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Shelley Vance-Gallatin Co MT MISC 252.00



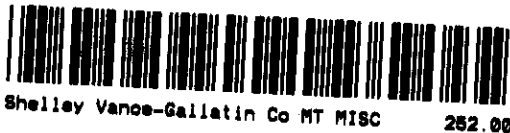
# DECLARATION

for the

## COBBLESTONE CONDOMINIUMS

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REGISTERED PROFESSIONAL LAND SURVEYOR'S CERTIFICATE

The undersigned, being a duly registered professional land surveyor in the State of Montana, herewith certifies the following:

That pursuant to the provisions of CCA 70-23-306(2), the floor plans for the **COBBLESTONE CONDOMINIUMS** located on:

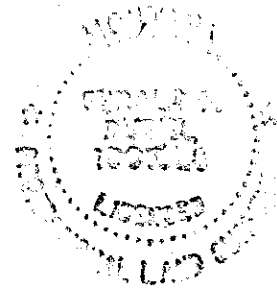
THE LEGAL DESCRIPTION OF THE PROPERTY IS  
ATTACHED HERETO AS EXHIBIT A.

as duly filed with the Declaration and Bylaws thereof, depict the layout of the units and floors of the building as of this date.

Dated: April 5, 2005



Registered Professional Land Surveyor  
Registration No. 10010 LS



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CERTIFICATE OF NAME

The understanding being the duly authorized agent of the Department of Revenue of the State of Montana within the County of Gallatin, herewith executes the Following certificate relating the **COBBLESTONE CONDOMINIUMS**, situated as follows:

See Exhibit "A" attached.

1. That the name **COBBLESTONE CONDOMINIUMS**, is not the same as, similar to or pronounced the same as the word in the name of any other property or subdivision within Gallatin County, except for the word "Condominium", and
2. All taxes and assessments due and payable for the said **COBBLESTONE CONDOMINIUMS**, have been paid to date.

Dated: 4-07-05

Pam Vandolah  
County Assessor



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**DECLARATION FOR  
THE  
COBBLESTONE CONDOMINIUMS**

**THIS DECLARATION** is hereby made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2005, by **SCHROEDER HOMES, INC** hereinafter referred to as "Declarant," whereby lands and property hereinafter described are Submitted to the provisions of Chapter , Title , CCA also know as the "Unit Ownership Act" as a condominium.

The property subject to this Declaration shall be known as the **COBBLESTONE CONDOMINIUMS**, (herein referred to as **COBBLESTONE**). The address of **COBBLESTONE** are 962, 964, 966, 968, 970, 972, 974, 976, 1012, 1014, 1016, 1018, 1030, 1032, 1034, and 1036 North River Rock Drive, Belgrade, Montana 59714.

1.

**DEFINITIONS**

Unless the context expressly provides otherwise, the following definition shall pertain throughout this Declaration and in the interpretation thereof:

1. Aggregate Voting shall mean the entire number of votes or persons present or available to vote in person or by proxy in a particular circumstance.
2. Association or Association of Unit Owners shall mean all of the Unit Owners acting as a group and in accordance with duly adopted Bylaws and this Declaration.
3. Board or Board of Directors shall mean the Board of Directors of the Association as more particularly defined in the Bylaws.
4. Building shall mean a multiple unit building or buildings comprising a part of the property.
5. Bylaws shall mean the Bylaws promulgated by the Association under this Declaration and the Unit Ownership Act.

6. Common Elements shall mean both general common elements and limited common elements.

(a) General Common Elements include all those elements which are for the use of all Unit Owners and guests of Unit Owners of **COBBLESTONE**.

Specifically included are: grounds surrounding the building, the land on which the buildings are located, paths, sidewalks and walkways, any portion of the parking areas not specifically allocated to a particular unit, any irrigation system placed on the property or landscape maintenance, any portions of the buildings designated on the floor plans as common to all Units, electrical, gas, telephone, water and sewer lines and connections serving all of the units, landscaping, plants and other materials and improvements separate from and outside of the buildings containing the units, and other elements necessary for the safety, maintenance and existence of **COBBLESTONE** in which each Unit Owner shall have his designated percentage of interest as set forth in paragraph IV below.

(b) Limited Common Elements as used in the Declaration shall mean those common elements which are reserved for the use of fewer than all of the owners and guests of Unit Owners, of **COBBLESTONE**, to the exclusion of other such owners and guests. As to any given Unit Owner or Owners, limited common elements shall mean the common elements which are located within or affixed to the building containing his unit, and which are for the use of the Unit Owners and guest of the Unit in which the elements are located or situated on the real property. Specifically included are:

Flues, chimneys, ducts, cables, conduits, public utility lines, water, sewer, electrical, gas, cable television lines, hot and cold water pipes (all such utility pipes and lines are limited common elements where they service only one or two units; where they service all units, they shall be general common elements), stairways, balconies, entrances, stoops, furnaces, patios, decks, garages, driveways, boilers, hot water tanks, and fixtures, or other portions of the building servicing only a particular unit or less than all of the units. The percentage of the separate unit's interest in the limited common elements shall be computed by determining the number of units that have use of the limited common elements and dividing that number into the total value of those limited common elements.

7. Common Expenses shall mean expenses of administration, maintenance, repair or replacement of general common elements, expenses agreed upon as common by the Association of all Unit Owners, and expenses declared common by the Unit Ownership Act.
8. Declaration shall mean this document and all parts attached thereto or incorporated by reference.
9. Limited Expenses shall mean the expenses attributable to the maintenance, repair and replacement of limited common elements, and are expenses only for owners of units within the respective building for which the expenses are accrued.
10. Manager shall mean the manager, the Board of Directors, management corporation, or any other person or group of persons retained or appointed by the Association of Unit Owners for the purpose of conducting the day-to-day operation of **COBBLESTONE**.
11. Property shall mean the land, buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, which are herewith submitted to the provisions of the Unit Ownership Act.
12. Recording Officer shall mean the county officer charged with the duty of filing and recording deeds, mortgages and all other instruments or documents relating to this Declaration and the property which is its subject.
13. Unit shall be the separate condominium units of **COBBLESTONE** and is a parcel of real property including and containing one or more rooms occupying one or more floors or a part of parts thereof, intended for any type of independent use, and with a direct exit to a public street or highway or to a common area or areas leading to a public street or highway.
14. Unit Designation shall mean the combination of letters, numbers, or words which identifies the designated units.
15. Unit Owner shall mean the person or persons owning a fee simple absolute, or one who is a co-owner in any real estate tenancy relationship that is recognized under the laws of the State of Montana, in one or more units of **COBBLESTONE**.



## II.

### REAL ESTATE

#### Description

The property which is by this Declaration submitted and subject to the Montana Unit Ownership Act is described in Exhibit "A" attached hereto.

#### Condominium Units

Each Unit, together with the appurtenant undivided interest in the common elements of **COBBLESTONE** shall together comprise one condominium unit, shall be inseparable, and may be conveyed, leased, rented, devised or encumbered as a condominium unit.

#### Encroachments

If any portion of the general common elements or limited common elements encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. If any portion of Unit encroaches upon the general common elements, or limited common elements, or upon an adjoining Unit or Units, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the general common elements, the limited common elements, or on the Units for the purpose of Marketability of title.

#### Parking Areas

The limited common elements include parking areas on the driveway in front of each garage for automobiles of the respective Unit Owners. These areas will be initially laid out by the Declarant, and shall be assigned to each unit. The right to use the parking spaces on the driveway in front of the garage for each unit shall be an appurtenance to that unit. Subsequent use and assignment of additional parking spaces shall be pursuant to regulation of the Association; provided that no change in designation of parking spaces shall be made for the benefit of the Unit Owner which discriminates against another Unit Owner without the latter's consent.





### Unit Boundaries

Each unit shall include the part of the building containing the Unit that lies within the boundaries of the Unit, which boundaries are as follows:

- (a) Upper and Lower Boundaries: the upper and lower boundaries of the Unit Shall be the following boundaries extended to an intersection with the parametrical boundaries:
  - 1. Upper Boundary: the plane of the lowest surfaces of the upper floor or ceiling joists for all units.
  - 2. Lower Boundary: the plane of the highest surface of the floor joists.
- (b) Parametrical Boundaries: the parametrical boundaries of the Unit shall be the following boundaries extended to an intersection with the upper and lower boundaries;
  - 1. Exterior Building Walls: the plane formed by the center line of the exterior walls of the buildings except that such boundary shall be extended so as to include within it all windows in the Unit.
  - 2. Interior Building Walls: the vertical planes of the centerline of the walls bounding a Unit extended to an intersection with other parametrical boundaries. Where walls between units are of varying thickness, the plane of the centerline of the boundary wall shall be the median line drawn between the two outermost boundaries of such wall.

### III.

### **EASEMENT, COMMON ELEMENT - INTERIOR REMODELING**

#### Common Element Easements

A nonexclusive right of ingress, egress and support through the limited common elements within the buildings is appurtenant to each unit, and all of the general common Elements are subject to such rights.



### Easement for Utilities

Each Unit may have its air space penetrated by electrical wires and lines, gas lines, mechanical equipment including air handling ducts, hot and cold water lines, waste water lines and vents and other utility and mechanical lines, pipes or equipment. A nonexclusive easement shall exist through, over and across each unit for inspection, installation, maintenance, replacement and repair of such utility lines and mechanical equipment for the use of all of the Unit Owners or the Unit Owners being serviced by the air space being penetrated by such lines and/or equipment to a minimum, ingress and egress for the purpose of such inspection, installation, maintenance, replacement or repair of such easement rights shall only be done under the direction and approval and with the authority of the Owners Association and/or the Manager unless an emergency exists in which event any action may reasonably be taken which is justified under the circumstances to minimize damage which would otherwise occur as a consequence of such emergency.

### Interior Remodeling

Each Unit Owner shall have the exclusive right to paint, repaint, tile, wax, paper, panel, carpet, brick or otherwise maintain, refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his own Unit, and the interior thereof, so long as such owner does not affect the structural integrity of the building in which his Unit is located.

## IV.

### OWNERSHIP AND VOTING - EXHIBITS- USE

#### Percentage of Interest

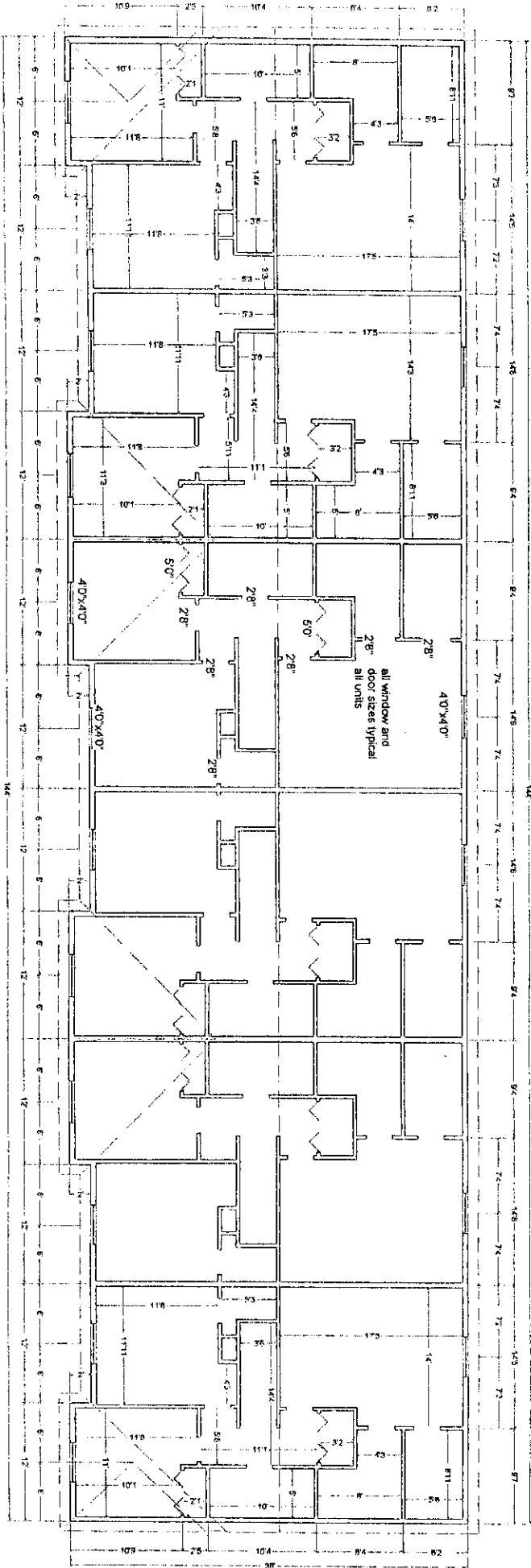
Each Unit Owner shall be entitled to the exclusive ownership, use and possession of his Unit. Additionally, each Unit Owner shall have a percentage of undivided interest in the general common elements of **COBBLESTONE**. Such percentage represents his ownership interest in the general common elements, and his liability for common expenses. The percentage of interest in the general common elements for the respective owners shall be computed by taking the value of each Unit at the date of filing this Declaration and dividing it by the then combined value of all the units having an interest in the general common elements of **COBBLESTONE**. Such percentage of interest owned by each of the Units in **COBBLESTONE** shall be according to the percentages set forth below:

<b><u>PHASE I</u></b>		
<b><u>UNIT NO.</u></b>	<b><u>SQUARE FOOTAGE</u></b>	<b>PERCENT OF INTEREST IN GENERAL COMMON <u>ELEMENTS</u></b>
<b>Building 5</b>		
962	1506	6.35%
964	1506	6.35%
966	1506	6.35%
968	1506	6.35%
<b>Building 6</b>		
970	1458	6.15%
972	1458	6.15%
974	1458	6.15%
976	1458	6.15%
<b>Building 7</b>		
1012	1506	6.35%
1014	1506	6.35%
1016	1506	6.35%
1018	1506	6.35%
<b>Building 8</b>		
1030	1458	6.15%
1032	1458	6.15%
1034	1458	6.15%
1036	1458	6.15%

**Floor Plans and Exhibits**

For identification and descriptive purposes the following Exhibits are attached and by Reference hereto incorporated into and made a part of this Declaration:

Exhibit B: showing the floor plans and elevations for each of the Units of **COBBLESTONE**, the area of each, and the dimensions and the designation for each Unit and showing the site plan of **COBBLESTONE** and the location of the buildings containing **COBBLESTONE** Units on the Property, as well as a site plan showing the relative location of each unit.



second floor plan

**Building 6**

970 N. River Rock Dr. / 1458 sf  
 972 N. River Rock Dr. / 1458 sf  
 974 N. River Rock Dr. / 1458 sf  
 976 N. River Rock Dr. / 1458 sf

**Building 8**

1030 N. River Rock / 1458 sf  
 1032 N. River Rock / 1458 sf  
 1034 N. River Rock / 1458 sf  
 1036 N. River Rock / 1458 sf

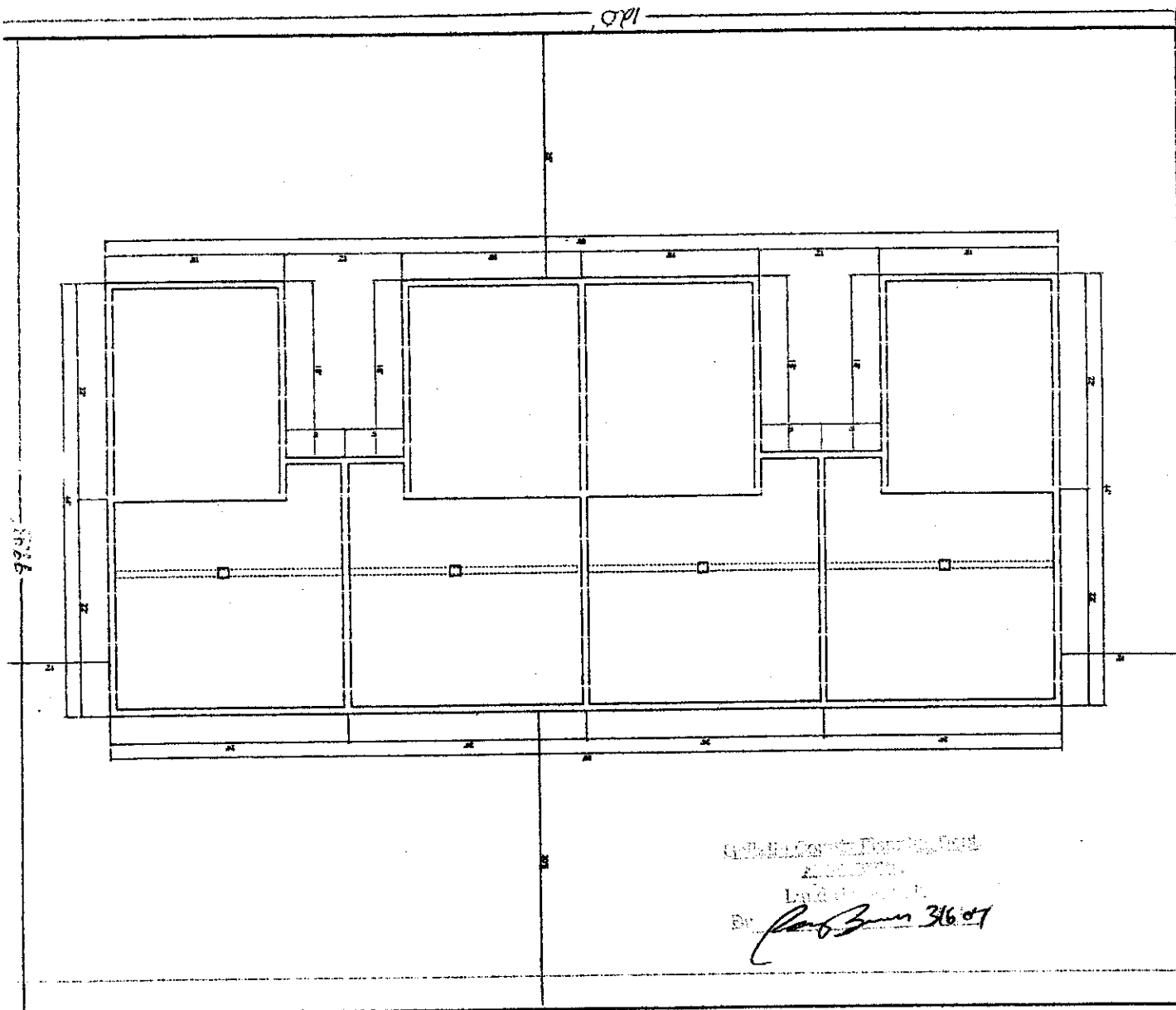
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Lot size is 120' front and rear x  
35.93' both sides



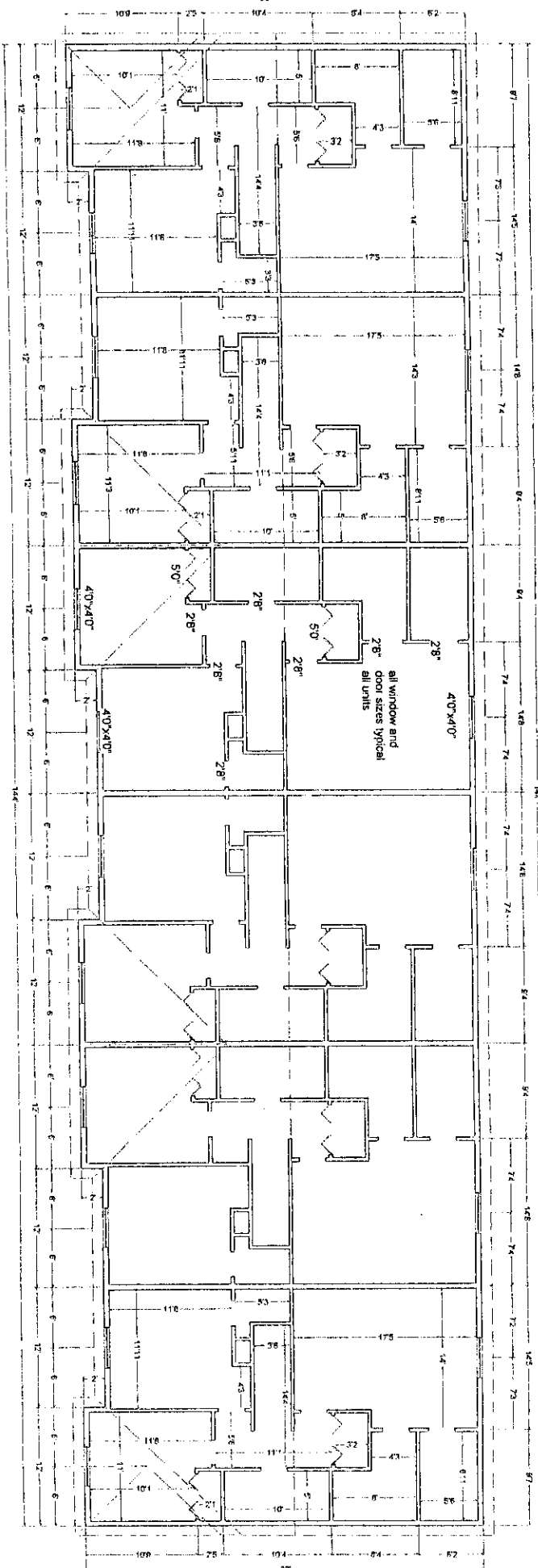
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By *Paul B. Smith* 3/6/01



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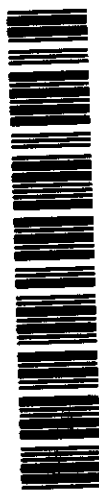
**Building 5**

- 962 N. River Rock Rd. / 1506 sf
- 964 N. River Rock Rd. / 1506 sf
- 966 N. River Rock Rd. / 1506 sf
- 968 N. River Rock Rd. / 1506 sf

**Building 7**

- 1012 N. River Rock / 1506 sf
- 1014 N. River Rock / 1506 sf
- 1016 N. River Rock / 1506 sf
- 1018 N. River Rock / 1506 sf

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## Construction Materials

The principal material of construction of the Units are concrete for the foundations, footings, and slabs, wood for the framing, structural and finish work, sheetrock, composite board, and plywood for the interior, carpet, wood or tile for the floors, lap siding for exterior wall surfaces, and shingles for the roof of the buildings.

## Use

The use of all of the units in **COBBLESTONE** shall be for residential purposes only and there shall be no commercial use whatsoever, except that nothing shall prohibit a Unit Owner from leasing or renting his Unit to third persons or holding it out for lease or rental, or entering into an Agreement or contract with others for the lease or rental, or entering into an Agreement or contract with others for the lease or rental of his unit for residential use. However, the respective unit shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as rental for any period less than thirty (30) days; or any rental if the unit's occupants are provided customary hotel services, such as room service for food and beverage, maid service, laundry and linen service or bell boy service. The use of the general common areas shall be for the recreation and enjoyment of the Unit Owners, their guests, tenants, lessees and invitees. The units and common elements shall be limited as follows:

- (a) There shall be no obstruction of the common elements, nor shall anything be stored in or on the general common elements without the prior written consent of the Association. Owners with units which have useable space in the limited common area beneath the living area of their unit may use this space for storage provided such use does not constitute a hazard to any unit and does not block any access beneath the unit or obstruct any easement for utility service, or result in cancellation or rate increase of Association insurance. Each Owner shall be obligated to maintain and keep in good order and repair the interior of his own unit.
- (b) Nothing shall be done or kept in any Unit or in the common elements which will increase the rate of insurance on the building or contents thereof, without the prior written consent of the Association. No owner shall permit anything to be done or kept in his Unit or in the common elements which will result in the cancellation of insurance on the building, or contents thereof, or which would be in violation of any law. No waste will be permitted on the common elements.
- © Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of a building, and





no sign, awing, canopy, radio or television antenna shall be affixed to or placed upon the exterior walls or roof of any part thereof, without the prior written consent of the Association. Seasonal decorations that are promptly removed after the season and reasonable name plates or identification signs for individual units may be allowed.

- (d) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to Unit Owners or which interferes with the peaceful possession and proper use of the property by its residents. no offensive or unlawful use shall be made of the property nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.
- (e) Nothing shall be done in any unit or in , on or to the common elements which will impair the structural integrity of the building or which would structurally change the building, except as is otherwise provided herein.
- (f) No animals of any kind shall be raised, bred, or kept in any Unit, except that dogs, cats, and other household pets may be kept subject to rules and regulations from time to time adopted or amended by the Association. All dogs must be kept on a leash while on the condominium property in accordance with the laws of Gallatin County and the covenants on the real property. Additionally, Unit Owners, their tenants, and any guests, shall be responsible for the immediate clean-up of any pet waste and the repair of any damaged caused by pets to any of the general or limited common areas.
- (g) Nothing shall be altered or constructed in or removed from the common elements, and no easements, liens or encumbrances placed on the common elements, except upon the written consent of two-thirds of the aggregate interest of the Unit Owners affected by such action.
- (h) All garbage shall be kept in appropriate containers, and stored inside the garage for each Unit unless put out for collection. After collection, all garbage containers shall be placed back in the garage for each Unit. However, all garages are to be used primarily for storage of Owner's vehicles.
- (I) Campers, trailers, boats and other recreational vehicles may only be brought onto the condominium properties for loading and unloading for immediate use. No inoperable vehicles, and no campers, boats,



recreational vehicles, or trailers, shall be left parked in the condominium parking areas or on driveways or garage parking pads for more than 24 hours at one time. Repeated parking of such vehicles or trailers is also prohibited.

#### Exclusive Ownership

Each Owner or Owners shall be entitled to exclusive ownership and possession of their Unit. Such Owners may use the general and limited common elements in accordance with the purposes for which they are intended and as they may otherwise agree between themselves, so long as they do not hinder or encroach upon the lawful rights of other Unit Owners.

### V.

#### THE ASSOCIATION

##### Membership

Any Owner of a Unit in **COBBLESTONE** shall automatically, upon becoming the Owner of said Unit, be a member of the Owners Association, hereinafter referred to as the Association, and shall remain a member of said Association until such time as his membership in said Association shall automatically cease. The membership shall be limited to Unit Owners as defined in this Declaration.

##### Function

It shall be the function of the Association to:

- (a) Adopt Bylaws for the governance of the Association.
- (b) Make provisions for the general management and/or repairs and maintenance of **COBBLESTONE**.
- (c) Levy assessments as provided for in the Declaration, Bylaws and Unit Ownership Act.
- (d) Adopt and implement a policy for the affairs of the condominium.
- (e) Enter into contracts or hire personnel for the management of the affairs of the Association and the maintenance and repair of the common areas.

- (f) Be responsible for the perpetual maintenance of the landscaping, common open space, parking lots, and driving lanes.

#### Voting

On all matters, unless excluded by this Declaration, to be decided by the Association, each Unit Owner shall have one vote. An owner of a condominium unit, upon becoming an Owner, shall be a member of the Association and remain a member for the period of his Unit Ownership. Except as otherwise provided in the Unit Ownership Act, this Declaration or the Bylaws, a majority of the aggregate interest present at any meeting or by proxy shall be sufficient to act on matters brought before the Association. Meetings of the Association shall only be conducted when a quorum is present, as defined in the Association Bylaws.

#### Failure to Comply

Each owner shall comply strictly with the provisions of this Declaration, the Bylaws of the Association, and the rules, regulations, decisions, and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all costs, including attorney fees incurred in connection therewith, which action shall be maintainable by the Manager in the name of the Association, on behalf of the owner, or in the proper case, by an aggrieved owner.

#### Payment of Assessments

All assessments shall be due ten (10) days from the date of mailing such assessment following the meeting at which time assessments are levied by the Association, and may be payable in one annual payment or in quarterly installments, at the option of the Unit Owner. The amount of the common expenses assessed against each Unit, and the amount of limited common expenses assessed against each Unit shall be the personal and individual debt of the owner thereof. No owner may exempt himself from liability for this contribution toward the common expenses and the limited expenses by waiver of the use of enjoyment of any of the general common elements or limited common elements or by abandonment of his Unit. All assessments which are not paid within thirty (30) days from the date they are due and payable become delinquent and are subject to interest and penalty charges.

The Association or Manager shall have the responsibility of taking prompt action to collect any unpaid assessment which becomes delinquent. In the event of delinquency in the payment of the assessment, the Unit Owner shall be obligated to pay interest at the then current legal rate of interest per annum on the amount of the assessment from the due date thereof, together with all expenses, including attorney fees incurred, together with such interest and late charges as are provided in the Bylaws of the Association.

Suit to recover a money judgment for unpaid common expenses and limited expenses may be maintainable without foreclosing or waiving the lien securing the same.

Levying Assessments - When Made-Purposes

The Association of Unit Owners shall levy assessments upon the Unit Owners in the following manner and for the following reasons:

- (a) Assessments shall be made as a part of the regular business of the Association at any regular or special meeting thereof as provided in the Bylaws of the Association. Notice of the assessment, amount thereof, and the purpose for which it is made whether regular or special, including an annual budget for expenditures and operation, shall be served on all Unit Owners affected by delivering a copy of the same to the Owners personally or by mailing a copy of the notice to the Owners at their addresses of record at least (10) days prior to the date of such meeting.
- (b) Assessments shall be made for the repair, replacement, general maintenance, management and administration of common elements, fees, costs and expenses of the manager, taxes for common areas if any, and for the Unit Owner's percentage share of any Special Improvement District Assessments. Assessments shall be based upon and computed by using the percentage of interest that each Unit Owner has in the general common elements.
- © Assessments may also be made for the payment of limited common element expenses such that the Unit Owners are chargeable only for the expenses relating to their respective units or building. Unit Owners shall share in the payment for limited expenses for the repair, maintenance and replacement of limited common elements of their respective Units in accordance with the percentage the Unit or Units have in the limited common elements for which the assessment is being made. If only one unit is associated with the limited common elements involved, the entire cost of such repair, maintenance or replacement shall be borne by that Unit.
- (d) Assessments may also be made for any purpose contemplated by this Declaration and for any purpose set out in the Montana Unit Ownership Act.
- (e) Common expenses and profits, if any, of the condominiums shall be distributed among and charged to, the Unit Owners according to the percentage of undivided interest of each in the common elements.

- (f) In a voluntary conveyance of a Unit, the Grantee of the Unit shall be jointly and severally liable with the Grantor for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant of conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefore. However, any such Grantee shall be entitled to a statement from the Manager or Board of Directors of the Association, as the case may be, setting forth the amount of said unpaid assessments against the Grantor due the Association and such Grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessment made by the Association against the Grantor in excess of the amount therein set forth.
- (g) At the time the Association holds its first meeting, or any duly noticed meeting thereafter, a reserve account may be set up to which initial assessments shall then be deposited, and which assessment shall be a sum that is equal to two times the monthly assessment fee for that year multiplied by the number of Units in the project. Said total amount shall then be divided equally among all Unit Owners. If the Declarant still holds title to one or more Units, he shall pay the amount assessed against each unit so owned.

## VI.

### DECLARANT'S RIGHT TO CHANGE

The Declarant reserves the right to change the interior design and arrangement of all Units, and alter the boundaries between Units, so long as the Declarant owns the Units so altered. No such change shall increase the number of Units or alter the boundary of the general common elements without an amendment of this Declaration.

Until seventy-five percent (75%) of each phase of units have been built and sold, Declarant reserves the right to establish easements, reservations, exceptions and exclusions Consistent with the condominium ownership project. This provision shall apply to each phase of the condominium as set out in the expansion provisions.

Notwithstanding any other provision expressly or impliedly to the contrary contained in this Declaration, the Articles of Incorporation or Bylaws of the Association, Declarant reserves the right to exercise the rights, duties and functions of the Board of Directors of the Association until seventy-five percent (75%) of the condominium units in the first phase have been sold. During the period of development and sale of the remaining condominium units, the monthly assessment for common expenses shall be based upon the estimate of the actual cost thereof, excluding therefrom any estimated amount for contingencies, reserves or sinking funds, and Declarant shall pay his pro rata share thereof only for those condominium units which have been completed.



During the period when fewer than all of the Units have been erected, the common expenses shall be allocated among the Owners of such existing Units, and during such period, Declarant shall pay the real estate taxes and assessments on that part of the land described in Exhibit "A" which remains undeveloped but on which condominium units will be subsequently constructed.

## **VII.**

### **AMENDMENT**

Amendment of this Declaration shall be made in the following manner:

At any regular or special meeting of the Association of Unit Owners, such amendment may be proposed as a resolution by any Unit Owner, the Board or Manager. Upon adoption of the resolution by a majority vote of those present, the amendment shall be made a subject for consideration at the next succeeding meeting of the Association with notice thereof, together with a copy of the amendment, to be furnished to each owner no later than thirty (30) days in advance of such meeting. At such meeting, the amendment shall be approved upon receiving the favorable vote of seventy -five percent (75%) of the total percentage vote of all the Unit Owners. If so approved, it shall be the responsibility of the Association to file the amendment with the Clerk and Recorder's Office of Gallatin County, Montana.

Notwithstanding the procedure set forth above, the Declarant may amend this Declaration, or any other project document, prior to any sale or lease of a Unit or interest thereof.

## **VIII.**

### **CHANGES, REPAIRS AND LIENS**

#### **Alterations by Unit Owners Association**

The interior plan of a Unit may be changed by the owner. The boundaries between Units may be changed only by the Owners of the Units affected. No Units may be subdivided. No change in the boundaries of Units shall encroach upon the boundaries of the common elements.



Boundary walls must be equal in quality of design and construction to the existing boundary walls. A change in the boundaries between Units shall be set forth in an amendment to this Declaration. In addition to compliance with the provisions of Paragraph VII above, such amendment must further set forth and contain plans for the Units concerned showing the Units after the change in boundaries, which plans shall be drawn by an architect licensed to practice in Montana, and attached to the amendment as exhibits, together with the certificate of architect or engineer required by the Unit Ownership Act. Such an amendment shall be signed and acknowledged by the owners of the Units concerned, as well as those owners with an interest in any common element affected. The amendment shall also be approved by the Board of Directors of the Association, and signed and acknowledged by all lienors and mortgagees of the Units concerned.

#### Maintenance by Unit Owners

Each owner shall maintain and keep in repair the interior of his or her own Unit, including the fixtures thereof. All fixtures and equipment installed in the Unit, commencing at a point where the utilities enter the Unit, shall be maintained and kept in repair by the owner thereof. An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement.

Each owner shall also keep any balcony, entrance or deck area appurtenant to this Unit in a clean and sanitary condition. The right of each owner to repair, alter, and remodel is coupled with the obligation to replace any finishing or other materials removed with similar type or kinds of materials. All glass replacement shall be with similar quality, shade and design. No act or alteration, repairing or remodeling by any Unit Owner shall impair in any way the integrity of the adjoining units or the integrity of limited common elements or general common elements.

#### Exterior Alterations

No Owner may change, alter or remodel the exterior of his Unit without the prior written approval of the Association.

#### Liens for Alterations

Labor performed and materials furnished and incorporated into a Unit with the consent of or at the request of the Unit Owner, his agent, his contractor or subcontractor shall be the basis for the filing of a lien against the unit of the Unit Owner consenting to or requesting the same. Each Unit Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit or any other Owner or against the general or limited common elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Unit at such Owner's request.

### Liens and Foreclosure

All sums assessed but unpaid for the share of general common expenses and limited common expenses chargeable to any Unit shall constitute a lien on such Unit superior to all other liens and encumbrances, except only for tax and special assessment liens on the Unit in favor of any assessing authority, and all sums unpaid on a first mortgage, a first trust indenture, or contract for deed of record. To evidence such lien, the Association shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of accrued interest and late charges thereon, the name of the Unit Owner, and a description of the Unit. Such notice shall be signed and verified by one of the officers of the Association or by the Manager, or his authorized agent, and shall be recorded in the office of the Clerk and recorder of Gallatin County, Montana. Such lien shall attach from the date of recording such notice. Such lien may be enforced by the foreclosure of the defaulting Owner's foreclosure of a mortgage on real property. In any foreclosure, the Unit Owner shall be required to pay a reasonable rental for the unit, if so provided in the Bylaws, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. Suit to recover money judgment for unpaid common expenses shall be maintainable without foreclosure or waiving the lien securing the same. In any such proceeding the Owner may be required to pay the costs, expenses and attorney's fees incurred in filing a lien, and in the event of foreclosure proceedings, additional costs, expenses and attorney's fees incurred.

