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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS EASEMENTS, CHARGES AND LIENS

ROSEWATER

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS EASEMENTS, CHARGES AND LIENS

ROSEWATER

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, EASEMENTS, CHARGES AND LIENS

ROSEWATER

KNOW ALL MEN BY THESE PRESENTS

This Declaration, made on the date hereinafter set forth by RIDGELINE CAPITAL, LC, a Utah company, hereinafter referred to as "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of that certain tract of land, described on Exhibit B attached hereto, to be known as ROSEWATER, consisting of 154.023 Acres of land situated in Flathead County, Montana, with the plat ("Plat") referring to the plat of ROSEWATER (hereinafter referred to as "Rosewater"), a subdivision in Flathead County, Montana, according to the final plat thereof to be recorded with the office of the Clerk and Recorder, Flathead County, Montana.

WHEREAS, it is the desire of Declarant to place certain restrictions, easements, covenants, charges, liens, conditions, stipulations and reservations (herein sometimes referred to as the "Restrictions") upon and against Rosewater in order to establish a uniform plan for its development, improvement and sale, and to ensure the preservation of such uniform plan for the benefit of both the present and future owners of tracts in Rosewater;

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes upon Rosewater and declares the following reservations, easements, restrictions, charges, liens,covenants and conditions, applicable thereto, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said Property, which Restrictions shall run with the Subdivision and title or interest therein, or any part thereof,and shall inure to the benefit of each owner thereof. Declarant also declares that Rosewater shall be subject to the jurisdiction of the "Association" (as hereinafter defined)

ARTICLE 1

DEFINITIONS

Section 1.1 "Accessory Building" shall mean and refer to a subordinate building, attached to or detached from the Dwelling (as hereinafter defined).

Section 1.2 "Association" shall mean and refer to the Rosewater Property Owners Association, and its successors and assigns.

Section 1.3 "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 1.4 "Builders" shall mean and refer to persons or entities that purchase Lots and build speculative or custom homes thereon for third party purchasers.

Section 1.5 "Common Property" shall mean all real property (including any improvements thereon) within the Subdivision shown as Common Area A, B, C, D, E, F and G on the Plat, and all Private streets.

Section 1.6 "Contractor" shall mean and refer to the person or entity with whom an Owner contracts to construct a residential dwelling on such Owner's Lot.

Section 1.7 "Control Transfer Date" is the date when Developer no longer owns 35% of the Lots in the Subdivision.

Section 1.8 "Developer" shall mean Ridgeline Montana, LLC, a Montana limited liability company, its successors and assigns.

Section 1.9 "Dwelling" shall mean and refer to a house occupied by a lot owner and family members which is not a guest house.

Section 1.10 "Front Yard" shall mean and refer to a space on a Lot facing a Street (as hereinafter defined) and extending across the front of the Lot between the Side Lines (as hereinafter defined) and being the horizontal distance between the Street Line (as hereinafter defined) and the Dwelling or any projection thereof other than the projection of the usual steps and eave overhangs.

Section 1.11 "Garage" shall mean and refer to an Accessory Building or a portion of a Dwelling in which motor-driven vehicles are stored.

Section 1.12 "Height" shall mean and refer to the measurement from the average established grade at the Street Line abutting the Lot or, if higher, from the highest natural ground level of the two points where the Front Setback Line (as hereinafter defined) intersects the two Side Lines of the Lot, to the highest point of the Improvement being measured.

Section 1.13 "Lot" shall mean and refer to any plot of land identified as a Lot on the Plat.

Section 1.14 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Subdivision, including

(i) contract sellers (a seller under a Contract-for-Deed), but excluding those having such interest merely as a security for the performance of an obligation, (ii) the Developer (except as otherwise provided herein), and (iii) Builders.

Section 1.15 "Plat" shall mean the official subdivision plat map of Rosewater, as placed of record in the office of the Clerk and Recorder of Flathead County, Montana, as it may be amended from time to time.

Section 1.16 "Rear Line" shall mean and refer to that boundary line of a Lot which is most directly opposite of the Street Line.

Section 1.17 "Rear Yard" shall mean and refer to a space extending across the rear of a lot from one Side Line to the other Side Line and being the horizontal distance between the Rear Line and the Dwelling or any projection thereof other than the projection of the usual steps and eave overhangs.

Section 1.18 "Rosewater" shall mean and refer to all sections of Rosewater hereafter made subject to the jurisdiction of the Association.

Section 1.19 "Side Line" shall mean and refer to any boundary line a Lot which is nota Street Line or Rear Line.

Section 1.20 "Street" means each private street or roadway depicted on the Plat.

Section 1.21 "Street Line" shall mean and refer to that boundary line of a Lot which is also the boundary line of a Street.

Section 1.22 "Water Skiing Activities" shall mean the operation of motorized boats, as defined by a rule or regulation by the Rosewater Water Ski Club, and the towing of passengers, including but not limited to water skiing, wakeboarding, barefoot water skiing, tubing, and other boat-towed water sports, or other water recreational activities, such as swimming, paddleboarding, or canoeing/kayaking.

Section 1.23 "Waterfront Lots" shall mean all residential Lots 1 through 35 of the Plat, such Lots being those that abut the private lakes of Rosewater.

