

**DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS  
FOR THE MEADOWS DEVELOPMENT  
MEADOWS SUBDIVISION NO. 27  
PLAT NUMBER 343166  
AMENDED 9/12/2011**

Note: The proposed Meadows Development, Middle Valley Tract 2 Amended and Middle Valley Tract 5 Amended Subdivisions share use of a dry hydrant facility located on Schreiner Road. The Meadows Development is charged with the responsibility to maintain the dry hydrant facility. All three subdivisions are responsible for sharing the cost to maintain the dry hydrant facility based on a pro rata share of the number of lots served.

Table of Contents

Article I	Definitions
Article II	Property Rights
Article III	Association Membership, Voting Rights, and Assessments
Article IV	Assessments
Article V	Architectural Control
Article VI	Minimum Building and Use Restrictions
Article VII	Fire Control Provisions
Article VIII	Community Sewer System
Article IX	Stormwater Channels
Article X	Safety and Maintenance
Article XI	Term, Enforcement, Applicability and Change

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Diamond Ranch LC,  
owners of the property  
herein addressed

to the Public

THIS DECLARATION is made this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by Diamond Ranch LC, owning certain real property in Stillwater County, hereinafter referred to as "**DECLARANT**".

RECITALS:

DECLARANT makes this declaration upon the basis of the following facts and intentions:

A. DECLARANT is the owner of the following described real property located in Stillwater County, Montana:

Tracts 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 27, 28, 29 and 30 of COS 209058 in Section 34, Township 2 South, Range 23 East, Stillwater County, Montana; and any lots or tracts created from the subdivision of said tracts.

The above-described property, and any other tracts designated by the DECLARANT in the future are included in this development, which is hereinafter called the "THE MEADOWS".

B. DECLARANT plans to develop said property and pose thereon beneficial protective covenants under the general plan of improvement for the benefit of all such property, every part thereof and interest therein.

NOW, THEREFORE, DECLARANT hereby declares that **Lots 27A, 27B, 27C, 27D and 27E** of the **Meadows Subdivision No. 27** shall be held, sold, conveyed, encumbered, used, occupied and improved subject to the following easements, restrictions, covenants and conditions, all of which are in furtherance of a plan for subdivision, improvement and sale of said real property and are established for the purpose of enhancing the value, desirability and attractiveness of the real property and every part thereof. All of the easements, covenants, restrictions and conditions shall

run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any thereof, and shall be for the benefit of each owner or any portion thereof and inure to the benefit of and be binding upon each successor in interest of such owners.

## ARTICLE I

### Section 1.1

**"ASSOCIATION"** shall mean **The Meadows Homeowners Association**; a Montana registered corporation not for profit, its successors and assigns. This corporation is registered with the Montana Secretary of State under Filing Number D-150072-634767.

### Section 1.2

**"Common Area"** shall mean all real property in which the ASSOCIATION owns an interest for the common use and enjoyment of all of the members. At this time the common area consists of the following property:

a. Easements for roads and stormwater channels, more particularly described in the plats and easements of "The Meadows", on file in the office of the County Clerk and Recorder, Stillwater County, Montana which may be affected by and/or located on the property covered by these covenants.

b. Easements for walking, and equestrian trails, more particularly described in the plats, on file in the office of the County Clerk and Recorder, Stillwater county, Montana.

c. Lots and easements for a community sewer system, including: proposed Lot 6E, Meadows Subdivision No. 6; and proposed Lot 7E, Meadows Subdivision No. 7, and easements as shown on the Final Plats of each minor subdivision are included as common area in the Meadows Homeowners Association.

d. Tracts of land and easements which may be added by the DECLARANT or the Board from time to time.

### Section 1.3

**"Tract"** shall mean any individually platted lot or tract of real property previously dedicated, herein dedicated or subsequently dedicated by the DECLARANT to be covered by these Covenants, or any other property the ASSOCIATION agrees to accept

for membership.

#### Section 1.4

**"Member"** shall mean any tract owner. Each member or owner agrees to abide and be bound by the Covenants as applicable to each Tract, the Articles of Incorporation, Bylaws and the Resolutions of the ASSOCIATION, if any.

#### Section 1.5

**"Properties"** shall mean any tract or lot which is currently covered by these covenants.

#### Section 1.6

The term **"owner"** or **"tract owner"** shall mean any person or entity owning a fee simple interest in a tract or a contract purchaser, whether one or more persons or entities, owning or purchasing a tract, 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 hereafter, of a tract for value, the term "owner" shall mean "DECLARANT" or its successors or assigns. The term "person" hereinafter shall include any person, persons or entities.

#### Section 1.7

The term **"contract purchaser"** shall mean a person buying a tract pursuant to a contract for deed, Montana Trust Indenture or mortgage.

#### Section 1.8

The term **"Directors"** or **"Board"** shall mean the Board of Directors of the ASSOCIATION, and shall consist of three tract owners who shall be elected at the annual meeting by a simple majority of the members of the ASSOCIATION. The Board of Directors shall be elected for a term set by a simple majority of the membership, but not less than one year. Any vacancy in the Board of Directors occurring before the next annual meeting of the members shall be filled by the remaining Directors.

The Directors shall have the authority to act on behalf of the ASSOCIATION and its members as shall be reasonably necessary to carry out the purposes of the ASSOCIATION and enforce these Covenants. The Directors shall act by majority vote. The officers of the ASSOCIATION shall follow the directions of the majority vote of the Directors.

