability.

c. Maintenance of Fire Protection Features (defensible space, driveway routes, fuel breaks, fuel modification plans, green belts, etc.).

Fire protection features must be maintained to their original performance capability in perpetuity by the Lot Owners.

ARTICLE XII – TERM, ENFORCEMENT, APPLICABILITY AND CHANGE

Section 1. Binding Effect and Amendment.

The provisions of these Covenants shall be continuous and binding unless terminated. For an initial term of twenty-five (25) years from the date of these Covenants, or until 90% of the Lots in the Subdivision have been sold, whichever occurs first, these Covenants may be modified, altered or amended only by the Declarant or with the Declarant's consent. After the initial twenty-five (25) year period, or after 90% of the Lots in the Subdivision have been sold, whichever occurs first, the provisions of these Covenants may be changed or amended or additional Covenants added, in whole or in part, upon approval of 75% of the votes of the Members of the Association at a meeting duly noticed and called for that purpose.

Any covenant required as a condition of the approval of the Subdivision shall not be altered or amended without the agreement of Gallatin County. Any change of these Covenants shall be effective upon the filing and recording of such an instrument in the office of the Gallatin County Clerk and Recorder. The President or Vice-President shall execute and record the amendment, change or addition with the Clerk and Recorder of Gallatin County, Montana. Any change in these Covenants shall not affect existing Improvements and uses of the Lots.

Section 2. Enforcement.

Enforcement of these Covenants shall be by proceedings either at law or in equity against any person or persons, Owner or Owners, violating, or attempting to violate, any Covenant and any

such legal proceedings may be to restrain violation of these Covenants, to recover damages, or both. Furthermore, Gallatin County may be party to and be able to, if it so elects, enforce any provisions in these Covenants that pertains to the maintenance of Open Space, the control of storm water and the maintenance of streets.
Should any lawsuit or other legal proceeding be instituted by the Association, an Owner, or Gallatin County against any person or Lot Owner alleged to have violated one or more of the provisions of these Covenants, the prevailing party shall be entitled to recover the costs of such proceeding, including reasonable attorney's fees associated with the action, as may be ordered by the court.

Section 3. Non-waiver.

The failure of Declarant, the Association, an Owner, or Gallatin County to enforce any Covenant or restriction contained herein shall not be deemed a waiver, or in any way prejudice the rights to later enforce that Covenant, or any other Covenant thereafter, or to collect damages for any subsequent breach of Covenants.

The waiver of, or approval of a variance of a Covenant provision by the Board of Directors, or non-action of the Association or Declarant in the event of a violation of a Covenant by a particular Owner or Lot, shall not be deemed to delete or waive the Covenant or enforcement thereof as it pertains to other Owners or Lots.
Section 4. Assessments.

Every Owner by paying assessments related thereto shall be responsible for and share in the cost of maintaining the Open Space, trails, Community Center, if any, community irrigation system, proposed waterways and proposed pond and any assessments related thereto.

Section 5. Severability.

Invalidation of any one of these Covenants by statute, judgment or by Court order shall in no way affect any of the other Covenants or provisions, all of which shall remain in full force and effect.

Section 6. Covenants.

In any conveyance of the above-described Property or of any Lot thereon, it shall be sufficient to insert a provision in any deed or conveyance to the effect that the Property or Lot is subject to protective or restrictive Covenants without setting forth such restrictions and Covenants verbatim or in substance in said deed nor referring to the recording data. All of the above described Property and Lots shall be subject to the restrictions and Covenants set forth herein, whether or not there is a specific reference to the same in a deed or conveyance.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Declarant has hereunto set its hand as of this 1st day of July, 2025.

DECLARANT: FOLAREL SOUTH 19TH, LLC
a Delaware Limited Lability Company

By: Tim Reilley, Authorized Signatory

STATE OF MONTANA)
: ss
County of Gallatin)

On this 1st day of July, 2024 25 cmc, before me, a Notary Public for the State of Montana, personally appeared Tim Reilley, Authorized Signatory for Declarant, Folarel South 19th, LLC, a Delaware Limited Liability Company, known to me to be the person whose name is subscribed to the above instrument and acknowledged to me that he/she is the person whose name is subscribed to within instrument and acknowledged cmc and executed the same.

SEAL

Notary Public for the State of Montana

CYNTHIA M EDGMOND
Notary Public
for the State of Montana
Residing at:
Bozeman, Montana
My Commission Expires:
December 8, 2028

EXHIBIT A

LEGAL DESCRIPTION

The Summits Subdivision, being Tract 1 of C.O.S. 3126, located in the NE1/4 of Section 2, Township 3 South, Range 5 East, P.M.M. Gallatin County, Montana, according to the official survey thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana [Plat # J-756].

EXHIBIT B

Domestic Irrigation Water Restrictions

1. The Association shall have the authority to control and establish the irrigation schedule for all Lots, such that the Association shall provide each Owner a schedule of days and hours of the day during which the Owner may irrigate the Owner's Lot. The Board of Directors shall monitor irrigation, and may impose any irrigation restrictions as determined necessary and shall enforce all such restrictions.

2. The Subdivision's community irrigation system shall only be operable during the spring, summer and fall months of each year. The Board of Directors shall each year determine the date upon which the Subdivision's community irrigation system shall commence being operable and the date upon which said community irrigation system shall cease being operable.

3. All irrigation shall come from the Subdivision's community irrigation system and facilities which shall be supplied by the Declarant's surface water rights and conveyed by the Hoy Ditch and the Subdivision pond flow through system. The onsite Community Water System for Domestic Use shall not provide any water for irrigation at any time.

4. All landscape and irrigation plans shall be submitted to the Architectural Committee for review and written approval, and such landscape and irrigation plans shall be designed to implement water-conserving landscape features. Under no circumstances will water features be allowed on any Lot.

5. Each Lot is limited to a maximum irrigatable area of 0.50 acres annually.