Section 1.24 "Approved Conditions of the Flathead County Board of Adjustment" shall mean the final approved conditions dated October 2013 or any subsequently approved or modified conditions issued by the Flathead County Board of Adjustment for the Rosewater development.

Section 1.25 "Conditions of the Flathead County Board of Commissioners" shall mean the conditions approved by the Flathead County Board of Commissioners, or any subsequently imposed or modified conditions issued by the County Board of Commissioners for the Planned Unit Development and/or the preliminary plat or Plat of the Rosewater development.

ARTICLE II

RESERVATIONS, EXCEPTION AND DEDICATIONS

Section 2.1 Recorded Subdivision Map of the Property. The Plat of Rosewater designates private streets and certain easements which may be utilized for the purposes and by the persons or entities as specifically described in the Plat or these Restrictive Covenants. The Plat further establishes certain restrictions applicable to Rosewater. All dedications, restrictions and reservations created herein or shown on the Plat, replats or amendments to the Plat of Rosewater recorded or hereafter recorded shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf or Developer, whether specifically referred to therein or not.

Section 2.2 Easements. Developer reserves for public use the easements shown on the Plat for the purpose of constructing, maintaining and repairing a system(s) of electric lighting, electric power, electronic data and telephone line or lines, storm surface drainage, cable television, sewer facilities or any other utility the Developer sees fit to install in, across, along and/or under the private streets or common areas. All utility easements may be used for the construction of drainage swales in order to provide for improved surface drainage of Common Property and/or Lot(s). Any utility company serving shall have the right to enter upon any utility easement for purpose of installation, repair and maintenance of its respective facilities. Neither the Developer nor any utility company, political subdivision or other authorized entity using the easements herein referred to shall be liable for any damages done to trees and lawns, to fences, shrubbery, or other property of the Owner or any agents, employee, or servant, on the property covered by said easements.

Section 2.3 Title Subject to Easements. It is expressly agreed and understood that the title conveyed by Developer to any of the Lots by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage or utility purposes (including electric lighting, electric power, electronic data. sewage disposal or telephone utilities) and other easements hereafter granted affecting the Lots. The Owners of the respective Lots shall not be deemed to own pipes, wires, conduits, or other service lines running through their Lots which are utilized for or service other Lots, but each Owner shall have an easement in and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his Lot including underground electrical trenching to docks and other structures.

Section 2.4 Utility and other Easements. Non-exclusive utility, water line, sewage line and facility, drainage and slope easements for installation, maintenance, repair and removal of utilities and drainage facilities over, under and across an area as described or shown on the Plat are reserved as described in Section 2.2 above, and no Improvement or Structure shall be constructed or placed thereon without the express prior written consent of the Architectural Control Committee. Availability of utilities to the Lots, and any connections/extensions to public or company utilities (e.g. Evergreen Water and Sewer District), including all fire hydrants and fire suppression systems, shall comply with the Conditions of the Flathead County Board of Commissioners. Full rights of ingress and egress shall be granted to the Developer, the Association, and all utility and cable television companies serving the Subdivision, and their respective successors and assigns, at all times over the Subdivision for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction (excluding, however any

driveway, fence or other Improvement or Structure which has been heretofore specifically approved by the Architectural Control Committee) that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance,operation or installation of such utility.

Section 2.5 Shoreline Access and Maintenance Easement. As shown on the Plat for Lots 1 through 35, there shall be a fifteen (15) foot easement in favor of the Association across a portion of each Waterfront Lot, commencing at its abutment with the lake at its normal pool elevation, and running upland and parallel thereto a distance of fifteen (15) feet, for the entire width of the Lot, for the purpose of accessing and maintaining all shorelines, structures, slopes and other times necessary for the operation and maintenance of the Lakes, including pedestrian access by the Association and its invitees during special events and tournaments as described and permitted herein. Additionally, where duly authorized docks, decks, piers or boat docks are situated within this easement, the easement is extended so as to provide a ten (10) foot wide clear passage along the shoreline, for the purpose of enabling passage of maintenance equipment around said duly authorized docks, decks, piers or boat docks with electrical access to be underground. The Association shall not be responsible for damages to, and shall have the right to remove, any structure, hedge, landscaping, fence or other structure which inhibits or impedes access through this easement.

Section 2.6 Gated Access. The Developer and the Association have arranged for the utilization of mechanical vehicular access gate(s) (the "Gates") within Rosewater. The purpose of the Gates and related private streets concept is to discourage undesired and unauthorized vehicular traffic within Rosewater and to foster a higher degree of peace and tranquility among its owners and guests. The Gates' design and programming are not designed to control, restrict or impede pedestrian traffic into, within or out of Rosewater, and all incidents of unauthorized access can not be reasonably expected, nor does the Developer warrant, to be prevented by the Gates. Neither the Developer nor the Association warrant or guarantee that the Gates are sufficient and adequate to diminish or eliminate the commission of crimes against persons or property. Each owner releases and holds Developer and the Association harmless from any claims, causes of action or damages of any kind or character whatsoever arising out of or related (directly or indirectly) to any and all aspects of the Gates and private streets within Rosewater, including, without limitation the functioning (whether mis-, mal-, or non-) of the Gate(s) programming and operation, and the training of users in gate procedures, including emergency entry and exit procedures. Notwithstanding these conditions for Gate access, the U.S. Postal Service shall have sufficient access to perform its duties, and such mail delivery site design and location shall comply with the Conditions of the Flathead County Board of Commissioners.