### Bidding at Foreclosure

The Association shall have the power to bid on the Unit at a foreclosure or other legal sale, and to acquire and hold, lease, mortgage and vote the votes appurtenant to, convey or otherwise deal with the same. Any lien holder holding a lien on a Unit may pay, but shall not be required to pay, any unpaid general common expenses, or limited common expenses payable with respect to any such Unit, and upon such payment such lien holder shall have a lien on said Unit for the amounts paid of the same priority as the lien of his encumbrance without the necessity of having to file a notice or claim of such lien.

## IX.

### INSURANCE

#### Purchase

All insurance policies upon **COBBLESTONE** or limited common elements, property shall be purchased by the Association and shall be issued by an Insurance Company authorized to do business in Montana.

- (a) **Named Insured:** The named insured shall be the Association individually and as agent for the Unit Owners without naming them.



Such policies shall provide that payments for losses there under by the insurer shall be paid to the insurance Trustee hereinafter designated, and all policies and endorsements thereon shall be deposited with the insurance Trustee. Unit Owners may obtain insurance coverage, at their own expense, upon their own personal property and for their personal liability and living expense.

- (b) Copies to Mortgagees: One copy of each insurance policy and of all endorsements thereon shall be furnished by the Association to each mortgagee of a Unit Owner on request.

#### Coverage

- (a) Casualty: All building and improvements upon the land shall be insured in an amount equal to the full insurable replacement value, and all personal property included in the common elements shall be fully insured, with all such insurance to be based on current replacement value, as determined annually by the Board of Directors, but subject to such deductible clauses as are required in order to obtain coverage at reasonable costs. Such coverage shall afford protection against:
  - (1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and
  - (2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the building on the land, including, but not limited to, vandalism and malicious mischief.
  - (3) Errors or Omissions Insurance for the Directors, Officers and Managers, if the Association so desires, in amounts to be determined by the Board.  
The policies shall state whether air handling or service equipment, interior fixtures and carpets are included within the coverage in order that Unit Owners may insure themselves if the items are not insured by the Association.
- (b) Public Liability: In such amounts and with such coverage as shall be required by the Board of Directors of the Association, including, but not limited to, hired automobile and non-owned automobile coverage, if applicable, and with cross-liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.
- © Other Insurance: Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable and as may be required by the Federal and State laws.



### Premiums

Premiums for insurance policies purchased by the Association shall be paid by the Association as a common expense, except that the amount of increase in the premium occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances or of the common elements by a Unit Owner shall be assessed against the Owner. Not less than ten (10) days prior to the date when a premium is due, evidence of such payment shall be furnished by the Association to each mortgagee listed in the roster of mortgagees.

### Insurance Trustee

All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to such bank in Montana with trust powers as may be designated as insurance trustee by the Board of Directors of the Association, which trustee is herein referred to as the insurance trustee. The insurance trustee shall not be liable for payment of premiums, nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the insurance trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated in this instrument and for the benefit of the Unit Owners, and their mortgagees in the following shares, but which shares need not be set forth on the records of the insurance trustee:

- (a) Unit Owners - An undivided share for each Unit Owner, such share being the same as the undivided share in the common elements appurtenant to his unit.
- (b) Mortgagees - In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceed except distributions thereof made to the Unit Owner and mortgagee pursuant to the provision of this Declaration.

### Distribution of Proceeds

Proceeds of insurance policies received by the insurance trustee shall be distributed to or for the benefit of the beneficial owners in the following mannner:

- (a) Miscellaneous: Expenses of administration, the insurance trustee, and construction or remodeling supervision shall be considered as part of the cost of construction, replacement or repair.



- (b) Reconstruction or Repair - If the damage for which the proceeds are paid is to be repaired or reconstructed by the Association, the remaining proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceed remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them.
- © Failure to Reconstruct or Repair - If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them.
- (d) Certificate - In making distribution to Unit Owners and their mortgagees, the insurance trustee may rely upon a certificate from the Association made by its representative or Manager as to the names of the Unit Owners and their respective shares of distribution.

#### Association as Agent

The Association is irrevocably appointed agent for each Unit Owner and for each Owner of a mortgage or other lien upon a Unit and for each Owner of any other interest in the condominium property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

#### Benefit to Mortgagees

Certain provision in this paragraph entitle "Insurance" are for the benefit of mortgagees or trust indenture beneficiaries of condominium parcels, and all such provisions are covenants for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee or beneficiary.

#### Reconstruction

##### (a) Repair After Casualty

If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

- (1) Lesser Damage - If a Unit or Units are found by the Board of Directors of the Association to be tenantable after the casualty, the damaged property shall be repaired.



- (2) Greater Damage - If a Unit or Units are found by the Board of Directors to be not tenantable after the casualty, the damaged property shall be reconstructed or rebuilt.
- (3) Certificate - The insurance trustee may rely upon a certificate of the Association made by its president and secretary to determine whether or not the damaged property is to be reconstructed or repaired.

(b) Plans and Specifications

Any reconstruction or repair must be substantially in accordance with the plans For specifications and the original improvements, or if not, then according to plans and Specifications approved by the Board of Directors and by more than seventy-five percent (75%) of the Unit Owners, including the Owners of all Unit's the plans for which are to be altered. Any such reconstruction not in accordance with the original plans and specifications must be set forth in an amendment to the Declaration, which amendment shall be prepared and filed of record in accordance with the provisions of such amended filing, more particularly set forth in Paragraph VII and Paragraph VIII, subparagraph 1, hereinabove.

© Responsibility

The responsibility for reconstruction or repair after casualty shall be the same as for maintenance and repair of the condominium property, and the Association shall work with the insurance trustee to carry out the provisions of this Article.

(d) Assessments

If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair for which the Association is responsible, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Unit Owners in sufficient amounts to provide funds to the payment of such costs. Such assessments shall be in proportion to the Owner's percentage of interest in the general common elements.

(e) Construction Funds

The funds for payment of costs of reconstruction or repair after casualty, which shall consist of proceeds of insurance held by the insurance trustee and funds collected by the Association from assessments against Unit Owners, shall be disbursed in the sound discretion of the trustee and according to the contract of reconstruction or repair, which contract must have the approval of the Board and Unit Owners involved.



(f) Surplus

It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from the insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be paid to the Association for the use and benefit of the Unit Owners.

**X.**

**REMOVAL OR PARTITION - SUBDIVISION**

**COBBLESTONE** may only be removed from condominium ownership, and may only be partitioned or sold, upon compliance with each of the conditions hereof:

- (a) The Board of Directors of the Association must approve the plans of removal, partition or sale, including the details of how any partition or sale, and the distribution of property or funds, shall be accomplished.
- (b) The plan of removal, partition, or sale must be approved as provided in the Montana Unit Ownership Act. If approval for any of the foregoing is not required by the Unit Ownership Act, then approval shall be required from at least seventy-five percent (75%) of the Owners. Upon obtaining such approval, the Board shall be empowered to implement and carry out the plan of removal, partition or sale.
- © No Unit may be divided or subdivided into a smaller Unit, nor any portion thereof sold or otherwise transferred, except as provided above.
- (d) This section shall not apply to the sale of individual units and shall not be considered as a right of first refusal.
- (e) The common elements of **COBBLESTONE** shall not be abandoned, partitioned, subdivided, encumbered, sold or transferred by removal or partition without compliance with all of the above requirements.

**XI.**

**REMEDIES**

All remedies provided in this Declaration and Bylaws shall not be exclusive of any other remedies which may now be, or are hereafter, available to the parties hereto as provided for by law.

**XII.**

**SEVERABILITY**

The provisions hereof shall be deemed independent and severable and the invalidity, partial invalidity or unenforceability of any one or more provisions shall not affect the validity or enforceability of any other provision hereof.

**XIII.**

**INTERPRETATION**

The provisions of the Declaration and of the Bylaws to be promulgated and recorded herewith, shall be liberally construed to effectuate the purpose of the Declaration and Bylaws and to create a building or buildings subject to and under the provisions of the Unit Ownership Act.

**XIV.**

**MISCELLANEOUS**

**Utility Easements**

In addition to the easement provided for herein, easements are reserved through the condominium property as may be required for utility services, including heat, air conditioning, water, sewer, power, telephone, natural gas and cable television, in order to serve **COBBLESTONE** adequately. However, such easements through the property or Units shall be only according to the plans and specification for the Unit building, as set forth in the recorded plat, or as the building is constructed, unless approved in writing by the Unit Owner.

### Right of Access

The Association shall have the irrevocable right, to be exercised by the Manager or Board of Directors, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the limited common elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the general or limited common elements or to any other Unit.

Damage to the interior or any part of the Unit resulting from maintenance, repair, emergency repair or replacement of any of the general or limited common elements, or as a result of any emergency repair within another Unit at the instance of the Association, shall be designated either limited or general common expenses by the Association and assessed in accordance with such designation.

### Expenditures

No single expenditure or debt in excess of \$1000.00 may be made or incurred by the Association or Manager without the prior approval of seventy-five percent (75%) of the Unit Owners.

### Benefit

Except as otherwise provided herein, this Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Unit Owner, and the heirs, personal representatives, successors and assigns of each.

### Service of Process

The name and address of the person to receive service of process for the Homeowners Association until another designation is filed of record shall be:

**Joseph W. Sabol II**  
225 East Mendenhall  
Bozeman, MT 59715

### Warranties

The Declarant expressly makes no warranties or representations concerning the property, the Units, the Declaration, Bylaws, or deeds of conveyance except as specifically set forth therein, and no one may rely upon such warranty or representation not so specifically expressed therein. Estimates of common expenses are deemed accurate, but no warranty or guarantee is made or is intended, nor may one be relied upon.

## **COBBLESTONE CONDOMINIUMS**

### **Legal Description**

#### **Exhibit "A"**

**Lots 5, 6, 7 and 8 in Block 4 of River Rock Subdivision, The Villas, in Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder, Gallatin County, Montana. (Plat Reference: J-344)**



**2184326**

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IN WITNESS WHEREOF, the Declarant has caused this Declaration to be made and executed according to the provisions of the Montana Unit Ownership Act, Title 70, Section 23, MCA.

*Schroeder Homes Inc., by Larry D. Schroeder*  
**SCHROEDER HOMES, INC by Larry D. Schroeder, President**

STATE OF MONTANA    )  
                                  :SS.  
County of Gallatin

On this 13<sup>th</sup> day of April, 2005, before me, a Notary Public for the State of Montana, personally appeared LARRY D. SCHROEDER, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

\* President of Schroeder Homes, Inc  
**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed my Notarial Seal as of the day and year first above written.



*Teri Egan*  
\_\_\_\_\_  
Notary Public for the State of Montana  
Residing at: \_\_\_\_\_  
My Commission expires: \_\_\_\_\_

**Teri Egan**  
Notary Public for the State of Montana  
Residing at Bozeman, Montana  
My Commission Expires October 21, 2008



Shelley Vance-Gallatin Co MT MISC

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**BYLAWS OF THE ASSOCIATION OF UNIT OWNERS  
OF**

**COBBLESTONE CONDOMINIUMS**

I.

**PURPOSE AND APPLICATION**

These Articles are and shall be the Bylaws of the Association of Unit Owners of the **COBBLESTONE CONDOMINIUMS**. These Bylaws shall, upon being recorded with the Clerk and Recorder of Gallatin County, State of Montana, govern and control the administration of the **COBBLESTONE CONDOMINIUMS**. All Unit Owners, their guests and any renters or sublessees, present and future, shall have the rights and responsibilities described in these Bylaws and shall be subject to the provisions thereof.

The acquisition of an ownership interest in a unit in the **COBBLESTONE CONDOMINIUMS** signifies that the Owner accepts, ratifies and agrees to comply with these Bylaws.

II.

**MEMBERSHIP**

Persons owning a Unit in the **COBBLESTONE CONDOMINIUMS** or an interest in a unit, or owning a unit in any real estate tenancy relationship recognized by the State of Montana, shall be a member of the Association of Unit Owners ("Association"). An owner may not decline membership in the Association. Membership begins concurrently with the acquisition of an ownership interest and terminates at the time such ownership interest is terminated. Such termination shall not relieve any owner of liability for obligations incurred while a member of the Association; further, membership in the Association does not in any way negate or impair any owner's legal remedies, right to bring legal action, or defenses to any and all actions involving the Association, other Unit Owners, or the Management, which may arise from or be incidents of unit ownership.

III.

**OBLIGATIONS**

Each Unit Owner shall be obligated to comply with these Bylaws, the Declaration, and laws of the County of Gallatin, and the State of Montana. Such obligations shall include, but not be limited to, the paying of assessments levied by the Association, and the adherence to the protective covenants which are a part of the Declaration. Failure of any owner to abide by these Bylaws, and all rules made pursuant thereto, the

Declaration, and laws of the County of Gallatin, and the State of Montana, shall be grounds for appropriate legal action by the Association of Unit Owners or by an aggrieved Unit Owner against such noncomplying owner.

#### IV.

### **MEETING AND VOTING**

There shall be a regular meeting of the Association annually on the first Monday in September of each year, commencing in the year the **COBBLESTONE CONDOMINIUMS** regime is established, or on such other date properly announced by the Association.

Pursuant to these Bylaws, the Association may at any time hold special meetings. Such special meetings may be called on the initiative of the Chairman of the Association, by the Board of Directors, a signed request of the Manager, or a petition signed by fifty percent (50%) of the Unit Owners. Notice of any special meeting must specify the reason for such meeting and the matters to be raised. Only matters set forth in the petition or request may be brought before such meeting unless more than fifty percent (50%) of the voting interest present agree otherwise.

(a) **Notice.**

Notice of all meetings, regular or special, shall be mailed by the Association's Secretary to every Unit Owner of record at his address of record at least ten (10) days prior to the time for holding such meeting. Such notice shall specify the date, time and place of the meeting and shall make provisions to allow for the voting of each Unit Owner's interest by proxy at the discretion of the owner. The mailing of a notice in the manner provided in this paragraph or the personal delivery of such notice by the Secretary of the Association shall be considered as notice served.

(b) **Quorum.**

No meeting, regular or special, shall be convened to conduct business unless a quorum is present in person or by proxy. A quorum shall consist of fifty percent (50%) of the total voting interest of the **COBBLESTONE CONDOMINIUMS**. At any time, during any meeting that quorum is not present; such meeting shall be adjourned forthwith.

V.

**VOTING INTEREST**

Each Unit Owner at Association meetings shall have an equal voting interest as set forth in the Declaration, a copy of which is being filed concurrently with the filing of these Bylaws with the Clerk and Recorder of Gallatin County, State of Montana.

Each Unit Owner shall thus have an equal voting interest on all matters affecting the general business of the **COBBLESTONE CONDOMINIUMS**, on all matters affecting the common elements, assessments for the common elements, and on all matters upon **which the Association has agreed to have voting on the general common elements'** interests. Voting upon matters affecting limited common elements and assessments for limited expenses shall be only by owners having a unit or interest in units located in the building affected.

Whenever a quorum is present at a meeting of the Association or the Board of Directors, those present may do any and all acts they are empowered to do unless specific provisions of these Bylaws, the Declaration, or the laws of the State of Montana direct otherwise.

VI.

**BOARD OF DIRECTORS**

The governance of the **COBBLESTONE CONDOMINIUMS** shall be by a Board of five Directors, elected among the Unit Owners. Such Board shall have all powers and responsibilities attendant to the general administration and control of the condominium. Additionally, the Board shall have the authority necessary to carry into effect the powers and duties specified by these Bylaws.

VII.

**OFFICERS OF THE BOARD OF DIRECTORS**

The Association shall elect from its membership a Board of Directors of five persons, who shall all serve for a term of one (1) year, and who shall serve in the positions of Chairperson, Vice-Chairperson, Secretary, and Treasurer. The manner of election of the Board of Directors shall be as follows:

At the first and all subsequent annual meetings of the Association, nominations for positions on the Board shall be accepted from any of the Unit Owners present. Voting will be noncumulative, with each Association member having a vote for as many persons as there are Directors to be elected. Board members shall be elected by majority vote of the interests



present or voting by proxy at any annual or special meeting. The first Board consisting of two (2) persons, as listed below, shall serve until the first annual meeting of the Association, at which time a new Board shall be elected.

## VIII.

### **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

The Board of Directors shall have the following powers and duties:

- (a) To call annual meetings of the Association and give due notice thereof.
- (b) To conduct elections of the Board of Directors.
- (c) To enforce the provisions of the Declaration, Bylaws and protective covenants of the **COBBLESTONE CONDOMINIUMS** by appropriate action.
- (d) To promulgate and adopt rules and regulations for the use of the common elements and for the occupancy of the units so as not to interfere with the peace and quiet of all the residents. Such rules must be approved at any regular or special meeting of the Association by at least two-thirds of the voting interest of the Unit Owners in the condominium.
- (e) To provide for the management of the **COBBLESTONE CONDOMINIUMS** by hiring or contracting with suitable and capable management and personnel for the day-to-day operation, maintenance, upkeep and repair of the general common and limited common elements.
- (f) To levy assessments as allowed by the Declaration, these Bylaws and the State of Montana, and to provide for the collection, expenditure and accounting of said assessments.
- (g) To pay for the expenses of the maintenance, repair and upkeep of the general common elements and the limited common elements, and to approve payment vouchers either at regular or special meetings.
- (h) To delegate authority to the Manager for the routine conduct of condominium business, however, such authority shall be precisely defined with ultimate authority at all time residing in the Board of Directors.
- (i) To provide a means of hearing grievances of Unit Owners and to respond appropriately thereto.

- (j) To meet at regularly scheduled times and to hold such meetings open to all Unit Owners or their agents.
- (k) To prepare an annual budget for the condominium in order to determine the amount of the assessments payable by the Unit Owners to meet the general common and limited common expenses, and allocate and assess such charges among the Unit Owners according to their respective interests in the general common and limited common elements. Such annual budget shall be presented to the unit owners at the annual meeting each year, and shall be voted upon and approved by a majority of the unit owners in attendance or by proxy at that meeting.
- (l) To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses, costs, or additional capital expenses, or because of emergencies.
- (m) To take appropriate legal action to collect any delinquent assessments, payments or amounts due from Unit Owners, or from any person or persons owing money to the condominium, and to levy a penalty and to charge interest on unpaid amounts due and owing. However, other than for the collection of delinquent assessments or accounts, the Board shall not initiate any litigation or lawsuit without prior approval of at least two-thirds of the voting interest of the Unit Owners in the condominium.
- (n) To defend in the name of the Association any and all lawsuits wherein the **COBBLESTONE CONDOMINIUMS** is a party defendant.
- (o) To enter in to contracts necessary to carry out the duties herein set forth.
- (p) To establish a bank account for the **COBBLESTONE CONDOMINIUMS**, and to keep therein all funds of the Association. Withdrawal of monies from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors.
- (q) In general, to act for and carry on the administration and affairs of the Association as authorized and prescribed by the Declaration, and to do all those things which are necessary and reasonable in order to carry out the governance and operation of the **COBBLESTONE CONDOMINIUMS**.
- (r) To make repairs, alterations, additions and improvements to the general common and limited common elements consistent with managing the condominium in the best interests of the Unit Owners.



- (s) To provide for the perpetual maintenance of the general common open area and landscaping, the parking areas and driving lanes, and to make any assessments necessary for such maintenance as provided herein.
- (t) To arrange, keep, maintain and renew the insurance for the Association as set forth in the Declaration.
- (u) To carry out the duties and responsibilities of the Board in all other matters as may be authorized, needed or required by the Declaration.

#### IX.

### **VACANCIES AND REMOVAL**

Should a vacancy occur on the Board of Directors, the Board, subject to the exception described below, shall appoint a member of the association to serve for the unexpired term. Such vacancy shall be filled no later than the next regular Board meeting after which it occurs. Should such vacancy not be filled by the Board at the next regular meeting of the Association, the Association may fill such vacancy.

At any regular or special meeting of the Association, any member of the Board may be removed by a majority of the voting interests in the **COBBLESTONE CONDOMINIUMS**. Such vacancy shall be filled by the Association. Such removal matter must be announced in the notice of such regular or special meeting. The personal delivery of such notice by the Secretary of the Association shall be considered notice served.

#### X.

### **COMPENSATION**

No member of the Board of Directors shall receive any compensation for acting as such. Nothing herein, however, shall be construed to preclude compensation being paid to Managers who are hired by the Board of Directors.

#### XI.

### **MANAGERS**

In the event that the Board of Directors elects to hire a Manager, the Manager shall be appointed and/or removed by the Board of Directors. The Manager [or any member of the Board or Association handling Association funds or having power to withdraw or spend such funds] may be required to be bonded, and shall maintain records of the financial affairs of the condominium. Such records shall also detail all assessments made by the Association and the status of payments of said assessments

by all Unit Owners. All records shall be available for examination during normal business hours to any Unit Owner or their assigned representative. All functions and duties herein provided for the Manager may be performed by the Board, or the Chairman, if the Board should decide not to have a Manager.

- (a) Accounts: The receipts and expenditures of the Association shall be under the direction of the Manager and be classified as appropriate into general common expenses and limited common expenses, and shall include a provision for current expenses which shall include all receipts and expenditures to be made within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or betterments. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year. Other budget items may be provided for in the discretion of the Manager.
- (b) Budget: The Manager, or if no manager has been appointed, the Board, shall prepare and submit a budget to the Board and the unit owners each calendar year, which must be approved and adopted by the Board, and a majority of the unit owners in attendance at the annual meeting. The budget shall include the estimated funds required to defray the general common and limited common expenses, and to provide and maintain funds for the foregoing accounts according to good accounting practices.
- Copies of the budget and proposed assessments shall be transmitted to each member on or before August 15 of the year preceding the year for which the budget is made. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each member.
- (c) Financial Report: An audit and financial report of the accounts of the Association shall be made annually. The audit and financial report may be made either by the Manager, the Treasurer of the Association, or by a Certified Public Accountant. The Board of Directors shall determine who shall complete the audit and financial report. A copy of the financial report shall be furnished to each member no later than March 1<sup>st</sup> of each year for which the report is made.

The Manager shall generally operate and manage the condominium for and on behalf of the Unit Owners and shall have such other powers and authority as the Board may designate. If there is no Manager or if the Manager resigns, is terminated or his contract expires, the Board shall perform all the duties of the Manager.

## XII.



## **AMENDMENT OF BYLAWS**

These Bylaws may be amended at any regular or special meeting of the Association providing that a copy of the proposed revision is included in the notice of such meeting. Upon a vote of over seventy-five percent (75%) of the aggregate voting interest in the condominium, the amendment shall be declared adopted. The Secretary shall as soon as practicable after adoption, prepare a copy of these Bylaws as amended for certification by the Chairman and Secretary of the Association. Such amended and certified Bylaws shall then be filed and recorded in the office of the Clerk and Recorder of Gallatin County, State of Montana. Bylaws as amended shall become effective at the time of such recording.

### **XIII.**

## **ASSESSMENTS**

In accordance with the percentage of interest in the general common elements as set forth in the Declaration, each Unit Owner shall be assessed for general common expenses. Such assessments, and assessments for limited common expenses, shall be collected and paid according to the terms and under the procedures more particularly set forth in the Declaration. The amount of assessments described **above and any other assessments allowed by these Bylaws, the Declaration, and by the State of Montana**, shall be fixed by the Board of Directors in accordance with the budget presented and approved by the unit owners at the annual meeting. Notice of each owner's assessments shall be mailed to said owner at his address of record.

### **XIV.**

## **THE DECLARATION**

The undersigned has filed, along with these Bylaws, a Declaration whereby the properties known as the **COBBLESTONE CONDOMINIUMS** are submitted subject to Title 70, Chapter 23, MCA. The Declaration shall govern the acts, powers, duties and responsibilities of the Association of Unit Owners, and in the event these Bylaws and the Declaration are in conflict, the Declaration shall prevail.

The definition of terms set forth in the Declaration shall be applicable throughout these Bylaws and the interpretation thereof.

By virtue of these Bylaws and the Declaration, each Unit Owner has the right to membership in the Association of Unit Owners and any Unit Owner may be on the Board of Directors of the **COBBLESTONE CONDOMINIUMS**.

The **COBBLESTONE CONDOMINIUMS** Association of Unit Owners and its Board of Directors shall have the primary and final authority on all matters solely affecting the condominium area, subject to the laws, rules and regulations of the County of Gallatin, and the State of Montana.

**IN WITNESS WHEREOF**, the undersigned, as the owner of record of all of the condominium units and 100% of the voting interests of the **COBBLESTONE CONDOMINIUMS** as of the date hereof, hereby appoints the following persons to serve on the Board of Directors and as officers until the first annual meeting of the Association, to-wit:

**LARRY D. SCHROEDER**

And the Declarant hereby declares and affirms the adoption of the foregoing Bylaws on the \_\_\_\_\_ day of \_\_\_\_\_, 2005.

*Schroeder Homes Inc., by Larry D. Schroeder President*  
**SCHROEDER HOMES, INC by LARRY D. SCHROEDER, President**

STATE OF MONTANA     )  
                                      :ss.  
County of Gallatin     )

On this 13<sup>th</sup> day of April, 2005, before me, a Notary Public for the State of Montana, personally appeared LARRY D. SCHROEDER, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

\* President of Schroeder Homes, Inc

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



*Teri Egan*

Notary Public for the State of Montana

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

My Commission expires: \_\_\_\_\_

Teri Egan  
Notary Public for the State of Montana  
Residing at Bozeman, Montana  
My Commission Expires October 21, 2008



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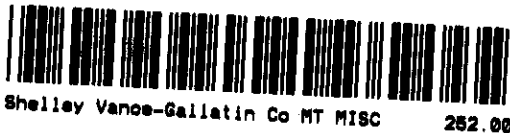
**DECLARATION**

for the

**COBBLESTONE CONDOMINIUMS**

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REGISTERED PROFESSIONAL LAND SURVEYOR'S CERTIFICATE

The undersigned, being a duly registered professional land surveyor in the State of Montana, herewith certifies the following:

That pursuant to the provisions of CCA 70-23-306(2), the floor plans for the **COBBLESTONE CONDOMINIUMS** located on:

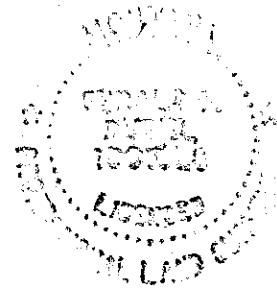
THE LEGAL DESCRIPTION OF THE PROPERTY IS  
ATTACHED HERETO AS EXHIBIT A.

as duly filed with the Declaration and Bylaws thereof, depict the layout of the units and floors of the building as of this date.

Dated: April 5, 2005



Registered Professional Land Surveyor  
Registration No. 10010 LS



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CERTIFICATE OF NAME

The understanding being the duly authorized agent of the Department of Revenue of the State of Montana within the County of Gallatin, herewith executes the Following certificate relating the **COBBLESTONE CONDOMINIUMS**, situated as follows:

See Exhibit "A" attached.

1. That the name **COBBLESTONE CONDOMINIUMS**, is not the same as, similar to or pronounced the same as the word in the name of any other property or subdivision within Gallatin County, except for the word "Condominium", and
2. All taxes and assessments due and payable for the said **COBBLESTONE CONDOMINIUMS**, have been paid to date.

Dated: 4-07-05

Pam Vandolah  
County Assessor



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Shelley Vance-Gallatin Co MT MISC 252.00

**DECLARATION FOR  
THE  
COBBLESTONE CONDOMINIUMS**

**THIS DECLARATION** is hereby made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2005, by **SCHROEDER HOMES, INC** hereinafter referred to as "Declarant," whereby lands and property hereinafter described are Submitted to the provisions of Chapter , Title , CCA also know as the "Unit Ownership Act" as a condominium.

The property subject to this Declaration shall be known as the **COBBLESTONE CONDOMINIUMS**, (herein referred to as **COBBLESTONE**). The address of **COBBLESTONE** are 962, 964, 966, 968, 970, 972, 974, 976, 1012, 1014, 1016, 1018, 1030, 1032, 1034, and 1036 North River Rock Drive, Belgrade, Montana 59714.

1.

**DEFINITIONS**

Unless the context expressly provides otherwise, the following definition shall pertain throughout this Declaration and in the interpretation thereof:

1. Aggregate Voting shall mean the entire number of votes or persons present or available to vote in person or by proxy in a particular circumstance.
2. Association or Association of Unit Owners shall mean all of the Unit Owners acting as a group and in accordance with duly adopted Bylaws and this Declaration.
3. Board or Board of Directors shall mean the Board of Directors of the Association as more particularly defined in the Bylaws.
4. Building shall mean a multiple unit building or buildings comprising a part of the property.
5. Bylaws shall mean the Bylaws promulgated by the Association under this Declaration and the Unit Ownership Act.

6. Common Elements shall mean both general common elements and limited common elements.

(a) General Common Elements include all those elements which are for the use of all Unit Owners and guests of Unit Owners of **COBBLESTONE**.

Specifically included are: grounds surrounding the building, the land on which the buildings are located, paths, sidewalks and walkways, any portion of the parking areas not specifically allocated to a particular unit, any irrigation system placed on the property or landscape maintenance, any portions of the buildings designated on the floor plans as common to all Units, electrical, gas, telephone, water and sewer lines and connections serving all of the units, landscaping, plants and other materials and improvements separate from and outside of the buildings containing the units, and other elements necessary for the safety, maintenance and existence of **COBBLESTONE** in which each Unit Owner shall have his designated percentage of interest as set forth in paragraph IV below.

(b) Limited Common Elements as used in the Declaration shall mean those common elements which are reserved for the use of fewer than all of the owners and guests of Unit Owners, of **COBBLESTONE**, to the exclusion of other such owners and guests. As to any given Unit Owner or Owners, limited common elements shall mean the common elements which are located within or affixed to the building containing his unit, and which are for the use of the Unit Owners and guest of the Unit in which the elements are located or situated on the real property. Specifically included are:

Flues, chimneys, ducts, cables, conduits, public utility lines, water, sewer, electrical, gas, cable television lines, hot and cold water pipes (all such utility pipes and lines are limited common elements where they service only one or two units; where they service all units, they shall be general common elements), stairways, balconies, entrances, stoops, furnaces, patios, decks, garages, driveways, boilers, hot water tanks, and fixtures, or other portions of the building servicing only a particular unit or less than all of the units. The percentage of the separate unit's interest in the limited common elements shall be computed by determining the number of units that have use of the limited common elements and dividing that number into the total value of those limited common elements.



7. Common Expenses shall mean expenses of administration, maintenance, repair or replacement of general common elements, expenses agreed upon as common by the Association of all Unit Owners, and expenses declared common by the Unit Ownership Act.
8. Declaration shall mean this document and all parts attached thereto or incorporated by reference.
9. Limited Expenses shall mean the expenses attributable to the maintenance, repair and replacement of limited common elements, and are expenses only for owners of units within the respective building for which the expenses are accrued.
10. Manager shall mean the manager, the Board of Directors, management corporation, or any other person or group of persons retained or appointed by the Association of Unit Owners for the purpose of conducting the day-to-day operation of **COBBLESTONE**.
11. Property shall mean the land, buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, which are herewith submitted to the provisions of the Unit Ownership Act.
12. Recording Officer shall mean the county officer charged with the duty of filing and recording deeds, mortgages and all other instruments or documents relating to this Declaration and the property which is its subject.
13. Unit shall be the separate condominium units of **COBBLESTONE** and is a parcel of real property including and containing one or more rooms occupying one or more floors or a part of parts thereof, intended for any type of independent use, and with a direct exit to a public street or highway or to a common area or areas leading to a public street or highway.
14. Unit Designation shall mean the combination of letters, numbers, or words which identifies the designated units.
15. Unit Owner shall mean the person or persons owning a fee simple absolute, or one who is a co-owner in any real estate tenancy relationship that is recognized under the laws of the State of Montana, in one or more units of **COBBLESTONE**.



## II.

### REAL ESTATE

#### Description

The property which is by this Declaration submitted and subject to the Montana Unit Ownership Act is described in Exhibit "A" attached hereto.

#### Condominium Units

Each Unit, together with the appurtenant undivided interest in the common elements of **COBBLESTONE** shall together comprise one condominium unit, shall be inseparable, and may be conveyed, leased, rented, devised or encumbered as a condominium unit.

#### Encroachments

If any portion of the general common elements or limited common elements encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. If any portion of Unit encroaches upon the general common elements, or limited common elements, or upon an adjoining Unit or Units, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the general common elements, the limited common elements, or on the Units for the purpose of Marketability of title.

#### Parking Areas

The limited common elements include parking areas on the driveway in front of each garage for automobiles of the respective Unit Owners. These areas will be initially laid out by the Declarant, and shall be assigned to each unit. The right to use the parking spaces on the driveway in front of the garage for each unit shall be an appurtenance to that unit. Subsequent use and assignment of additional parking spaces shall be pursuant to regulation of the Association; provided that no change in designation of parking spaces shall be made for the benefit of the Unit Owner which discriminates against another Unit Owner without the latter's consent.



### Unit Boundaries

Each unit shall include the part of the building containing the Unit that lies within the boundaries of the Unit, which boundaries are as follows:

- (a) Upper and Lower Boundaries: the upper and lower boundaries of the Unit Shall be the following boundaries extended to an intersection with the parametrical boundaries:
  - 1. Upper Boundary: the plane of the lowest surfaces of the upper floor or ceiling joists for all units.
  - 2. Lower Boundary: the plane of the highest surface of the floor joists.
- (b) Parametrical Boundaries: the parametrical boundaries of the Unit shall be the following boundaries extended to an intersection with the upper and lower boundaries;
  - 1. Exterior Building Walls: the plane formed by the center line of the exterior walls of the buildings except that such boundary shall be extended so as to include within it all windows in the Unit.
  - 2. Interior Building Walls: the vertical planes of the centerline of the walls bounding a Unit extended to an intersection with other parametrical boundaries. Where walls between units are of varying thickness, the plane of the centerline of the boundary wall shall be the median line drawn between the two outermost boundaries of such wall.

### III.

### **EASEMENT, COMMON ELEMENT - INTERIOR REMODELING**

#### Common Element Easements

A nonexclusive right of ingress, egress and support through the limited common elements within the buildings is appurtenant to each unit, and all of the general common Elements are subject to such rights.



### Easement for Utilities

Each Unit may have its air space penetrated by electrical wires and lines, gas lines, mechanical equipment including air handling ducts, hot and cold water lines, waste water lines and vents and other utility and mechanical lines, pipes or equipment. A nonexclusive easement shall exist through, over and across each unit for inspection, installation, maintenance, replacement and repair of such utility lines and mechanical equipment for the use of all of the Unit Owners or the Unit Owners being serviced by the air space being penetrated by such lines and/or equipment to a minimum, ingress and egress for the purpose of such inspection, installation, maintenance, replacement or repair of such easement rights shall only be done under the direction and approval and with the authority of the Owners Association and/or the Manager unless an emergency exists in which event any action may reasonably be taken which is justified under the circumstances to minimize damage which would otherwise occur as a consequence of such emergency.

### Interior Remodeling

Each Unit Owner shall have the exclusive right to paint, repaint, tile, wax, paper, panel, carpet, brick or otherwise maintain, refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his own Unit, and the interior thereof, so long as such owner does not affect the structural integrity of the building in which his Unit is located.