Until eighty percent (80%) of the total number of tracts receiving preliminary plat approval have been sold, the DECLARANT shall have the right to appoint the Board of Directors, who shall not be required to be tract owners or members of the ASSOCIATION. Fourteen original tracts have been identified under the initial section "Recitals". Any additional lots created from the original 14 tracts or from other tracts included by the DECLARANT or the ASSOCIATION as members of the ASSOCIATION, shall be considered within the total number under the 80% limit clause.

### Section 1.9

The term "**DECLARANT**" shall mean and refer to Diamond Ranch LC, and their successors and assigns.

## **ARTICLE II**

### PROPERTY RIGHTS

#### Section 2.1. OWNERS' EASEMENT OF ENJOYMENT.

Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Tract, subject to the following provisions:

- (a) The right of the ASSOCIATION to provide reasonable restrictions on the use of the Common Area for the overall benefit of its members, including limitations of the number of guests permitted to use the Common Area and restrictions or prohibitions on the use of motorized vehicles in the Common Area;
- (b) The right of the ASSOCIATION to suspend the voting rights of any member and rights of a member, his household and guests to use of the Common Area and its recreational facilities for the entire length of any period during which such member shall be in default in payment of any assessment duly levied against his Tract. Such rights also may be suspended for any infraction of the ASSOCIATION's published rules and regulations;
- (c) Common area shall remain perpetually in the ownership of the ASSOCIATION, with the exception of the right of the ASSOCIATION to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless approved by two-thirds (2/3) of the Members, and the DECLARANT agreeing to such dedication or transfer, and an instrument evincing such dedication or transfer has been recorded.

Section 2.2. DELEGATION OF USE.

Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and its recreational facilities to the Members of his family, his tenants, or contract purchasers who reside on the property.

Section 2.3. DECLARANTS' RETAINED RIGHTS

The DECLARANT reserves the right to maintain and improve the common areas including roads to the end of realizing the complete development of the above mentioned tracts.

The DECLARANT reserves the right to use the easement for the interior road right-of-ways for:

- for agricultural access purposes;
- for his personal vehicular and pedestrian traffic;
- to place or remove gravel as desired;
- to plant and maintain trees and shrubs;
- to place and maintain an irrigation system for the trees  
and to otherwise forward the plan of development for entire area as noted above.

The DECLARANT reserves the right to change the development plan at any time.

Section 2.4. BYLAWS

The DECLARANT hereby affirms that the BYLAWS of the ASSOCIATION have been prepared and adopted by the Board of Directors prior to the sale of any piece of property covered by these covenants. Copies of the BYLAWS may be obtained from the secretary of the ASSOCIATION.

**ARTICLE III**

ASSOCIATION MEMBERSHIP, VOTING RIGHTS AND ASSESSMENTS

Section 3.1

Every Owner of a Tract which is subject to assessment shall be a Member of the ASSOCIATION. Membership shall be conditional upon and may not be separated from ownership of a Tract which is subject to assessment.

## Section 3.2 MEMBERSHIP CLASSES

The ASSOCIATION shall have one class of voting membership defined as follows:

Members shall be all Owners of Tracts. Members shall be entitled to one (1) vote for each Tract owned. When more than one person holds an interest in any Tract, all such persons shall be Members. The vote for each such Tract shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any single Tract.

Votes on financial issues concerning the establishment of fees for maintenance, repair or capital improvements to components of the sewer system shall be limited to those members served by the community sewer system.

## **ARTICLE IV**

### ASSESSMENTS

#### Section 4.1. CREATION OF LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS.

The DECLARANT, for each Tract owned within the **Properties**, hereby covenants, and each Owner of any Tract by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the ASSOCIATION (a) annual assessments or charges, and (b) special assessments for capital improvements, such assessments to be fixed and collected as hereinafter provided.

The DECLARANT shall not have to pay any annual assessments, or charges, or special assessments for capital improvements, or sewer system charges for a period of ten (10) years from the filing of these covenants.

The annual and special assessments, and in the event of any default in the payment thereof, together with interest, costs, and attorney's fees, shall be charges on the Tract and shall be a continuing lien upon the Tract against which each such assessment is made. Each such assessment, and in the event of any default in the payment thereof, together with interest, costs, and attorney's fees, shall also be the personal obligation of the person who was the Owner of such Tract at the time when the assessment fell due; however, an Owner's personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed in writing by them.

#### Section 4.2. PURPOSE OF ASSESSMENTS.

The assessments levied by the ASSOCIATION shall be used exclusively to promote the recreation, health, safety, convenience, and welfare of the Owners, and for the establishment, improvement and maintenance of facilities enhancing the use and enjoyment of the Common Area including, but not limited to, the payment of any taxes and insurance on the Common Area, maintenance of easements owned by the ASSOCIATION, and the cost of labor, equipment, materials, management and supervision related thereto. There are two types of assessments. The first is a general assessment to pay for costs of maintenance of roads, paths, stormwater channels, taxes and insurance of the common areas. The second is an assessment for the maintenance and operation of the community sewer system. All tract owners are required to pay the general assessment. Only tracts served by the community sewer system must pay the sewer system assessment. Costs of assessments, operation and responsibility are addressed in Section VIII of these covenants.

#### Section 4.3. AMOUNT OF ANNUAL ASSESSMENT.

The minimum base general assessment shall be \$100.00 for each improved lot and \$50.00 for each unimproved lot; except that the general assessment for lots owned by the DECLARANT shall be zero until such time as they are sold, for a period of ten years. The maximum annual assessment per Tract 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 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 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 4.4 - SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS.