Section 2.7 Gates Open and Closed Schedule. Programming of the gate devices may reflect a schedules of times during which the Gate(s) shall be normally left in the "open" position, and not require a code or coded entry device for entry. Determination of this schedule of Gates' open and closed times shall be the responsibility of the Association, except that until such time as sixty-six percent (66%) of the Lots are sold by the Declarant, any changes to the Gate opening and closing schedule shall be approved by the Declarant. Gate devices shall comply with the specified emergency vehicular access requirements outlined in the Conditions of the Flathead County Board of Commissioners.

Section 2.8 Private Streets. The Plat designates private streets which may be used for ingress and egress by each Owner to the Lot it owns. The streets and any associated entry gate(s) within Rosewater shall constitute a portion of the Common Property which is subject to the jurisdiction and administration by the Association and shall be maintained according to the Conditions of the Flathead County Board of Commissioners. Design and configuration of subdivision roads and vehicle parking spaces shall comply with the Approved Conditions of the Flathead County Board of Adjustment. Assignment of street names and physical addresses of houses and streets shall comply with the Conditions of the Flathead County Board of Commissioners. The road approach of Rosewater Lane onto Rose Crossing shall comply with Conditions of the Flathead County Board of Commissioners. Stop signs shall be installed to comply with the Conditions of the Flathead County Board of Commissioners. If not otherwise provided for by the Developer prior to the Control Transfer Date, the Association will be responsible to improve the parking area of Common Area A to the standard noted on the Approved Conditions of the Flathead County Board of Adjustment.

In addition to the other provisions appearing within this Article, the Board of Directors of the Association is specifically authorized to recommend, adopt, implement and enforce rules, regulations, mechanisms and procedures governing use of the entry Gates and private streets covering items such as (but not necessarily limited to):

(a) Identification and entry programs for Owners, residents and members, their respective immediate families, their guests and vehicles owned or driven by any of them;

(b) Speed limits, designated parking areas, restricted parking areas and no parking areas;

(c) Signs and graphics to provide announcements to unauthorized personnel concerning potential criminal trespass matter;

(d) A "fines" system through which the Association can levy and collect fines from its Members for violations of the applicable rules and regulations; and

(e) Disclaimers of liability for any and all matters or occurrences on or related to the Common Property.

Section 2.9 Open Space. Certain areas of land shall be dedicated as open space as specified under the Conditions of the Flathead County Board of Commissioners.

Section 2.10 Pedestrian Easement. Pedestrian and bike traffic shall be permitted according to specifications in the Conditions of the Flathead County Board of Commissioners.

ARTICLE III

BUILDING RESTRICTIONS AND DESIGN GUIDELINES

Adoption by Reference. The site planning, building design, landscape design, construction regulations, construction review and approval process, and involvement of homeowner's

association shall be in conformity with the Rosewater Design Guidelines, attached hereto as Exhibit A.

ARTICLE IV

ADDITIONAL USE RESTRICTIONS

Section 4.1 Prohibition of Offensive Activities. No activity, whether for profit or not, shall be conducted on any Lot which is not related to single family residential purposes, unless said activity meets the following criteria: No Owner, Resident or Member shall conduct, transmit, permit or allow any type or kind of home business or home profession or hobby on any Lot or within any residence which would: (a) attract automobile, vehicular or pedestrian traffic to the Lot; (b) involve lights, sounds, smells, visual effects, pollution or other nuisances which would adversely affect the peace and tranquility of anyone or more of the Residents within the Subdivision or (c) require any signage. Business or commercial advertising signs are prohibited, except that the Developer may place any signs for the customary activities required to sell Lots and homes in the Subdivision. With regard to signage, any signage shall comply with the Approved Conditions of the Flathead County Board of Adjustment. The discharge or use of firearms is expressly prohibited. The use of outdoor mercury lighting is expressly prohibited; in addition, all lighting shall comply with the Approved Conditions of the Flathead County Board of Adjustment. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance.

Section 4.2 Noise. Except in an emergency or when other unusual circumstances exist, as determined by the Board, outside construction work or noisy interior construction work shall be permitted only after 7:00 a.m. and before 10:00 p.m., and must comply with the Conditions of the Flathead County Board of Commissioners. A.W.S.A.-Water-Ski-approved boats as per the Rosewater Water Ski Club's Lake Rules and Regulations shall be used to control the noise level, and must comply with the Approved Conditions of the Flathead County Board of Adjustment.

Section 4.3 Garbage and Trash Disposal. Garbage and trash or other debris accumulated in this Subdivision shall not be permitted to be dumped at any place upon adjoining land where a nuisance to any residence of the Subdivision is or may be created. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be allowed to accumulate, shall be kept in sanitary containers and emptied regularly. All containers and equipment used for the storage or disposal of such material shall be kept in a clean and sanitary condition. All solid waste disposal shall comply with the Conditions of the Flathead County Board of Commissioners.