## IV.

### OWNERSHIP AND VOTING - EXHIBITS- USE

#### Percentage of Interest

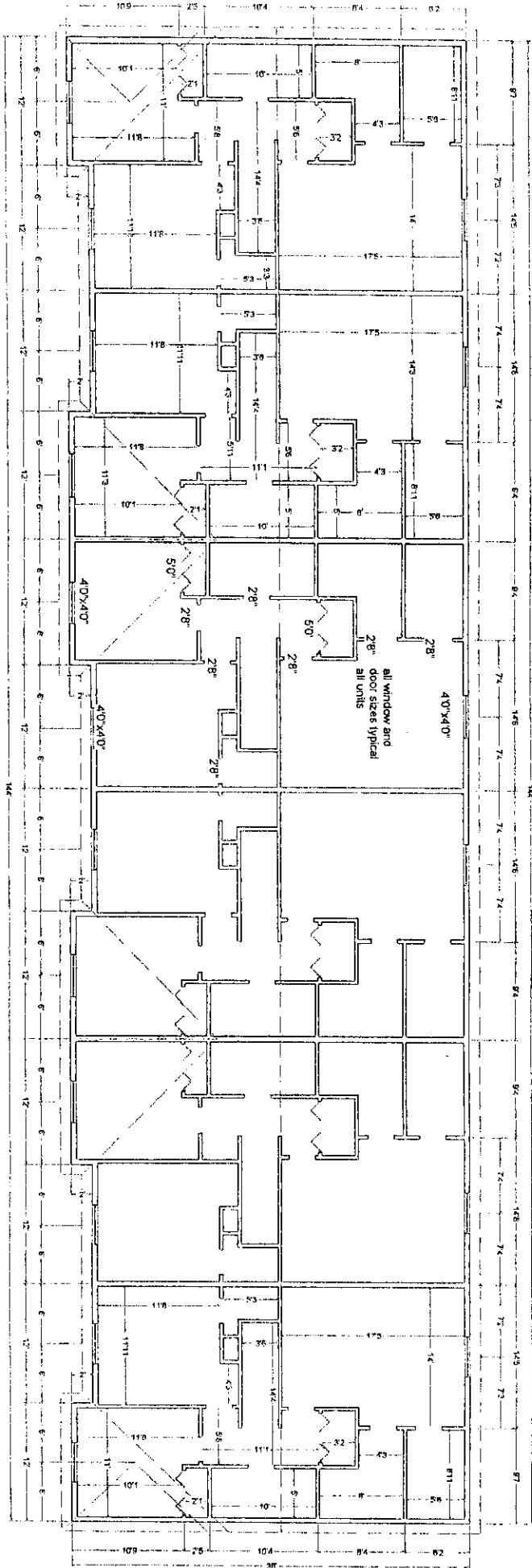
Each Unit Owner shall be entitled to the exclusive ownership, use and possession of his Unit. Additionally, each Unit Owner shall have a percentage of undivided interest in the general common elements of **COBBLESTONE**. Such percentage represents his ownership interest in the general common elements, and his liability for common expenses. The percentage of interest in the general common elements for the respective owners shall be computed by taking the value of each Unit at the date of filing this Declaration and dividing it by the then combined value of all the units having an interest in the general common elements of **COBBLESTONE**. Such percentage of interest owned by each of the Units in **COBBLESTONE** shall be according to the percentages set forth below:

<b><u>PHASE I</u></b>		
<b><u>UNIT NO.</u></b>	<b><u>SQUARE FOOTAGE</u></b>	<b>PERCENT OF INTEREST IN GENERAL COMMON <u>ELEMENTS</u></b>
<b>Building 5</b>		
962	1506	6.35%
964	1506	6.35%
966	1506	6.35%
968	1506	6.35%
<b>Building 6</b>		
970	1458	6.15%
972	1458	6.15%
974	1458	6.15%
976	1458	6.15%
<b>Building 7</b>		
1012	1506	6.35%
1014	1506	6.35%
1016	1506	6.35%
1018	1506	6.35%
<b>Building 8</b>		
1030	1458	6.15%
1032	1458	6.15%
1034	1458	6.15%
1036	1458	6.15%

**Floor Plans and Exhibits**

For identification and descriptive purposes the following Exhibits are attached and by Reference hereto incorporated into and made a part of this Declaration:

Exhibit B: showing the floor plans and elevations for each of the Units of **COBBLESTONE**, the area of each, and the dimensions and the designation for each Unit and showing the site plan of **COBBLESTONE** and the location of the buildings containing **COBBLESTONE** Units on the Property, as well as a site plan showing the relative location of each unit.



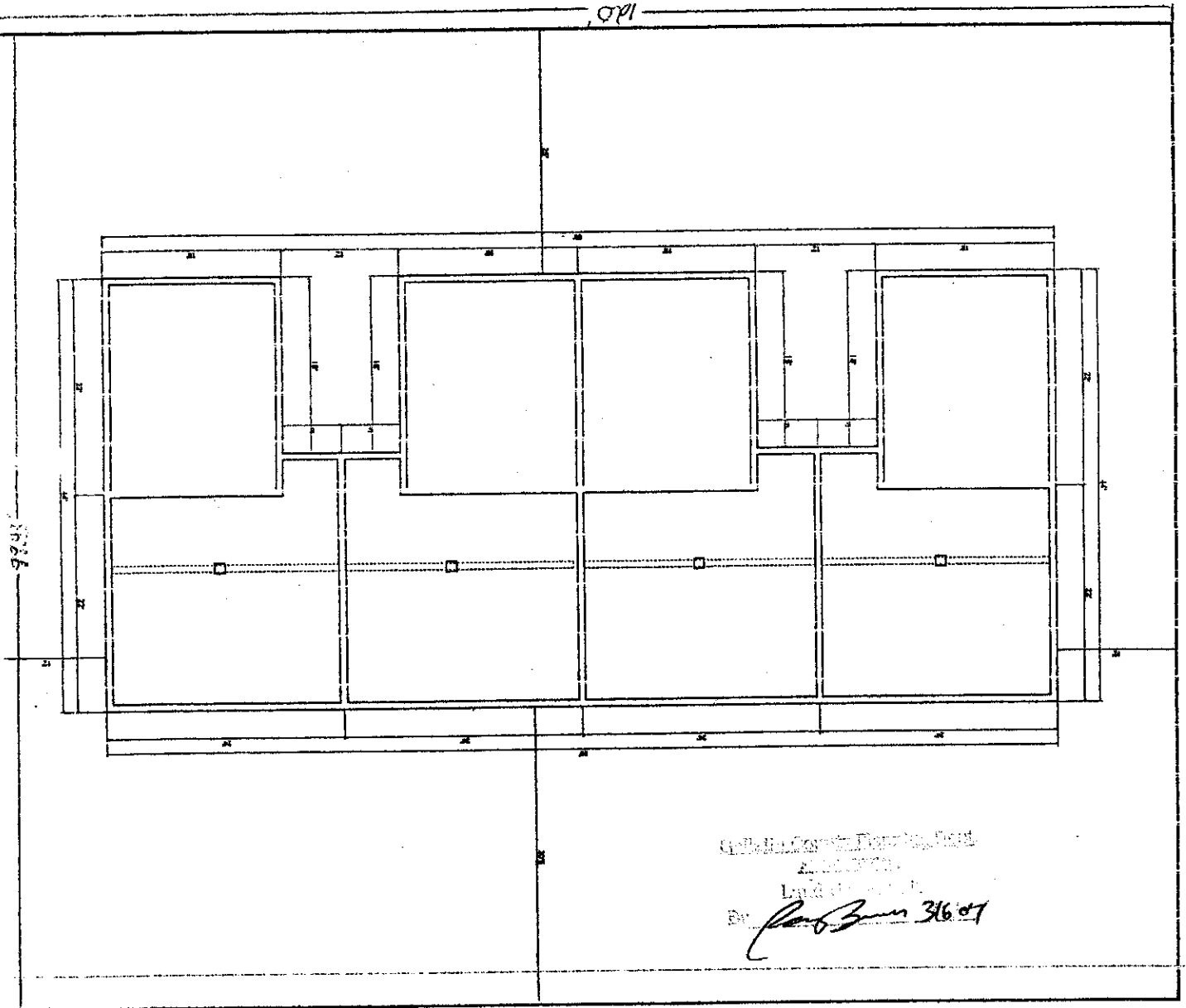
## Building 6

970 N. River Rock Dr. / 1458 sf  
972 N. River Rock Dr. / 1458 sf  
974 N. River Rock Dr. / 1458 sf  
976 N. River Rock Dr. / 1458 sf

## Building 8

1030 N. River Rock / 1458 sf  
1032 N. River Rock / 1458 sf  
1034 N. River Rock / 1458 sf  
1036 N. River Rock / 1458 sf

Lot size is 120' front and rear x  
35.93' both sides



Shelley Vance-Gallatin Co. Inc.  
2007-07-07  
By: *[Signature]* 3/6/07

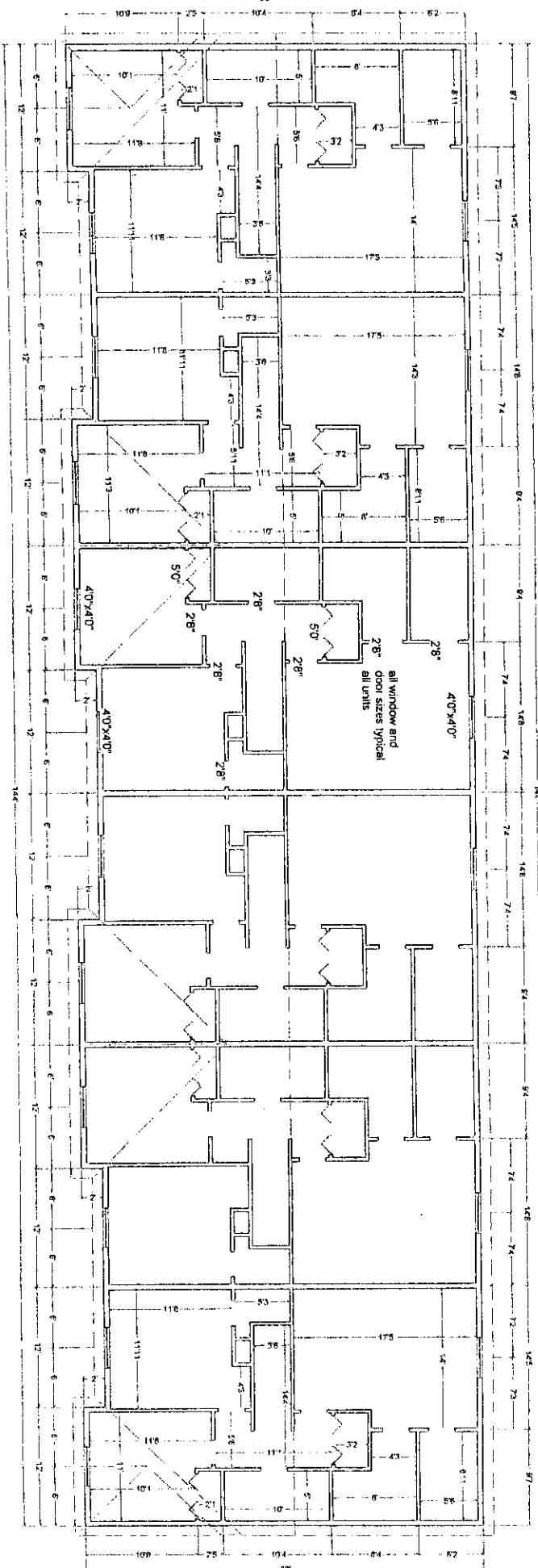


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second floor plan

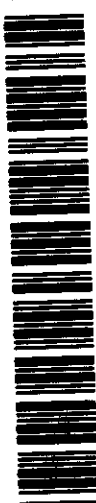
Building 5

962 N. River Rock Rd. / 1506 sf  
 964 N. River Rock Rd. / 1506 sf  
 966 N. River Rock Rd. / 1506 sf  
 968 N. River Rock Rd. / 1506 sf

Building 7

1012 N. River Rock / 1506 sf  
 1014 N. River Rock / 1506 sf  
 1016 N. River Rock / 1506 sf  
 1018 N. River Rock / 1506 sf

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Shelley Vance-Gallagher

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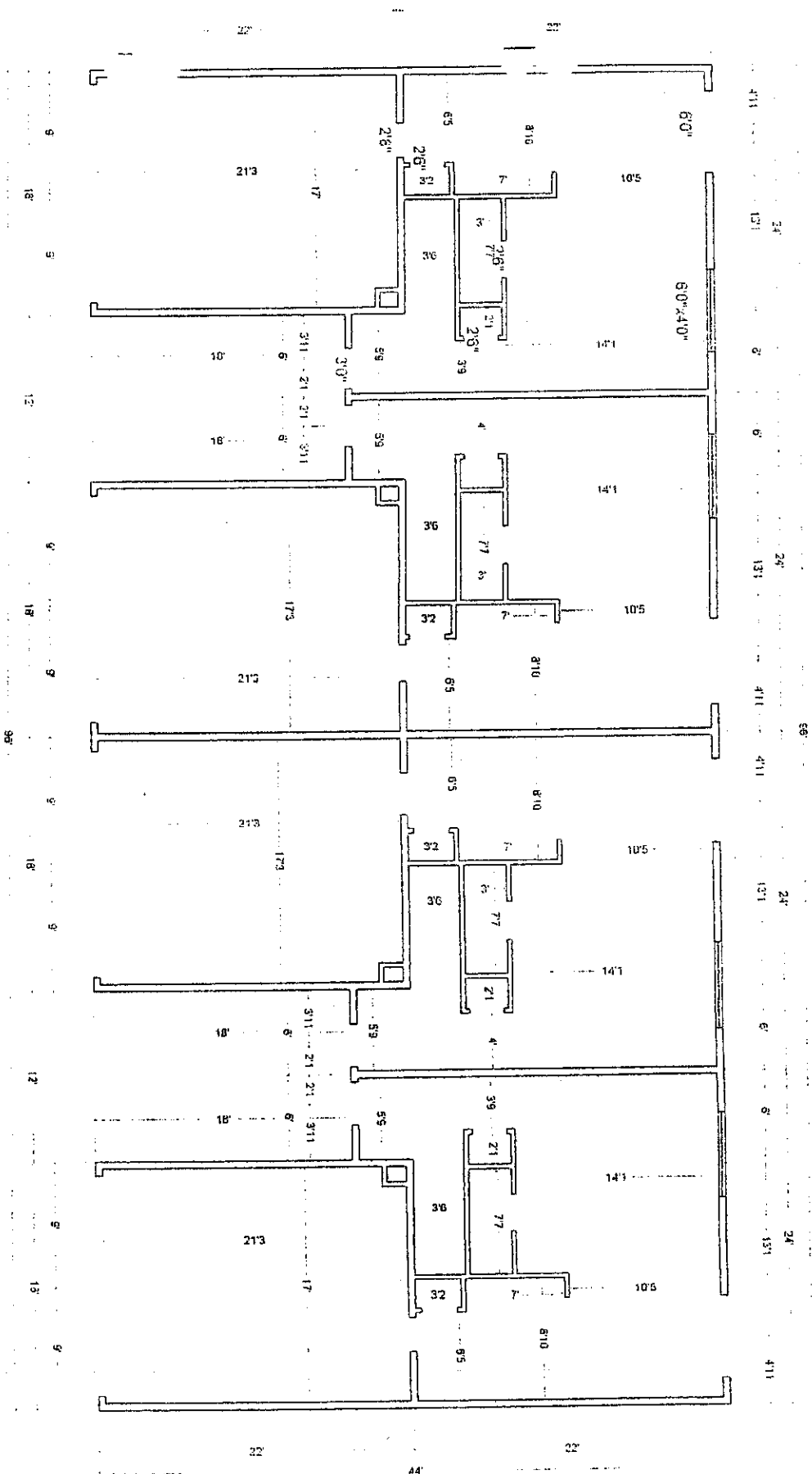
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Shelley Vance-Gallatin Co MT MISC 262.00

1st Floor Framing Plan  
All Window And Door  
Sizes Typical All Units.



## Construction Materials

The principal material of construction of the Units are concrete for the foundations, footings, and slabs, wood for the framing, structural and finish work, sheetrock, composite board, and plywood for the interior, carpet, wood or tile for the floors, lap siding for exterior wall surfaces, and shingles for the roof of the buildings.

## Use

The use of all of the units in **COBBLESTONE** shall be for residential purposes only and there shall be no commercial use whatsoever, except that nothing shall prohibit a Unit Owner from leasing or renting his Unit to third persons or holding it out for lease or rental, or entering into an Agreement or contract with others for the lease or rental, or entering into an Agreement or contract with others for the lease or rental of his unit for residential use. However, the respective unit shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as rental for any period less than thirty (30) days; or any rental if the unit's occupants are provided customary hotel services, such as room service for food and beverage, maid service, laundry and linen service or bell boy service. The use of the general common areas shall be for the recreation and enjoyment of the Unit Owners, their guests, tenants, lessees and invitees. The units and common elements shall be limited as follows:

- (a) There shall be no obstruction of the common elements, nor shall anything be stored in or on the general common elements without the prior written consent of the Association. Owners with units which have useable space in the limited common area beneath the living area of their unit may use this space for storage provided such use does not constitute a hazard to any unit and does not block any access beneath the unit or obstruct any easement for utility service, or result in cancellation or rate increase of Association insurance. Each Owner shall be obligated to maintain and keep in good order and repair the interior of his own unit.
- (b) Nothing shall be done or kept in any Unit or in the common elements which will increase the rate of insurance on the building or contents thereof, without the prior written consent of the Association. No owner shall permit anything to be done or kept in his Unit or in the common elements which will result in the cancellation of insurance on the building, or contents thereof, or which would be in violation of any law. No waste will be permitted on the common elements.
- © Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of a building, and



no sign, awing, canopy, radio or television antenna shall be affixed to or placed upon the exterior walls or roof of any part thereof, without the prior written consent of the Association. Seasonal decorations that are promptly removed after the season and reasonable name plates or identification signs for individual units may be allowed.

- (d) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to Unit Owners or which interferes with the peaceful possession and proper use of the property by its residents. no offensive or unlawful use shall be made of the property nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.
- (e) Nothing shall be done in any unit or in , on or to the common elements which will impair the structural integrity of the building or which would structurally change the building, except as is otherwise provided herein.
- (f) No animals of any kind shall be raised, bred, or kept in any Unit, except that dogs, cats, and other household pets may be kept subject to rules and regulations from time to time adopted or amended by the Association. All dogs must be kept on a leash while on the condominium property in accordance with the laws of Gallatin County and the covenants on the real property. Additionally, Unit Owners, their tenants, and any guests, shall be responsible for the immediate clean-up of any pet waste and the repair of any damaged caused by pets to any of the general or limited common areas.
- (g) Nothing shall be altered or constructed in or removed from the common elements, and no easements, liens or encumbrances placed on the common elements, except upon the written consent of two-thirds of the aggregate interest of the Unit Owners affected by such action.
- (h) All garbage shall be kept in appropriate containers, and stored inside the garage for each Unit unless put out for collection. After collection, all garbage containers shall be placed back in the garage for each Unit. However, all garages are to be used primarily for storage of Owner's vehicles.
- (I) Campers, trailers, boats and other recreational vehicles may only be brought onto the condominium properties for loading and unloading for immediate use. No inoperable vehicles, and no campers, boats,



recreational vehicles, or trailers, shall be left parked in the condominium parking areas or on driveways or garage parking pads for more than 24 hours at one time. Repeated parking of such vehicles or trailers is also prohibited.

#### Exclusive Ownership

Each Owner or Owners shall be entitled to exclusive ownership and possession of their Unit. Such Owners may use the general and limited common elements in accordance with the purposes for which they are intended and as they may otherwise agree between themselves, so long as they do not hinder or encroach upon the lawful rights of other Unit Owners.

### V.

#### THE ASSOCIATION

##### Membership

Any Owner of a Unit in **COBBLESTONE** shall automatically, upon becoming the Owner of said Unit, be a member of the Owners Association, hereinafter referred to as the Association, and shall remain a member of said Association until such time as his membership in said Association shall automatically cease. The membership shall be limited to Unit Owners as defined in this Declaration.

##### Function

It shall be the function of the Association to:

- (a) Adopt Bylaws for the governance of the Association.
- (b) Make provisions for the general management and/or repairs and maintenance of **COBBLESTONE**.
- (c) Levy assessments as provided for in the Declaration, Bylaws and Unit Ownership Act.
- (d) Adopt and implement a policy for the affairs of the condominium.
- (e) Enter into contracts or hire personnel for the management of the affairs of the Association and the maintenance and repair of the common areas.

- (f) Be responsible for the perpetual maintenance of the landscaping, common open space, parking lots, and driving lanes.

#### Voting

On all matters, unless excluded by this Declaration, to be decided by the Association, each Unit Owner shall have one vote. An owner of a condominium unit, upon becoming an Owner, shall be a member of the Association and remain a member for the period of his Unit Ownership. Except as otherwise provided in the Unit Ownership Act, this Declaration or the Bylaws, a majority of the aggregate interest present at any meeting or by proxy shall be sufficient to act on matters brought before the Association. Meetings of the Association shall only be conducted when a quorum is present, as defined in the Association Bylaws.

#### Failure to Comply

Each owner shall comply strictly with the provisions of this Declaration, the Bylaws of the Association, and the rules, regulations, decisions, and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all costs, including attorney fees incurred in connection therewith, which action shall be maintainable by the Manager in the name of the Association, on behalf of the owner, or in the proper case, by an aggrieved owner.

#### Payment of Assessments

All assessments shall be due ten (10) days from the date of mailing such assessment following the meeting at which time assessments are levied by the Association, and may be payable in one annual payment or in quarterly installments, at the option of the Unit Owner. The amount of the common expenses assessed against each Unit, and the amount of limited common expenses assessed against each Unit shall be the personal and individual debt of the owner thereof. No owner may exempt himself from liability for this contribution toward the common expenses and the limited expenses by waiver of the use of enjoyment of any of the general common elements or limited common elements or by abandonment of his Unit. All assessments which are not paid within thirty (30) days from the date they are due and payable become delinquent and are subject to interest and penalty charges.

The Association or Manager shall have the responsibility of taking prompt action to collect any unpaid assessment which becomes delinquent. In the event of delinquency in the payment of the assessment, the Unit Owner shall be obligated to pay interest at the then current legal rate of interest per annum on the amount of the assessment from the due date thereof, together with all expenses, including attorney fees incurred, together with such interest and late charges as are provided in the Bylaws of the Association.

Suit to recover a money judgment for unpaid common expenses and limited expenses may be maintainable without foreclosing or waiving the lien securing the same.

Levying Assessments - When Made-Purposes

The Association of Unit Owners shall levy assessments upon the Unit Owners in the following manner and for the following reasons:

- (a) Assessments shall be made as a part of the regular business of the Association at any regular or special meeting thereof as provided in the Bylaws of the Association. Notice of the assessment, amount thereof, and the purpose for which it is made whether regular or special, including an annual budget for expenditures and operation, shall be served on all Unit Owners affected by delivering a copy of the same to the Owners personally or by mailing a copy of the notice to the Owners at their addresses of record at least (10) days prior to the date of such meeting.
- (b) Assessments shall be made for the repair, replacement, general maintenance, management and administration of common elements, fees, costs and expenses of the manager, taxes for common areas if any, and for the Unit Owner's percentage share of any Special Improvement District Assessments. Assessments shall be based upon and computed by using the percentage of interest that each Unit Owner has in the general common elements.
- © Assessments may also be made for the payment of limited common element expenses such that the Unit Owners are chargeable only for the expenses relating to their respective units or building. Unit Owners shall share in the payment for limited expenses for the repair, maintenance and replacement of limited common elements of their respective Units in accordance with the percentage the Unit or Units have in the limited common elements for which the assessment is being made. If only one unit is associated with the limited common elements involved, the entire cost of such repair, maintenance or replacement shall be borne by that Unit.
- (d) Assessments may also be made for any purpose contemplated by this Declaration and for any purpose set out in the Montana Unit Ownership Act.
- (e) Common expenses and profits, if any, of the condominiums shall be distributed among and charged to, the Unit Owners according to the percentage of undivided interest of each in the common elements.

- (f) In a voluntary conveyance of a Unit, the Grantee of the Unit shall be jointly and severally liable with the Grantor for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant of conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefore. However, any such Grantee shall be entitled to a statement from the Manager or Board of Directors of the Association, as the case may be, setting forth the amount of said unpaid assessments against the Grantor due the Association and such Grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessment made by the Association against the Grantor in excess of the amount therein set forth.
- (g) At the time the Association holds its first meeting, or any duly noticed meeting thereafter, a reserve account may be set up to which initial assessments shall then be deposited, and which assessment shall be a sum that is equal to two times the monthly assessment fee for that year multiplied by the number of Units in the project. Said total amount shall then be divided equally among all Unit Owners. If the Declarant still holds title to one or more Units, he shall pay the amount assessed against each unit so owned.

## VI.

### DECLARANT'S RIGHT TO CHANGE

The Declarant reserves the right to change the interior design and arrangement of all Units, and alter the boundaries between Units, so long as the Declarant owns the Units so altered. No such change shall increase the number of Units or alter the boundary of the general common elements without an amendment of this Declaration.

Until seventy-five percent (75%) of each phase of units have been built and sold, Declarant reserves the right to establish easements, reservations, exceptions and exclusions Consistent with the condominium ownership project. This provision shall apply to each phase of the condominium as set out in the expansion provisions.

Notwithstanding any other provision expressly or impliedly to the contrary contained in this Declaration, the Articles of Incorporation or Bylaws of the Association, Declarant reserves the right to exercise the rights, duties and functions of the Board of Directors of the Association until seventy-five percent (75%) of the condominium units in the first phase have been sold. During the period of development and sale of the remaining condominium units, the monthly assessment for common expenses shall be based upon the estimate of the actual cost thereof, excluding therefrom any estimated amount for contingencies, reserves or sinking funds, and Declarant shall pay his pro rata share thereof only for those condominium units which have been completed.



During the period when fewer than all of the Units have been erected, the common expenses shall be allocated among the Owners of such existing Units, and during such period, Declarant shall pay the real estate taxes and assessments on that part of the land described in Exhibit "A" which remains undeveloped but on which condominium units will be subsequently constructed.

## **VII.**

### **AMENDMENT**

Amendment of this Declaration shall be made in the following manner:

At any regular or special meeting of the Association of Unit Owners, such amendment may be proposed as a resolution by any Unit Owner, the Board or Manager. Upon adoption of the resolution by a majority vote of those present, the amendment shall be made a subject for consideration at the next succeeding meeting of the Association with notice thereof, together with a copy of the amendment, to be furnished to each owner no later than thirty (30) days in advance of such meeting. At such meeting, the amendment shall be approved upon receiving the favorable vote of seventy -five percent (75%) of the total percentage vote of all the Unit Owners. If so approved, it shall be the responsibility of the Association to file the amendment with the Clerk and Recorder's Office of Gallatin County, Montana.

Notwithstanding the procedure set forth above, the Declarant may amend this Declaration, or any other project document, prior to any sale or lease of a Unit or interest thereof.

## **VIII.**

### **CHANGES, REPAIRS AND LIENS**

#### **Alterations by Unit Owners Association**

The interior plan of a Unit may be changed by the owner. The boundaries between Units may be changed only by the Owners of the Units affected. No Units may be subdivided. No change in the boundaries of Units shall encroach upon the boundaries of the common elements.





Boundary walls must be equal in quality of design and construction to the existing boundary walls. A change in the boundaries between Units shall be set forth in an amendment to this Declaration. In addition to compliance with the provisions of Paragraph VII above, such amendment must further set forth and contain plans for the Units concerned showing the Units after the change in boundaries, which plans shall be drawn by an architect licensed to practice in Montana, and attached to the amendment as exhibits, together with the certificate of architect or engineer required by the Unit Ownership Act. Such an amendment shall be signed and acknowledged by the owners of the Units concerned, as well as those owners with an interest in any common element affected. The amendment shall also be approved by the Board of Directors of the Association, and signed and acknowledged by all lienors and mortgagees of the Units concerned.

#### Maintenance by Unit Owners

Each owner shall maintain and keep in repair the interior of his or her own Unit, including the fixtures thereof. All fixtures and equipment installed in the Unit, commencing at a point where the utilities enter the Unit, shall be maintained and kept in repair by the owner thereof. An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement.

Each owner shall also keep any balcony, entrance or deck area appurtenant to this Unit in a clean and sanitary condition. The right of each owner to repair, alter, and remodel is coupled with the obligation to replace any finishing or other materials removed with similar type or kinds of materials. All glass replacement shall be with similar quality, shade and design. No act or alteration, repairing or remodeling by any Unit Owner shall impair in any way the integrity of the adjoining units or the integrity of limited common elements or general common elements.

#### Exterior Alterations

No Owner may change, alter or remodel the exterior of his Unit without the prior written approval of the Association.

#### Liens for Alterations

Labor performed and materials furnished and incorporated into a Unit with the consent of or at the request of the Unit Owner, his agent, his contractor or subcontractor shall be the basis for the filing of a lien against the unit of the Unit Owner consenting to or requesting the same. Each Unit Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit or any other Owner or against the general or limited common elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Unit at such Owner's request.

### Liens and Foreclosure

All sums assessed but unpaid for the share of general common expenses and limited common expenses chargeable to any Unit shall constitute a lien on such Unit superior to all other liens and encumbrances, except only for tax and special assessment liens on the Unit in favor of any assessing authority, and all sums unpaid on a first mortgage, a first trust indenture, or contract for deed of record. To evidence such lien, the Association shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of accrued interest and late charges thereon, the name of the Unit Owner, and a description of the Unit. Such notice shall be signed and verified by one of the officers of the Association or by the Manager, or his authorized agent, and shall be recorded in the office of the Clerk and recorder of Gallatin County, Montana. Such lien shall attach from the date of recording such notice. Such lien may be enforced by the foreclosure of the defaulting Owner's foreclosure of a mortgage on real property. In any foreclosure, the Unit Owner shall be required to pay a reasonable rental for the unit, if so provided in the Bylaws, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. Suit to recover money judgment for unpaid common expenses shall be maintainable without foreclosure or waiving the lien securing the same. In any such proceeding the Owner may be required to pay the costs, expenses and attorney's fees incurred in filing a lien, and in the event of foreclosure proceedings, additional costs, expenses and attorney's fees incurred.

### Bidding at Foreclosure

The Association shall have the power to bid on the Unit at a foreclosure or other legal sale, and to acquire and hold, lease, mortgage and vote the votes appurtenant to, convey or otherwise deal with the same. Any lien holder holding a lien on a Unit may pay, but shall not be required to pay, any unpaid general common expenses, or limited common expenses payable with respect to any such Unit, and upon such payment such lien holder shall have a lien on said Unit for the amounts paid of the same priority as the lien of his encumbrance without the necessity of having to file a notice or claim of such lien.

## IX.

### INSURANCE

#### Purchase

All insurance policies upon **COBBLESTONE** or limited common elements, property shall be purchased by the Association and shall be issued by an Insurance Company authorized to do business in Montana.

- (a) **Named Insured:** The named insured shall be the Association individually and as agent for the Unit Owners without naming them.

Such policies shall provide that payments for losses there under by the insurer shall be paid to the insurance Trustee hereinafter designated, and all policies and endorsements thereon shall be deposited with the insurance Trustee. Unit Owners may obtain insurance coverage, at their own expense, upon their own personal property and for their personal liability and living expense.

- (b) Copies to Mortgagees: One copy of each insurance policy and of all endorsements thereon shall be furnished by the Association to each mortgagee of a Unit Owner on request.

#### Coverage

- (a) Casualty: All building and improvements upon the land shall be insured in an amount equal to the full insurable replacement value, and all personal property included in the common elements shall be fully insured, with all such insurance to be based on current replacement value, as determined annually by the Board of Directors, but subject to such deductible clauses as are required in order to obtain coverage at reasonable costs. Such coverage shall afford protection against:
  - (1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and
  - (2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the building on the land, including, but not limited to, vandalism and malicious mischief.
  - (3) Errors or Omissions Insurance for the Directors, Officers and Managers, if the Association so desires, in amounts to be determined by the Board.  
The policies shall state whether air handling or service equipment, interior fixtures and carpets are included within the coverage in order that Unit Owners may insure themselves if the items are not insured by the Association.
- (b) Public Liability: In such amounts and with such coverage as shall be required by the Board of Directors of the Association, including, but not limited to, hired automobile and non-owned automobile coverage, if applicable, and with cross-liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.
- © Other Insurance: Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable and as may be required by the Federal and State laws.



### Premiums

Premiums for insurance policies purchased by the Association shall be paid by the Association as a common expense, except that the amount of increase in the premium occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances or of the common elements by a Unit Owner shall be assessed against the Owner. Not less than ten (10) days prior to the date when a premium is due, evidence of such payment shall be furnished by the Association to each mortgagee listed in the roster of mortgagees.

### Insurance Trustee

All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to such bank in Montana with trust powers as may be designated as insurance trustee by the Board of Directors of the Association, which trustee is herein referred to as the insurance trustee. The insurance trustee shall not be liable for payment of premiums, nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the insurance trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated in this instrument and for the benefit of the Unit Owners, and their mortgagees in the following shares, but which shares need not be set forth on the records of the insurance trustee:

- (a) Unit Owners - An undivided share for each Unit Owner, such share being the same as the undivided share in the common elements appurtenant to his unit.
- (b) Mortgagees - In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceed except distributions thereof made to the Unit Owner and mortgagee pursuant to the provision of this Declaration.

### Distribution of Proceeds

Proceeds of insurance policies received by the insurance trustee shall be distributed to or for the benefit of the beneficial owners in the following mannner:

- (a) Miscellaneous: Expenses of administration, the insurance trustee, and construction or remodeling supervision shall be considered as part of the cost of construction, replacement or repair.



- (b) Reconstruction or Repair - If the damage for which the proceeds are paid is to be repaired or reconstructed by the Association, the remaining proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceed remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them.
- © Failure to Reconstruct or Repair - If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them.
- (d) Certificate - In making distribution to Unit Owners and their mortgagees, the insurance trustee may rely upon a certificate from the Association made by its representative or Manager as to the names of the Unit Owners and their respective shares of distribution.

#### Association as Agent

The Association is irrevocably appointed agent for each Unit Owner and for each Owner of a mortgage or other lien upon a Unit and for each Owner of any other interest in the condominium property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

#### Benefit to Mortgagees

Certain provision in this paragraph entitle "Insurance" are for the benefit of mortgagees or trust indenture beneficiaries of condominium parcels, and all such provisions are covenants for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee or beneficiary.

#### Reconstruction

##### (a) Repair After Casualty

If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

- (1) Lesser Damage - If a Unit or Units are found by the Board of Directors of the Association to be tenantable after the casualty, the damaged property shall be repaired.



- (2) Greater Damage - If a Unit or Units are found by the Board of Directors to be not tenantable after the casualty, the damaged property shall be reconstructed or rebuilt.
- (3) Certificate - The insurance trustee may rely upon a certificate of the Association made by its president and secretary to determine whether or not the damaged property is to be reconstructed or repaired.

(b) Plans and Specifications

Any reconstruction or repair must be substantially in accordance with the plans For specifications and the original improvements, or if not, then according to plans and Specifications approved by the Board of Directors and by more than seventy-five percent (75%) of the Unit Owners, including the Owners of all Unit's the plans for which are to be altered. Any such reconstruction not in accordance with the original plans and specifications must be set forth in an amendment to the Declaration, which amendment shall be prepared and filed of record in accordance with the provisions of such amended filing, more particularly set forth in Paragraph VII and Paragraph VIII, subparagraph 1, hereinabove.

© Responsibility

The responsibility for reconstruction or repair after casualty shall be the same as for maintenance and repair of the condominium property, and the Association shall work with the insurance trustee to carry out the provisions of this Article.

(d) Assessments

If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair for which the Association is responsible, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Unit Owners in sufficient amounts to provide funds to the payment of such costs. Such assessments shall be in proportion to the Owner's percentage of interest in the general common elements.

(e) Construction Funds

The funds for payment of costs of reconstruction or repair after casualty, which shall consist of proceeds of insurance held by the insurance trustee and funds collected by the Association from assessments against Unit Owners, shall be disbursed in the sound discretion of the trustee and according to the contract of reconstruction or repair, which contract must have the approval of the Board and Unit Owners involved.



(f) Surplus

It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from the insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be paid to the Association for the use and benefit of the Unit Owners.

**X.**

**REMOVAL OR PARTITION - SUBDIVISION**

**COBBLESTONE** may only be removed from condominium ownership, and may only be partitioned or sold, upon compliance with each of the conditions hereof:

- (a) The Board of Directors of the Association must approve the plans of removal, partition or sale, including the details of how any partition or sale, and the distribution of property or funds, shall be accomplished.
- (b) The plan of removal, partition, or sale must be approved as provided in the Montana Unit Ownership Act. If approval for any of the foregoing is not required by the Unit Ownership Act, then approval shall be required from at least seventy-five percent (75%) of the Owners. Upon obtaining such approval, the Board shall be empowered to implement and carry out the plan of removal, partition or sale.
- © No Unit may be divided or subdivided into a smaller Unit, nor any portion thereof sold or otherwise transferred, except as provided above.
- (d) This section shall not apply to the sale of individual units and shall not be considered as a right of first refusal.
- (e) The common elements of **COBBLESTONE** shall not be abandoned, partitioned, subdivided, encumbered, sold or transferred by removal or partition without compliance with all of the above requirements.