##### (a) General Special Assessments.

In addition to the annual assessments authorized above, the ASSOCIATION may levy, in any assessment year a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair and/or replacement of a capital improvement upon the Common Area, including fixtures and personal



property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the voting Members, voting either in person or by proxy at a meeting duly called for this 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. Assessments for operation and maintenance of the sewer system are covered by these requirements.

Section 4.5 - NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 4.3 AND 4.4

Written notice of any meeting called for the purpose of taking any action authorized under Section 4.3 or 4.4 of this Article shall be sent to all Members not fewer than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Assessments for operation and maintenance of the sewer system are covered by these requirements.

Section 4.6 - UNIFORM RATE OF ASSESSMENT.

Both annual and special assessments for all budget items except the community sewer system, shall be fixed at a uniform rate for all Tracts, except the Directors may fix a different uniform rate for improved and unimproved Tracts. The assessments may be collected on a monthly, quarterly or annual basis. Special assessments shall be fixed at the same rate for each Tract affected by the special assessments.

Sewer system operating and capital expenditures will be assessed separately from the general budget, but may appear on the same annual statement.

Section 4.7 - 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 Tract 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.

The ASSOCIATION, upon demand and for a reasonable charge, shall furnish a certificate signed by an officer of the ASSOCIATION setting forth whether the

assessments on a specified Tract have been paid.

Section 4.8 - EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION.

Any assessment not paid within sixty days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The ASSOCIATION may bring an action at law against the Owners obligated to pay the same or foreclosure the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or by abandonment of their Tract. The lot Owner is responsible for legal and administrative costs incurred by the ASSOCIATION in bringing an action at law against said Owner.

Upon delivery of the notice of assessment to the owner, the assessment shall be a lien upon the owner's tract until paid. The ASSOCIATION may record a notice of the lien with the Clerk and Recorder of Stillwater 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 the Montana law for the foreclosure of liens against real property.

A member shall not be entitled to vote at any time during which he is delinquent in the payment of his assessment(s).

The Board shall have the responsibility to establish necessary remedies for non-payment of sewer system assessments, independent of this section as necessary.

Section 4.9 - SALE OR TRANSFER OF A TRACT.

The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage. Sale or transfer of any Tract shall not affect the assessment lien; however, the sale or transfer of any Tract, pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Tract and/or Tract Owner from liability for any assessments thereafter becoming due or from the lien thereof.

A person or entity purchasing a tract shall be responsible for checking with the ASSOCIATION for any outstanding assessments against said Tract before the closing upon the purchase.

**ARTICLE V**

ARCHITECTURAL CONTROL

Section 5.1 - SUBMISSION OF PLANS BEFORE CONSTRUCTION

No construction, or alterations affecting the external appearance of any main buildings, secondary buildings, fences, walls, railings, artifacts, and the like, and no wire, pipe, well, and the like shall be made, erected, altered, placed or permitted to remain upon the properties until plans and specifications showing its design, location, construction materials and color shall have been submitted and approved, in writing, by a majority of the Board of Directors, or the Architectural Committee if one has been established, as compliance with these Covenants. Normal maintenance operations are exempted.

The Board of Directors or the established Architectural Committee shall have the authority to reject materials, designs submitted with plans, or the plans themselves, if they are not compatible with, or are inappropriate for the rest of the subdivision as based on the stated goals and restrictions of these Covenants.

In considering any such plans and specifications, the Committee shall regard compatibility with these covenants and specifications noted on the Plat as the primary and foremost design objectives.

#### Section 5.2 - APPROVAL OR FAILURE TO DISAPPROVE.

Sufficiently detailed plans and designs submitted must be approved by a majority of the Board of Directors or Architectural Committee, and the Owner notified in writing within twenty-one days after submittal of complete plans and specifications. If the Board or the Architectural Committee, fails to approve the plans by a majority vote, the Owner shall be informed, in writing, as to the areas of non-compliance, and shall resubmit plans showing compliance for approval by the Board of Directors.

In the event the Board or the Architectural Committee fails to vote to approve or disapprove the plans submitted to it within twenty-one days after the detailed plans and specifications have been submitted, provided the plans include the information set forth above, approval shall not be required, and this Article will be deemed to have been fully complied with.

Approval of any such plans and specifications, either made expressly in writing or by the expiration of the twenty-one day period herein above provided, shall then permit the Owner to commence construction in accordance with said plans and specifications, but any deviation from said plans and specifications which, in the judgment of the Board or Architectural Committee is a substantial detriment to the appearance of the structure or of the surrounding area, shall be corrected by the Owner to conform with the plans and specifications as submitted.

#### Section 5.3 - AFTER APPROVAL, TWELVE MONTHS TO BE COMPLETED.

Any structure to be erected in accordance with approval so given must be erected and exterior completed within twelve (12) months of approval or a new approval obtained. If any structure is begun and is not completed within twelve (12) months of

the commencement of construction, and in the judgment of the Board or Architectural Committee is of offensive or unsightly appearance, the Board or Architectural Committee, may take such action as may be necessary in its judgment to improve the appearance so as to make the property harmonious with other properties. Such action may include, by way of example only, completion of the exterior of the structure, screening or covering of the structure, or any combination thereof, or any similar acts, and the amount of any expenditures made in so acting shall be a lien on the property and may be enforceable by an action at law or in equity.