In the event of the failure of Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or its designated agent may, without liability to the Owner, Contractor or any occupants of the Lot in trespass or otherwise, enter upon (and/or authorize one or more others to enter upon) said Lot, cause to be removed, such garbage, trash and rubbish or perform other actions necessary to secure compliance with this Declaration. Reimbursement of any charges incurred shall be the responsibility of the Owner, and shall be due and payable on the first day of the next calendar month.

Section 4.4 Junked Motor Vehicles Prohibited. No Lot shall be used as a depository for abandoned or junked motor vehicles. No junk of any kind or character, or dilapidated structure or building of any kind or character, shall be kept on any Lot.

Section 4.5 Animal Husbandry No farm animals, including livestock, horses, mules, llamas goats, hogs, swine or poultry of any kind shall be raised, bred or kept on any Lot. No pet breeding operation, commercial or non-commercial, is permitted. However, dogs, cats, or other common household pets may be kept on a Lot. Dogs must be kept in a kennel, dog run, or fenced-in area that confines said dog(s) to that area, as stated on Exhibit A, page 12. Dogs are not be permitted to run loose in the subdivision.

Section 4.6 Drainage. Natural established drainage patterns of streets, Lots or roadway ditches may not be blocked or impaired by any person or persons. And any Owner or Owner's contractor or representative who blocks or changes drainage patterns, regardless of whether by accident or intentional, will be responsible for restoring them to their original shape, at said Owner's sole cost and expense. All driveway culverts must be constructed in accordance with standard detail adopted by the Architectural Control Committee.

Section 4.7 Erosion Control. Each Waterfront Lot owner shall be responsible for controlling erosion and preventing the entry of silt or other inimical materials into the lake or drainage structures through any stormwater runoff across, along or otherwise crossing over the Lot. Each Waterfront Lot owner shall be responsible for maintaining vegetation or other means of erosion control along all drainage swales and accumulated runoff points so as to prevent the entry of silt into the lakes. Until such time as sufficient vegetation to control erosion has been established, silt fencing or other artificial barriers may be used for this purpose. All re-vegetation shall be performed according to and comply with the Conditions of the Flathead County Board of Commissioners.

Section 4.8 Duty of Maintenance. Owners and occupants of any Lot shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep that Lot so owned or occupied, including improvements and grounds in connection therewith, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to the following:

a. Timely removing all litter, trash, refuse and waste
b. Mowing of lawns
c. Pruning of trees and shrubs
d. Watering
e. Keeping exterior lighting and mechanical facilities in working order
f. Keeping lawn and garden areas alive, free of weeds and attractive
g. Keeping driveways in good repair
h. Keeping docks, piers and decks clean and in good repair
i. Complying with all government health and policy requirements
j. Repairing any exterior damage to improvements
k. Controlling and preventing erosion from entering the lakes or affecting drainage
l. Keeping dust and air pollution to levels acceptable according to state and local ordinance both during and after construction.

Continuing obligations: The Association, after the Control Transfer Date, and Owners shall have the obligation to fulfill the ongoing maintenance obligations outlined in the (1) Approved Conditions of the Flathead County Board of Adjustment as amended from time to time, and (2) Conditions of the Flathead County Board of Commissioners as amended from time to time (e.g. road maintenance, dust control, lake usage, pollution, etc.) and agree to indemnify the Developer from the same.

Section 4.9 Enforcement. If, in the opinion of the Board of Directors or the ACC any such Owner or occupant (including lessees) has failed to comply with any of the foregoing restrictions or has failed in any of the foregoing duties or responsibilities, then the ACC or the Association shall deliver to such Owner or occupant (including lessees) written notice of such failure and such Owner or occupant (including lessees) must within ten (10) days from and after delivery of such notice, comply with the restrictions and/or perform the care and maintenance required. Should any such Owner or occupant (including lessees) fail to fulfill this duty and responsibility within such period, then the ACC, or the Association, or its designated agents are hereby authorized to enter onto the premises and correct such violations and perform such care and maintenance as necessary without any liability for damages for wrongful entry, trespass, or otherwise to any person. The Owners and occupants (including lessees) of any Lot on which such work is performed shall promptly reimburse the ACC or the Association for any such costs incurred. If such Owner or occupant (including lessees) shall fail to reimburse the ACC or the Association within 30 days from and after delivery by the Association of an invoice for the costs incurred by the Association for such work, then said indebtedness shall be a debt of the Owner and Occupant (including lessees) jointly and severally.

The enforcement of rules and regulations adopted by the Rosewater Water Ski Club shall be the exclusive province of the Rosewater Water Ski Club.

Section 4.10 Use of Common Area. Lot owners are hereby prohibited and restricted, except for approved boat dock structures, from using any part of the Common Property for private purposes, except as may be allowed by the Association or as may be expressly permitted in this Declaration or any amendment thereto. Such prohibited uses include, without limitation, planting or gardening upon any Common Property, storage of personal items, and erection of fences, hedges, or walls upon any Common Property, except as are duly installed by the Developer or the Association as permitted herein.

Under no circumstances shall a structure touch or penetrate the lake liner, and board approval is required for placement of any structure that will be in the lake water.

Section 4.11 Commercial Ski Schools Prohibited. No person may operate a ski school or any type of fee-based or pay-by-the-ride operation in the Subdivision, unless approval is obtained from both the Rosewater Water Ski Club and the Association.