## **XI.**

### **REMEDIES**

All remedies provided in this Declaration and Bylaws shall not be exclusive of any other remedies which may now be, or are hereafter, available to the parties hereto as provided for by law.

## **XII.**

### **SEVERABILITY**

The provisions hereof shall be deemed independent and severable and the invalidity, partial invalidity or unenforceability of any one or more provisions shall not affect the validity or enforceability of any other provision hereof.

## **XIII.**

### **INTERPRETATION**

The provisions of the Declaration and of the Bylaws to be promulgated and recorded herewith, shall be liberally construed to effectuate the purpose of the Declaration and Bylaws and to create a building or buildings subject to and under the provisions of the Unit Ownership Act.

## **XIV.**

### **MISCELLANEOUS**

#### **Utility Easements**

In addition to the easement provided for herein, easements are reserved through the condominium property as may be required for utility services, including heat, air conditioning, water, sewer, power, telephone, natural gas and cable television, in order to serve **COBBLESTONE** adequately. However, such easements through the property or Units shall be only according to the plans and specification for the Unit building, as set forth in the recorded plat, or as the building is constructed, unless approved in writing by the Unit Owner.



### Right of Access

The Association shall have the irrevocable right, to be exercised by the Manager or Board of Directors, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the limited common elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the general or limited common elements or to any other Unit.

Damage to the interior or any part of the Unit resulting from maintenance, repair, emergency repair or replacement of any of the general or limited common elements, or as a result of any emergency repair within another Unit at the instance of the Association, shall be designated either limited or general common expenses by the Association and assessed in accordance with such designation.

### Expenditures

No single expenditure or debt in excess of \$1000.00 may be made or incurred by the Association or Manager without the prior approval of seventy-five percent (75%) of the Unit Owners.

### Benefit

Except as otherwise provided herein, this Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Unit Owner, and the heirs, personal representatives, successors and assigns of each.

### Service of Process

The name and address of the person to receive service of process for the Homeowners Association until another designation is filed of record shall be:

**Joseph W. Sabol II**  
225 East Mendenhall  
Bozeman, MT 59715

### Warranties

The Declarant expressly makes no warranties or representations concerning the property, the Units, the Declaration, Bylaws, or deeds of conveyance except as specifically set forth therein, and no one may rely upon such warranty or representation not so specifically expressed therein. Estimates of common expenses are deemed accurate, but no warranty or guarantee is made or is intended, nor may one be relied upon.

## **COBBLESTONE CONDOMINIUMS**

### **Legal Description**

#### **Exhibit "A"**

**Lots 5, 6, 7 and 8 in Block 4 of River Rock Subdivision, The Villas, in Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder, Gallatin County, Montana. (Plat Reference: J-344)**



**2184326**

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IN WITNESS WHEREOF, the Declarant has caused this Declaration to be made and executed according to the provisions of the Montana Unit Ownership Act, Title 70, Section 23, MCA.

*Schroeder Homes Inc., by Larry D. Schroeder*  
**SCHROEDER HOMES, INC by Larry D. Schroeder, President**

STATE OF MONTANA    )  
                                  :SS.  
County of Gallatin

On this 13<sup>th</sup> day of April, 2005, before me, a Notary Public for the State of Montana, personally appeared LARRY D. SCHROEDER, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

\* President of Schroeder Homes, Inc  
**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed my Notarial Seal as of the day and year first above written.



*Teri Egan*  
\_\_\_\_\_  
Notary Public for the State of Montana  
Residing at: \_\_\_\_\_  
My Commission expires: \_\_\_\_\_

**Teri Egan**  
Notary Public for the State of Montana  
Residing at Bozeman, Montana  
My Commission Expires October 21, 2008



Shelley Vance-Gallatin Co MT MISC

252.00

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**BYLAWS OF THE ASSOCIATION OF UNIT OWNERS  
OF**

**COBBLESTONE CONDOMINIUMS**

I.

**PURPOSE AND APPLICATION**

These Articles are and shall be the Bylaws of the Association of Unit Owners of the **COBBLESTONE CONDOMINIUMS**. These Bylaws shall, upon being recorded with the Clerk and Recorder of Gallatin County, State of Montana, govern and control the administration of the **COBBLESTONE CONDOMINIUMS**. All Unit Owners, their guests and any renters or sublessees, present and future, shall have the rights and responsibilities described in these Bylaws and shall be subject to the provisions thereof.

The acquisition of an ownership interest in a unit in the **COBBLESTONE CONDOMINIUMS** signifies that the Owner accepts, ratifies and agrees to comply with these Bylaws.

II.

**MEMBERSHIP**

Persons owning a Unit in the **COBBLESTONE CONDOMINIUMS** or an interest in a unit, or owning a unit in any real estate tenancy relationship recognized by the State of Montana, shall be a member of the Association of Unit Owners ("Association"). An owner may not decline membership in the Association. Membership begins concurrently with the acquisition of an ownership interest and terminates at the time such ownership interest is terminated. Such termination shall not relieve any owner of liability for obligations incurred while a member of the Association; further, membership in the Association does not in any way negate or impair any owner's legal remedies, right to bring legal action, or defenses to any and all actions involving the Association, other Unit Owners, or the Management, which may arise from or be incidents of unit ownership.

III.

**OBLIGATIONS**

Each Unit Owner shall be obligated to comply with these Bylaws, the Declaration, and laws of the County of Gallatin, and the State of Montana. Such obligations shall include, but not be limited to, the paying of assessments levied by the Association, and the adherence to the protective covenants which are a part of the Declaration. Failure of any owner to abide by these Bylaws, and all rules made pursuant thereto, the

Declaration, and laws of the County of Gallatin, and the State of Montana, shall be grounds for appropriate legal action by the Association of Unit Owners or by an aggrieved Unit Owner against such noncomplying owner.

#### IV.

#### **MEETING AND VOTING**

There shall be a regular meeting of the Association annually on the first Monday in September of each year, commencing in the year the **COBBLESTONE CONDOMINIUMS** regime is established, or on such other date properly announced by the Association.

Pursuant to these Bylaws, the Association may at any time hold special meetings. Such special meetings may be called on the initiative of the Chairman of the Association, by the Board of Directors, a signed request of the Manager, or a petition signed by fifty percent (50%) of the Unit Owners. Notice of any special meeting must specify the reason for such meeting and the matters to be raised. Only matters set forth in the petition or request may be brought before such meeting unless more than fifty percent (50%) of the voting interest present agree otherwise.

(a) **Notice.**

Notice of all meetings, regular or special, shall be mailed by the Association's Secretary to every Unit Owner of record at his address of record at least ten (10) days prior to the time for holding such meeting. Such notice shall specify the date, time and place of the meeting and shall make provisions to allow for the voting of each Unit Owner's interest by proxy at the discretion of the owner. The mailing of a notice in the manner provided in this paragraph or the personal delivery of such notice by the Secretary of the Association shall be considered as notice served.

(b) **Quorum.**

No meeting, regular or special, shall be convened to conduct business unless a quorum is present in person or by proxy. A quorum shall consist of fifty percent (50%) of the total voting interest of the **COBBLESTONE CONDOMINIUMS**. At any time, during any meeting that quorum is not present; such meeting shall be adjourned forthwith.

V.

**VOTING INTEREST**

Each Unit Owner at Association meetings shall have an equal voting interest as set forth in the Declaration, a copy of which is being filed concurrently with the filing of these Bylaws with the Clerk and Recorder of Gallatin County, State of Montana.

Each Unit Owner shall thus have an equal voting interest on all matters affecting the general business of the **COBBLESTONE CONDOMINIUMS**, on all matters affecting the common elements, assessments for the common elements, and on all matters upon **which the Association has agreed to have voting on the general common elements'** interests. Voting upon matters affecting limited common elements and assessments for limited expenses shall be only by owners having a unit or interest in units located in the building affected.

Whenever a quorum is present at a meeting of the Association or the Board of Directors, those present may do any and all acts they are empowered to do unless specific provisions of these Bylaws, the Declaration, or the laws of the State of Montana direct otherwise.

VI.

**BOARD OF DIRECTORS**

The governance of the **COBBLESTONE CONDOMINIUMS** shall be by a Board of five Directors, elected among the Unit Owners. Such Board shall have all powers and responsibilities attendant to the general administration and control of the condominium. Additionally, the Board shall have the authority necessary to carry into effect the powers and duties specified by these Bylaws.

VII.

**OFFICERS OF THE BOARD OF DIRECTORS**

The Association shall elect from its membership a Board of Directors of five persons, who shall all serve for a term of one (1) year, and who shall serve in the positions of Chairperson, Vice-Chairperson, Secretary, and Treasurer. The manner of election of the Board of Directors shall be as follows:

At the first and all subsequent annual meetings of the Association, nominations for positions on the Board shall be accepted from any of the Unit Owners present. Voting will be noncumulative, with each Association member having a vote for as many persons as there are Directors to be elected. Board members shall be elected by majority vote of the interests



present or voting by proxy at any annual or special meeting. The first Board consisting of two (2) persons, as listed below, shall serve until the first annual meeting of the Association, at which time a new Board shall be elected.

## VIII.

### **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

The Board of Directors shall have the following powers and duties:

- (a) To call annual meetings of the Association and give due notice thereof.
- (b) To conduct elections of the Board of Directors.
- (c) To enforce the provisions of the Declaration, Bylaws and protective covenants of the **COBBLESTONE CONDOMINIUMS** by appropriate action.
- (d) To promulgate and adopt rules and regulations for the use of the common elements and for the occupancy of the units so as not to interfere with the peace and quiet of all the residents. Such rules must be approved at any regular or special meeting of the Association by at least two-thirds of the voting interest of the Unit Owners in the condominium.
- (e) To provide for the management of the **COBBLESTONE CONDOMINIUMS** by hiring or contracting with suitable and capable management and personnel for the day-to-day operation, maintenance, upkeep and repair of the general common and limited common elements.
- (f) To levy assessments as allowed by the Declaration, these Bylaws and the State of Montana, and to provide for the collection, expenditure and accounting of said assessments.
- (g) To pay for the expenses of the maintenance, repair and upkeep of the general common elements and the limited common elements, and to approve payment vouchers either at regular or special meetings.
- (h) To delegate authority to the Manager for the routine conduct of condominium business, however, such authority shall be precisely defined with ultimate authority at all time residing in the Board of Directors.
- (i) To provide a means of hearing grievances of Unit Owners and to respond appropriately thereto.

- (j) To meet at regularly scheduled times and to hold such meetings open to all Unit Owners or their agents.
- (k) To prepare an annual budget for the condominium in order to determine the amount of the assessments payable by the Unit Owners to meet the general common and limited common expenses, and allocate and assess such charges among the Unit Owners according to their respective interests in the general common and limited common elements. Such annual budget shall be presented to the unit owners at the annual meeting each year, and shall be voted upon and approved by a majority of the unit owners in attendance or by proxy at that meeting.
- (l) To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses, costs, or additional capital expenses, or because of emergencies.
- (m) To take appropriate legal action to collect any delinquent assessments, payments or amounts due from Unit Owners, or from any person or persons owing money to the condominium, and to levy a penalty and to charge interest on unpaid amounts due and owing. However, other than for the collection of delinquent assessments or accounts, the Board shall not initiate any litigation or lawsuit without prior approval of at least two-thirds of the voting interest of the Unit Owners in the condominium.
- (n) To defend in the name of the Association any and all lawsuits wherein the **COBBLESTONE CONDOMINIUMS** is a party defendant.
- (o) To enter in to contracts necessary to carry out the duties herein set forth.
- (p) To establish a bank account for the **COBBLESTONE CONDOMINIUMS**, and to keep therein all funds of the Association. Withdrawal of monies from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors.
- (q) In general, to act for and carry on the administration and affairs of the Association as authorized and prescribed by the Declaration, and to do all those things which are necessary and reasonable in order to carry out the governance and operation of the **COBBLESTONE CONDOMINIUMS**.
- (r) To make repairs, alterations, additions and improvements to the general common and limited common elements consistent with managing the condominium in the best interests of the Unit Owners.





- (s) To provide for the perpetual maintenance of the general common open area and landscaping, the parking areas and driving lanes, and to make any assessments necessary for such maintenance as provided herein.
- (t) To arrange, keep, maintain and renew the insurance for the Association as set forth in the Declaration.
- (u) To carry out the duties and responsibilities of the Board in all other matters as may be authorized, needed or required by the Declaration.

IX.

**VACANCIES AND REMOVAL**

Should a vacancy occur on the Board of Directors, the Board, subject to the exception described below, shall appoint a member of the association to serve for the unexpired term. Such vacancy shall be filled no later than the next regular Board meeting after which it occurs. Should such vacancy not be filled by the Board at the next regular meeting of the Association, the Association may fill such vacancy.

At any regular or special meeting of the Association, any member of the Board may be removed by a majority of the voting interests in the **COBBLESTONE CONDOMINIUMS**. Such vacancy shall be filled by the Association. Such removal matter must be announced in the notice of such regular or special meeting. The personal delivery of such notice by the Secretary of the Association shall be considered notice served.

X.

**COMPENSATION**

No member of the Board of Directors shall receive any compensation for acting as such. Nothing herein, however, shall be construed to preclude compensation being paid to Managers who are hired by the Board of Directors.

XI.

**MANAGERS**

In the event that the Board of Directors elects to hire a Manager, the Manager shall be appointed and/or removed by the Board of Directors. The Manager [or any member of the Board or Association handling Association funds or having power to withdraw or spend such funds] may be required to be bonded, and shall maintain records of the financial affairs of the condominium. Such records shall also detail all assessments made by the Association and the status of payments of said assessments

by all Unit Owners. All records shall be available for examination during normal business hours to any Unit Owner or their assigned representative. All functions and duties herein provided for the Manager may be performed by the Board, or the Chairman, if the Board should decide not to have a Manager.

- (a) Accounts: The receipts and expenditures of the Association shall be under the direction of the Manager and be classified as appropriate into general common expenses and limited common expenses, and shall include a provision for current expenses which shall include all receipts and expenditures to be made within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or betterments. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year. Other budget items may be provided for in the discretion of the Manager.
- (b) Budget: The Manager, or if no manager has been appointed, the Board, shall prepare and submit a budget to the Board and the unit owners each calendar year, which must be approved and adopted by the Board, and a majority of the unit owners in attendance at the annual meeting. The budget shall include the estimated funds required to defray the general common and limited common expenses, and to provide and maintain funds for the foregoing accounts according to good accounting practices.
- Copies of the budget and proposed assessments shall be transmitted to each member on or before August 15 of the year preceding the year for which the budget is made. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each member.
- (c) Financial Report: An audit and financial report of the accounts of the Association shall be made annually. The audit and financial report may be made either by the Manager, the Treasurer of the Association, or by a Certified Public Accountant. The Board of Directors shall determine who shall complete the audit and financial report. A copy of the financial report shall be furnished to each member no later than March 1<sup>st</sup> of each year for which the report is made.

The Manager shall generally operate and manage the condominium for and on behalf of the Unit Owners and shall have such other powers and authority as the Board may designate. If there is no Manager or if the Manager resigns, is terminated or his contract expires, the Board shall perform all the duties of the Manager.

## XII.

## **AMENDMENT OF BYLAWS**

These Bylaws may be amended at any regular or special meeting of the Association providing that a copy of the proposed revision is included in the notice of such meeting. Upon a vote of over seventy-five percent (75%) of the aggregate voting interest in the condominium, the amendment shall be declared adopted. The Secretary shall as soon as practicable after adoption, prepare a copy of these Bylaws as amended for certification by the Chairman and Secretary of the Association. Such amended and certified Bylaws shall then be filed and recorded in the office of the Clerk and Recorder of Gallatin County, State of Montana. Bylaws as amended shall become effective at the time of such recording.

### **XIII.**

## **ASSESSMENTS**

In accordance with the percentage of interest in the general common elements as set forth in the Declaration, each Unit Owner shall be assessed for general common expenses. Such assessments, and assessments for limited common expenses, shall be collected and paid according to the terms and under the procedures more particularly set forth in the Declaration. The amount of assessments described **above and any other assessments allowed by these Bylaws, the Declaration, and by the State of Montana**, shall be fixed by the Board of Directors in accordance with the budget presented and approved by the unit owners at the annual meeting. Notice of each owner's assessments shall be mailed to said owner at his address of record.

### **XIV.**

## **THE DECLARATION**

The undersigned has filed, along with these Bylaws, a Declaration whereby the properties known as the **COBBLESTONE CONDOMINIUMS** are submitted subject to Title 70, Chapter 23, MCA. The Declaration shall govern the acts, powers, duties and responsibilities of the Association of Unit Owners, and in the event these Bylaws and the Declaration are in conflict, the Declaration shall prevail.

The definition of terms set forth in the Declaration shall be applicable throughout these Bylaws and the interpretation thereof.

By virtue of these Bylaws and the Declaration, each Unit Owner has the right to membership in the Association of Unit Owners and any Unit Owner may be on the Board of Directors of the **COBBLESTONE CONDOMINIUMS**.

The **COBBLESTONE CONDOMINIUMS** Association of Unit Owners and its Board of Directors shall have the primary and final authority on all matters solely affecting the condominium area, subject to the laws, rules and regulations of the County of Gallatin, and the State of Montana.

**IN WITNESS WHEREOF**, the undersigned, as the owner of record of all of the condominium units and 100% of the voting interests of the **COBBLESTONE CONDOMINIUMS** as of the date hereof, hereby appoints the following persons to serve on the Board of Directors and as officers until the first annual meeting of the Association, to-wit:

**LARRY D. SCHROEDER**

And the Declarant hereby declares and affirms the adoption of the foregoing Bylaws on the \_\_\_\_\_ day of \_\_\_\_\_, 2005.

*Schroeder Homes Inc., by Larry D. Schroeder President*  
**SCHROEDER HOMES, INC by LARRY D. SCHROEDER, President**

STATE OF MONTANA     )  
                                      :ss.  
County of Gallatin     )

On this 13<sup>th</sup> day of April, 2005, before me, a Notary Public for the State of Montana, personally appeared LARRY D. SCHROEDER, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

\* President of Schroeder Homes, Inc

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



*Teri Egan*

Notary Public for the State of Montana

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

My Commission expires: \_\_\_\_\_

Teri Egan  
Notary Public for the State of Montana  
Residing at Bozeman, Montana  
My Commission Expires October 21, 2008

**SECOND AMENDMENT**  
**TO**  
**DECLARATION for the**  
**COBBLESTONE CONDOMINIUMS**

This Second Amendment, made, entered into and executed this 2 March 2006, by the undersigned Declarant, is as follows:

**WITNESSETH**

WHEREAS, a Declaration for the Cobblestone Condominiums was filed and recorded in the office of the Gallatin County Clerk and Recorder as Document No. 2184326; and

WHEREAS, a First Amendment to the Declaration for the Cobblestone Condominiums was filed and recorded in the office of the Gallatin County Clerk and Recorder's Office as Document No. <sup>2185250</sup> / ; and

WHEREAS, the Declarant is the duly elected President of the Association of Unit Owners of Cobblestone Condominiums; and

WHEREAS, pursuant to a special ballot vote taken affirmatively by more than 75% of the entire Unit Owners, the Association, acting by and through the Declarant, is desirous of clarifying by this Second Amendment certain aspects of the Condominium Declaration previously recorded as described above and to add an additional building to Cobblestone Condominiums and additional Unit Owners to the Association, to be bound by the provisions of the Declaration and Bylaws and Amendments thereto.

NOW, THEREFORE, the Declarant does hereby set forth and establish this



Second Amendment to the Declaration for the Cobblestone Condominiums as follows:

- 1. That the recitals as set forth above are hereby incorporated herein by reference.
- 2. That the title of the document shall hereafter be known and referred to as Declaration and Bylaws for the Cobblestone Condominiums.
- 3. That the unit designations shall be and are hereby modified as follows:

<u>UNIT NO.</u>	<u>SQUARE FOOTAGE</u>	<u>PERCENT OF INTEREST IN GENERAL COMMON ELEMENTS</u>
872	1506	3.129%
874	1506	3.129%
876	1506	3.129%
878	1506	3.129%
890	1506	3.129%
892	1506	3.129%
894	1506	3.129%
896	1506	3.129%
922	1506	3.129%
924	1506	3.129%
926	1506	3.129%
928	1506	3.129%
940	1506	3.129%
942	1506	3.129%
944	1506	3.129%
946	1506	3.129%
962	1506	3.129%
964	1506	3.129%
966	1506	3.129%
968	1506	3.129%
970	1458	3.129%
972	1458	3.129%
974	1458	3.129%
976	1458	3.129%
1012	1506	3.129%
1014	1506	3.129%
1016	1506	3.129%
1018	1506	3.129%
1030	1458	3.129%
1032	1458	3.129%
1034	1458	3.129%
1036	1458	3.129%



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4. That the provisions of this Second Amendment shall be construed to be covenants running with the land and shall include the new Units and bind the new Unit owners, their heirs, successors, personal representatives and assigns for as long as the Declaration and Bylaws for Cobblestone Condominiums, and all Amendments thereto, are in effect.
5. That attached hereto and marked as Exhibit "A" for identification and by this reference fully and completely incorporated herein, are the floor plan of the added subject Condominiums, Unit Nos. 872, 874, 876, 878, 890, 892, 894, 896, 922, 924, 926, 928, 940, 942, 944 and 946, together with the floor plans of existing Unit Nos. 962, 964, 966, 968, 970, 972, 974, 976, 1012, 1014, 1016, 1018, 1030, 1032, 1034 and 1036, with unit designations consistent with this Second Amendment, which exhibit is intended to and does by this reference modify the exhibits attached to the initial Declaration and First Amendment thereto described above.
6. That except for the specific changes and amendments set forth herein, each and every one and all of the terms and conditions of the original Declaration and First Amendment remain in full force and effect, except where modified or inconsistent with the provisions of this Second Amendment.

That Declarant hereby executes this Second Amendment pursuant to the power vested in him by the Unit Owner's Association pursuant to the Declaration and Bylaws and Articles of Incorporation of the Cobblestone Condominiums and pursuant to the



Shelley Vance-Gallatin Co MT MISC

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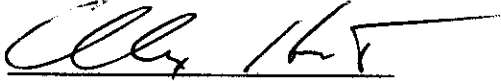
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approval and vote of more than seventy-five percent (75%) of the total percentage vote of the Unit Owners.

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and seal as of the day and year first above written.

**THE ASSOCIATION OF UNIT  
OWNERS OF COBBLESTONE  
CONDOMINIUMS**

By   
**Alex Hunt**

**Its: President**

**STATE OF MONTANA     )**

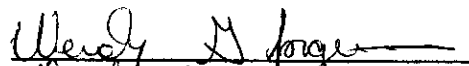
**:ss.**

**County of Gallatin     )**

On this 2 day of March, 2006, before me, a Notary Public for the State of Montana, personally appeared ALEX HUNT known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same on behalf of the Association of Unit Owners of Cobblestone Condominiums pursuant to the power and authority vested in him.

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



  
Wendy G. Jorgensen  
Notary Public for the State of Montana  
Residing at: Manhattan  
My Commission Expires: Mar 8, 2008



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REGISTERED PROFESSIONAL LAND SURVEYOR'S CERTIFICATE

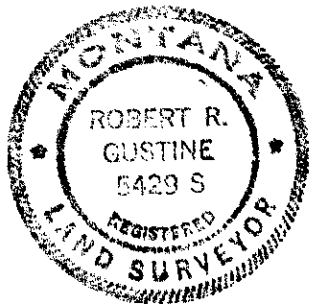
The undersigned, being a duly registered professional land surveyor in the State of Montana, herewith certifies the following:


That pursuant to the provisions of MCA 70-23-306(2), the floor plans for the COBBLESTONE CONDOMINIUMS located on:

THE LEGAL DESCRIPTION OF THE PROPERTY IS ATTACHED  
HERETO AS EXHIBIT A.

As duly filed with the Declaration and Bylaws thereof, depict the layout of the units and floors of the building as of this date.

Dated: 3/16/06



  
Registered Professional Land Surveyor  
Registration No. 5429 S



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## **COBBLESTONE CONDOMINIUMS**

### **Exhibit "A"**

#### **Legal Description**

Lots 1, 2, 3, 4, 5, 6, 7 and 8 in Block 4 of River Rock Subdivision, The Villas, in Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder, Gallatin County, Montana. (Plat Reference: J-344)

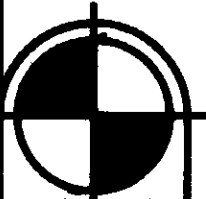
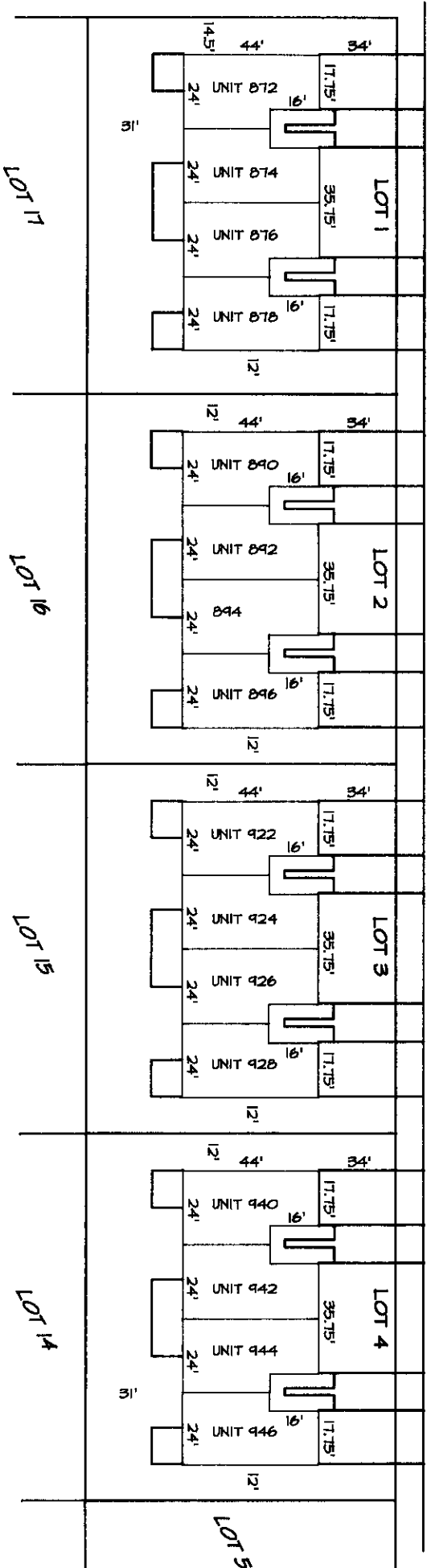




SITE PLAN COBBLESTONE CONDOMINIUMS  
LOTS 1, 2, 3, 4, 5, 6, 7, AND 8, BL. 4, OF RIVER ROCK SUBDIVISION, THE VILLAS (PLAT J-344)

NORTH RIVER ROCK DRIVE

EAST VILA RD.



**SURVCO**  
SURVEYING, INC.  
PROFESSIONAL LAND SURVEYORS  
P.O. BOX 5727 151 EVERGREEN DRIVE  
BOZEMAN, MT 59715 PH(406)567-5407



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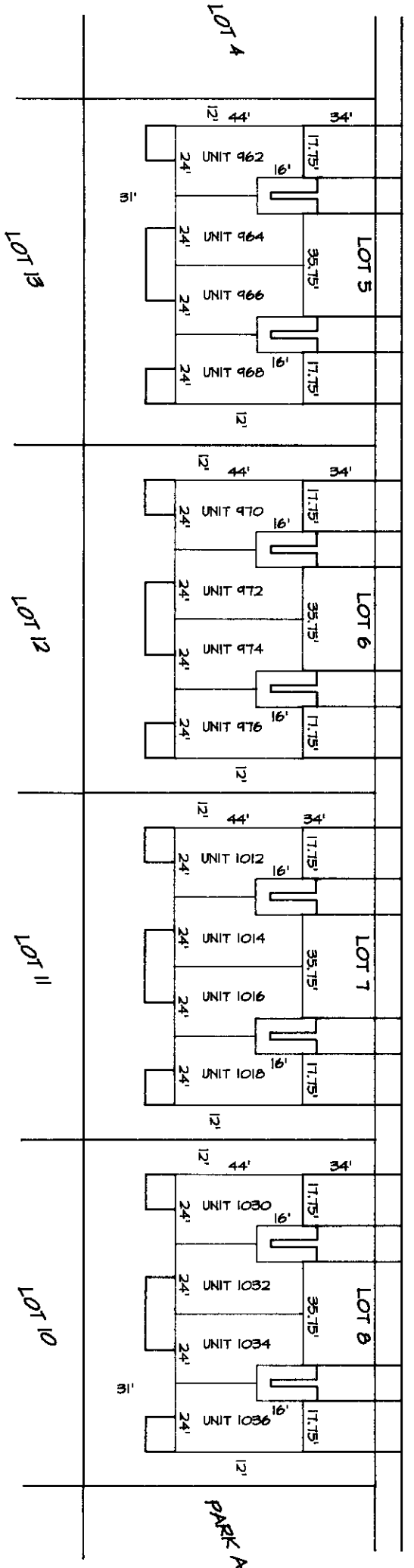
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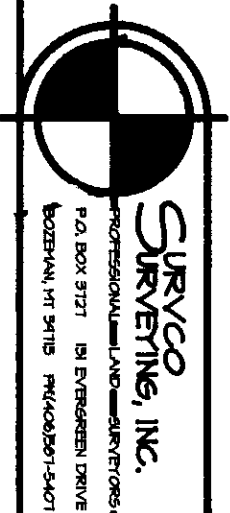
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SITE PLAN COBBLESTONE CONDOMINIUMS  
LOTS 1, 2, 3, 4, 5, 6, 7, AND 8, BL.4, OF RIVER ROCK SUBDIVISION, THE VILLAS (PLAT J-344)

NORTH RIVER ROCK DRIVE

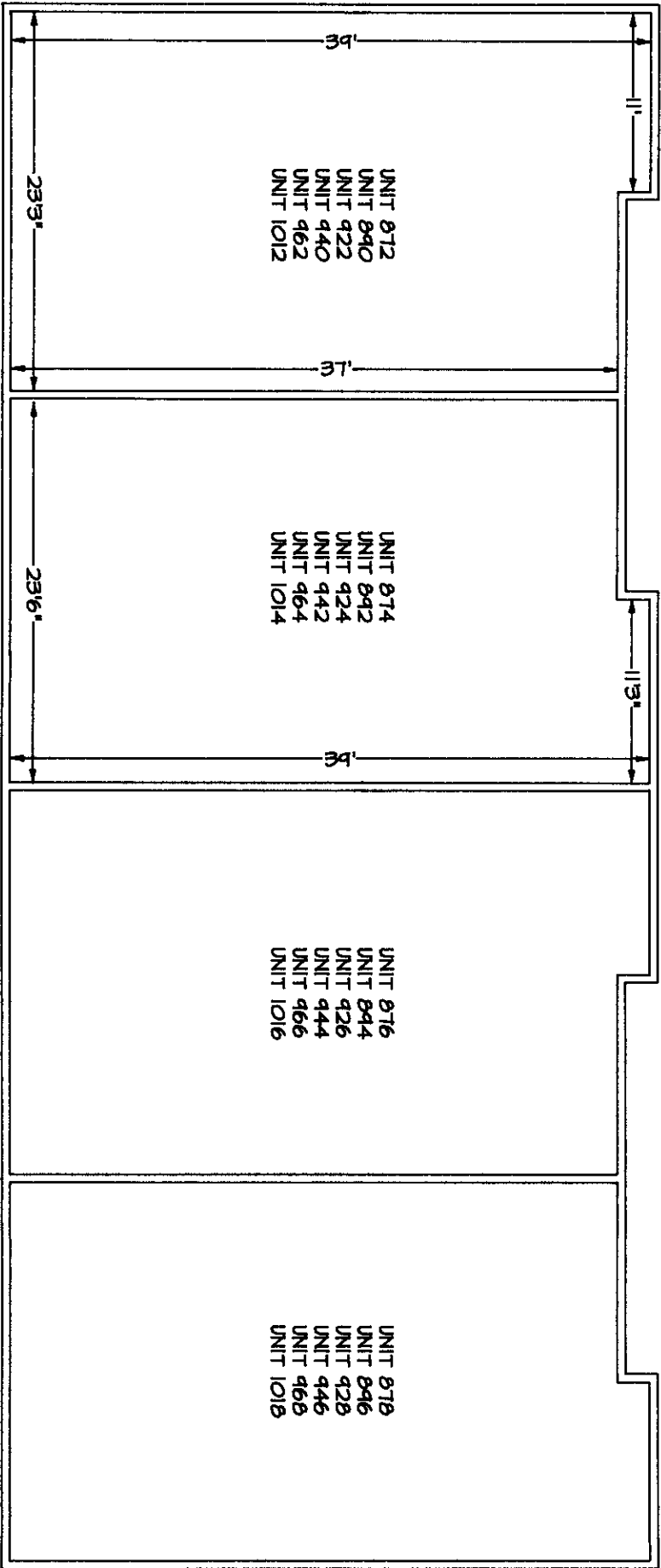


PARK A





FLOOR PLAN FOR COBBLESTONE CONDOMINIUMS



SECOND FLOOR INTERIOR DIMENSIONS

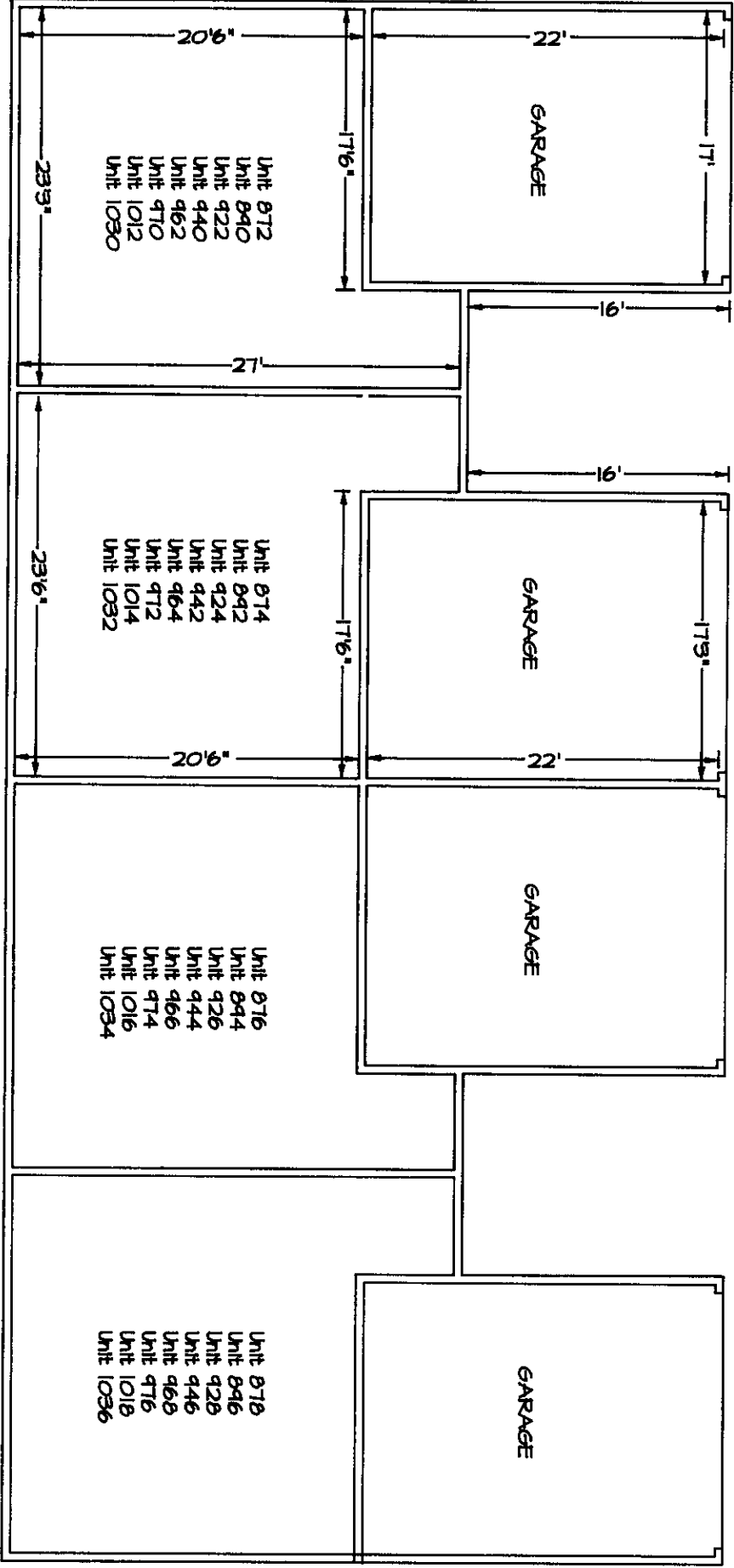




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FLOOR PLAN FOR COBBLESTONE CONDOMINIUMS

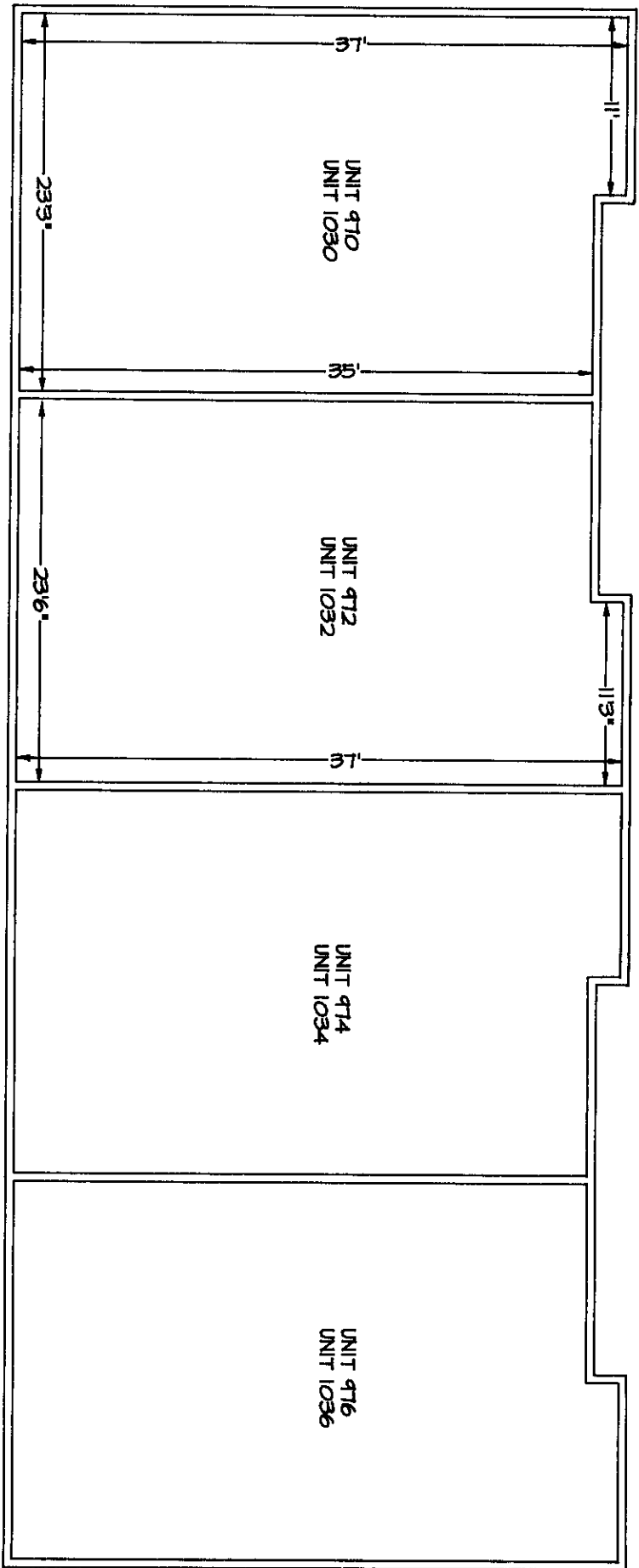


FIRST FLOOR INTERIOR DIMENSION





FLOOR PLAN FOR COBBLESTONE CONDOMINIUMS



SECOND FLOOR INTERIOR DIMENSIONS



**REPLACEMENT, RESTATEMENT, AND AMENDMENT TO FIRST AMENDED  
DECLARATION OF COVENANTS, CONDITIONS,  
AND RESTRICTIONS FOR RIVER ROCK,  
GALLATIN COUNTY, MONTANA,**

**Recorded:**

**August 4, 1999, in Film 201, Page 2283  
Records of Gallatin County, Montana**

**Amended:**

**September 14, 1999, in Film 202, Page 4506  
July 6, 2000, in Document #2015882  
May 22, 2002 in Document #2069900  
Records of Gallatin County, Montana**

For the purpose of replacing, restating and consolidating the original "First Amended Declaration of Covenants, Conditions and Restrictions" dated August 4, 1999 and the related amendments of record, and to further amend.