#### Section 5.4 - ARCHITECTURAL GUIDELINES.

The Board or Architectural Committee may make such reasonable rules and bylaws and adopt such procedures as it deems necessary to carry out its functions, which rules, Bylaws and procedures may not be inconsistent with the provisions of these Covenants. A copy of all rules, Bylaws and procedures shall be available to the owners, and may be obtained from the Secretary of the Board of Directors.

(a) Without limiting the authority of the Architectural Committee with respect to other matters, the said committee may designate set back distances for any structures as in its discretion best suits the requirements of the lot involved and it shall have the authority to reject materials, designs, and colors submitted with plans as well as the plans themselves, if in the Committee's discretion they are not compatible with the rest of the subdivision.

(b) All applications to the Architectural Committee shall be in writing and shall conform to the rules and regulations of the said Committee.

(c) In considering plans and specifications, the Committee shall examine the suitability of the same to the site, including the material of which it is to be constructed and the relationship of the same to the neighborhood and adjacent properties.

(d) No plans or specifications shall be approved which will be so similar or dissimilar to other improvements or structures that monetary or aesthetic values will be impaired.

(e) The Architectural Committee and the individual members thereof may not be held liable by any person for any damages for any action taken by the said Committee pursuant to this declaration of covenants, conditions and restrictions, including damages which may result from correction, amendment, changes or rejection of plans, the issuance of building permits or any delays associated with such actions on the part of the Committee.

(f) The Board has the ultimate authority over decisions by the Architectural

Committee and may overrule or change decisions, if in the opinion of the Board, the Association and the welfare of the individual tract owners is better served.

#### Section 5.5 - LIABILITY

Neither the ASSOCIATION, the DECLARANT, the Board of Directors, nor the individual members thereof, may be held liable to any person for any damages for any Board of Directors action taken pursuant to these Covenants, 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.

### **ARTICLE VI**

#### MINIMUM BUILDING AND USE RESTRICTIONS

##### Section 6.1. BUILDING RESTRICTIONS.

Any structure which fails to meet the following minimum standards shall not be erected, placed or allowed to remain on any Tract, and the Review Committee shall have no power to approve any structure failing to meet at least the following minimum standards;

1. No structure, other than a dwelling and structures associated with such dwelling providing for the exclusive residential use of a family, shall be erected, altered, placed, or permitted to remain on any Tract.
2. Every main dwelling shall have a minimum size of 1500 (one thousand five hundred square feet) for "ranch" style homes, and 1200 (one thousand two hundred square feet) on the first floor, for two story style houses, which square footage shall be interior living space, exclusive of any porch, basement or garage.
3. Any building or residence erected on any Tract shall be of new construction, and no old building or buildings shall be moved onto any Tract.
4. No construction equipment or materials of any nature can be moved onto a lot more than 60 days prior to start of any construction.
5. Permitted housing construction shall include conventional on-site construction methods using wood, concrete, steel and stone. No modular

structures, manufactured housing, mobile homes, trailers or recreational vehicles are allowed on any Tract either for permanent or temporary living except as elsewhere herein provided. No temporary or permanent storage of mobile homes is allowed on any Tract

6. All housing must be placed on concrete foundations.
7. House designs shall be required at a minimum to have three full size gables or be EII shaped with at least one drop in elevation along the roof line.
8. House designs shall be required to have at a minimum an attached two car garage.
9. All buildings shall have exterior siding consisting of wood, wood look-alikes or wood products, brick, stone, stucco or other manufactured exterior good quality materials, including metal siding, commonly now or hereafter used in the State of Montana on single family residences. However, no sheet or panel metal siding, nor cement block siding is allowed, except as specifically provided for in Section 6.1.19 of these Covenants.
10. Roofs shall be covered with wood shakes or shingles, asphalt or fiberglass shingles or raised seam colored metal. Rain gutters are allowed, provided the same are colored to match the trim or color of the roof. The roofs shall have a minimum pitch of 4/12. Further, all structures shall be constructed so that the roof overhang and gable ends extend a minimum of 12 inches horizontally from the walls of the structure, except as specifically provided for in Section 6.1.19 of these Covenants.
11. Fences or walls may be constructed, but the location, design, material, color, height and size of the enclosure must be approved by the Review Committee. Boundary fences shall be of three (3) rail post and dowel construction such as to appear homogeneous with other tract boundary fences. The Tract owner is not required to changeover existing wire fencing. The fencing standard may be modified by the Board of Directors with a majority concurrence of the tract owners.
12. No signs, billboards, posters or other advertising devices of any kind or character shall be erected or displayed upon any of the Tracts except signs identifying the overall development and signs of a type and size displayed to identify the occupants of a dwelling, which signs shall be approved by the Review Committee.