Section 4.12 Waterskiing Hours. Water Skiing Activities in Rosewater are not permitted between 10 p.m. and 7 a.m., unless otherwise set by both the Rosewater Water Ski Club and the Association and/or the Flathead County Board of Commissioners.

Section 4.13 Insurance and Liability for Lake Use. The Association reserves the right to require insurance, both liability and comprehensive, from boat users and require the Owner to list the Association as an additional insured prior to any boat use. Moreover, the

Association may require waivers for the use of Common Property, including the lakes, before any Owner or their guests are allowed to use said areas.

ARTICLE V

ARCHITECTURAL CONTROL COMMITTEE

Section 5.1 Basic Control

(a) No building or other improvements of any character shall be erected or placed, or the erection or placing thereof commenced or changes made in the design or exterior appearance thereof (excluding, without limitation, painting, staining or siding), or any addition or exterior alteration made thereto after original construction, or demolition or destruction by voluntary action made thereto after original construction, on any Lot in the Subdivision until the obtaining of the necessary approval (as hereinafter provided) from the Architectural Control Committee (the "ACC") of the construction plans and specifications for the construction or alteration of such improvements or demolition or destruction of existing improvements by voluntary action.

(b) Each application made to the ACC, or to the Developer under Section 5.2 below shall be accompanied a complete set of plans and specifications for all proposed construction (initial or alteration) on such Lot, including plot plans showing location on the Lot, in electronic media (fine-resolution fax or graphics files preferred), or on printed sheets, in which case three copies are required. Upon receipt, the Architectural Control shall forward one set of the plans and specifications to the Developer.

(c) Construction activities, including placement of materials in anticipation of construction, may not commence until ACC approval in writing has been delivered to the applicant. For the purposes hereof, "in writing" shall include transmission of authenticated electronic media.

Section 5.2 Architectural Control

(a) The authority to grant or withhold architectural control approval as referred to above is vested in the Architectural Control Committee. Prior to the Control Transfer Date (*defined below*), the Developer shall determine the number of members of the Architectural Control Committee (which may be one or more individuals) and the Developer shall have the sole right to select all members of the Architectural Control Committee. After the Control Transfer Date, the members of the Architectural Control Committee shall be selected by the Board of Directors of the Association, as provided below. The terms "Architectural Control Committee" or"ACC", as used in this Declaration, shall mean or refer to the Architectural Control Committee selected by Developer prior to the Control Transfer Date, and after the Control Transfer Date shall mean the Architectural Control Committee selected by the Board of Directors of the Association.

(b) On the date that the Developer no longer owns 35% of the Lots in the Subdivision (that date referred to as the "Control Transfer Date"), the Developer shall execute and record with the Clerk and Recorder, Flathead County, Montana, an instrument transferring control of the Architectural Control Committee to the Association. At that time, the Board of Directors of the Association shall select three (3) individuals to serve as members of the Architectural Control Committee. Each member of the ACC selected by the Board of Directors must be an Owner. The Developer may transfer control of the Architectural Control Committee prior to the Control Transfer Date by executing and recording with the Clerk and Recorder, Flathead County, Montana, an instrument transferring control of the Architectural Control Committee to the Association.

Section 5.3 Effect of Inaction. Approval or disapproval as to architectural control matters as set forth in the plan preceding provisions of this Declaration shall be in writing. The authority exercising the prerogative of approval or disapproval (whether the Developer or the ACC) shall provide a written response indicating approval or non-approval or rejection within 30 days of receipt of all bona fide written submissions. Failure to receive a response shall not constitute approval. For all non-approvals, the reason(s) therefore shall be stated. For the purposes hereof, "in writing" shall include transmission of authenticated electronic media.

Section 5.4 Effect of Approval. The granting of the aforesaid ACC approval shall constitute only an expression of opinion by the ACC that the terms and provisions hereof shall be met if the building and/or other improvements are erected in accordance with said plans and specifications and plot plan. No person exercising any prerogative of approval or disapproval shall incur any liability by reasons of the good faith exercise thereof.

Section 5.5 Variance. The Developer or its assigns may authorize variances from compliance with any of the provisions of this Declaration or minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Developer, when, in the ACC's sole judgment and opinion, circumstances such as topography, natural obstructions, Lot configuration, Lot size, aesthetic or environmental considerations may require a variance, so long as it complies with the Conditions of the Flathead County Board of Commissioners. Such variances must be evidenced in writing and shall become effective when signed by the Developer. If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall the granting of any variance effect in any way the Owner's obligation to comply with all governmental laws and Flathead County regulations affecting the property concerned and the Plat.

ARTICLE VI

PROPERTY OWNERS ASSOCIATION

Section 6.1 Membership. Every person or entity who is a record owner of any Lot which is subject to the Maintenance charge and other assessments provided herein, including

contract sellers, shall be a "Member" of the Rosewater Property Owners Association (the "Association"). The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Owners shall have one membership for each Lot owned by such Member. Memberships shall be appurtenant to and may not be separated from the ownership of the Lots. Regardless of the number of persons who may own a Lot (such as husband and wife, or joint tenants, etc.) there shall be but one membership for each Lot.