**RECITALS**

**WHEREAS**, on the 20<sup>th</sup> day of September, 1978, at Film 46, Page 373, the Protective Covenants of Royal Village, First Phase, were recorded in the office of the County Clerk and Recorder's office; and

**WHEREAS**, on the 4<sup>th</sup> day of August, 1999, at Film 201, Page 2283, records of the Gallatin County Clerk and Recorder, the First Amended Declarations of Covenants, Conditions, and Restrictions for River Rock Subdivision were placed of record; and

**WHEREAS**, on the 14<sup>th</sup> day of September, 1999, at Film 202, Page 4506, and on the 6<sup>th</sup> day of July, 2000, as Document No. 2015882, and on the 22<sup>nd</sup> day of May, 2002, as Document No. 2069900, Amendments to the First Amended Declaration of Covenants, Conditions and Restrictions for River Rock Subdivision were placed of record; and

**WHEREAS**, the River Rock Property Owners Association conducted a mail ballot vote whereby the following sections were amended according to the provisions of Article XI, Section 5:

- Article IV, Section 3 - Maximum Annual Assessment
- Article VII, Section 2 - Easements
- Article VIII.A., Section 14 - Antennas and Satellite Dishes
- Article VIII.B., Section 14 - Antennas and Satellite Dishes
- Article VIII.E., Section 15 - Antennas and Satellite Dishes
- Article VIII.F., Section 16 - Antennas and Satellite Dishes
- Article X, Section 6.b - Fireworks
- Article X, Section 5 - Recreational Equipment
- Article X, Section 8 - Street Parking

**WHEREAS**, the undersigned with the full authority and power to modify and amend the covenants, conditions and restrictions above-referenced does hereby declare as follows:

1. That the recitals as set forth above are hereby incorporated herein by reference.
2. That the covenants, conditions and restrictions above-referenced are hereby revised, replaced and amended with the recording of this document.





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Gallatin County, Montana

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Shelley Vance-Gallatin Co MT MISC 202.00

## INTRODUCTION

The original Royal Village Phase One Subdivision Plat had Covenants, Conditions and Restrictions which were recorded September 20, 1978 at film 46 Page 373 records Gallatin County Clerk & Recorder. These Royal Village Phase One Covenants are simultaneously revised and replaced with the recording of these River Rock Covenants.

It is the general intent of this document to establish the legal authority for and to list the Covenants that pertain to the various properties within the River Rock development and to establish the River Rock Property Owners Association, Board of Directors and Architectural Review Committee.

The Covenants detail how the various properties within River Rock are to be developed and maintained beyond the minimum requirements of the River Rock Zoning Ordinance. Attached for reference is the Gallatin County-River Rock Zoning Map as Exhibit I. The entire River Rock Zoning Ordinance is available through the Gallatin County Planning Office. More specifically, the Covenants define how buildings and properties within River Rock are to be designed, landscaped and maintained.

When a lot is purchased in River Rock, the owner automatically becomes a member of the River Rock Property Owners Association. The Owners Association is run by a Board of Directors. It is the Board of Directors duty to implement, administer and enforce all the Covenants including protection and maintenance of common areas, buffer easements, roads, stormwater facilities, irrigation ditch maintenance, common utility facilities and other assets common to the Property Owners Association.

The Architectural Review Committee will be the Board of Directors or property owners chosen by the President of the Board of Directors. The Architectural Review Committee's duty is to, in general, approve or disapprove the building plans, site plans, and landscape plans submitted to it by the individual lot owners.

River Rock falls within the River Rock Zoning District of Gallatin County, Montana and the River Rock Zoning Ordinance and corresponding River Rock Master Plan are the governing administrative documents enforced by Gallatin County. The River Rock Covenants, Conditions and Restrictions are in addition to the basic Zoning District regulations and provisions which are administered by Gallatin County.

The River Rock Master Plan includes various land use areas that are subject to these Covenants with certain areas having specific requirements appropriate for those areas. The intent of the Covenants is to achieve compatibility between the different land use categories so that the entire community maintains an aesthetic continuity and property values are protected and that the health, safety and welfare of the populous is maintained.

Outlined below are the existing and proposed areas within the River Rock project and the uses defined for those areas:

Please see Exhibit II - River Rock Community - Areas Map

River Rock West:

- Includes:
  - 252 single-family residential lots (R2) - Residential-Single-Family, Medium Density
  - 40 duplex townhome residential lots (R2) - Residential-Single-Family, Medium Density
  - 25 four-plex (multi-family) residential lots (100 units) R-TH-Residential-Medium Density Townhouses
  - 7.6 acre apartment site (2 lots) for up to 140 residential units (APT) Apartments
  - 4.5 acre storage area (2 lots) (STG) - Storage Facilities/Garages
  - 40 Traditional Style Single Family Lots
- For modular and/or site constructed housing units on lots

River Rock Village:

- Central River Rock Park (PLI)-Public Lands and Institutions
- Entrance Park (PLI)-Public Lands and Institutions
- Commercial area (B-3)-Central Business (7 lots)
- For modular and/or site constructed commercial buildings on lots

River Rock East:

- Green Belt Park (PLI) Public Lands and Institutions
- 47 Single-family residential lots (R2)-Residential-Single-Family, Medium Density
- School site (500 student K-4) (PLI) Public Lands and Institutions
- For manufactured housing units on lots

River Rock North: (Residential Park)

- River Rock North Park (PLI) Public Lands and Institutions
- Green Belt Park (PLI) Public Lands and Institutions
- 215 Manufactured Home Rental Spaces (RMH) Residential Mobile Home
- Wastewater utility area (PLI) Public Lands and Institutions
- Manager's/Administrative Center (RMH) Residential Mobile Home
- For manufactured housing units on lots

River Rock Traditions:

- 202 Traditional Single-Family Residential Lots (R-2)
- Green Belt Park (PLI) Public Lands and Institutions
- For modular and/or site constructed housing units on lots

River Rock Villas:

- 39 4-plex (multi-family) residential units (156 units minimum) R-TH Residential-Medium Density Town homes
- For modular and/or site constructed housing units on lots

**WITNESSETH:**

**WHEREAS,** Declarant is the owner of certain property in the County of Gallatin, State of Montana, which is more particularly described as:

River Rock Subdivision including Royal Village Subdivision, Phase One (1978), located in the South ½ of Section 3, Township 1 South, Range 4 East, P.M.M., Gallatin County, Montana.

The original Royal Village Phase One Subdivision Plat had Covenants, Conditions and Restrictions which were recorded September 20, 1978 at film 46 Page 373 records Gallatin County Clerk & Recorder. These Royal Village Phase One Covenants are simultaneously revised and replaced with the recording of these River Rock Covenants.

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

**GALLATIN COUNTY PLANNING DEPARTMENT  
REQUIRED COVENANTS**

The property owners' association shall be responsible for the control of County-declared noxious weeds.

The control of noxious weeds by the Association on those areas for which the Association is responsible 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 landowner does not control the noxious weeds, after 10 days notice from the property owners' 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 30 days of the mailing of such assessment.

Lot owners and residents of the mobile home park 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 odor, 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.

All new dwellings or home business occupancies built prior to the provision of an adequate water supply for fire fighting purposes shall be constructed with an automatic fire sprinkler system meeting the requirements of NFPA 13D/Uniform Fire Code. The fire district shall receive a stamped set of engineered sprinkler system plans for review and approval prior to construction. Inspections shall be scheduled, with 48-hour notice, during construction and after completion.

Mobile home stands shall be equipped with anchors and tie-downs in conformance with the Uniform Building Code.

Each mobile home stand shall be constructed to provide adequate support for placement of each mobile home, including a stabilize sub-base alone with an appropriate base material (gravel, concrete, etc.) to be approved by the County Road & Bridge Department.

All exterior boundary fences shall be maintained by the property owners' association.

Only single-wide mobile homes are permitted on 50-foot-wide lots.

All residences shall have their addresses posted and addresses shall be visible from the roads.

Lot owners and residents 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 early in the morning and sometimes late into the evening.

Individual lot access from County public roads shall be built to the standards of Section 7.G.2 of the Subdivision Regulations.

The property owners' association shall be responsible for maintenance of interior subdivision roads.

All fences bordering agricultural lands shall be maintained by the property owners, in accordance with state law.

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.

## ARTICLE I - DEFINITIONS

Section 1. **"Association"** shall mean and refer to River Rock Property Owners Association, its successors and assigns.

Section 2. **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is part of the properties. Owner shall also include the purchaser under a Contract for Deed.

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

Section 4. **"Lot"** shall mean and refer to any plat of land shown upon any recorded subdivision of the properties.



Section 5. **"Declarant"** shall mean and refer to Valley Meadows, LLC and River Rock West, LLC. (Potter Clinton Development, Inc., Managing Member)

## **ARTICLE II - MEMBERSHIP AND VOTING RIGHTS**

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

Section 2. The term "Directors" shall mean the Directors of the Association and shall consist of three lot owners who shall be elected at the annual meeting by a simple majority of the members of the Association. That Board of Directors shall be elected for a term set by a simple majority of the membership but not less than one year. Each director shall serve until replaced by his successor. Any vacancy in the Board of Directors occurring before the next annual meeting of the members shall be filled by appointment by the remaining directors.

Section 3. 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.

Section 4. The Directors shall serve as the Architectural Review Committee until and unless a majority of the members vote to have a separate Architectural Review Committee.

Section 5. Directors shall also serve as officers which shall be designated by a simple majority of the members at the annual meeting unless and until a majority of the members vote to have officers elected separate and apart from the directors.

Section 6. The duties of each of the officers shall be as follows:

- a. President. The President shall preside over all meetings of the Association. He shall call the membership together whenever necessary. The President shall be the general administrative and executive officer of the Association. He shall perform such duties as may be specified, and exercise such powers as may be delegated to him by the Association.
- b. Vice President. The Vice President shall exercise the powers of the President in the absence of the President.
- c. Secretary/Treasurer. The Secretary shall give notice of all meetings of the Association. He shall keep a record of the proceedings of the meetings of the Association. He shall be authorized to sign, on behalf of the Association, all records, documents and instruments when such are authorized to be signed by the Association. He shall exercise such other duties as may be designated by the Association.

The Treasurer shall keep and maintain adequate and correct accounts of the properties and business of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains and losses of the Association. He shall prepare and render such periodic accountings as shall be required of the Association.

Section 7. A vacancy in any office of the Association shall be filled by appointment by the Board of Directors until the next annual meeting or his/her successor is duly appointed or elected.

Section 8. The annual meeting of the Association shall occur on May 1st of each year. Any special meeting may be called by the President, or in his absence, by the Vice President. In addition, a special meeting shall be held upon call of 25% of the owners. Special meetings shall require 48 hours notice, in writing. Notice of annual and special meetings shall be mailed to owners at the address for each owner which is listed as such on the official plats and records of Gallatin County, as maintained by the Clerk and Recorder, Gallatin County, or at such address as shall be designated, in writing, by owner. The presence of members representing 60% of the total votes of the membership shall constitute a quorum.

Section 9. If proposed action is favored by a majority of the votes cast at a meeting, but such vote is less than the requisite sixty percent (60%) of the members, members who were not present in person or by proxy may give their assent to any action in writing, provided the same is received by the appropriate officer of the Association not later than thirty (30) days from the date of such meeting wherein the action was voted on.

### **ARTICLE III - PROPERTY OWNERS ASSOCIATION**

The Association, acting through its Board of Directors, shall have the power and authority to take such actions as shall be necessary or reasonable to care for, protect and maintain the common areas, buffer easements, roads, stormwater facilities, common utility facilities and other assets; to enforce these Covenants; to collect assessments; to set annual and/or special meetings; and to act in any other matters set forth herein or which may serve the development, including the formation of special improvement districts, improvement districts for upgrades to Amsterdam Highway, either public or private, park districts, water and sewer company, shade tree district or other improvement districts for such improvements as the Association shall approve.

The Association shall hold an annual meeting each year at such date, place and time as shall be set by the Board of Directors. At the annual meeting, the members shall review and approve a budget for the next year, shall elect Directors to fill any expired term or vacant position, and shall conduct such other business as shall be reasonable or necessary to carry out the purpose of the Association. The members shall have the authority to set the number of Directors, which initial number and future minimum number shall be three.

The annual meeting of the Board of Directors shall be held immediately after the annual meeting of the members. At the annual meeting, the Directors shall elect a President, Vice President and Secretary/Treasurer for the Association from among the Directors, except that the Secretary/Treasurer may be a member who is not a Director.

For the purpose of determining membership, at any meeting a person(s) or entity (ies) shall be deemed to be a member upon the recording of a duly executed deed to an 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 vendor selling under contract shall not qualify such vendor for membership nor shall residents who are renters.

Foreclosure of a mortgage, trust indenture or the termination or foreclosure of a contract for deed wherein title is vested in the mortgage, beneficiary or original seller on a contract or repossession for any reason of a lot or unit sold under a contract shall terminate the vendee's membership, whereupon all rights to such membership shall vest in the legal owner.

#### **ARTICLE IV - COVENANT FOR MAINTENANCE ASSESSMENT**

**Section 1. Creation of the Lien for Personal Obligation of Assessments.** The Owner of any Lot by acceptance of a Contract of Sale or a deed therefore, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association (a) annual assessments or charges and (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time the assessment fell due.

**Section 2. Purpose of Assessments.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties.

**Section 3. Maximum Annual Assessment.** Until January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment shall be as follows:

- \$300.00 per detached single family living unit or fee-simple duplex living unit.
- \$255.00 per four-plex living unit
- \$233.00 per six-plex living unit
- \$210.00 per eight-plex living unit
- \$165.00 per twelve-plex living unit
- \$300.00 per Commercial lot.

Notwithstanding any other provision herein, no Lot owned by Declarant shall be subject to annual or other special assessments unless and until such Lot has been sold or transferred to a third party. Thereafter, annual assessments shall be determined by the Board of Directors, provided, however, that from January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may not be increased each year more than ten percent (10%) above the maximum assessment for the previous year without the vote or written assent of sixty percent (60%) of the membership.

**Section 4. Notice of Quorum for any Action Authorized Under Section 3.** Any action authorized under Section 3 shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than ten (10) days in advance of the meeting.



Section 5. **Uniform Rate of Assessment.** Both annual and special assessments must be fixed at a uniform rate for all deeded Lots including consideration for total numbers of dwelling units and commercial uses.

Section 6. **Date of Commencement of Annual Assessments - Due Dates.** The annual assessments provided herein shall be levied on the first day of January following the closing of the sale to an individual Owner. Voting rights attributable to property interest shall not vest until assessments against those interest have been levied by the Association. The first annual assessment for each Lot shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each deeded Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on specific Lot have been paid.

Section 7. **Delinquent Dues and Assessments.** After any dues or assessments have been delinquent for a period of two months or more, the Association may mail to the owner a notice of delinquency. After any dues or assessments have been delinquent for a period of four months or more, the Association shall be entitled to file a lien against the owner's property, provided said Association has given notice of delinquency 30 days in advance which shall be filed in accordance with the provisions of Title 71, Chapter 3, M.C.A. The Association shall have all rights and remedies as provided herein.

The Declarant and each Lot Owner, by entry into an agreement to purchase a Lot and taking title to the same, waive the right to protest any special improvement district created and of public record in existence prior in time to Owner receiving title to any Lot. In this regard, Owner, prior to taking title to a Lot, is advised to review or seek advice with respect to the public record in the Gallatin County Clerk and Recorder's Office.

#### **ARTICLE V - SIDEWALKS (Sidewalk Exhibit III)/DRIVEWAYS-PARKING**

Sidewalks, constructed to the attached standards Exhibit III, shall be installed on both sides of the streets at the time houses are constructed on individual lots. Upon the third anniversary (3 years) of each final plat phase recordation, any Lot Owners who have not constructed their sidewalks shall be required to install sidewalks on their lots, regardless of whether a home is constructed on the Lot or not. In the event that said Lot Owner shall fail to do so, the Association may do so and the cost shall be added to and become a part of the assessment to which such Lot is subject.

All driveways and parking areas or spaces are to be concrete or asphalt.

#### **ARTICLE VI - MAINTENANCE**

Owners are required to establish lawn or other suitable landscaping for their Lot. They shall also mow, irrigate, control noxious weeds and otherwise maintain their Lot and the right-of-way boulevard that adjoins their Lot so that the landscaping does not detract from the general appearance of the subdivision in the opinion of the Architectural Review Committee. To prevent the potential for groundwater contamination, the amount and type of chemicals applied to yards shall be restricted to acceptable standards.

In the event that the need for maintenance or repair or weed control is caused through the willful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject. For purposes of this Article, maintenance and repair caused by willful acts of the Owners shall include maintenance and repairs required as a result of utility repairs or other actions or contractors or agents of the Owner performed outside the boundary of his Lot.

The Covenants and Restrictions of this Declaration on exterior maintenance shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association and the Owner of any Lot subject to this Declaration.

## ARTICLE VII - UTILITIES

**Section 1. Refuse Disposal.** No part of the above described property shall be used or maintained as a dumping ground for rubbish, trash or garbage. All waste shall be kept in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and shall comply with all applicable laws and regulations.

**Section 2. Easements.** At no time will patios, barbecues or other permanent structures be erected upon any utility easement within the exterior boundary of a Lot. Fencing of a permanent nature shall be permitted only if it is of a type that is easily and quickly removed in the form of panels, gates or other similar units of construction. Except as otherwise approved, if a fence is constructed in such a way so that the easement area within the lot is effectively separated from the yard area, the separated easement area must be minimally improved as follows:

- Commercial grade weed barrier must be installed over entire area between fence and property line
- 4" of 3/4" minus or smaller gravel must be installed over the entire weed barrier area.

**Section 3. Reservations of Utility Easements.** Each lot in the above-described property shall be subject to an easement for the purposes of constructing, operating, maintaining, enlarging, reducing, removing, laying or relaying lines and related facilities and equipment for utilities including but not limited to those providing heat, communication and electrical power.

## ARTICLE VIII - ARCHITECTURAL CONTROLS

A. RIVER ROCK WEST RESIDENTIAL LOTS (single family residences, duplex townhomes & 4-plexes.)

**Section 1. Temporary Residential Structures Forbidden.** No residential structure of a temporary character, residential trailer, basement, tent, shack, or any other residential outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently. All structures must be maintained in a reasonable manner to present a neat and attractive exterior appearance.

**Section 2. Minimum Residence Requirements.** All single family dwellings shall have a minimum of 1,000 square feet of floor space together with at least a single-car attached or detached garage. The 1,000 square feet must be at daylight level or above grade and is excluding basements, garages, carports, porches, etc. All duplexes and townhouses and 4 plexes shall have a minimum of 900 square feet and at least a single car attached or detached garage for each unit. It is the

intention of this covenant to insure that all dwellings shall be of a quality workmanship and materials substantially the same as, or better than, other dwellings in the River Rock West area conform with the Uniform Building Code (UBC). Applicable requirements of Gallatin County and the Montana Building Code shall also be met. All plans must be approved by the Architectural Review Committee. Plans shall include a scaled site plan at 1" = 20' scaled floor plans and elevations. A list of exterior materials and colors shall also be submitted. There shall be no construction work initiated without a Land Use Permit issued by Gallatin County and without written approval of the plans by the Committee. All building construction and landscaping must conform to both the final approved plans by the Committee.

Section 3. **Landscape Plan.** Landscaping plans emphasizing lawn areas shall be submitted to the Architectural Review Committee for their approval and the landscaping shall be completed within twelve (12) months after the Owner's first occupancy of the residence. As part of the landscape plan the requirement for boulevard trees shall be as required. Patmore Ash shall be planted 3' behind street edge sidewalk on 20' to 30' centers. This shall include a minimum of two boulevard trees per lot.

Section 4. **Exterior Siding.** The exterior siding of the structure shall consist of wood, wood look-alikes or wood products, brick, stone, stucco or other manufactured exterior good quality materials, including insulated metal or vinyl siding. However, no sheet or panel metal siding nor cement block siding is allowed. No plywood sheet siding is allowed.

Section 5. **Roofs of Structures.** The roofs shall be covered with shakes, tiles or shingles and no rolled roofing shall be allowed. Exposed aluminum or silver flashing around the chimneys or roof valleys shall not be allowed unless colored to match the trim or color of the roof. Steel galvanized gutters are not allowed. The roofs shall have a minimum pitch of 4/12. Further, all structures shall be constructed so that the roof overhang and gable end are a minimum of 12 inches.

Section 6. **Foundation of Structures.** Within River Rock West, all foundations for residential units shall be constructed from masonry materials, foundations constructed from wood or other materials are expressly prohibited. Exposed concrete shall be limited to a maximum of 12" from the bottom of siding to the finish grade.

Section 7. **Colors of Structures.** The exterior colors of the structures shall be earth tones, pastels, white or wood colors. No bright or shiny colors on exterior siding shall be allowed. For example, bright oranges, royal blues, pinks, purples and like bright colors are not allowed. Colors are to be compatible with the balance of the neighborhood.

Section 8. **Exterior Structures.** The exterior design, style and colors of each of the outbuilding and structures on a Lot shall conform to the design, style and colors of the residence. Roof fascia trim on any structure constructed on the real property which is the subject of this Declaration shall extend downward on the roof and be visible for at least 4 inches. The building should be a visual combination of forms that does not give a "box" appearance. Breaks in the roof lines and wall lines that add interest to the form and help define the design of the building are encouraged.

Section 9. **Entrances.** The main entrance to the living structures shall be architecturally defined and enhanced by incorporation an entry porch or gable extending over the entrance denoting

a clear sense of arrival. It shall provide weather protection and visual definition. A concrete walk shall be provided from the driveway to the main entrance.

**Section 10. Architectural Enhancement.** Any River Rock West residential structure constructed shall contain an offset or setback in its architectural design and construction of a minimum of 2 feet between the residence and attached garage or, in the alternative, a 2 foot offset or setback of at least 30% of the total linear distance of the front facade of the residence or other consideration approved by the Architectural Review Committee.

**Section 11. Zoning Regulations.** The height of structures erected within the confines of the real property which is the subject of this Declaration shall be controlled by the zoning and other appurtenant regulations enacted by Gallatin County. Single-family and duplex townhome residential structures shall conform to the R-2 Single Family Zoning Regulations with height limitation of 24' and 4 plex structures shall conform to the RTH Zoning Regulations with height limitations of 32'.

**Section 12. Accessory Buildings.** All necessary buildings, such as garages and storage buildings, shall be approved by the Architectural Committee and shall be architecturally compatible with the residence on or being constructed on the Lot.

**Section 13. Fencing.** Backyards and side yards may be fenced with wood or materials that look like wood. The front yard toward the public road shall not be fenced. No chain link or wire fences shall be allowed. Fences shall be maintained in good condition. Fences cannot be higher than six feet.

**Section 14. Antennas and Satellite Dishes.** Except as otherwise approved, no resident shall have visible from the public street right-of-way any antennae or satellite dish. In no case shall a satellite dish exceed 20" in diameter.

**Section 15. Dog Kennels.** No dog kennels, fenced dogs or chained dogs are allowed on the 4 plex lots (RTH). Dog kennels with concrete floors are allowed for single family and duplex townhomes provided they do not exceed 10 feet by 20 feet in size and are located in the rear yards and screened or fenced from the neighbor's view. Such kennels are to be kept in a clean and odor free condition at all times.

**Section 16. Street Lighting.** Upon construction of each home, a light of a design prescribed by the Architectural Review Committee shall be installed by the Owner where the driveway intersects the front property line. On duplex/townhouse lots or 4 plex lots only one light shall be permitted per unit. The lights shall be placed where the driveway intersects the front property line on the inside edge of the driveway. The light must be activated by photocell for nighttime operation. The Owner shall be required to provide power and maintenance for the light.

**Section 17. Amsterdam Highway/Royal Road Required Landscape Buffer.** (Exhibit IV) A rear yard or side yard landscape buffer of 10' is required on all R2 & RTH lots adjacent to Amsterdam Highway and Royal Road. This 10' buffer will be an easement to the River Rock Property Owners Association and constructed and administered by the Association. Individual lot owners are not to interfere with the fencing or buffer planting. This buffer and fencing is required in the River Rock Zoning Ordinance.

Section 18. **River Rock West Traditional Lots.** In addition to all other provisions in Article VIII.A. Sections 1 through 17, all homes constructed in the area labeled as “River Rock West Traditional Lots” on the “March 2002 River Rock Area Plan” shall also conform to the following design criteria:

- Minimum width of the main portion of the dwelling unit shall be twenty (20) feet.
- The pitch of the main roof shall not be less than eight (8) inches of rise for every twelve (12) inches of horizontal run. Minimum distance from eaves to ridge shall be eleven (11) feet.
- All garages must be a minimum of 11' wide and shall be set back a minimum of twelve (12) feet from the front of the home including porches if the garage is accessed from the front of the home.
- All homes must have a covered porch with at least sixty-four (64) square feet total.

B. **RIVER ROCK WEST APARTMENTS (Multi Family Units as Allowed)**

Section 1. **Temporary Residential Structures Forbidden.** No residential structure of a temporary character, residential trailer, basement, tent, shack, or any other residential outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently. All structures must be maintained in a reasonable manner to present a neat and attractive exterior appearance.

Section 2. **Minimum Dwelling Unit Requirements.** All apartment dwellings shall have a minimum of 450 square feet of floor space per unit and are not required to have garages. The 450 square feet must be at or above grade and is excluding porches, etc. It is the intention of this covenant to insure that all dwellings shall be of a quality workmanship and materials substantially the same as, or better than other dwellings in the River Rock West area, conform with the Uniform Building Code (UBC). Applicable requirements of Gallatin County and the Montana Building Code shall be met.. All plans must be approved by the Architectural Review Committee. Plans shall include a scaled site plan at 1"=50' showing access, drives, parking, buildings, and other site elements. Scaled floor plans and elevations prepared by an architect licensed in the State of Montana are required and a list of exterior materials and colors shall also be submitted. There shall be no construction work initiated without a Land Use Permit issued by Gallatin County and without written approval of the plans by the Committee. All building construction and landscaping must conform to both the final approved plans by the Committee.

Section 3. **Landscape Plan.** Landscaping plans emphasizing lawn areas shall be submitted to the Architectural Review Committee for their approval and the landscaping shall be completed within twelve (12) months after the Owner's first occupancy of the residence. As part of the landscape plan the requirement for boulevard trees shall be as required. Patmore Ash shall be planted 3' behind street edge sidewalk on 20' to 30' centers.

Section 4. **Exterior Siding.** The exterior siding of the structures shall consist of wood, wood look-alikes or wood products, brick, stone, stucco or other manufactured exterior good quality materials, including insulated metal or vinyl siding. However, no sheet or panel metal siding nor cement block siding is allowed. No plywood sheet siding is allowed.

**Section 5. Roofs of Structures.** The roofs shall be covered with shakes, tiles or shingles and no rolled roofing shall be allowed. Exposed aluminum or silver flashing around the chimneys or roof valleys shall not be allowed unless colored to match the trim or color of the roof. Steel galvanized gutters are not allowed. The roofs shall have a minimum pitch of 4/12. Further, all structures shall be constructed so that the roof overhang and gable end are a minimum of 12 inches.

**Section 6. Foundation of Apartments.** All foundations for Apartment units shall be constructed from masonry materials, foundations constructed from wood or other materials are expressly prohibited. Exposed concrete shall be limited to a maximum of 12" from the bottom of siding to the finish grade.

**Section 7. Colors of Structures.** The exterior colors of the structures shall be earth tones, pastels, white or wood colors. No bright or shiny colors on exterior siding shall be allowed. For example, bright oranges, royal blues, pinks, purples and like bright colors are not allowed. Colors are to be compatible with the balance of the neighborhood.

**Section 8. Exterior of Structures.** The exterior design style and colors of each of the outbuildings, garages, carports, etc. within the Apartment lot shall conform to the design, style and colors of the residence. Roof fascia trim on any structure constructed on the real property which is the subject of this Declaration shall extend downward on the roof and be visible for at least 4 inches. The building should be a visual combination of forms that does not give a "box" appearance. Breaks in the roof lines and wall lines that add interest to the form and help define the design of the building are encouraged.

**Section 9. Entrances.** The main entrance to the living structures shall be architecturally defined and enhanced by incorporation an entry porch or gable extending over the entrance denoting a clear sense of arrival. It shall provide weather protection and visual definition. A concrete walk shall be provided from the driveway to the main entrance.

**Section 10. Architectural Enhancements.** Apartment structures and accessory buildings shall be characterized with roof breaks, structural height variations, material order and consistency.

**Section 11. Zoning Regulations.** The height of structures erected within the confines of the real property which is the subject of this Declaration shall be controlled by the zoning and other appurtenant regulations enacted by Gallatin County. Apartment structures shall conform to the APT - Apartment (APT) Zoning Regulations with height limited to 36'.

**Section 12. Accessory Buildings.** All necessary buildings, such as garages and storage buildings, shall be approved by the Architectural Committee and shall be architecturally compatible with the residence on or being constructed on the Lot.

**Section 13. Fencing.** Privacy fencing contiguous to Apartment dwelling units are limited to fencing types compatible with the architectural character of the buildings and is limited to 6' high. Fences shall be approved by the Architectural Committee.

**Section 14. Antennas and Satellite Dishes.** Antennas or satellite dishes are allowed in the Apartment APT area so long as they are not visible from the public street right-of-way.

Section 15. **Dog Kennels.** No dog kennels, fenced dogs or chained dogs are allowed on the Apartment (APT) lots.

Section 16. **Street Lighting.** Area lighting, drive lighting, and street lighting is to be of a pedestrian scale with fixtures compatible with the architectural character of the structures and approved by the Architectural Committee.

C. RIVER ROCK WEST STORAGE FACILITIES/GARAGES

Section 1. **Temporary Residential Structures Forbidden.** No residential structure of a temporary character, residential trailer, basement, tent, shack, or any other residential outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently. All structures must be maintained in a reasonable manner to present a neat and attractive exterior appearance.

Section 2. **Minimum Layout Requirements.** All storage structures and storage compound areas are to be arranged to accommodate reasonable access and egress with gravel drives. It is the intention of this Covenant to insure that all storage facilities shall be of a quality workmanship and materials. Applicable requirements of Gallatin County and the Montana Building Code shall also be met. All plans must be approved by the Architectural Review Committee. Plans shall include a scaled site plan at 1"=50', scaled floor plans and elevations. A list of exterior materials and colors shall also be submitted. There shall be no construction work initiated without a Land Use Permit issued by Gallatin County and without written approval of the plans by the Committee. All building construction and landscaping must conform to both the final approved plans by the Committee.

Section 3. **Landscape Plan.** Landscape plans shall be submitted to the Architectural Review Committee for their approval and the landscaping shall be completed within 12 months after building completion. As part of the landscape plan, the Perimeter Landscape Buffer required in the Zoning Regulation must be accomplished.

Section 4. **Exterior Siding.** The exterior siding of the storage structures shall consist of wood, wood look-alikes, wood products, or other high quality manufactured exterior materials. No plywood sheet siding is allowed.

Section 5. **Roofs of Structures.** The roofing materials of the storage structures shall consist of high quality manufactured roofing materials but no rolled roofing or galvanized materials are allowed. Rain gutters are allowed, provided the same are colored to match the trim or color of the roof. Steel galvanized gutters are not allowed.