13. All secondary structures on a site shall match the external design of the primary structure and be similar in appearance to the external material of the primary structure, except as specifically provided for in Section 6.1.19 of these Covenants.
14. All concrete that extends twelve (12) inches or more above ground, if painted, shall be painted an earthtone color to blend with its natural surroundings.
15. Any dwelling and any garage, carport or accessory structure attached or unattached to said dwelling erected on any Tract shall be so located so that, at ground level no portion thereof is less than twenty-five (25) feet from any boundary line of the Tract. Waivers to this requirement may be granted on an individual basis, based on agreement by both the Board and adjacent lot owners.
16. Any dwelling and any garage, carport or accessory structure attached or unattached to said dwelling erected on any Tract shall not be more than thirty feet in height at the highest point, as measured from an average of three ground elevations located around the structure.
17. No dwelling or other structure intended for use of occupancy by individuals shall be constructed without an adequate septic tank or sewage disposal system, and no outhouse or privy or any similar structure shall be permitted or maintained on any Tract. Any septic tank or sewage or waste disposal system and any private water supply system, including wells, shall be located, installed and maintained by the Tract Owner at all times in compliance with applicable laws, regulations, standards and the like established by the State of Montana and/or any other governmental entity or agency with jurisdiction.
18. Installations for water lines, sewer lines, and all utility lines, including electric power and telephone lines, shall be underground and made at the expense of the Tract Owner, unless otherwise agreed to by the appropriate utility.
19. Pole barns and structures with sheet metal siding.  
No primary living structure shall be of "pole barn" construction, or be sided with sheet metal siding. Secondary structures such as shops, barns, stables or detached garages utilizing sheet metal siding may, with **written conditional approval** from the Board, be placed on a tract within the Meadows Development. The Board may prohibit any submitted design

which does not meet the explicit or implicit specifications contained herein. The allowable plan review period for building designs which utilize metal sheet siding is extended to 35 days.

Size of the structure is limited to 3600 square feet. Height of structure is limited to no more than 22 feet. Design snow load shall be 30 psf. No roof overhang is required for structures under this section. Color of the metal roof and color of the metal siding must be as similar as possible with available materials, to that of the primary living structure. Approval of a secondary structure for construction prior to approval of the primary structure will require the specific color selection of the primary structure to be approved concurrently.

Concrete block walls may be approved at the discretion of the Board upon review of submitted plans.

## Section 6.2. NOTIFICATION OF PROPERTY CONDITIONS.

DECLARANT makes no representation whatsoever as to the geological conditions of the Property. Tract Owners are advised that water tables are high and that any below-grade construction, including that of a basement or deep crawl space, on any given Tract may not be prudent. Tract Owners are advised that soil conditions may be such as to limit or preclude construction. DECLARANT assumes no responsibility whatsoever and hereby expressly disavows any liability for any construction, including any below-grade construction. It is and shall be the sole and exclusive responsibility of each Owner to assess the condition of the Tracts he or she owns and its(their) suitability or lack thereof for any specific type of construction.

## Section 6.3. USE RESTRICTIONS.

The following use restrictions shall be applicable to all Tracts:

1. Tracts may not be subdivided, except with expressed written permission from the original DECLARANT, his heir or assigns. DECLARANT is not obliged to approve any subdivision. Such permission can be given only if:
  - The proposed subdivision is in character with the existing tracts and subdivided tracts;
  - The proposed subdivision will complement the overall developed property;
  - And will not materially subtract from the value of existing lots and dwellings.



-Adequate wastewater treatment capacity exists without limiting additional bedrooms for existing or proposed tracts.

Such proposed subdivision will then be allowed with the expressed written permission of the DECLARANT or his heirs or assigns and observance of proper state and county subdivision law.

2. No tract shall be have more than one single family dwelling.
3. No Tract, or any building or improvement erected thereon shall at any time be used for the purpose of any trade, profession, manufacturing or business of any description, whether for profit or not, except that such use, if incidental only, shall not be prohibited.

The use of the property for a home occupation or hobby-business may be permitted. The home occupation or hobby-business shall be clearly incidental and secondary to the primary use of the tract for residential purposes and shall be limited in location to the inside of a dwelling or outbuilding. No occupation which requires frequent visits by non-Association members is allowed.

4. No noxious or offensive activities shall be carried on or be permitted to be carried on by an Owner, his invitees or licensees or anyone acting under his direction or under his control, and nothing which may become an annoyance or nuisance to the neighborhood shall be done or suffered to be done on any Tract.
5. No basement or structure on any Tract may be used for dwelling purposes until after its area, as defined by the foundation, has been completely enclosed according to plan and it has been substantially completed and sanitary facilities and utilities permanently installed. No tent, shack or any outbuilding erected on a Tract shall be used as a residence, at any time, whether temporarily or permanently.
6. TV, radio, and other antennae shall be located so as to be inconspicuous. In no event, however, shall any conspicuous antenna, such as, by way of example only, a ham radio antenna, be erected on any Tract.
7. Neither hunting nor the discharge of any rifle, shotgun, pistol or other firearms shall be permitted at any time on any Tract.
8. No animals shall be kept on any Tract, except as herein specified.  
As appropriate, each Tract must be fenced and animals restrained.

No animal will be allowed off its Owner's Tract unless it is in the immediate company of its Owner or his agents. In no event shall wild or non-domestic animals be kept on any Tract.

### **CHICKENS**

No roosters are allowed. Up to 10 chickens may be kept in a fenced chicken yard. No chickens may be allowed to roam freely.

### **HOUSEHOLD PETS**

Ordinary domestic household pets are allowed.

All domestic pets must be kept under control and dogs and cats shall not be permitted to roam at large. No commercial dog or cat kennels shall be permitted. Only a reasonable number of domestic pets shall be maintained within any household. The Board may set the number identified as "reasonable".

### **HORSES**

**Horses** will be conditionally allowed to be permanently kept on a tract by privilege on Tracts of four (4) or more contiguous acres. This privilege is revocable by the Directors for failure to adhere to these provisions.

Only mares, foals and geldings are allowed.