The Association shall have two classes of members. Each Owner of a Lot, with the exception of the Developer, shall be a Class A Member and shall be entitled to one (1) vote per Lot owned. The Developer shall be the sole Class B Member and shall been titled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A membership on the Control Transfer Date. The affairs of the Association shall be managed by a Board of Directors. The number of Directors and the method of election of Directors shall be as set forth in the Bylaws of the Association. The procedures for the election of Directors of the Association and the resolution of other issues as may be brought before the membership of the Association shall be governed by this Declaration, the Montana Non-Profit Corporation Act, the Articles of incorporation of the Association, and the Bylaws, as each shall from time to time be in force and effect.

Section 6.2 Non-Profit Corporation. Rosewater Property Owners Association, Inc., a non-profit corporation, has been or will be organized. It shall be governed by the Articles of Incorporation and Bylaws of said Association. All duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

Section 6.3 Bylaws. The Association may adopt Bylaws to govern the organization or operation of the Subdivision and the use and enjoyment of the Lots and Common Property, provided that the same are not in conflict with the terms and provisions hereof.

Section 6.4 Owner's Right of Enjoyment and Required Transfer Fee on Sale of Lot. Every Owner shall have a beneficial interest of use and enjoyment in and to the Common Property (excluding the areas for sewer disposal and placement of storage units reserved for Developer or Developer's successors or assigns), and such right shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

(a) the right of the Association, with respect to the Common Property, to limit the number of guests of Owners;

(b) the right of the Association to charge reasonable admission and other fees for the use of any facility situated upon the Common Property;

(c) the right of the Association, in accordance with its Articles and Bylaws, (and prior to the Control Transfer Date only with Developer's prior consent) to (i) borrow money for the purpose of improving and maintaining the Common Property and facilities (including borrowing from the Developer or any entity affiliated with the Developer) and to (ii) mortgage the Common Property; however, the rights of the mortgagee of the Common Property shall be subordinate to the rights of the Owners under this Declaration; and should the Developer be an obligor, consent of the Developer is required;

(d) the right of the Association to suspend the Member's voting rights and the Member's and Related Users' (as hereinafter defined) right to use any recreational facilities within the Common Property during any period in which the Maintenance Charge or any assessment against his Lot remains unpaid;

(e) the right of the Association to suspend the Member's voting rights and the Member's and Related Users' right to use any recreational facilities within the Common Property, after notice and hearing by the Board of Directors, for the infraction or violation by such Member or Related Users of this Declaration or the "Rules and Regulations", as hereinafter defined, which suspension shall continue for the duration of such infraction or violation, plus a period not to exceed sixty (60) days following the cessation occurring of such infraction or violation.

(f) the right of the Association to receive from the Owner a Transfer Fee of $1,000 or such other stated sum approved by the Association payable to the Association at the time an Owner sells a Lot; and the Transfer Fee shall be paid by the closing agent or by the Owner should a closing occur without a closing agent; and the Transfer Fees shall be used by the Association for general purposes.

ARTICLE VII

MAINTENANCE FUND

Section 7.1 Maintenance Fund Obligation. Each Owner of a Lot by acceptance of a deed therefore, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agrees to pay to the Association a maintenance charge (the "Maintenance Charge"), and any other assessments or charges hereby levied. The Maintenance Charge and any other assessments or charges hereby levied, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Lots and shall be a continuing lien upon the property against which each such Maintenance Charge and other charges and assessments are made.

Section 7.2 Basis of the Maintenance Charge.

(a) The Maintenance Charge referred to shall be used to create a fund to be known as the "Maintenance Fund", which shall be used as herein provided; and each such Maintenance Charge (except as otherwise hereinafter provided) shall be paid by the Owner of each Lot to and then shall be paid annually, in advance, on or before the first day of the first month of each calendar year. If an Owner owns more than one (1) Lot, then the Owner shall pay a Maintenance Charge for each Lot owned.

(b) Maintenance Charge not paid within after the date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the hereinafter described lien against the Owner's Lot. No Owner may waive or otherwise escape liability for the Maintenance Charge

by non-use of any Common Property or recreational facilities available for use by Owners of the Subdivision or by the abandonment of his Lot.

(c) The exact amount of the Maintenance Charge applicable to each Lot will be determined by the Association. All other matters relating to the Maintenance Charge and the collection, expenditures and administration of the Maintenance Fund shall be determined by the Board of Directors of the Association, subject to the provision hereof

(d) The Association shall have the further right at any time, with a majority vote or all association members, to adjust or alter said Maintenance Charge from year to year as it deems proper to meet the reasonable operation expenses and reserve requirements of the Association in order for the Association to carry out its duties hereunder.

Section 7.3 Creation of Lien and Personal Obligation. In order to secure the payment of the Maintenance Charge, and other charges and assessments hereby levied, each Owner of a Lot in the Subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Lot which may be foreclosed on by judicial foreclosure. In the event of non-payment by any Owner of any Maintenance Charge or other charge or assessment levied hereunder, the Association may, in addition to foreclosing the lien hereby retained, and exercising the remedies provided herein, upon ten (10) days prior written notice thereof to such nonpaying Owner, exercise all other rights and remedies available at law or in equity.