Section 6. **Concrete Slab.** All storage structures are to include a concrete slab floor. Asphalt or gravel or earthen flooring is not allowed.

Section 7. **Colors of Structures.** The exterior colors of the structures shall be earth tones, pastels, white or wood colors. No bright or shiny colors on exterior siding shall be allowed. For example, bright oranges, royal blues, pinks, purples and like bright colors are not allowed. Colors are to be compatible with the balance of the neighborhood.

Section 8. **Zoning Regulations.** The height of the structures erected within the confines of the real property which is the subject of this Declaration shall be controlled by the zoning and other

appurtenant regulations enacted by Gallatin County. Storage Facilities/Garage structures shall conform to the Storage Facility/Garages (STG) Zoning Regulations with height limited to 20'.

Section 9. **Fencing.** Required screen fencing shall be a 6' high, cedar slat fence as per Zoning Regulation and approved by the Architectural Committee.

D. RIVER ROCK VILLAGE - COMMERCIAL

Section 1. **Temporary Residential Structures Forbidden.** No residential structure of a temporary character, residential trailer, basement, tent, shack, or any other residential outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently. All structures must be maintained in a reasonable manner to present a neat and attractive exterior appearance.

Section 2. **Minimum Layout/Design Requirements.** All plans must be harmonious with the overall plan for the development. All plans, materials and specifications must be suitable to the site, adjacent properties and the neighborhood. All improvements must be compatible with the surrounding properties so as to not impair or degrade property or aesthetic values and conform with the Uniform Building Code (UBC). Applicable requirements of Gallatin County and the Montana Building Code shall also be met. All plans must be approved by the Architectural Review Committee and all commercial structures are to be designed by an architect licensed in the State of Montana. The following design submittal is required:

- a) Site plans including landscaping, driveways, walks and decks. (Scale: 1/8" = 1'-0" or similar engineering scale)
- b) Complete construction drawings - Two (2) sets shall be submitted to the Committee for approval. Each set shall include floor plans, exterior elevations of all sides, roof design, specifications and any construction details. (scale 1/4"=1'-0")
- c) Samples of all exterior materials with their respective color proposals in an adequate size to evaluate properly. The time allowed for review of the plans will be no longer than 15 days from the time all design submittal requirements are received by the Committee. The time for plan review shall be adjusted accordingly if plans are submitted during any holidays. Approval of plan submittal shall require a majority by the Committee.
- d) A review fee will be required at the time of submission of all the design submittal documents and materials. The Owner shall submit the required design review fee to the Committee. The purpose of the design review fee shall be to defray the Associations's cost of review of all proposed site plans and specifications submitted to them. The fee, which shall be set by the Directors from time-to-time shall initially be \$50.00.

There shall be no construction work initiated without a Land Use Permit issued by Gallatin County and without written approval of the plans by the Committee. All building construction and landscaping must conform to both the final approved plans by the Committee.

It is the intention of this Covenant to insure that all commercial structures shall be of a quality workmanship and materials substantially the same as, or better than other commercial structures in the development.



Section 3. **Landscape Plan.** Landscape plans shall be submitted to the Architectural Review Committee for their approval and the landscaping shall be completed within 12 months after building completion. As part of the landscape plan, the Perimeter Landscape Buffer required in the Zoning Regulation must be accomplished.

Section 4. **Exterior Siding.** The exterior siding of the storage structures shall consist of wood, wood look-alikes, wood products, or other high quality manufactured exterior materials. No plywood sheet siding is allowed.

Section 5. **Roofs of Structures.** The roofing materials of the storage structures shall consist of high quality manufactured roofing materials but no rolled roofing or galvanized materials are allowed. Rain gutters are allowed, provided the same are colored to match the trim or color of the roof. Steel galvanized gutters are not allowed.

Section 6. **Foundation of Commercial Buildings.** All foundations for Commercial Buildings shall be constructed from masonry materials, foundations constructed from wood or other materials are expressly prohibited.

Section 7. **Colors of Structures.** The exterior colors of the structures shall be earth tones, pastels, white or wood colors. No bright or shiny colors on exterior siding shall be allowed. For example, bright oranges, royal blues, pinks, purples and like bright colors are not allowed. Colors are to be compatible with the balance of the neighborhood.

Section 8. **Exterior of Structures.** The exterior design, style and colors of outbuildings within the Commercial lots shall conform to the design, style and colors of the building. Roof fascia trim on any structure constructed on the real property which is the subject of this Declaration shall extend downward on the roof and be visible for at least 4 inches. The building should be a visual combination of forms that does not give a "box" appearance. Breaks in the roof lines and wall lines that add interest to the form and help define the design of the building are encouraged.

Section 9. **Entrances.** The main entrances to the Commercial buildings shall be architecturally defined and enhanced by incorporation an entry porch or gable extending over the entrance denoting a clear sense of arrival. It shall provide weather protection and visual definition. A concrete walk shall be provided from the driveway to the main entrance.

Section 10. **Architectural Enhancement.** Commercial structures and accessory buildings shall be characterized with roof breaks, structural height variations, material order and consistency.

Section 11. **Zoning Regulations.** The height of structures erected within the confines of the real property which is the subject of this Declaration shall be controlled by the zoning and other appurtenant regulations enacted by Gallatin County. Commercial structures shall conform to the B3-Commercial Zoning Regulations with height limited to 42'.

Section 12. **Fencing.** Fenced areas contiguous to commercial buildings are limited to fencing types compatible with the architectural character of the buildings and is limited to 6' high.

Section 13. **Antennas & Satellite Dishes.** Antennas or satellite dishes are allowed in the Commercial (B3) area, so long as they are not visible from neighboring properties.

Section 14. **Dog Kennels.** No dog kennels, fenced dogs or chained dogs are allowed on the Commercial (B3) lots.

Section 15. **Street Lighting.** Area lighting, drive lighting, and street lighting is to be of a pedestrian scale with fixtures compatible with the architectural character of the structures and shall be approved by the Architectural Committee.

E. RIVER ROCK EAST RESIDENTIAL LOTS (single family residential)

Section 1. **Temporary Residential Structures Forbidden.** No residential structure of a temporary character, residential trailer, basement, tent, shack, or any other residential outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently. All structures must be maintained in a reasonable manner to present a neat and attractive exterior appearance.

Section 2. **Minimum Residence Requirements.** All single family dwellings shall have a minimum of 900 square feet of floor space together with at least a single car attached or detached garage. The 900 square feet must be at or above grade and is excluding basements, garages, carports, porches, etc. It is the intention of this covenant to insure that all dwellings shall be of a quality workmanship and materials substantially the same as, or better than other dwellings in the River Rock East area, and conform with Housing Urban Development HUD codes. All plans must be approved by the Architectural Review Committee. Plans shall include a scaled site plan at 1"=20', scaled floor plans and elevations for all structures. A list of exterior materials and colors shall also be submitted. There shall be no construction work initiated without a Land Use Permit issued by Gallatin County and without written approval of the plans by the Committee. All building construction and landscaping must conform to both the final approved plans by the Committee.

Section 3. **Landscape Plan.** Landscaping plans emphasizing lawn areas shall be submitted to the Architectural Review Committee for their approval and the landscaping shall be completed within twelve (12) months after the Owner's first occupancy of the residence. As part of the landscape plan the requirement for boulevard trees shall be as required. Patmore Ash shall be planted 3' behind street edge sidewalk on 20' to 30' centers.

Section 4. **Exterior Siding.** The exterior siding of the structure shall consist of wood, wood look-alikes or wood products, brick, stone, stucco or other manufactured exterior good quality materials, including insulated metal or vinyl siding. However, no sheet or panel metal siding nor cement block siding is allowed. No plywood sheet siding is allowed.

Section 5. **Roofs of Structures.** The roofs shall be covered with shakes, tiles or shingles and no rolled roofing shall be allowed. Steel galvanized gutters are not allowed. The roofs shall have a minimum pitch of 3/12. Further, all structures shall be constructed so that the roof overhang and gable end are a minimum of 10 inches. No bright colored roofs will be allowed.

Section 6. **Foundation of Structures.** Within River Rock East all foundation for residential units shall be on permanent mortared-block or concrete foundations or other HUD approved foundations acceptable to Gallatin County.

Section 7. **Colors of Structures.** The exterior colors of the structures shall be earth tones, pastels, white or wood colors. No bright or shiny colors on exterior siding shall be allowed. For

example, bright oranges, royal blues, pinks, purples and like bright colors are not allowed. Colors are to be compatible with the balance of the neighborhood.

**Section 8. Exterior of Structures.** The exterior design, style and colors of each of the outbuilding and structures on a Lot shall conform to the design, style and colors of the residence. Roof fascia trim on any structure constructed on the real property which is the subject of this Declaration shall extend downward on the roof and be visible for at least 4 inches. The building should be a visual combination of forms that does not give a "box" appearance. Breaks in the roof lines and wall lines that add interest to the form and help define the design of the building are encouraged.

**Section 9. Entrances.** The main entrance to the living structures shall be architecturally defined and enhanced by incorporation an entry porch or gable extending over the entrance denoting a clear sense of arrival. It shall provide weather protection and visual definition. A concrete walk shall be provided from the driveway to the main entrance.

**Section 10. Zoning Regulations.** The height of structures erected within the confines of the real property which is the subject of this Declaration shall be controlled by the zoning and other appurtenant regulations enacted by Gallatin County. Single family structures shall conform to R-2 Single Family Zoning Regulations with height limitations of 24'.

**Section 11. Accessory Buildings.** All accessory buildings, such as garages and storage buildings, shall be architecturally compatible with the residence on or being constructed on the Lot and are subject to Architectural Review Committee approval.

**Section 14. Fencing.** Backyards and side yards may be fenced with wood or materials that look like wood. The front yard toward the public road shall not be fenced. No chain link or wire fences shall be allowed. Fences shall be maintained in good condition. Fences cannot be higher than six feet. All fencing shall be approved by the Architectural Review Committee.

**Section 15. Antennas and Satellite Dishes.** Except as otherwise approved, no resident shall have visible from the public street right-of-way any antennae or satellite dish. In no case shall a satellite dish exceed 20" in diameter.

**Section 16. Dog Kennels.** Dog kennels with concrete floors are allowed for single family and duplex townhomes provided they do not exceed 10 feet by 20 feet in size and are located in the rear yards and screened or fenced from the neighbor's view. Such kennels are to be kept in a clean and odor free condition at all times.

**Section 17. Street Lighting.** Upon construction of each home, a light of a design prescribed by the Architectural Review Committee shall be installed by the Owner where the driveway intersects the front property line. The lights shall be placed to the left side where the driveway intersects the front property line on the inside edge of the driveway. The light must be activated by photocell for nighttime operation. The Owner shall be required to provide power and maintenance for the light.

**Section 18. Amsterdam Highway/Royal Road Required Landscape Buffer.** (Exhibit IV)  
A rear yard landscape buffer of 10' is required on all R2 lots adjacent to Amsterdam Highway. This 10' buffer will be an easement to the River Rock Property Owners Association and constructed and

administered by the Association. Individual lot owners are not to interfere with the fencing or buffer planting. This buffer and fencing is required in the River Rock Zoning Ordinance. Fence/Buffer Detail - Exhibit IV.

F. RIVER ROCK NORTH RESIDENTIAL - MANUFACTURED HOMES ON RENTAL SPACES

**Section 1. Temporary Residential Structures Forbidden.** No residential structure of a temporary character, basement, tent, shack, or any other residential outbuilding shall be used on any site at any time as a residence temporarily. All structures must be maintained in a reasonable manner to present a neat and attractive exterior appearance.

**Section 2. Minimum Residence Requirements.** All single-family dwellings in River Rock North shall have a minimum of nine hundred (900) square feet of floor space together with at least two off-street parking spaces. The nine hundred (900) square feet must be at or above grade and is excluding basements, garages, carports, porches, etc. It is the intention of this covenant to insure that all dwellings shall be of a quality workmanship and materials substantially the same as, or better than other dwellings in the River Rock North area, and conform with Housing Urban Development (HUD) codes. All plans must be approved by the Architectural Review Committee. Plans shall include a scaled site plan at 1"=20', scaled floor plans and elevations. A list of exterior materials and colors shall also be submitted. There shall be no construction work initiated without a Land Use Permit issued by Gallatin County and without written approval of the plans by the Committee. All building construction and landscaping must conform to the Architectural Review Committee approved final plans.

**Section 3. Orientation of Home on Lot.** All homes placed in River Rock North shall be "end-loaded," meaning the longest side of the home must be placed parallel to the longest side lot line.

**Section 4. Age Requirement of Homes.** No home placed in River Rock North may exceed five (5) years in age from the time of original placement. Determination of age shall be confirmed by the serial number placed on the home by the factory.

**Section 5. Garage/Storage Requirements.** All homes placed in River Rock North shall have either a single attached or detached garage or an 8'x8' storage shed. The garages and the storage sheds shall be of a design approved by the Architectural Review Committee and shall be placed or constructed in accordance with an approved Gallatin County Land Use Permit. Attached carports providing a covered entry walk may also be constructed on the lots. Construction of a carport does not negate the need for a storage shed. Carports must also be approved by the Architectural Review Committee.

**Section 6. Landscape Plan.** Landscaping plans emphasizing lawn areas shall be submitted to the Architectural Review Committee for their approval and the landscaping shall be completed within twelve (12) months after the Owner's first occupancy of the residence. As part of the landscape plan, boulevard trees shall be as required. Patmore Ash shall be planted four feet (4') behind street edge sidewalk as shown on the attached "River Rock North street tree planting detail".

**Section 7. Exterior Siding.** The exterior siding of the structure shall consist of wood, wood look-alikes or wood products, brick, stone, stucco or other manufactured exterior good quality materials, including insulated metal or vinyl siding. However, no sheet or panel metal siding nor cement block siding is allowed. No plywood sheet siding is allowed.

**Section 8. Roofs of Structures.** The roofs shall be covered with shakes, tiles or shingles and no rolled roofing shall be allowed. Steel galvanized gutters are not allowed. The roofs shall have a minimum pitch of 3/12. Further, all multiple unit structures shall be constructed so that the roof overhang and gable end are a minimum of eight inches (8"). No bright colored roofs will be allowed.

**Section 9. Foundation of Structures.** Within River Rock North all foundation blocking and skirting and tie downs for residential units shall be, at a minimum of HUD approved standards and be installed according to the blocking detail of record in the River Rock Zoning Regulation, acceptable to Gallatin County and completed within thirty (30) days. All skirting shall be approved by the Architectural Review Committee.

**Section 10. Colors of Structures.** The exterior colors of the structures shall be earth tones, pastels, white or wood colors. No bright or shiny colors on exterior siding shall be allowed. For example, bright oranges, royal blues, pinks, purples and like bright colors are not allowed. Colors are to be compatible with the balance of the neighborhood.

**Section 11. Exterior Structures.** The exterior design, style and colors of each exterior structure on a site shall conform to the design, style and colors of the residence. Roof fascia trim on any structure constructed on the real property which is the subject of this Declaration shall extend downward on the roof and be visible for at least four inches (4"). Breaks in the roof lines and wall lines that add interest to the form and help define the design of the building are encouraged.

**Section 12. Entrances.** The main entrance to the multi section living structures shall be located underneath a dormer denoting a clear sense of arrival. It shall provide weather protection and visual definition. A concrete walk shall be provided from the driveway to the main entrance.

**Section 13. Zoning Regulations.** The height of structures erected within the confines of the real property which is the subject of this Declaration shall be controlled by the zoning and other appurtenant regulations enacted by Gallatin County. Single family structures shall conform to RMH Zoning Regulations with height limitations of twenty-four feet (24').

**Section 14. Accessory Buildings.** All accessory buildings, such as carports and storage buildings, shall be architecturally compatible with the residence on or being constructed on the site.

**Section 15. Fencing.** Yards may be fenced according to the attached fencing detail only. The fence must be constructed in strict compliance with the detail and may not exceed four feet (4') in height and must be painted or stained white or shades thereof. The fence may not be constructed beyond a point ten feet (10') from the front of the home on the back door side of the home and may not be constructed beyond the rear of the front door.

**Section 16. Antennas and Satellite Dishes.** Except as otherwise approved, no resident shall have visible from the public street right-of-way any antennae or satellite dish. In no case shall a satellite dish exceed 20" in diameter.

**Section 17. Dog Kennels.** All dog kennels must be located directly behind the home on a concrete pad no larger than 10' x 10' and must be kept free from odors.

**Section 18. Street Lighting.** Upon construction of each home, a light of a design prescribed by the Architectural Review Committee shall be installed by the Owner where the driveway intersects the street sidewalk toward the middle of the lot. The light must be activated by photocell for nighttime operation. The Owner shall be required to provide power and maintenance for the light.

**Section 19. North Edge Buffer Fence.** A rear yard six foot (6') high cedar slat buffer fence is required on all RMH spaces adjacent to the north property line. This fence will be constructed on the property line and maintained by the Association. Individual lot owners or tenants are not to interfere with the fencing.

**Section 20. River Rock North Community Guidelines.** River Rock North will include rental spaces for manufactured homes and will include rules and regulations specific to River Rock North. Said Community Guidelines are subject to change and refinement from time to time by the Declarant or Owner of River Rock North.

**Section 21. Removal of All Hitches.** All transport hitches, axles, wheels and running gear are to be removed prior to occupancy.

G. SCHOOL/PARKS/FIRE DISTRICT (PLI)

**Section 1. Temporary Residential Structures Forbidden.** No residential structure of a temporary character, residential trailer, basement, tent, shack, or any other residential outbuilding shall be used on any Lot at any time as a residence temporarily. All structures must be maintained in a reasonable manner to present a neat and attractive exterior appearance.

**Section 2. Minimum Layout/Design Requirements.** All plans must be harmonious with the overall plan for development. All plans, materials, and specifications must be suitable to the site, adjacent properties and neighborhood. All improvements must be compatible with the surrounding properties so as to not impair or degrade property or aesthetic values. Applicable requirements of Gallatin County and the Montana Building Code shall be met. All plans must be approved by the Architectural Review Committee.

There shall be no construction work initiated without a Land Use Permit issued by Gallatin County and without written approval of the plans by the Committee. All building and landscaping must conform to both the final approved plans by the Committee.

It is the intention of this Covenant to insure that all structures and facilities shall be of quality workmanship and materials.

Section 3. **Landscape Plan.** Landscape plans shall be submitted to the Architectural Review Committee for their approval and the landscaping shall be completed within 12 months after building completion.

Section 4. **Exterior Siding.** The exterior siding of the storage structures shall consist of wood, wood look-alikes, wood products, or other high quality manufactured exterior materials. No plywood sheet siding is allowed.

Section 5. **Roofs of Structures.** The roofing materials of the storage structures shall consist of high quality manufactured roofing materials but no rolled roofing or galvanized materials are allowed. Rain gutters are allowed, provided the same are colored to match the trim or color of the roof. Steel galvanized gutters are not allowed.

Section 6. **Foundation of Buildings.** All foundations for Buildings shall be constructed from masonry materials, foundations constructed from wood or other materials are expressly prohibited.

Section 7. **Colors of Structures.** The exterior colors of the structures shall be earth tones, pastels, white or wood colors. No bright or shiny colors on exterior siding shall be allowed. For example, bright oranges, royal blues, pinks, purples and like bright colors are not allowed. Colors are to be compatible with the balance of the neighborhood.

Section 8. **Exterior Structures.** The exterior design, style and colors of outbuildings shall conform to the design, style and colors of the building. Roof fascia trim on any structure constructed on the real property which is the subject of this Declaration shall extend downward on the roof and be visible for at least 4 inches. The building should be a visual combination of forms that does not give a "box" appearance. Breaks in the roof lines and wall lines that add interest to the form and help define the design of the building are encouraged.

Section 9. **Entrances.** The main entrances to the buildings shall be architecturally defined and enhanced by incorporating an entry porch or gable extending over the entrance denoting a clear sense of arrival. It shall provide weather protection and visual definition. A concrete walk shall be provided from the driveway to the main entrance.

Section 10. **Architectural Enhancement.** Structures and accessory buildings shall be characterized with roof breaks, structural height variations, material order and consistency.

Section 11. **Zoning Regulations.** The height of structures erected within the confines of the real property which is the subject of this Declaration shall be controlled by the zoning and other appurtenant regulations enacted by Gallatin County. Commercial structures shall conform to the PLI Zoning Regulations.

Section 12. **Fencing.** Fenced areas contiguous to commercial buildings are limited to fencing types compatible with the architectural character of the buildings and is limited to 6' high. All fencing shall be approved by the Architectural Committee.

Section 13. **Antennas & Satellite Dishes.** No visible antennas or satellite dishes are allowed in the Commercial (B3) area.

Section 14. **Dog Kennels.** No dog kennels, fenced dogs or chained dogs are allowed within the PLI.

Section 15. **Street Lighting.** Area lighting, drive lighting, and street lighting is to be of a pedestrian scale with fixtures compatible with the architectural character of the structures. Fixtures shall be prescribed by or approved by the Architectural Committee.

#### H. RIVER ROCK TRADITIONS

The criteria outlined below will be of paramount importance in the review and approval process of house plans by the Architectural Control Committee. These architectural themes are the foundation for the design of homes in the "Traditions" neighborhood.

##### **Architectural Themes**

- Highly visible and useable covered front entry porches, which provide a well accented, weather protected front entry.
  - Alley accessed garages where possible.
  - Architectural roof lines using dormers and "shed" roofs to visually break up long expanses of roof area. Gabled ends are strongly encouraged.
  - Appropriate orientation and colors of garage doors so that the garage is subdued and not the dominant visual feature from the street or alley.
  - Appropriate use of natural "earth-tone" colors with an emphasis placed on horizontal siding materials with pleasant accenting trim colors.
  - Four sided architecture that is pleasing and friendly on all sides.
- The theming outlined above is not intended to inhibit creative architectural solutions, but is specifically intended to create an inviting pedestrian scaled street scape.

**Section 1. Temporary Residential Structures Forbidden.** No residential structure of a temporary character, residential trailer, basement, tent, shack, or any other residential outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently. All structures must be maintained in a reasonable manner to present a neat and attractive exterior appearance.

**Section 2. Minimum Residence Requirements.** All single family dwellings shall have a minimum of one thousand (1,000) square feet of floor space together with at least a single-car attached or detached garage. The one thousand (1,000) square feet must be at daylight level or above grade and is excluding basements, garages, carports, porches, etc. The main portion of the house shall be a minimum of twenty feet (20') wide. It is the intention of this covenant to insure that all dwellings shall be of a quality workmanship and materials substantially the same as, or better than, other dwellings in the River Rock Traditions area and conform to the Uniform Building Code (UBC). Applicable requirements of Gallatin County and the Montana Building Code shall also be met. The Architectural Review Committee must approve all plans. Plans shall include a scaled site plan at 1" = 20' scaled floor plans and elevations. A list of exterior materials and colors shall also be submitted. There shall be no construction work initiated without a Land Use Permit issued by Gallatin County and without written approval of the plans by the Committee. All



building construction and landscaping must conform to both the final approved plans by the Committee.

**Section 3. Landscape Plan.** Landscaping plans emphasizing lawn areas shall be submitted to the Architectural Review Committee for their approval and the landscaping shall be completed within twelve (12) months after the Owner's first occupancy of the residence. As part of the landscape plan boulevard trees shall be required. Patmore Ash shall be planted as shown on the "Traditions sidewalk and street tree detail." This shall include a minimum of two boulevard trees per lot.

**Section 4. Exterior Siding.** The exterior siding of the structure shall consist of wood, wood look-alikes or wood products, brick, stone, stucco or other manufactured exterior good quality materials, including insulated metal or vinyl siding. However, no sheet or panel metal siding nor cement block siding is allowed. No plywood sheet siding is allowed.

**Section 5. Roofs of Structures.** The roofs shall be covered with shakes; tiles or shingles and no rolled roofing shall be allowed. Exposed aluminum or silver flashing around the chimneys or roof valleys shall not be allowed unless colored to match the trim or color of the roof. Steel galvanized gutters are not allowed. The main roof shall have a minimum pitch of 8/12. Further, all structures shall be constructed so that the roof overhang a minimum of twelve inches (12"). Hipped roofs are strongly discouraged. Soffits shall be perpendicular to the building wall

**Section 6. Foundation of Structures.** Within River Rock Traditions, all foundations for residential units shall be constructed from masonry materials; foundations constructed from wood or other materials are expressly prohibited. Exposed concrete shall be limited to a maximum of twelve inches (12") from the bottom of siding to the finish grade.

**Section 7. Colors of Structures.** The exterior colors of the structures shall be earth tones, pastels, white or wood colors. No bright or shiny colors on exterior siding shall be allowed. For example, bright oranges, royal blues, pinks, purples and like bright colors are not allowed. Colors are to be compatible with the balance of the neighborhood.

**Section 8. Exterior of Structures.** The exterior design, style and colors of each of the structures on a Lot shall conform to the design, style and colors of the residence. Roof fascia trim on any structure constructed on the real property which is the subject of this Declaration shall extend downward on the roof and be visible for at least eight inches (8"). The building should be a visual combination of forms that does not give a "box" appearance. Breaks in the rooflines and wall lines that add interest to the form and help define the design of the building are encouraged. Wall opening widths shall be a maximum of their height.

**Section 9. Entrances.** The main entrance to the living structures shall be architecturally defined and enhanced by incorporating a covered entry porch of sixty-four (64) square feet minimum. The porch shall denote a clear sense of arrival. It shall provide weather protection, visual definition and be configured to be useable. The porch decking and railing shall be constructed with wood.



**Section 10. Home and Garage Siting.** All River Rock Traditions Lots have the following building setbacks from the property line:

Front : 15'  
Side : 5'  
Rear: 10' (for residential portion of the structure)  
Corner side: 15'

All lots that are adjacent to an alley way shall use the alley way for vehicular access to the garage. The garage portion of the structure shall be a minimum of twenty (20') from the asphalt edge of the alleyway from which vehicular access is being provided and a concrete or asphalt driveway shall be constructed for use as resident parking.

Lots that do not have access to an alley way and use the public street for vehicular access to the garage shall build the garage so that the front of the garage is a minimum of twelve feet (12') behind the front of the home including covered porches. A concrete or asphalt driveway shall be constructed for use as resident or guest parking.

**Section 11. Zoning Regulations.** The zoning shall control the height of structures erected within the confines of the real property, which is the subject of this Declaration, and other appurtenant regulations enacted by Gallatin County. Single-family residential structures shall conform to the R-2 Single-Family Zoning Regulations with height limitation of twenty-four feet (24') measured from the ground to the mid-point of the main roof.

**Section 12. Accessory Buildings.** All necessary buildings, such as garages and storage buildings, shall be approved by the Architectural Committee and shall be architecturally compatible with the residence on or being constructed on the Lot.

**Section 13. Fencing.** Backyards and side yards may be fenced with wood or materials that look like wood. The front yard toward the public road shall not be fenced. No chain link or wire fences shall be allowed. Fences shall be maintained in good condition. Fences cannot be higher than five feet.

**Section 14. Antennas and Satellite Dishes.** No resident shall have visible from other lots any antennae or satellite dish. In no case shall a satellite dish exceed twenty-four inches (24") in diameter.

**Section 15. Dog Kennels.** Dog kennels with concrete floors are allowed for single family lots provided they do not exceed 10' x 20' in size and are located in the rear yards and screened or fenced from the neighbor's view. Such kennels are to be kept in a clean and odor free condition at all times.

**Section 16. Street Lighting.** Upon construction of each home, a light of a design prescribed by the Architectural Review Committee shall be installed. On all lots adjacent to an alley way the streetlight shall be placed where the entry walk intersects

the front property. On all lots not adjacent to an alleyway, the streetlight shall be placed where the driveway intersects the front property line towards the middle of the lot. The light must be activated by photocell for nighttime operation. The lot owner shall be required to provide power and maintenance for the light.

**Section 17. Alleys.** All alleys will be eighteen feet (18') wide, paved, and centered in a thirty foot (30') right-of-way. Lots adjacent to an alley shall not use the alleyway for parking of either resident vehicles or guest vehicles. Parked vehicles must be kept either in the garage or on the driveway connection to the alleyway. All guest parking shall be located on the public street. No other trailers, tools, equipment, recreational vehicles, or any other obstruction shall be kept within the thirty foot (30') alley right-of-way. The entire thirty feet (30') shall be kept free of all debris at all times so that emergency vehicles, snow removal, and solid waste disposal equipment has unobstructed access at all times.

**Section 18. Privacy Architecture.** It is strongly recommended that if a home is constructed on a lot whereby a side wall of the home is generally constructed up to the side lot line setback, all windows on that side wall shall have a bottom sill elevation that is a minimum of 5'6" above the finished floor elevation. The architectural review committee may approve other privacy mitigations if necessary.

**Section 19. Entry Walks.** All lots adjacent to an alley way must provide a five foot (5') concrete walk connecting the front entry porch to the street boulevard sidewalk. All lots not adjacent to an alley way must provide a five foot (5') concrete sidewalk connecting either the driveway or the street boulevard sidewalk to the front entry porch.

**Section 20. Sidewalks.** Notwithstanding Article V of the First Amended Declaration of Covenants, Conditions, and Restrictions recorded on Film 201, Pages 2292 and 2293, in the Gallatin County Clerk and Records Office, all street sidewalks in the area labeled as "Traditions" on the Community Area Map shall be constructed and located as shown on the "Traditions Sidewalk and Street Tree Detail". All other provisions of Article V shall remain in effect.

## I. RIVER ROCK VILLAS

**Section 1. Temporary Residential Structures Forbidden.** No residential structure of a temporary character, residential trailer, basement, tent, shack, or any other residential outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently. All structures must be maintained in a reasonable manner to present a neat and attractive exterior appearance.

**Section 2. Minimum Dwelling Unit Requirements.** All condos and/or 4-plexes shall have a minimum of nine hundred (900) square feet of floor space and at least a single car attached or detached garage for each unit. The nine hundred (900) square feet must be at or above grade (daylight basements are approved) and is excluding porches, etc. It is the intention of this covenant to insure that all dwellings shall be of a quality workmanship and materials substantially the same as, or better than other dwellings in the River Rock Villas area, and conform with the Uniform Building

Code (UBC). Applicable requirements of Gallatin County and the Montana Building Code shall be met.. All plans must be approved by the Architectural Review Committee. Plans shall include a scaled site plan at 1"=50' showing access, drives, parking, buildings, and other site elements. Scaled floor plans and elevations prepared by an architect licensed in the State of Montana are required and a list of exterior materials and colors shall also be submitted. There shall be no construction work initiated without a Land Use Permit issued by Gallatin County and without written approval of the plans by the Committee. All building construction and landscaping must conform to both the final approved plans by the Committee.

**Section 3. Landscape Plan.** Landscaping plans emphasizing lawn areas shall be submitted to the Architectural Review Committee for their approval and the landscaping shall be completed within twelve (12) months after the Owner's first occupancy of the residence. As part of the landscape plan the requirement for boulevard trees shall be as required. Patmore Ash shall be planted three feet (3') behind street edge sidewalk on twenty foot (20') to thirty foot (30') centers.

**Section 4. Exterior Siding.** The exterior siding of the structures shall consist of wood, wood look-alikes or wood products, brick, stone, stucco or other manufactured exterior good quality materials, including insulated metal or vinyl siding. However, no sheet or panel metal siding nor cement block siding is allowed. No plywood sheet siding is allowed.

**Section 5. Roofs of Structures.** The roofs shall be covered with shakes, tiles or shingles and no rolled roofing shall be allowed. Exposed aluminum or silver flashing around the chimneys or roof valleys shall not be allowed unless colored to match the trim or color of the roof. Steel galvanized gutters are not allowed. The roofs shall have a minimum pitch of 4/12. Further, all structures shall be constructed so that the roof overhang and gable end are a minimum of twelve inches (12").

**Section 6. Foundation of Apartments.** All foundations for 4-plexes or condo units shall be constructed from masonry materials, foundations constructed from wood or other materials are expressly prohibited. Exposed concrete shall be limited to a maximum of twelve inches (12") from the bottom of siding to the finish grade.

**Section 7. Colors of Structures.** The exterior colors of the structures shall be earth tones, pastels, white or wood colors. No bright or shiny colors on exterior siding shall be allowed. For example, bright oranges, royal blues, pinks, purples and like bright colors are not allowed. Colors are to be compatible with the balance of the neighborhood.

**Section 8. Exterior of Structures.** The exterior design style and colors of each of the outbuildings, garages, carports, etc. within the 4-plexes or condo lot shall conform to the design, style and colors of the residence. Roof fascia trim on any structure constructed on the real property which is the subject of this Declaration shall extend downward on the roof and be visible for at least four inches (4"). The building should be a visual combination of forms that does not give a "box" appearance. Breaks in the roof lines and wall lines that add interest to the form and help define the design of the building are encouraged.

**Section 9. Entrances.** The main entrance to the living structures shall be architecturally defined and enhanced by incorporation an entry porch or gable extending over the entrance denoting a clear sense of arrival. It shall provide weather protection and visual definition. A concrete walk shall be provided from the driveway to the main entrance. A separate exterior entrance shall be provided to each unit.

**Section 10. Architectural Enhancements.** 4-plexes or condo structures and accessory buildings shall be characterized with roof breaks, structural height variations, material order and consistency.

**Section 11. Zoning Regulations.** The height of structures erected within the confines of the real property which is the subject of this Declaration shall be controlled by the zoning and other appurtenant regulations enacted by Gallatin County. 4-plexes or condo structures shall conform to the R-TH - Residential Town Home (R-TH) Zoning Regulations with height limited to thirty-two feet (32').

**Section 12. Accessory Buildings.** All necessary buildings, such as garages and storage buildings, shall be approved by the Architectural Committee and shall be architecturally compatible with the residence on or being constructed on the Lot.

**Section 13. Fencing.** Back yards and side yards may be fenced with wood or materials that look like wood. The front yard toward the public street shall not be fenced. No chain-link or site fences are allowed. Fences shall be maintained in good condition. Fences cannot be higher than six (6') feet.

**Section 14. Antennas & Satellite Dishes.** Antennas or satellite dishes are allowed in the Apartment APT area so long as they are not visible from neighboring properties.

**Section 15. Dog Kennels.** No dog kennels, fenced dogs or chained dogs are allowed on the Apartment (APT) lots.

**Section 16. Street Lighting.** Upon construction of each 4-plex or condo structure, a light of design prescribed by the Architectural Review Committee shall be installed where the drive wall intersects the front property line. The light must be activated by photo cell for night time operation. The owner shall be required to provide power and maintenance for the light.

**Section 17. North Edge Butter Fence.** A rear yard six (6') foot high cedar slat butter fence is required on all R-TH lots adjacent to the north property line. This fence will be constructed on the property line and maintained by the Association. Individual lot owners or tenants are not to interfere with the fencing

## **ARTICLE IX GENERAL ARCHITECTURAL CONTROLS**

Section 1. The Architectural Review Committee may make such reasonable rules and bylaws and adopt such procedures as it deems necessary to carry out its functions, rules, bylaws and procedures but may not be inconsistent with the provisions of these covenants nor Gallatin County Zoning Regulations or other applicable regulations.

Section 2. No buildings, construction, landscaping, parking, fence, wall or other improvements shall be placed, constructed, erected, repaired, restored, reconstructed, altered, remodeled, added to or maintained on any Lot or area until building and site plans and specifications, and such other information as the Committee may reasonably require, including, without being limited to colors, building materials and models, have been submitted to, and approved by a majority of the Architectural Review Committee in writing; nor may the same be commenced until the Architectural Review Committee shall have issued a permit allowing such improvements.

Section 3. The Architectural Review 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 or inconsistent with these Covenants. Variance requests will be considered on a case-by-case basis by the Architectural Review Committee.

Section 4. All improvements, construction, reconstruction, alterations, or remodeling requiring the approval of the Architectural Review Committee must be completed in substantial compliance with the plans and specifications initially approved by the Committee. All such construction must be completed within one (1) year from the date construction is commenced or according to a schedule approved by the Architectural Review Committee.

Section 5. The Architectural Review Committee shall have the power, authority, standing and right to enforce these covenants in any court or law or equity when it reasonably believes the same have been violated, and shall have the authority to revoke or suspend building permits and/or order suspension or cessation of any construction or work in violation of these covenants or of any permit issued by the Committee.