Horses may be permanently boarded provided that the Tract is kept reasonably clean and adequate ground cover consisting of grass and/or alfalfa is maintained. Owner(s) must construct approved facilities prior to permanently boarding horses. Minimum facilities shall include:

- A. Fencing of grazing area;
- B. Construction of corral area

Corral construction must be approved by Review Committee. Enclosed area may not exceed 10,000 square feet and location must maintain a 50 foot setback from adjacent lots. No corral may be located in the area between the house and any of the private roads under control of the Association.

- C. Construction of stable facility.

Stables must comply with construction appearance standards set forth elsewhere in these covenants.

## **GRAZING**

The Board of Directors may, at its discretion, allow the temporary grazing of any Tract for the purpose of vegetation control at the request of the Tract owner. In this use only horses may be grazed. This use does not permit the boarding of animals on a permanent basis.

Horses may be grazed on any tract only to the extent that adequate graze is available. The Review Committee or the Association's Directors may limit the number of animals on any Tract, and may withdraw permission for the grazing of horses from any Owner who violates the restrictions of this section.

The tract owner agrees to remove any grazing animals from ground which does not have ground cover, which is defined as grass and/or alfalfa at least 3 inches tall on average.

If the tract owner fails to remove animals from graze which the Directors deem insufficient to protect the ground cover under continuous grazing, the owner will be notified in writing. If the owner continues to allow access by grazing animals the Directors have the right to withdraw that tract owner's privilege to keep the animals or similar animals on the tract. The Association may bring an action at law against the Owners to enforce compliance. The prevailing party shall be entitled to costs and attorneys' fees. Sale of the property automatically reinstates the privilege.

9. The DECLARANT reserves the right to livestock grazing on parcels owned by the DECLARANT.
10. All utilities, power lines, telephone lines, gas lines, and any other utility lines shall be placed underground. No overhead power or telephone poles may be used other than in the county road right-of-way. Interior tracts shall use right-of-way area adjacent to interior road for underground utilities, unless otherwise impractical.
11. No trash, debris, organic or inorganic wastes of any sort shall be permitted to accumulate on any Tract or in any road adjacent thereto, but shall be promptly and efficiently disposed of, and no Tract, vacant or other, shall be used as a dump ground or burial pit. Outside incinerators shall not be permitted. Compost piles are allowed, but Board of Directors may stipulate acceptable materials being composted.
12. Nothing shall be done which shall interfere with the continued use of easements in existence for irrigation, drainage, and roads, and the

installation and maintenance of the utilities within them. All walking/riding easements must contain no cross fences which would hinder free movement along them.

13. No noxious weeds, underbrush or other unsightly growth shall be permitted to grow or remain upon tracts. Each property Owner is responsible for controlling noxious weeds on his property in accordance with the Stillwater County Weed Act, (MCA 7-22-2101-2150 and Stillwater County Weed Control Policies).
14. Each tract, as above described, in said subdivision may be utilized for the purpose of raising hay in addition to the residential uses.
15. No trailer, mobile home, basement, tent shack, garage, or other outbuilding erected on said tracts shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence, and the exterior of the dwelling shall be finished in its entirety before it can be occupied. Casual use of recreational vehicles or travel trailers for periods not to exceed 30 days may be permitted as prescribed by the ASSOCIATION.
16. No Tract shall be used for the storage of any non-operating vehicles or portions thereof, machinery or equipment, or other personal property of any quantity in excess of the immediate needs and personal use of the Owner of a tract or the occupants thereof. Furthermore, no such use shall be allowed to constitute a menace or nuisance to adjacent property, or become unsightly.

All equipment and vehicles kept on the property, including recreational vehicles, campers, trailers, motor homes, boats and all other recreational equipment, shall be enclosed in the garage or otherwise screened areas. All screening designs must be approved by the Board of Directors or Architectural Committee. No one shall reside in such recreational vehicles, motor homes, campers, trailers or other recreational equipment stored on the property except as prescribed by the ASSOCIATION.

## **ARTICLE VII**

### FIRE CONTROL PROVISIONS

#### Section 7.1. SPARK ARRESTERS

All stovepipe and masonry chimneys shall have spark arresters installed to reduce the possibility of grass and structural fires.

Section 7.2. FIRE FILL FACILITY

The fire fill facility located on Middle Valley Subdivision is for the use of protecting structures in the MV2 Homeowners Association, the MV5 homeowners Association and the Meadows Homeowners Association. These associations shall share the cost of operation, maintenance and repair or replacement of this facility. The cost share shall be determined on the basis of pro-rata share of the number of lots served. The facility shall be kept full of water at all times.

The Meadows Association shall assume responsibility for executing actions necessary for the operation, maintenance, repair or replacement of the fire fill facility. The Meadows Association may sue MV 2 or MV 5 for nonpayment of pro rate share of costs incurred and any and all legal costs incurred in this action.

**ARTICLE VIII**

COMMUNITY SEWER SYSTEM

Section 8.1. RESPONSIBILITY

The Board of Directors shall be responsible for supervising the operation, maintenance, repair and replacement of the community sewer system serving some tracts within the Meadows. The members whose tracts are served by the sewer system are responsible for paying for the operation, maintenance, repair and replacement of any and all parts of the community sewer system.