Section 7.4 Notice of Lien. In addition to the right of the Association to enforce the Maintenance Charge or other charge or assessment levied hereunder, the Association may file a claim or lien against the Lot of the delinquent Owner by recording a notice ("Notice of Lien") setting forth (a) the amount of the claim of delinquency, (b) the interest and costs or amount of the claim of delinquency, (c) the interest and costs of collection which have accrued thereon, (d) the legal description and street address of the Lot against which the lien is claimed and (e) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the preparation and recordation of such release of lien instrument.

Section 7.5 Liens Subordinate to Mortgages. The lien described in this Article shall be deemed subordinate to a first lien or other liens of any bank, insurance company, savings and loan association, university, pension and profit sharing trusts or plans, or any other third party lender, including Developer, which may have heretofore or may hereafter lend money in good faith for the purchase or improvement of any Lot and any renewal, extension, rearrangement or refinancing thereof. Each such mortgagee of a mortgage encumbering a Lot who obtains title to such Lot pursuant to the remedies provided in the deed of trust or mortgage or by judicial foreclosure shall take title to the Lot free and clear of any claims for unpaid Maintenance Charges or other charges of assessments against such Lot which

accrued prior to the time such holder acquired title to such Lot. No such sale or transfer shall relieve such person or entity acquiring title to a Lot from liability for any Maintenance Charge or other charges or assessments thereafter becoming due or from the lien thereof. Any other sale or transfer of a Lot shall not affect the Association's lien for Maintenance Charges or other charges or assessments. The Association shall make a good faith effort to give each such mortgagee sixty (60) days advance written notice of the Association's proposed foreclosure of the lien described in Section 6.01 hereof, which notice shall be sent to the nearest office of such mortgagee by prepaid United States registered or Certified mail, return receipt requested, and shall contain a statement of delinquent Maintenance Charges or other charges or assessments upon which the proposed action is based provided, however, the Association's failure to give such notice shall not impair or invalidate any foreclosure conducted by the Association pursuant to the provisions of this Article.

Section 7.6 Purpose of the Maintenance Charge. The Maintenance Charge levied by the Developer or the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Owners of the Subdivision. In particular, the Maintenance Charge shall be used for any improvement or services in furtherance of these purposes and the performance of the Association's duties described herein, including the maintenance of any Common Property, Private Streets, Gates, and any Drainage Easements and the establishment and maintenance of a reserve fund for the maintenance of any Common Property. The Maintenance Fund may be expended by the Developer or the Association for any purposes which, in the judgment of the Association, will tend to maintain the property values in the subdivision, including, but not limited to providing funds for the actual cost to the Association of all taxes, insurance, repairs, energy charges, replacement and maintenance of the Common Property as may from time to time be authorized by the Association. Except for the Association's use of the Maintenance Charge to perform its duties described in this Declaration and in the Bylaws, the use of the Maintenance Charge for any of these purposes is permissive and not mandatory. It is understood that the judgment of the Association as to the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

Section 7.7 Exempt Property. The following property subject to this Declaration shall be exempt from the Maintenance Charge and all other charges and assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Property; however, no land or improvements devoted to dwelling use shall be exempt from said Maintenance Charge.

Section 7.8 Developer Lots. For a period of twenty-four (24) months from the recording of the final plat, in consideration of the Developer's contribution of the initial development costs, the Developer shall not be charged any assessments. After said twenty-four (24) month grace period, the Developer shall be charged the then-existing full annual assessment for each Lot owned by the Developer.

Section 7.9 Handling of Maintenance Charges. The collection and management of the Maintenance Charge or other charge or assessment levied hereunder shall be performed by the Developer until the Control Transfer Date, at which time the Developer shall deliver to the Association all funds on hand together with all books and records of receipt and disbursements. The Developer and, upon transfer, the Association, shall maintain separate special accounts for these funds, and Owners shall be provided at least annually information on the Maintenance Fund.

ARTICLE VIII

ROSEWATER WATER SKI CLUB

Section 8.1 Lake Use Restrictions. The rights to use the private lakes of the Subdivision for motorized boating and Water Skiing Activities shall be vested exclusively in the members of the Rosewater Water Ski Club under the terms and conditions specified herein.

Section 8.2 Rules and Regulations. In addition to the restrictions set forth herein, the Association shall publish and maintain Rosewater Water Ski Club rules, which shall govern the terms and conditions of use of the lakes by the Rosewater Water Ski Club and its duly authorized guests. Said rules shall govern times of use, safety requirements, watercraft restrictions and other related rules and regulations. No rule or regulation shall affect or treat the Developer, or its successors and assigns, or the invitees of Developer in a manner differently than the rules may affect or treat its Rosewater Water Ski Club members.

Section 8.3 Priority of Use, Role of Association. Use of the lakes by the Association or its members for swimming, fishing and other allowed activities shall be subordinate to the use of the lakes by the Rosewater Water Ski Club. In the event of conflict or overlap in rules of the Rosewater Water Ski Club and use of the lakes by the Association, the Rosewater Water Ski Club's use shall take precedence. Notwithstanding the control given to the Rosewater Water Ski Club, should the Rosewater Water Ski Club desire to curtail Water Skiing Activities, such decision requires the concurrence of the Association with the matter to be considered an Amendment, subject to a ballot of Owners, pursuant to Article XI, Section 11.2.