Section 6. The Architectural Review Committee may require reasonable fees to be paid with the filing of plans and specifications and the issuance of building permits.

Section 7. The Architectural Review Committee or the individual members thereof may not be held liable by any person for any damages which may result from Committee action taken pursuant to these covenants, including but not by way of limitation, damages which may result from correction, amendment, change or rejection of plans, the issuance of building permits, or any delays associated with such action on the part of the Committee.

## ARTICLE X - USE RESTRICTIONS

Section 1. No residence erected on the real property which is the subject of this Declaration shall be used for any commercial endeavor, day care, or other business type activity. Cottage industry type activities are allowed as long as no employees outside of the immediate family are employed on the residential properties. It is the express intent of the Declarant that the real property which is the subject of this Declaration be devoted to creating the River Rock West, River Rock East and River Rock North neighborhoods consisting of various use areas and residential units and preserving within the community so created a quiet, peaceful, harmonious existence between the uses and residents.

Section 2. **Animals, Pets.** The proper control of household pets, dogs and cats is important to the integrity and well being of the River Rock community. No domestic fowl, horses or other farm animals are allowed within River Rock. All applicable laws of Gallatin County regarding pets, dogs and cats must be adhered to as well as the provisions stated below:

Within the following areas no dogs, cats or other pets are to be penned, chained, fenced, caged or otherwise maintained outside of the individual residential units:

River Rock West - RTH Lots - Residential Town Homes and Fourplexes  
River Rock West - APT Lots - Apartments  
River Rock Village - B3 Lots - Commercial  
River Rock - PLI Lots - Public Lands and Institutions  
River Rock North - RMH Lots/Spaces - Manufactured Homes on Rental Spaces

Within the interior of the residential dwelling units within the RTH and APT areas, no more than 2 dogs or 2 cats are allowed under any circumstance.

Within the R2-Medium Density Residential areas, no more than 2 dogs or 2 cats are allowed per dwelling unit. Dog kennels are allowed as stated in provision VIII A, Section 15 and provision VIII, E, Section 16. Dog kennels or fenced dogs are only allowed if the kennels or yard areas are maintained free of odor and persistent barking is expressly prohibited. Chained dogs are expressly prohibited.

Within the RMH area - River Rock North (manufactured homes on rental spaces) no more than 2 dogs or 2 cats are allowed per dwelling unit and are limited in size to a maximum of 14" at the shoulders.

If any stray dogs or cats are caught and restrained or any stray dogs or cats threaten or endanger or injure residents, guests, invitees, other animals or property within the River Rock Community, the owners of such an animal or animals are subject to the following penalties which will be strictly enforced by the Property Owners Association:

First Offense	\$50.00
Second Offense	\$100.00
Third Offense	\$150.00

Any further offenses will result in the permanent exclusion of such animals from the River Rock Community.

**Section 3. Storage of Equipment.** No residential lot shall be used for the storage or any inoperable vehicle, machinery or equipment. No residential lot shall be used for storage of any articles, vehicles, equipment or other personal property of any quantity in excess of the immediate needs and personal use of the Owner of a Lot or the occupants thereof as the case may be. Storage of materials, supplies, equipment, vehicles, tools or trade items is expressly prohibited on residential lots.

**Section 4. Commercial Vehicles.** No residential lot shall be used for the parking or storage of any commercial trucks, large commercial vehicles or other heavy equipment, except as may be necessary during reasonable periods of construction on individual lots.

**Section 5. Recreational Equipment.** Except as allowed by this Covenant, No residential lots, or driveways shall be used to park campers, trailers, motor homes, boats, and all other recreational equipment and the like. In no event shall such equipment be parked on roads. Such equipment and vehicles must be enclosed in a garage or otherwise screened areas or on a well



maintained gravel, concrete or asphalt parking apron constructed directly adjacent (next to) to the garage/home or other location approved by the architectural review committee. Screening design must be approved by the Architectural Review Committee.

The Owner of any Lot that is permanently (preparation for trips, cleaning and minor repair excluded - not to exceed 7 days) storing any Recreational Equipment in violation of this covenant will be subject to the following fines if the violation is not cured within 48 hours of receiving a certified mail notice from the Association:

First Offense: \$50.00 per day that the equipment remains stored in violation.

Second Offense: \$100.00 per day that the equipment remains stored in violation.

Third Offense and thereafter: \$150.00 per day that the equipment remains stored in violation

All Powers given the Association in Article IV, Section 7, apply to any assessments levied against a property for the purposes of this section.

#### Section 6. **Offensive Activity.**

- a. No noxious or offensive activity shall be carried on upon any portion of the above described property, nor shall anything be done thereon which may be, or may become, an annoyance to the neighborhood.
- b. Except for the specific dates of July 3, 4, and 5 and only between the hours of 5 p.m. and 10 p.m. on those dates, no fireworks of any kind may be discharged or stored on the above described property. Any owner that allows any resident, guest or invitee of property which is the subject of this declaration to discharge or store fireworks on dates and/or times other than those listed above will be assessed \$100.00 per each infraction. All Powers given the Association in Article IV, Section 7, apply to any assessments levied against a property for the purposes of this section.
- c. No firearms shall be discharged on the above described property.
- d. No cutting of firewood shall be allowed on site.

Any violation of County ordinances, zoning or other regulations shall be a violation of these covenants and can be enforced by the Association or individual lot owners.

**Section 7. Waterways/Ponds/Other Water Areas.** The Owner or Occupant of any lot shall at all times conduct its use and activities in a manner that will preserve the integrity of water areas within the Common Area including the prevention of any degradation of water quality, any reduction or increase in the flow of said water areas, any damage to the stream bed or banks of said water areas. The Owner or Occupant of any lot shall not conduct or permit the conduct of the following activities:

- a. The discharge of any liquid, solid, or gas into water areas;
- b. The use of any fertilizers or herbicides other than those specifically approved by Declarant; or the polluting of water areas;
- c. Any refuse encouraging activities.
- d. The construction or constriction of the water area.



**Section 8. Street Parking.** All parking for owners of residential properties is to be provided within the residential lots. Street parking is allowed for guests, deliveries or short temporary periods but not overnight parking by residents.

The Owner of any Lot zoned R-2, or R-MH (detached single family, duplex units, manufactured homes) that allows a vehicle of any resident of the Lot to be parked on the street overnight shall be subject to the following assessments if the vehicle continues to be parked on the street following a notice of violation from the Association:

First Offense:	\$10.00
Second Offense:	\$15.00
Third Offense:	\$25.00
Fourth Offense:	\$50.00
Fifth Offense and Thereafter:	\$100.00

All Powers given the Association in Article IV, Section 7, apply to any assessments levied against a property for the purposes of this section.

## ARTICLE XI - GENERAL PROVISIONS

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

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

**Section 3. Enforcement.** Enforcement of these covenants shall be by procedure of law or in equity against any person or persons violating or attempting to violate any covenants, and the legal proceedings may be either to restrain the violation of the covenants or to recover damages, or both. Each person who has been found by a court of competent jurisdiction to have violated one or more of these covenants shall be liable for all attorney's fees and costs incurred in connection with the litigation. The failure of any Owner or Owners of any lot to enforce any of the restrictions set forth herein shall be personally binding upon any person, persons or corporation, only with respect to breaches committed during its, his or their ownership of or title to any of said tracts and any part thereof.

**Section 4. Severability.** Invalidation of any of these covenants by a judgment or a court order shall in no way affect any of the other provisions, but they shall remain in full force and effect.

**Section 5. Amendment.** The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by the Owners of not less than sixty percent (60%) of the lots, each lot being entitled to one (1) vote. The Declarant at their discretion will retain control of the River Rock West Property Owners Association and River Rock East Property Owners Association until 95% of the lots are sold or until year 2007 or upon relinquishing such responsibility to a board assigned by the Declarant.

Section 6. **Constructive Acceptance.** Every person or entity who now or hereafter owns, occupies or acquires any right, title or interest in or to any portion of the Property is and shall be conclusively deemed to have consented and agreed to every covenant, condition and restriction contained herein, whether or not any reference to this Declaration is contained in the instrument by which such person acquired an interest in the Property.

Section 7. **Notices; Documents; Delivery.** Any notice or other document permitted or required by the River Rock Covenants to be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: If to the Association or the Architectural Review Committee, at the registered office for the Association; if to an Owner, then at any lot within River Rock owned by the Owner; if to the Declarant at 4135 Valley Commons Drive, Suite A, Bozeman, Montana 59718; provided, however, that any such address may be changed from time to time by an Owner, by the Architectural Review Committee, or by Declarant by notice in writing, delivered to Association member.

Section 8. **Waiver.** Neither Declarant or the Association nor their successors or assigns shall be liable to any Owner or Occupant of the Property by reason of any mistake in judgment, negligence, nonfeasance, action or inaction or for the enforcement or failure to enforce any provision of this Declaration. Every Owner or Occupant of any said property by acquiring its interest therein agrees that it will not bring any action or suit against Declarant and/or the Association to recover any such damages or to seek equitable relief because of same.

Section 9. **Annexation.** Additional residential property and common area may be annexed to the Property by Declarant at any time, provided only that all of such additional property and property owners shall be subject to these and other applicable Covenants.

Section 10. **Capital Facilities Fee.** The owner of any lot by acceptance of a Contract of Sale or a Deed therefore, whether or not it shall be so expressed in such Deed or a Contract, covenants and agrees to pay as part of the assessments of the River Rock Property Owners Association (Association) a sum designated for the Capital Facilities Fee to be used for the purpose of paying for the original cost for engineering and installation of initial infrastructure items including the Water and Sewer System. The Capital Facilities Fee shall commence on the 4<sup>th</sup> day of May 2001, or sooner, from an assessment on the capital facilities on all River Rock Subdivision units of any nature or kind as follows:

- a. Five Dollars (\$5.00) per month per single-family residence and Five Dollars (\$5.00) on each unit contained in any multi-family residential complex with four family units or less plus an increase of two percent (2%) per year commencing on January 1, 2001.
- b. Three Dollars (\$3.00) per month per unit in any multi-family residential complex with more than four family residential units including apartments, condominiums or other large type occupancy units plus an increase of two percent (2%) per year commencing on January 1, 2001.
- c. Audit of all fees on which the above Capital Facilities Fees are to be paid is based upon the records and plats on file and of record in the office of County Clerk and

Records, Gallatin County, Montana and upon the records of the River Rock County Water and Sewer District.

d. The Capital Facilities Fee for each unit shall commence on the first day of the month following the month a unit is hooked up to the water and sewer system, whether or not the unit is occupied, and shall continue until sufficient fees have been paid by the Association to pay the balance owing pursuant to (e) following.

e. The assessment for and payment of the Capital Facilities Fee shall continue until the sum of Seven Hundred Thousand Dollars (\$700,000.00) is paid to Golden Junction Properties, LTD., Co. (Golden Junction), or thirty (30) years from May 4, 2001, at which time the Capital Facilities Fee assessment shall terminate and the balance of the Seven Hundred Thousand Dollar (\$700,000.00) Capital Facilities Fee not previously assessed or required to be assessed, if any, shall be canceled all as contained in that certain Revision of Capital Facilities Fee Agreement, dated April \_\_\_\_\_, 2002.

f. The Capital Facilities Fees set forth in (a,b,c) above shall be reduced fifty percent (50%) at such time as that Promissory Note in the original amount of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) owing by Valley Meadows, LLC to Golden Junction, dated December 29, 1997, and due December 29, 2002, has been satisfied and paid in full.

Example: On January 1, 2001 the monthly assessment for a single-family residence in a. shall be reduced from \$5.20 to \$2.60. The monthly assessment for four or more multi-family residence complexes shall be reduced from \$3.12 to \$1.56.

This reduction of fifty percent (50%) shall not apply to the assessment of the fees described below in subparagraph g. which immediately follows this subparagraph f.

g. All non-residential buildings of any kind used for commercial, professional, organizational, nonprofit associations, federal, state and local government agencies, including, but not limited to apartments, condominium units, stores, gas stations, schools, fire stations, and other buildings not used for residential purposes are to be assessed a commercial Capital Facilities Fee of Ten Dollars (\$10.00) per month per unit, commencing one month after hook up to the unit for each building or unit within a building which has a separate sewer and water hook up . However, if the usage for a building or unit exceeds twice the average residential usage for a residential unit, then the Capital Facilities Fee shall be based upon the following formula: Base Rate for residential property in effect (the "Base Rate" which is currently \$5.20 per month) x Usage/Average Single-Family Unit Water Usage, where "Usage" is the monthly water consumption per non-residential building or unit for the particular use and where "Average Single-Family Unit Water Usage" is the average water consumption by a single-family household in the subdivision and where a unit is a building or space in a building which has a separate hook up to the

water and sewer system. In no event, shall the Capital Facilities Fee for non-residential units described above in this subparagraph g. be less than Ten Dollars (\$10.00) per non-residential unit. The reduction described in the immediately preceding subparagraph f. shall not apply to the facilities fees described in this subparagraph g. for non-residential buildings.

The water usage for each non-residential building or unit shall be reviewed and adjusted every six (6) months for usage by the River Rock Property Owners Association and a written report shall be made to Golden Junction Properties, LTD. Co. each six (6) months setting forth the usage per non-residential building or unit as compared with the average single-family unit water usage and any adjustments of the Capital Facilities Fee.

h. All Capital Facilities Fees described above on all types of residential and non-residential usage will each be increased by two percent (2%) every year commencing on January 1, 2001 and the first day of each year thereafter until paid in full.

i. The payments of the Capital Facilities Fee shall be paid as follows:

(i) By the Association to Golden Junction Properties, LTD. Co. by the 15<sup>th</sup> of each month following the month a unit is hooked up to the sewer and water system, regardless of whether the unit is occupied.

(ii) The payments will include a Capital Facilities Fee for all connected dwellings, buildings and units of any nature or kind within the River Rock Subdivision whether or not collection of such fees have been received by the Association from its members.

(iii) Except for the permissible reductions described herein, under no circumstances are the Capital Facilities Fees described above to be altered, changed or reduced until the remaining Seven Hundred Thousand Dollars (\$700,000.00) Capital Facilities Fee is satisfied or paid in full, provided however, if there is a balance of owing on the Seven Hundred Thousand Dollars (\$700,000.00) after payment to Turner of all assessments and payments due Turner under the terms of this Agreement at the end of thirty (30) years, such balance is canceled.

j. Reporting on the Capital Facilities Fees will include a quarterly listing of all units, residences, multi-family residences, commercial buildings and other non-residential units, and all other buildings or units connected to the water or sewer systems designated by lot number and address and the assessment on each such unit. At six (6) month intervals calculation will be furnished Golden Junction Properties, LTD. Co. of total number of single-family and multi-family units on the River Rock Water and Sewer System, together with their total usage, and the total number and usage of the non-residential buildings and units, and the computation for computing price of non-residential service described above for adjusting the six (6) month rates for non-residential rates. Books and records of the River Rock Property Owners Association will be available during normal business hours to Golden Junction Properties, LTD.



Co. or its agent on three (3) day notice furnished in writing to the offices of the Property Owners Association.

k. Late payment or no payment of monthly Capital Facilities Fees by River Rock Property Owners Association shall bear the highest rate of interest allowed by the State of Montana (fifteen percent (15%) per annum) if the Association fails to make any payment within ten (10) days after a written demand letter is mailed or personally delivered to the Association.

l. In the event that the Association fails to deliver to Golden Junction Properties, LTD. Co. the reports specified in f. above when due, and in the event said reports are not delivered to Golden Junction Properties, LTD. Co. within ten (10) days after written notice of a late report is delivered to the Association, a Twenty-Five Dollar (\$25.00) per day late fee shall be paid by the Association to Golden Junction Properties, LTD. Co. Such late fees shall constitute a lien upon the lands of the Association within the subdivision if not paid.

m. The fees stated herein shall be collected by the Association or other designated agent and shall be paid to the Golden Junction Properties, LTD., Co. until the obligation owing to it is paid in full.

n. If a lot owner, unit owner, or building owner fails to timely pay the capital facilities fee assessment, the amounts owing, plus the interest thereon, and costs of collection shall be a lien upon such real estate interest owned by such owner in River Rock Subdivision upon which the assessment is assessed and may be collected and enforced as set forth in the Covenants as to other assessment liens.

o. The provisions of this amendment are intended to and do provide for the general health and welfare of the residents and inhabitants of the real property which is the subject of this Amendment.

p. The provisions set forth above regarding capital improvements fee, obligations, the assessment and lien and calculation thereof may not be modified, amended or eliminated by River Rock Property Owners Association or the lot owners, by amendment, vote, or otherwise without the express written consent of Golden Junction Properties, LTD. Co. recorded with the Gallatin County Clerk and Recorder.

The Board of Directors is authorized and directed to ratify, approve, and agree to on behalf of the Association the terms, conditions, and provisions of the Revision of Capital Facilities Fee Agreement, dated April \_\_, 2002.

Under this Amendment all Capital Facilities Fees, including the assessment, billing, payment, supervision, management, and extensive reporting to Golden Junction Properties, LTD, Co. shall become the obligation of River Rock Property Owners Association.

The undersigned hereby ratify and affirm all of the covenants and amendments thereto as herein set forth above except where inconsistent with the terms and conditions contained and set

forth in this Amendment. The undersigned are vested with the power and authority to enter into and execute this Amendment pursuant to Article XI, Section 5 of the First Amended Declaration of Covenants and Restrictions for River Rock, Gallatin County, Montana, dated July 16, 1999, and executed on the 4<sup>th</sup> day of August, 1999 and pursuant to all amendments thereto.

3. That the covenants and conditions contained and set forth herein shall run with and bind the lands described in the covenants and amendments above-referenced and any and all lands, lots or units added thereto in the future.

4. The undersigned hereby certify that the Amendment was adopted by not less than sixty percent (60%) of the Owners of lots of River Rock Subdivision, each lot being entitled to one vote, as required by Article XI Section 5 of the First Amended Declaration of Covenants, Conditions and Restrictions for River Rock Subdivision.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal the 3 day of July, 2003.

VALLEY MEADOWS, LLC  
by Valley Meadows Associates, LLC, its  
Managing member  
by Potter Clinton Development, Inc., its  
Managing member

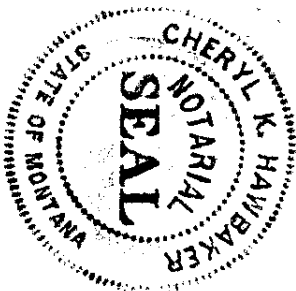
BY: [Signature]  
Michael E. Potter, President

BY: [Signature]  
Thomas L. Clinton, Vice President

STATE OF MONTANA     )  
                                      : ss  
County of Gallatin     )

On this 3 day of July, 2003, before me, a Notary Public for the State of Montana, personally appeared MICHAEL E. POTTER AND THOMAS L. CLINTON, known to me to be the President and Vice President, respectively, of POTTER CLINTON DEVELOPMENT, INC., a Wyoming Corporation, and acknowledged to me they executed the same pursuant to the power and authority vested in them.

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



Cheryl K. Hawbaker  
Notary Public for the State of Montana  
Residing at Bozeman, Montana  
My Commission Expires July 13, 2003

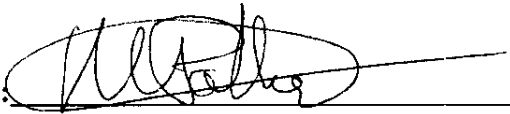



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Shelley Vance-Gallatin Co MT MISC 282.00

**RIVER ROCK WEST, LLC**  
by Valley Meadows Associates, LLC, its  
Managing member  
By Potter Clinton Development, Inc., its  
Managing member

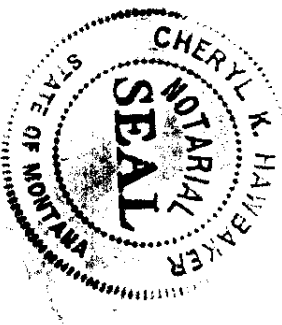
BY:   
Michael E. Potter, President

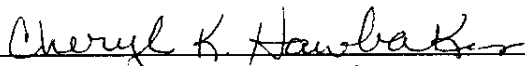
BY:   
Thomas L. Clinton, Vice President

STATE OF MONTANA     )  
                                      : SS  
County of Gallatin     )

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

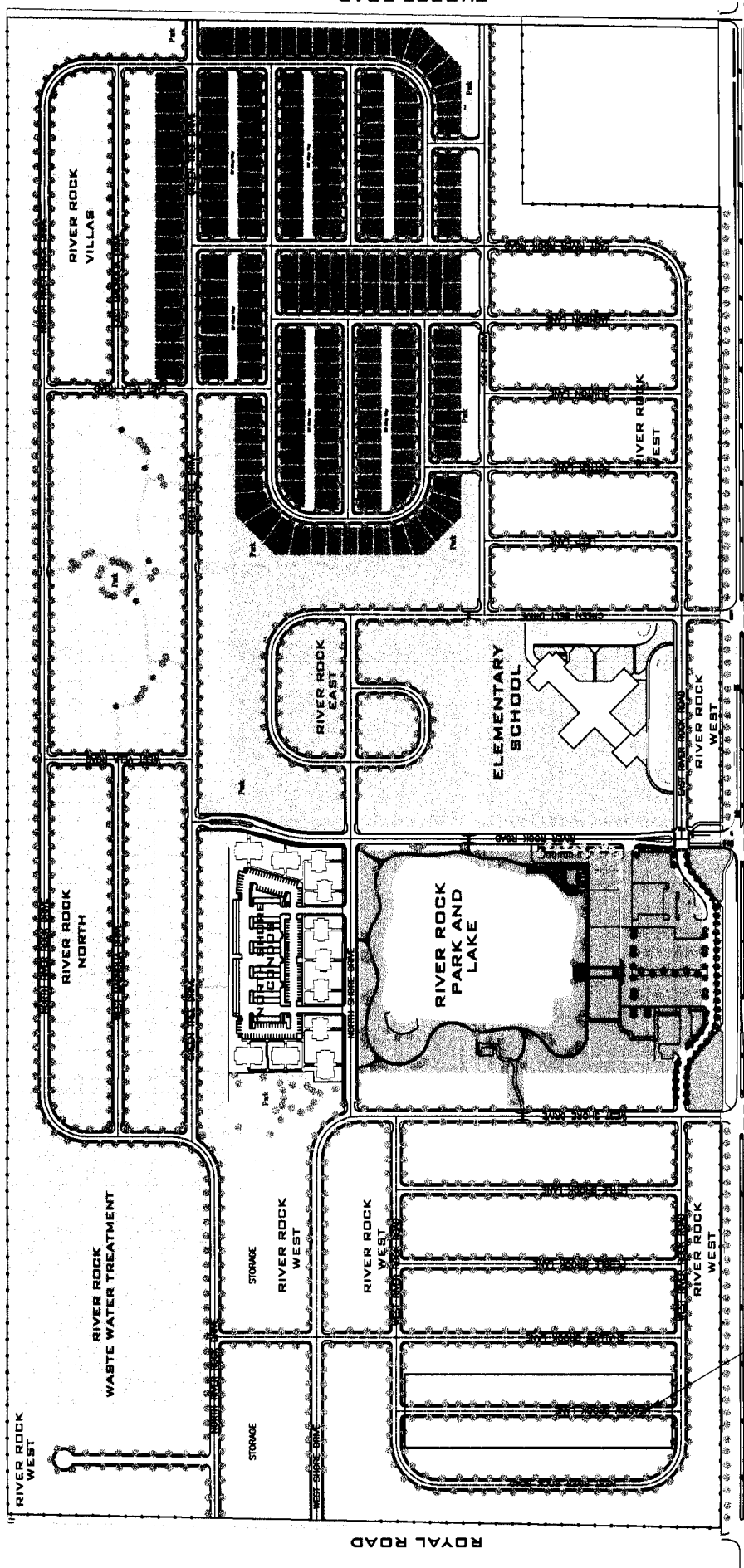


  
Notary Public for the State of Montana  
Residing at Bozeman, Montana  
My Commission Expires July 13, 2003

# RIVER ROCK AREA PLAN

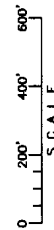
GALLATIN COUNTY, MONTANA

MARCH 2002



## LEGEND

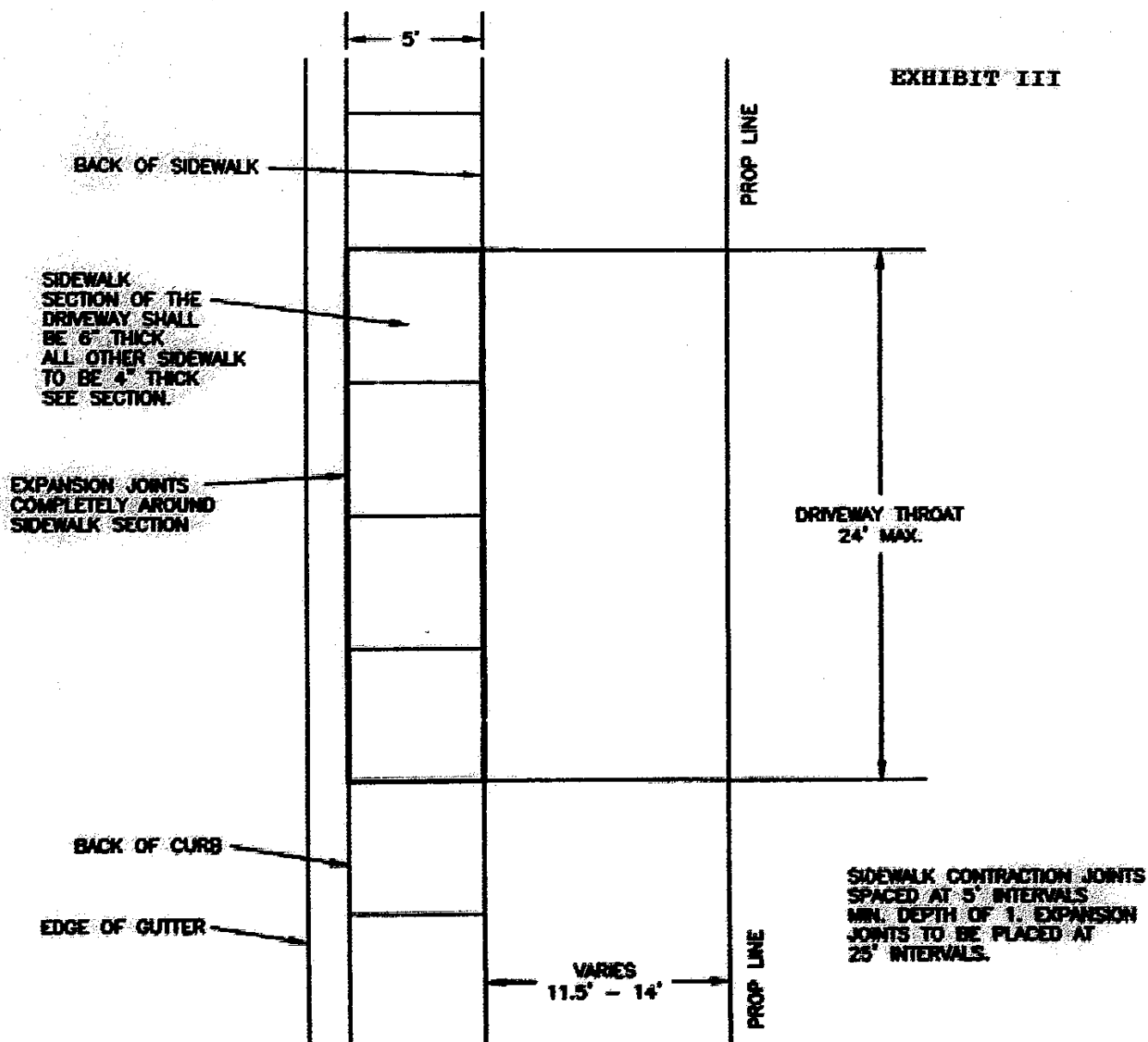
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- RIVER ROCK WEST
- RIVER ROCK EAST
- RIVER ROCK TRADITIONS
- RIVER ROCK NORTH
- RIVER ROCK VILLAGE



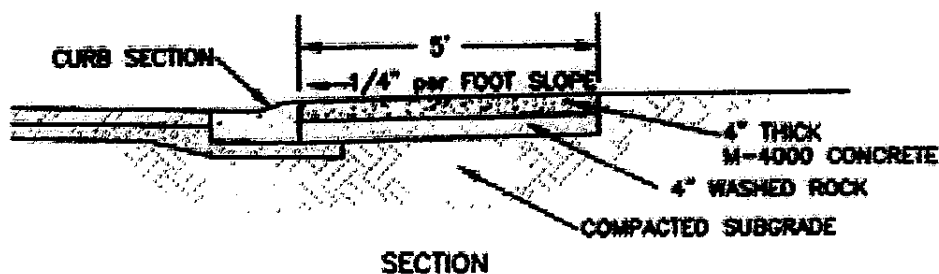


# RIVER ROCK SIDEWALK AND DRIVEWAY DETAIL

EXHIBIT III



EXPANSION JOINT MATERIAL SHALL BE 1/2" THICK PRE-FORMED BITUMINOUS TREATED FIBER BOARD FILLER. ALL CURB REPLACEMENT SHALL BE DONE WITH INTEGRAL CURB AND GUTTER UNLESS OTHERWISE APPROVED.





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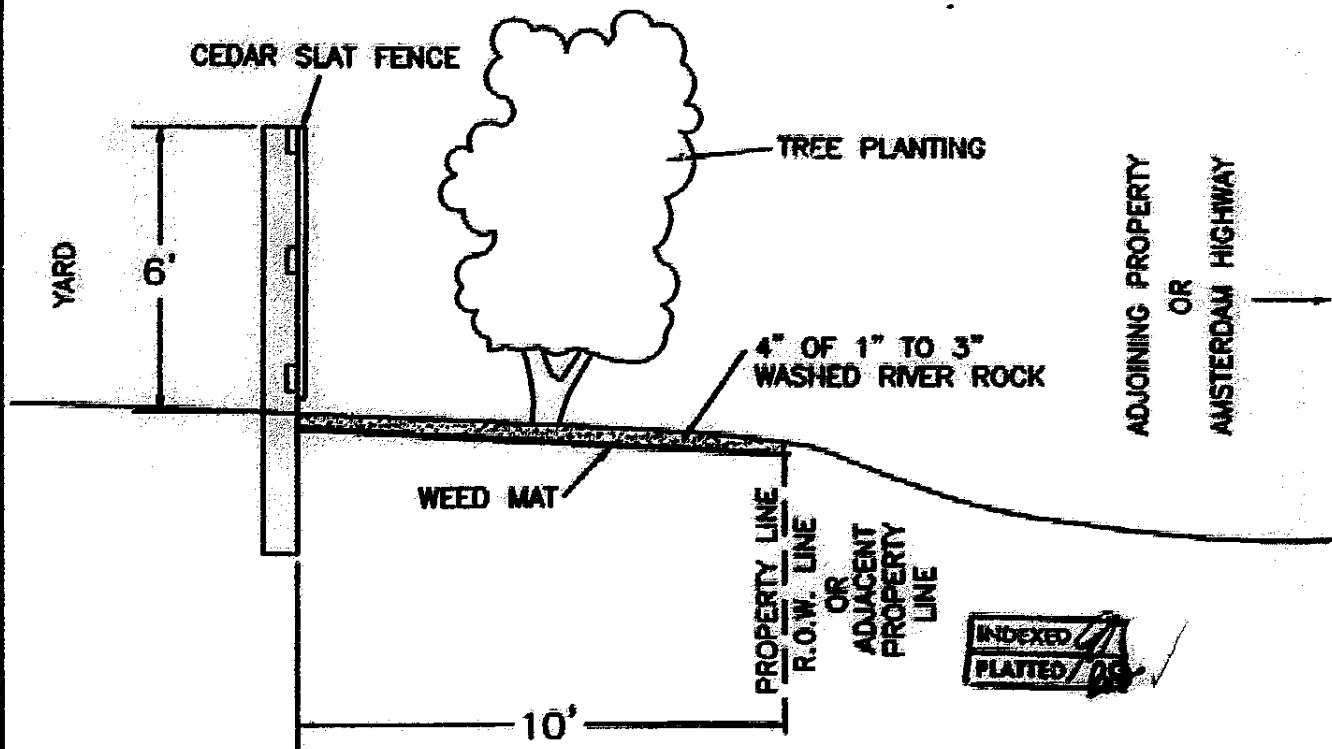
Shelley Vance-Gallatin Co MT MISC

282.00

# AMSTERDAM/ROYAL BUFFER/FENCE DETAIL

NTS

## EXHIBIT IV



396925

State of Mont., County of Gallatin, ss Filed for record August 4, 19 99  
at 3:53 p M., and recorded in Book 201 of Miscellaneous page 5583  
Shelley Vance Recorder. By [Signature] Deputy

Rt: Security Title Co.