Section 8.2. FINANCE

The Board of Directors shall identify a operation and maintenance program to be carried out. The annual budget shall be adjusted to cover the costs of all aspects of operation of the community sewer system, and to allow accrual of a repair/replacement fund. The amount of the repair/replacement fund shall be increased to a minimum of \$20,000.00, or a greater amount as determined by the Board. The annual payment for sewer services shall be separate from all other types of homeowner maintenance responsibilities and shall be budgeted separately. The minimum annual assessment shall be \$150.00 for each lot with a structure which is connected to the sewer system. The Board may increase this amount dependent on actual operation costs to achieve an annual increase in the repair/replacement fund of \$75 per served tract. Lots which are not connected to the sewer system shall pay a nominal fee of \$75.00 per year for the

repair/replacement fund. This amount shall be due on or before January 30th of each year . The fiscal year shall run from January 1-December 31. At such time as the minimum repair/replacement fund is achieved, the annual assessment can be reduced to the normal operating cost. The DECLARANT shall not be required to pay any amount for the sewer system, for any lot owned.

Upon sale of a tract for the first time, each member has entered into a services agreement with the Meadows Homeowners Association. By purchasing the tract, the member has agreed to pay ordinary operation and maintenance costs, as well as any assessments necessary for the repair and replacement of any part of the community sewer system. Subsequent owners of a tract shall also be bound by that agreement for sewer services. The services agreement shall identify the billing and payment responsibilities. The agreement shall also identify the legal procedure to be followed if a tract owner fails to pay for sewer services as agreed. The services agreement shall include provisions for payment for any and all attorney fees as well as other costs required to achieve payment. In the extreme the services agreement will allow the Meadows Homeowners Association to liquidate the tract and improvements to satisfy the unpaid debt. If an independent services agreement has not been adopted, the Board must make policy based on the requirements identified in these covenants.

Lots which are not served by the community sewer system shall not be required to pay any of the costs associated with operation or maintenance of the sewer system.

The annual operating cost for a home with more than three bedrooms shall be prorated from the cost of a three bedroom home. It shall be increased by one-third the annual operating cost of a three bedroom home, for each additional bedroom. The portion allotted to fund the repair/replacement fund shall not increase.

### Section 8.3 OPERATION

The Board shall retain an individual or company to regularly inspect the community drainfield operating hardware and provide a written report to include doses and pump operating time. Any deficiencies noted shall be included. The Board shall also retain a plumbing or septic system contractor to be on call for the purpose of repair of the system as needed.

The Board shall set up a schedule at which each tract owner must have the on-site septic/pump tank system pumped and checked for proper operation. If the tract owner does not perform this function and provide written proof, the Board shall have the work done and will bill the tract owner accordingly.

The Board or its designated agent shall have the right to enter on any tract served by the community sewer system for the purpose of inspecting the septic/dosing tank operation. The Board may, upon 48 hour written notification arrange to inspect the residence for compliance with permitted number of bedrooms. If the number of bedrooms exceeds the permitted number, either the tract owner shall purchase additional sewage capacity, or if no additional capacity exists, must limit the sewage discharge to allowable quantities. The Board shall institute such measures as

necessary to limit wastewater discharges to the allowed quantity.

No homeowner may discharge solid or liquids generated by the following sources: water softener wastewater; reverse osmosis system wastewater discharge; or iron filter discharge. These water treatment processes must use a separate on-site drain system for disposal. Only wastewater generated in normal residential water usage, not water treatment, may be discharged to the community sewer system. The Board shall have the right to prohibit any other similar sources which would threaten to exceed the design discharge quantity allotted to a specific tract.

The Board may install monitoring features on a lot owners dosing tank to determine if the allowed discharge limit is being exceeded. The Board has the right to enter a home to inspect the plumbing, number of bedrooms and discharges to the sewer service, in the case that the monitoring indicates that the maximum allowed discharge is being exceeded. The Board must give a 48 hour notice to the lot owner prior to entering the home for this purpose. In the event that the actual discharge is exceeding the allowable discharge, the lot owner is responsible for the costs incurred by the Board in making this determination.

#### Section 8.4 Reserved Capacity For Each Lot

Each lot served by the sewer system has a guaranteed capacity allotted to it of 300 gallons per day of septic effluent. Each lot purchased has the right to use 300 gallons per day of septic effluent capacity. This is adequate for a three bedroom house. If additional bedrooms above the base of three are desired, the lot owner may purchase an additional 50 gallons per day of capacity per additional bedroom for \$500.00 each dependent on availability. The developer shall be the sole arbiter of the availability of additional bedrooms. The payment for the additional bedrooms is payable to the Meadows Homeowners Association, and to be directed to the sewer replacement fund. At the time of lot sale or plan submittal for a new home, the number of additional bedrooms over three requested shall be evaluated. If the capacity is determined by the Developer to be available the sewer connection can be approved at that time, pending payment. If an existing home is to be expanded to increase the number of bedrooms, the availability of extra capacity will be determined at that time. The primary basis of the determination is "first come first served". If existing capacity for one lot is to be transferred to another lot, the Board shall determine the procedure for such transfer. This transfer is permanent in that the lot which gives up excess capacity is not guaranteed additional capacity in the future. The purchase price is paid to the lot owner who is giving up the excess capacity, and the purchase price is to be negotiated between a willing seller and the buyer. A minimum of 300 gallons per day of capacity for each lot served is required.