Fee: \$228.00

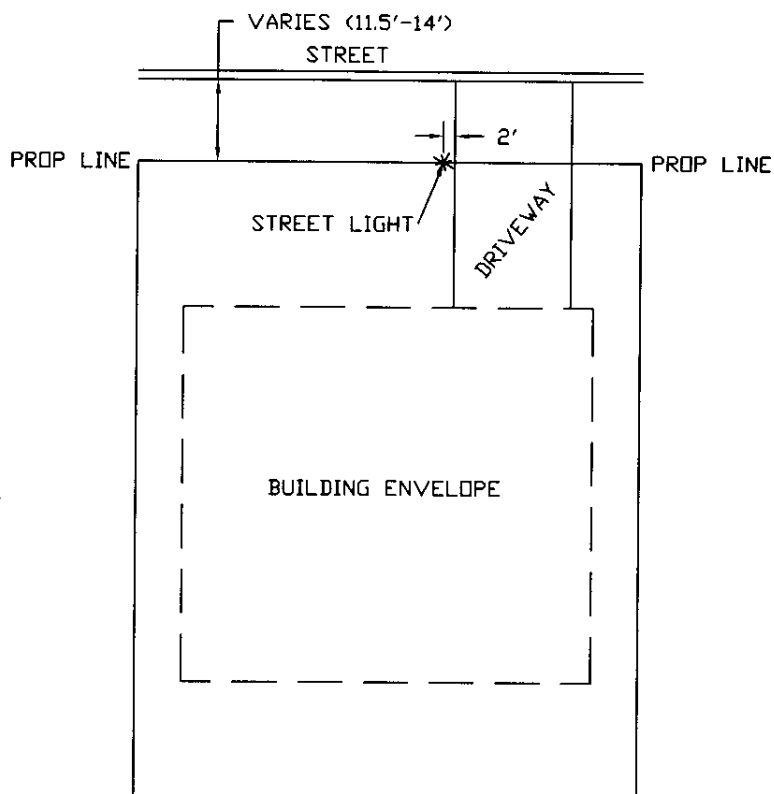


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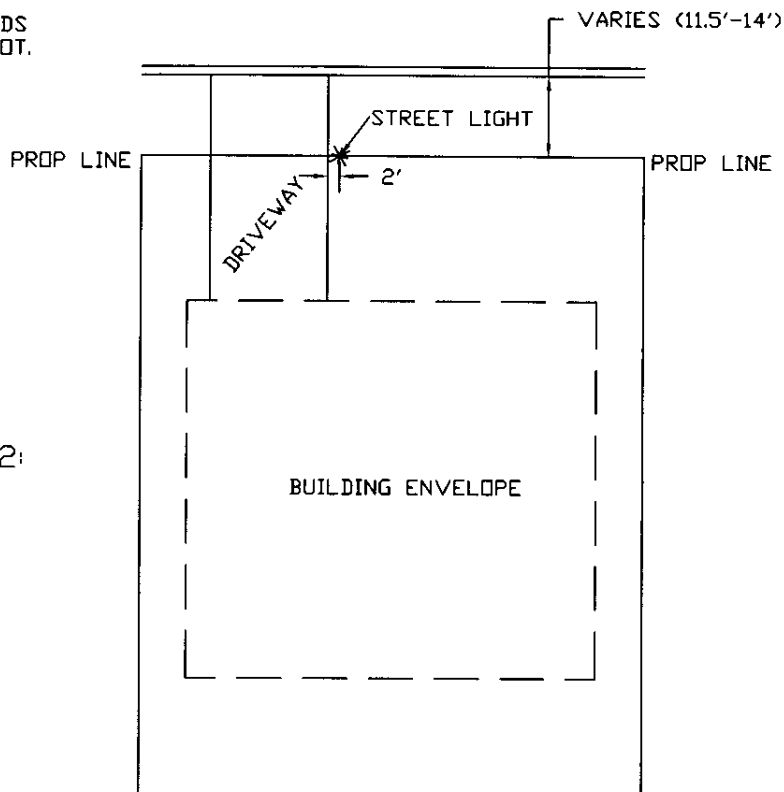
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## RIVER ROCK STREET LIGHT LOCATION DETAIL

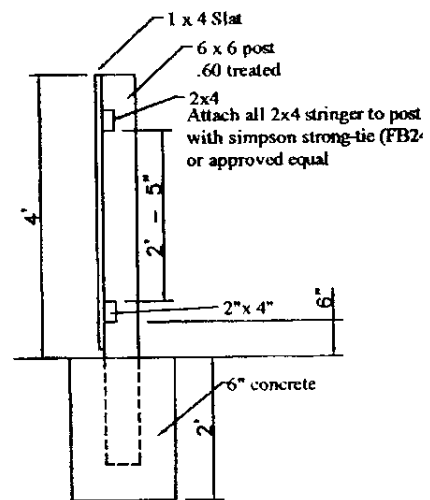
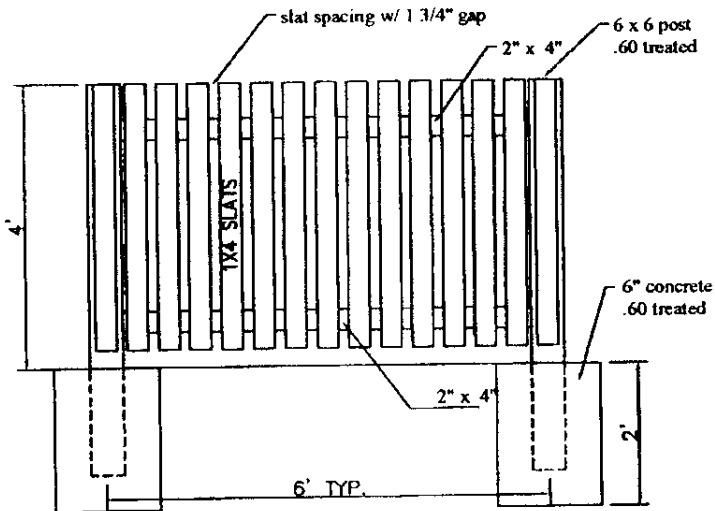
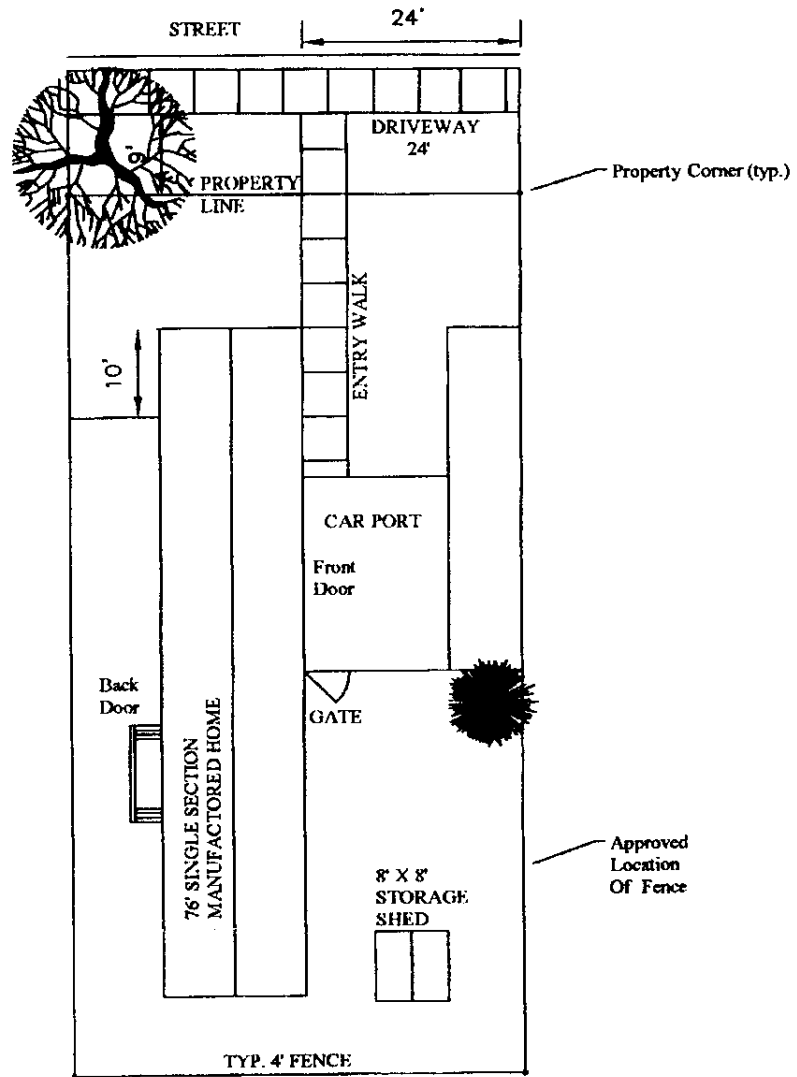


EXAMPLE 1:

THE STANDARD STREET  
LIGHT LOCATION IS:  
ON THE PROPERTY LINE  
2' FROM THE EDGE OF  
THE DRIVEWAY TOWARDS  
THE MIDDLE OF THE LOT.



EXAMPLE 2:



Typ. Fence Detail

River Rock North  
Fence Detail

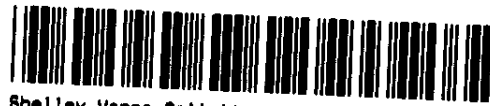


Shelley Vance-Gallatin Co MT MISC

282.00

**2114204**

Page: 45 of 47  
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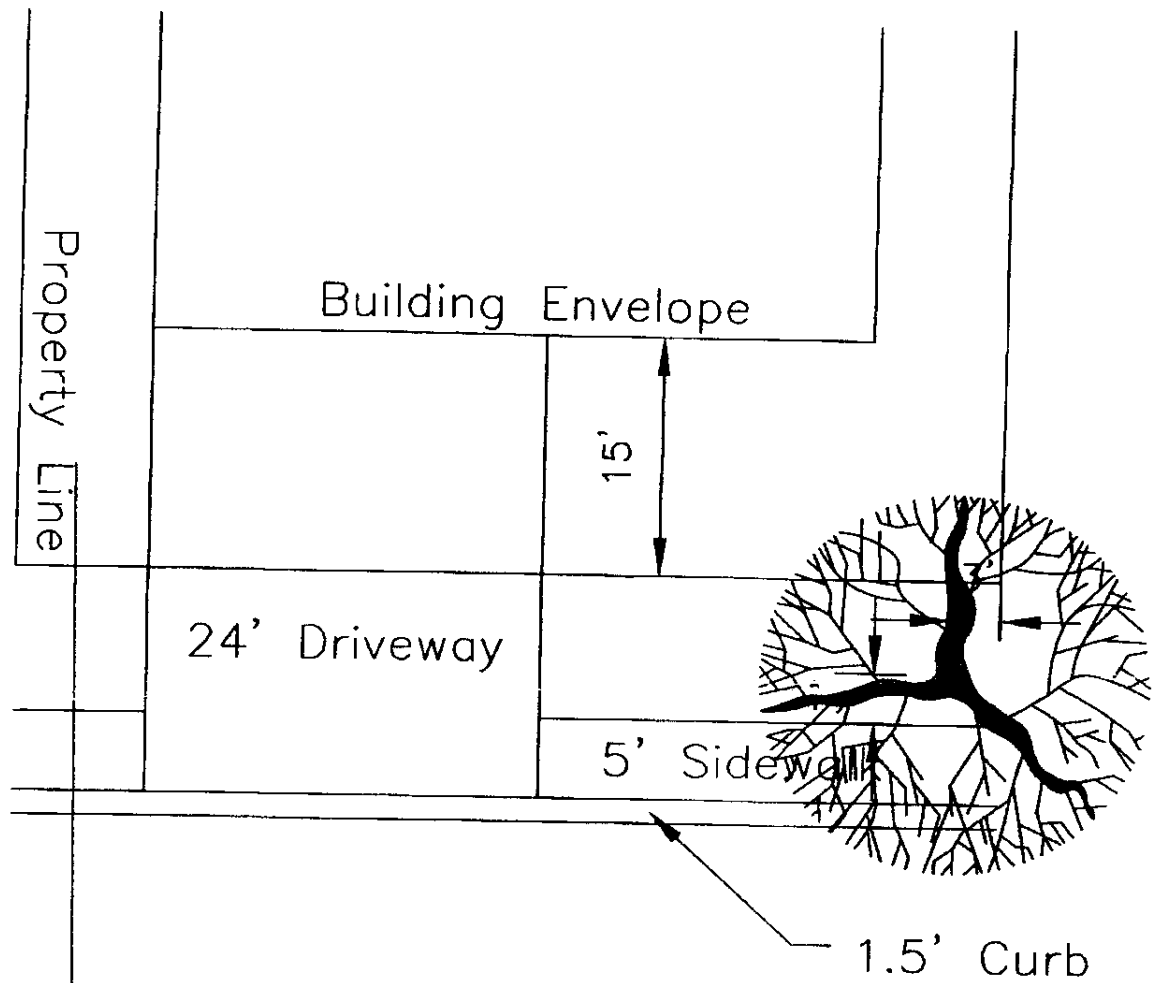


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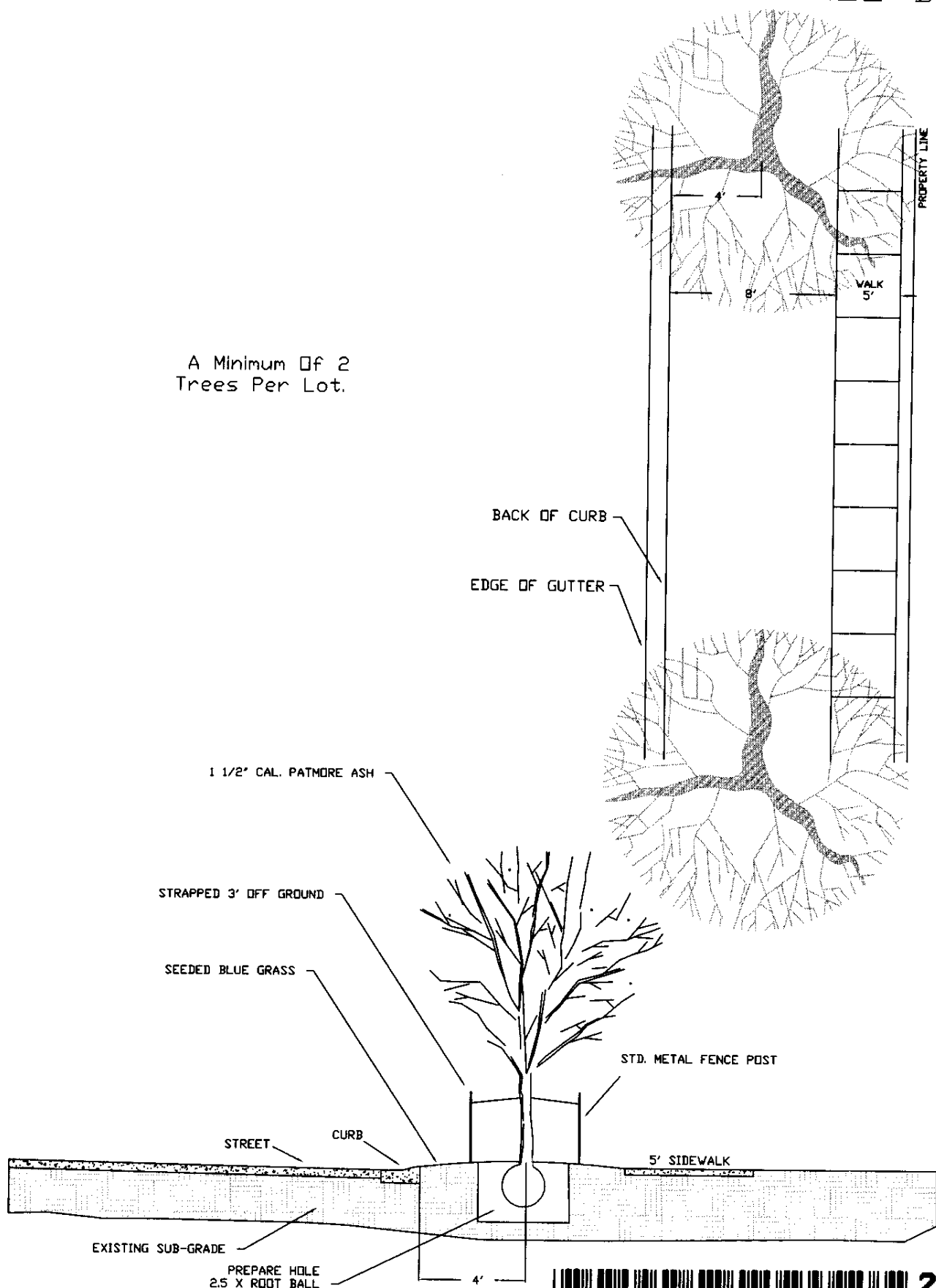
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River Rock North  
Tree Planting Detail

# TRADITIONS SIDEWALK AND STREET TREE DETAIL

A Minimum of 2  
Trees Per Lot.



Shelley Vance-Gallatin Co MT MISC

202.00

**2114204**

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**BYLAWS**  
**OF AND FOR**  
**RIVER ROCK PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I**

**NAME**

The following shall prevail throughout these Bylaws in the interpretation thereof unless specific provisions direct otherwise:

**RIVER ROCK PROPERTY OWNERS ASSOCIATION, INC.**, is the incorporated organization which is to be governed by, and, which is empowered to act in accordance with these Bylaws. Hereinafter said corporation shall be referred to as the "Association".

**ARTICLE II**

**ADDRESS**

The address of the initial principal office of the Association shall be 4135 Valley Commons Drive, Suite A, Bozeman, Montana 59718.

**ARTICLE III**

**POWERS**

The Association shall have all the powers of a nonprofit corporation enumerated and set forth in Title 35, Chapter 2, Mont. Code Ann. The purposes of the Association are those set forth in the Articles of Incorporation.

**ARTICLE IV**

**MEMBERSHIP INTEREST**

Every person, group of persons, partnership, corporation, or association who is a fee owner of real property within the boundaries of the area described as **RIVER ROCK SUBDIVISION**, including Phase 1 of Royal Village, according to the official plat or

plats thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana, shall be a member of the Association. By this provision, each tract as shown on the plat and amendments thereto shall entitle the owner of one membership interest in the Association.

Multiple owners of a single parcel of real property would have, collectively, one such membership or voting interest as set forth on the attached schedule. If more than one tract is owned, the owner or owners thereof would have one membership or voting interest for each separate parcel of real property. There may be multiple assessments on a single parcel upon which multiple dwellings are located as set forth on the attached schedule.

Membership interest shall run with the land so that said interest is an incident to ownership beginning when ownership rights are acquired and terminating when such rights are divested. Accordingly, no member shall be expelled, nor shall he be permitted to withdraw or resign while possessing a membership interest.

## **ARTICLE V**

### **MEETINGS**

There shall be an annual meeting of the membership. The date, hour and place of such meeting shall be contained in the notice of meetings as hereinafter described. The annual meeting shall be the time for the conduct of any and all legitimate business of the Association, including election of directors and presentation of reports. Voting at all meetings shall be in the manner prescribed in these Bylaws.

Special meetings may be called at any time upon the initiative of the Board of Directors. A special meeting must be called when a Petition signed by fifty percent (50%) of the membership interest outstanding and eligible to vote at the time has been presented to any member of the Board of Directors. Such special meeting shall be called as soon as practicable after receipt of said Petition. Notice of any such special meeting shall state the hour, date and place of the meeting and shall further precisely state the



reasons of such meeting, and said special meeting held shall be strictly confined to the matters set forth in the notice unless seventy-five percent (75%) of the said membership interest present agree otherwise.

All meetings, both annual and special, shall be presided over by the Chairman of the Board of Directors or his appointed representative.

Any meeting may be adjourned by the Board of Directors at their discretion, but any meeting adjourned before all its business is disposed of shall be reconvened within thirty (30) days of such adjournment upon due notice given.

Resolutions as hereinafter described may be introduced by any member at any annual meeting provided such resolution in written form is presented to the Secretary of the Board no later than ten (10) days prior to the date of such meeting.

Written notice of all meetings, annual and special, shall be mailed to every member of record no later than ten (10) days and not more than fifty (50) days before the date of the meeting. It shall be the duty of each member to advise the Association of his current address.

*Notice*  
*X*

## **ARTICLE VI**

### **VOTING**

Each membership interest as defined in Articles IV and XIII and as delineated on the attached schedule of these Bylaws shall have one (1) vote on all matters to come before the Association meeting. Voting of such interest shall be in the manner provided by the Board of Directors and in these Bylaws. Voting may be in person or by written proxy.

## **ARTICLE VII**

### **RESOLUTIONS**

All matters that are the business and concern of the Association shall be presented to the Association and meetings of the Association in the form of resolutions directed to the Board of Directors. Such resolutions as are passed by over fifty percent

(50%) of the said membership interest of record and eligible to vote shall be binding on the Board of Directors. Such binding resolution shall have the effect of compelling the Board of Directors to take positive action in response to the general inclination of the resolution. However, the scope, extent, and specific character of all such action shall be within the final discretion of the Board of Directors.

## ARTICLE VIII

### POWERS AND DUTIES OF BOARD

The Board of Directors shall have the following powers and duties:

- A. To enter into contracts and agreements as are necessary to effect the business of the Association.
- B. To provide for the construction, installation, acquisition, replacement, operation, maintenance, and repair by the Association of buildings, equipment, common areas, park facilities, community center building, and other common facilities, and service streets, roads, bridges, lighting, garbage removal and disposal in common areas, security of persons or property, fire protection, and other municipal or quasi-municipal services and functions and to allow the use of Association property on buildings for county, state, or other governmental branches that promote the health and safety of the membership. Contracts for such work with third parties which provide for a term or duration in excess of three years must be approved by a majority of the members, which approval may be ratified at the annual or any special meeting of the Association.
- C. To make and establish rules and regulations for the governance of facilities and the performing of such functions, the taking of such action and operating in such areas as are within the jurisdictions of the Association including voluntary provision of an office space in the community center building for Gallatin County Sheriffs office for potential community program.
- D. To make assessments as described in these Bylaws and the Declaration of Covenants, Conditions and Restrictions including Design Guidelines on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana recorded on Film 201 Page 2283, and any amendments thereto.
- E. To take necessary and appropriate action to collect assessments from members, including the filing of liens and prosecuting foreclosures as provided in these Bylaws.
- F. To incur debt and grant security interests in Association property to collateralize such debt for any capital or operating assessment whether incurred in the past or future, or to accept assignments and

contracts relating to capital facilities and to assign a portion of the assessment as provided in these by-laws and the Declaration of Covenants, Conditions and Restrictions referenced above, for collateralization of debt and satisfaction of said assignments and contracts including the pre-existing Capital Facilities Fee contract executed by the Managing Members of the declarants of the Covenants, Conditions and Restrictions referenced above.

- G. To call meetings of the Association, both annual and special, and to preside over such meetings and to give appropriate notice of such meetings as required by these Bylaws.
- H. To formulate and introduce resolutions at the meetings of the Association.
- I. To hold meetings of the Board of Directors as are necessary to conduct Association affairs.
- J. To exercise ultimate decisional power in and on all matters affecting the Association.
- K. To pay the expenses of the Association, including all taxes or assessments, and to contract and pay for such insurance as may be necessary in the best interests of the Association, and to provide for the use and disposition of the insurance proceeds in the event of loss or damage.
- L. To fill vacancies on the Board by agreement of the remaining members, should the vacancy not, however, be filled by the Board, it may be filled by an election at an annual or special meeting wherein each membership interest shall have one (1) vote.
- M. To maintain lists of members.
- N. To keep records in a good and businesslike manner of all assessments made, all expenditures, and the status of each member's payments of assessment; and to make such records accessible at reasonable times to all members.
- O. To provide municipal type facilities for the safety, comfort, health, well-being, and pleasure of the owners, their guests and invitees.
- P. To promote, conserve, and preserve the premises.
- Q. To do any and all things necessary to carry into effect these Bylaws and to implement the purposes as stated in the Articles of Incorporation and to do any and all things necessary to require compliance with and enforce the Declaration of Covenants, Conditions and Restrictions including Design Guidelines which, by Article XIX, are made a part of these Bylaws.
- R. To deal with agencies, officers, boards, commissions, departments, and bureaus or other governmental bodies in a federal, state, county

and local basis to carry out the above powers, duties, and responsibilities.

- S. To establish accounts for operating and/or development funds as set out in the Declaration of Covenants, Conditions and Restrictions including Design Guidelines.
- T. To provide, through assessments, an adequate reserve fund for maintenance, repairs and replacement of those elements in the common area that must be replaced or maintained on a periodic basis.
- U. In addition to the above powers, the Board of Directors shall act and perform the functions of the Architectural Review Committee, or, in the alternative, may appoint an Architectural Review Committee, as referenced in the Covenants, Conditions and Restrictions including Design Guidelines on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana, and shall have all of the powers, duties, obligations and responsibilities set forth in said document.

## **ARTICLE IX**

### **ASSESSMENTS**

The Association, acting through the Board of Directors, shall have the power to levy assessments on its members. The assessments levied by the Association shall be used exclusively to promote health, safety and welfare of the owners of the property, their guests and invitees and for the improvement of the maintenance of the common areas, open spaces and park areas, to include common road maintenance and utility line maintenance, landscape maintenance in common areas and in parks, property liability insurance, Association employees' wages, mailing costs, common signage, common utility expenses and traffic control signs, and other related expenses incurred on behalf of the Association as further described hereafter.

The annual assessments provided for herein shall commence, for each phase of the development, independently of the other phases and annual assessments will commence to accrue on the first day of the month following the conveyance of the first lot in each phase by the developer to any third party or entity.

There shall be two classes of assessments allowable under these Bylaws:

- (1) Capital assessments, and (2) Operating assessments.

Capital assessments shall be for the purpose of acquiring, replacement, or the construction of new facilities, or the major repair or renovation on existing facilities.

Operation assessments shall be for the purpose of sustaining day-to-day activities of the Association, including maintenance of real property including open space, common areas and parks, maintenance of common landscaping, minor repairs, accounting for the Association, common utility expense, liability insurance and other ordinary expenses.

The Board of Directors shall have the final authority to determine under which general heading to make various assessments. Further, the Board may make assessments in either or both categories on each person or persons or entity having a membership interest.

Assessments shall be made on an annual basis and notice thereof shall be mailed by the Secretary of the Board to each member at his address of record on or before the first of June of each year.

All assessments become due thirty (30) days after the date of mailing and must be paid within thirty (30) days of the said due date, after which they will become delinquent. The Board shall have authority to impose reasonable interest charges and penalties on amounts which are overdue. Any assessment not paid within thirty (30) days as set forth above shall bear interest at the maximum amount allowed by law. The Association may bring an action against the owner personally obligated to pay the assessment, or foreclose a lien filed against the property. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use or abandonment of his tract.

## **ARTICLE X**

### **BUDGETS**

On or before November 30th of each year, the Board shall prepare and mail to each member a budget which shall include both capital and operating expenses for the

forthcoming year. The budget shall be divided by the total number of tracts in the subdivision at the time, and assessments shall be made against each membership interest equally as set forth on the attached schedule.

## **ARTICLE XI**

### **LIENS FOR ASSESSMENTS AND FORECLOSURES**

All sums assessed, but unpaid for either capital or operating assessments, shall constitute a lien against any tract where the said assessment remains unpaid after sixty (60) days following the date when the same became delinquent, as set forth in paragraph IX above. Such lien shall be superior to all other liens and encumbrances, except for tax and special assessment liens placed by a statutory authority, other statutory liens, and the lien of any first mortgage or a first trust indenture of record.

To evidence such liens, the Association shall prepare a written notice of lien assessment, setting forth the amount of such unpaid indebtedness, the amount of the accrued interest, the late charges thereon, the name of the owner of the tract and a description of the real property. Such notice shall be signed and verified by the Chairman of the Board of Directors, or his/her authorized representative, and shall be recorded in the office of the County Clerk and Recorder. Such lien shall attach from the date of the recording of such notice. Such lien may be enforced by the foreclosure of the defaulting membership interest by the Association in like manner as a mortgage on real property as otherwise provided by law upon the recording of a notice or claim thereof. In any such proceedings, the owner shall be required to pay the costs, expenses, and attorney's fees incurred for filing a lien, and in the event of foreclosing proceedings, additional costs, all expenses, and reasonable attorney's fees incurred.

## **ARTICLE XII**

### **QUORUM**

Meetings of the Association shall be convened at the time and place contained in the notice of such meeting only if a quorum of the membership interest is present either in person or by proxy. A quorum shall consist of thirty percent (30%) of the total membership interest of the Association qualified and eligible to vote at the time. Any membership interest may be represented by the owner thereof or by his agent who has written authority to so act.

## **ARTICLE XIII**

### **VOTING INTEREST**

Whenever any tract is owned or leased by two or more persons, or by an entity, such person, or persons, or entity must, prior to a meeting where voting may be allowed, among and between themselves, determine who is entitled to vote the membership interest and in what manner it shall be voted. If, in the judgment of the Board, a bona fide and irreconcilable dispute arises as to the voting or right to vote a membership interest, such interest may be declared to be a dispute and for the time such interest is in dispute, it shall have no voting rights. The allocation of votes shall be as set forth on the attached schedule.

## **ARTICLE XIV**

### **SECRETARY**

The Secretary of the Board of Directors shall maintain a record of all membership interests in the Association. In order to make a determination of membership interest for any purpose stated in these Bylaws or the laws of the State of Montana, the Board may order the record closed for a stated period of time, which period shall be thirty (30) days at a minimum. Notice of assessments and liability for assessments shall be in the name of the registered owner on the membership list at the time assessments are declared by the Board.

**ARTICLE XV****BOARD MEMBERS**

The initial Board of Directors shall consist of three (3) individuals appointed by the declarant in the covenants for the real property known as River Rock Subdivision and Phase 1 of Royal Village Subdivision. The initial Board of Directors shall continue to serve as set forth hereafter, thereafter the Board of Directors of the Association shall consist of five (5) members. The initial Board of Directors shall be comprised of a majority of members, who shall be an owner of record of lots within the subdivision in various phases within the subdivision. At such time as the initial Board of Directors has relinquished control as set forth in this paragraph, the Board shall consist of members, all of who shall be an owner of record of lots within the subdivision. The individual who receives the most votes in any Board election shall serve as Chairman. Until such time as three-quarters of the tracts shown on that master plan on file with Gallatin County have been sold, and title is transferred to owners, or 7 calendar years from the date of execution of this Document, whichever occurs first, the Owner reserves the right to appoint and remove all members of the Board and to exercise the powers and responsibilities otherwise assigned by the Declaration of Covenants, Conditions and Restrictions, including Design Guidelines and these Bylaws. By expressed written declaration, the initial directors shall have the option to, at any time, turn over to the Association the total responsibility for electing and removing members of the Board.

Members of the Board and their officers, assistant officers, agents and employees acting in good faith on behalf of the Association:

(1) shall not be liable to the owners as a result of their activities as such, for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith;



(2) shall have no personal liability in contract to an owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such;

(3) shall have no personal liability in tort to any owner or any person or entity, except for their own willful misconduct or bad faith.

(4) shall have no personal liability arising out of the use, misuse or condition of the Property which might, in any way, be assessed against or imputed to them as a result of, or, by virtue of their capacity as such.

## **ARTICLE XVI**

### **TERMS AND REPLACEMENT**

The terms of office for members of the Board shall be three (3) years, notwithstanding the fact that the terms shall be staggered. Positions on the Board of Directors shall be filled in the manner hereinafter described. At the first annual meeting of the Association, the members shall elect, by majority vote, five (5) members of the Board of Directors who shall have as their respective term of office one (1), two (2) and three (3) years. At each succeeding annual meeting of the Association an election shall be held to fill the directorship of the Director whose term will next expire.

Any vacancy created by resignation shall be filled immediately by appointment by the remaining Board members. Such appointment must be approved by a majority of the members of the Association in attendance, in person, or by proxy at the next meeting of the Association, whether general or special. If the appointment is not approved, then the members shall fill the vacancy by a majority vote. At any time and for any reason that a vacancy occurs on the Board and an agreement cannot be reached on a successor, then such vacancy shall be filled by the membership interest at large at a special meeting held for that purpose. At such election, any membership interest may nominate candidates from the floor and voting shall be by ballot and each membership interest shall have one (1) vote. In the event the membership should nominate more than

three (3) individuals to fill a vacancy, the three individuals receiving the highest number of votes shall become candidates to fill the vacancy and a second vote shall be taken to select one of the three (3). The person receiving the highest number of votes shall be deemed to be elected to fill the vacant position on the Board of Directors.

At any meeting, whether general or special, any one or all of the members of the Board may be removed and replacements elected upon a majority vote of the total membership interests outstanding and eligible to vote at that time.

## **ARTICLE XVII**

### **COMMITTEES**

Pursuant to the Title 35, Chapter 2, Mont. Code Ann. and, subject to the restrictions stated therein, the Board may appoint committees to act for the Board and to exercise the authority of the Board on matters referred to them by the Board. Such committees may be dissolved at any time by the Board of Directors.

## **ARTICLE XVIII**

### **INSURANCE**

The Board shall purchase insurance policies to protect the property of the Association against casualty loss and to protect the Association and the Board members, when acting in their official capacity, from liability. The extent and specific nature of coverage shall be determined by the Board.

## **ARTICLE XIX**

### **COVENANTS**

No acts by the Association or by the Board of Directors shall be contrary to the Declaration of Covenants, Conditions and Restrictions, including Design Guidelines on file with the Clerk and Recorder of Gallatin County, Montana, and amendments thereto. On its own initiative, the Board may take such action as it deems necessary,

including the taking of legal action and initiating suit to enforce the Declaration of Covenants, Conditions and Restrictions, including Design Guidelines.

## **ARTICLE XX**

### **OFFICERS**

The Board of Directors shall appoint a secretary for the Association. The Board of Directors may, at its discretion, appoint additional officers to generally supervise and control the business of this Corporation and delegate certain powers, duties and responsibilities to such officers. The manner of selection, the qualifications, salaries, if any, the term of office, the method of removal, the scope of duties and responsibilities, and the number of such officers shall be determined by the Board of Directors.

## **ARTICLE XXI**

### **COMPENSATION**

Board members shall be reimbursed for any out-of-pocket expenses incurred while acting in their official capacity and may be entitled to a nominal fee for their services as members of the Board of Directors.

## **ARTICLE XXII**

### **SEVERABILITY**

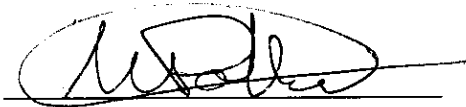
A determination of invalidity of any one, or more, of the provisions or conditions hereof, by judgment, order, or decree of a Court shall not affect, in any manner, the other provisions hereof which, shall remain in full force and effect.

## ARTICLE XXIII

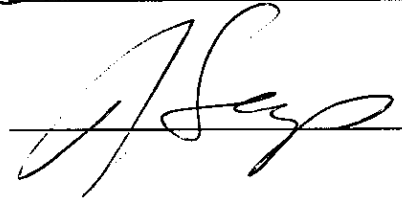
INTERPRETATION AND AMENDMENT

The Board of Directors shall have the power to interpret all the provisions of these Bylaws and such interpretation shall be binding on all persons. These Bylaws may be amended from time to time whenever at least fifty-one percent (51%) of the membership interests shall have voted in favor of such amendment.

THESE BYLAWS were adopted by the Board of Directors for **RIVER ROCK PROPERTY OWNERS ASSOCIATION, INC.** on the 7<sup>th</sup> day of February, 2001.



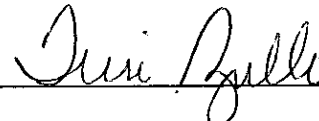
Thomas L. Clinton



STATE OF MONTANA )  
 ) ss  
County of Gallatin )

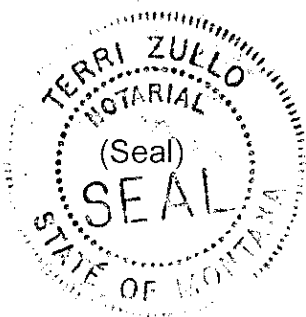
On this 7<sup>th</sup> day of February, 2001, before me, a Notary Public for the State of Montana, personally appeared Michael Potter, ~~Thomas L. Clinton~~, known to me to be one of the Board of Directors for **RIVER ROCK PROPERTY OWNERS ASSOCIATION, INC.**, and who executed this instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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



Notary Public for the State of Montana  
Residing at: Bozeman

My Commission Expires: April 10, 2003



STATE OF MONTANA )  
 )  
 County of Gallatin )  
 :ss

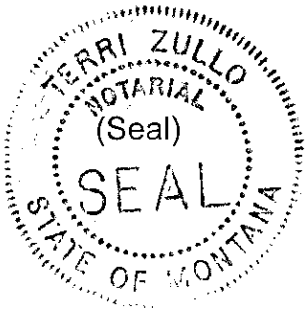
On this 7<sup>th</sup> day of February, 2001, before me, a Notary Public for the State of Montana, personally appeared Thomas L. Clinton, known to me to be one of the Board of Directors for **RIVER ROCK PROPERTY OWNERS ASSOCIATION, INC.**, and who executed this instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

Terri Zullo

Notary Public for the State of Montana  
 Residing at: Bozeman

My Commission Expires: April 10, 2003



STATE OF MONTANA )  
 )  
 County of Gallatin )  
 :ss

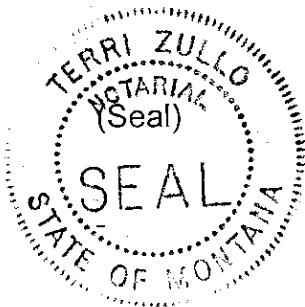
On this 7<sup>th</sup> day of February, 2001, before me, a Notary Public for the State of Montana, personally appeared Jason Leep, known to me to be one of the Board of Directors for **RIVER ROCK PROPERTY OWNERS ASSOCIATION, INC.**, and who executed this instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

Terri Zullo

Notary Public for the State of Montana  
 Residing at: Bozeman

My Commission Expires: April 10, 2003



STATE OF MONTANA                    )  
  :SS  
County of Gallatin                    )

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, a Notary Public for the State of Montana, personally appeared \_\_\_\_\_, known to me to be one of the Board of Directors for **RIVER ROCK PROPERTY OWNERS ASSOCIATION, INC.**, and who executed this instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

(Seal)

\_\_\_\_\_  
Notary Public for the State of Montana  
Residing at:\_\_\_\_\_

My Commission Expires:\_\_\_\_\_

STATE OF MONTANA                    )  
  :SS  
County of Gallatin                    )

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, a Notary Public for the State of Montana, personally appeared \_\_\_\_\_, known to me to be one of the Board of Directors for **RIVER ROCK PROPERTY OWNERS ASSOCIATION, INC.**, and who executed this instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

(Seal)

\_\_\_\_\_  
Notary Public for the State of Montana  
Residing at:\_\_\_\_\_

My Commission Expires:\_\_\_\_\_

THIS DOCUMENT PREPARED BY:

Joseph W. Sabol II  
Attorney and Counselor at Law  
225 East Mendenhall  
Bozeman, Montana 59715  
(406) 587-9338

**River Rock Property Owners Association  
Assessment and Voting  
Allocations**

<u>Land Use</u>	<u>Allocated Votes</u>	<u>Allocated Assessments</u>
Fee-simple single family lot	1	1
Land rental single family space	1	1
Duplex unit	1	1
Four-plex lot	1	4
Condominium unit	1	1
Commercial Lot	1	1
School	0	0
Fire District	0	0
Storage unit tracts	0	0
Water and Sewer District	0	0