#### Section 8.5 Permit Capacity Increases

The Board may institute a procedure for monitoring the amount of wastewater

discharged by the users, with the goal of petitioning the Dept. Of Environmental Quality for an increased number of bedrooms per lot. If it can be shown that the discharge from per three bedroom home is significantly less than 300 gallons per day it may be possible to get permission to increase the number of bedrooms for the same discharge. The additional bedroom allowance could then be purchased by a lot owner at rate set by the Board.

#### Section 8.6 CHANGES

The Board shall have the right to change the operation policy as necessary to stay in compliance with all state and local rules for wastewater disposal systems, or to maintain a fiscally healthy operating/repair program.

### **ARTICLE IX**

#### STORMWATER CHANNELS

#### Section 9.1 CHANGES TO EXISTING STORMWATER CHANNELS

All stormwater channels identified on the various plats of the Meadows Development shall not be eliminated nor changed in any manner which would prevent them from operating as intended for transporting stormwater.

### **ARTICLE X**

#### SAFETY AND MAINTENANCE

#### Section 10.1. ROUTINE SAFETY INSPECTIONS

The Board of Directors shall make annual safety inspections of common areas to identify unsafe conditions. A record of each inspection must be kept along with specific maintenance actions which were authorized to correct the unsafe conditions.

#### Section 10.2. COMMON AREA MAINTENANCE

The Board of Directors shall identify a maintenance program to be carried out periodically for maintenance of all mutually owned property. At a minimum the Directors shall inspect the roads and if necessary direct work on the roads to maintain acceptable driving conditions. This should include at least semi-annual grading of the surface and addition of road topping gravel as necessary to allow the restoration of a smooth



surface by grading. At such time as the roads may be paved, the maintenance program must include patching and chip sealing of the asphalt surface on a regular basis.

Drainage structures shall be annually inspected and kept in good working order.

Park areas for the trail system and landscaped road right of ways, shall have a minimum maintenance schedule to include blading of the trail, cutting of grass and watering of trees and shrubs as needed.

## **ARTICLE XI**

### **TERM, ENFORCEMENT, APPLICABILITY AND CHANGE**

#### **Section 11.1. TERM OF COVENANTS**

The term of the provisions of these Covenants shall be perpetual, subject to deletion, amendment and termination of any or all of the Covenant provisions by the ASSOCIATION in accordance with the provisions of these Covenants and approval by the Stillwater County Commissioners.

#### **Section 11.2. COMPLAINT PROCESS**

Filing a Complaint - An owner may file a complaint by submitting a description of the complaint in writing to the Board of Directors at the official mailing address.

Action on a Complaint - The Board of Directors must respond to the complaint in writing within 30 days of receipt. The response must address whether the basis of the complaint is a valid violation of the covenants and what action is proposed.

#### **Section 11.3. ENFORCEMENT**

Enforcement of these Covenants shall be by proceedings either at law or in equity against any person or persons violating, or attempting to violate, any covenant; and the legal proceedings may either be to restrain violation of these Covenants, to recover damages, or both.

In the event of any action to enforce these Covenants, the prevailing party shall be entitled to costs and attorneys' fees. Any tract owner, DECLARANT, or the ASSOCIATION Directors may enforce these Covenants. The ASSOCIATION Directors shall have primary responsibility for enforcement of the Covenants.

#### **Section 11.4. FAILURE TO ENFORCE**

Failure by the DECLARANT, the ASSOCIATION or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the

right to so thereafter do.

Section 11.5 INVALIDATION

Invalidation of any one of these covenants or restrictions by judgement or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 11.6 AMENDMENT

DECLARANT's retained rights may not be changed.

This declaration of covenants and restrictions may not be changed for a period of five (5) years without the expressed consent of the DECLARANT. During the first five years this declaration of covenants and restrictions may be changed or amended or additional Covenants added, in whole or in part, by the ASSOCIATION upon approval of two-thirds (2/3) of the votes of the ASSOCIATION at a meeting duly noticed and called for this purpose, and the expressed written consent of the DECLARANT.

After the initial five year period allowed portions of this declaration of covenants and restrictions may be changed or amended or additional Covenants added, in whole or in part, by the ASSOCIATION upon approval of two-thirds (2/3) of the votes of the ASSOCIATION at a meeting duly noticed and called for this purpose; provided that, the easements for roads, utilities and common areas shall not be changed without the unanimous consent of all of the owners affected by the change; and provided that the Stillwater County Commissioners consent.

Portions of this declaration that are **not** eligible for change include: Section 1.8, Section 2.3, all of Article III, all of Article IV, Section 7.2, all of Article VIII, and all of Article X. If the Board or the Association wishes to change any of these ineligible portion of this declaration, the issue must be presented to: the Stillwater County Planning Board; Stillwater Board of County Commissioners; and DECLARANT for approval prior to satisfying the other requirements of this section.

Any amendment must be recorded.

Section 11.7. DISSOLUTION

The dissolution of the ASSOCIATION may not occur unless approved by the Stillwater County Commissioners.

IN WITNESS WHEREOF, DECLARANT has hereunto set its hand as of this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Partner  
Diamond Ranch LC

STATE OF MONTANA

County of \_\_\_\_\_ : ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 2011, before me, a Notary Public for the State of Montana, personally appeared **Keith E. Brown**, known to me to be a partner in Diamond Ranch LC and therefore DECLARANT of the property affected, and acknowledged to me that he/she executed the within instrument.

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

\_\_\_\_\_  
Notary Public for State of Montana

\_\_\_\_\_  
Printed Name

Residing at \_\_\_\_\_

\_\_\_\_\_  
My commission expires \_\_\_\_\_