Section 8.4 Membership on Homeowners Association Board of Directors. At least two members of the Association's Board of Directors shall be members of the Rosewater Water Ski Club at all times.

Section 8.5 Rosewater Water Ski Club Assessments. The Association shall maintain a separate accounting of all costs that are unique to, or solely or primarily for the benefit of, the Rosewater Water Ski Club, and an assessment in the prorated amount of these costs shall be levied to members of the Rosewater Water Ski Club as an additional assessment (the "Rosewater Water Ski Club Assessment) to the Maintenance Fund as described herein. The Rosewater Water Ski Club Assessment shall be levied to all members who are also members of the Rosewater Water Ski Club.

In determining whether to allocate costs to the Rosewater Water Ski Club Assessment or to another assessment, the following guidelines shall be used: Costs of maintaining the lakes as aesthetic amenities and for use by the general membership for non-Water Skiing related activities shall be borne and allocated to the general membership of the Association. Alternatively, costs that are incurred exclusively or primarily to enable or facilitate use of the lakes for Water Skiing Activities and not merely as aesthetic ponds, shall be allocated to the Rosewater Water Ski Club. Rosewater Water Ski Club allocated costs shall include, but are not limited to: ski course supplies and equipment, any excess premium on liability insurance required to cover Water Skiing Activities, and any costs of maintaining water quality to human contact recreation standards, as opposed to aesthetic, non-contact standards. Alternatively, costs of make-up water to keep the lakes reasonably filled, mowing, landscaping, fish stocking, and similar costs which are not unique to the Water Skiing Activities, shall not be included in the Rosewater Water Ski Club Assessment.

Section 8.6 Number of Memberships. Each Waterfront Lot includes one (1) Rosewater Water Ski Club Membership Unit. This Membership Unit shall be appurtenant to and may not be separated from the ownership of the Lots. Rosewater Water Ski Club membership is mandatory for all owners of Waterfront Lots. All other Lots in Rosewater may obtain up to one (1) Rosewater Water Ski Club Membership Unit per Lot owned, by notifying the Association of its desire to join and participate in the Rosewater Water Ski Club Assessment, and upon such notification shall be entitled to the rights and privileges of the Rosewater Water Ski Club. Upon such notification, the Lot shall then be subject to the Rosewater Water Ski Club Assessment as described herein, for the current year, and such membership shall continue each subsequent year until the Association is notified in writing of cancellation, in which case the cancellation shall be effective at the end of the calendar year when given. Cancellation shall not preclude a Lot from rejoining in subsequent years.

Each Rosewater Water Ski Club Membership Unit shall apply to the Primary Owner, and his or her spouse, and children of the Primary Owner and/or spouse who are living at home, A guest of the Primary Owner, when accompanied by the Primary Owner, shall have all Rosewater Water Ski Club rights and privileges. The Primary Owner must register the guest by name with the Association in writing. The Primary Owner shall be the owner of the Rosewater Water Ski Club Membership Unit. In the event that ownership is vested in more than one (1) person, a partnership, corporation, or other entity other than a natural person, then said entity shall designate one person, in writing to the Board, as the Primary Owner. If such group or entity fails to notify the Board of Directors of its declaration of an individual Primary Owner, then no individuals shall be allowed use of that Lot's access rights. All users of the water facilities must sign a written waiver or released prior to engaging in the recreational opportunity for damages or injuries resulting from conduct that constitutes ordinary negligence or for risks that are inherent in the recreational opportunity, as may be permitted by the Montana Recreation Responsibility Act, 27-1-751 through 27-1-754, as may be amended from time to time.

Section 8.7 Leasing. A Rosewater Water Ski Club membership owner may, upon written request to and approval of the Board of Directors, lend, lease, rent, or otherwise assign his Water Skiing Activity rights to another person ("Related User") for a period of not less than one (1) month. During such leasing period, the owner relinquishes all Rosewater Water Ski Club rights and privileges irrevocably until such lease contract expires, or when the owner, by written request to and approval of the Board of Directors to have the owner's Rosewater Water Ski Club rights and privileges reinstated and the Related User's rights discontinued. All such leasing agreements shall contain provisions obligating the Related User to abide by the Declaration and any supplements or amendments thereto, the Rules and Regulations and Association Bylaws. No owner may assign his Rosewater Water Ski Club access rights if in violation of any terms or provisions of the terms of this Declaration, including nonpayment of dues or assessments.

ARTICLE IX

DEVELOPER'S RIGHTS AND RESERVATIONS

Section 9.1 Period of Developer's Rights and Reservations. The Developer shall have, retain and reserve certain rights as hereinafter set forth with respect to the Association and the Common Property from the date hereof, until the earlier to occur of (i) the Control

Transfer Date or (ii) Developer's written notice to the Association of Developer's termination of the rights described herein. The rights and reservations hereinafter set forth shall be deemed accepted and reserved in each conveyance of a Lot by the Developer to an Owner whether or not specifically stated therein and in each deed or other instrument by which any property within the Common Property is conveyed by Developer. The rights, reservations and easements hereafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without the Developer's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. The Developer's consent to anyone such amendment shall not be construed as consent to any other or subsequent amendment.

Section 9.2 Right to Construct Additional Improvements in Common Property. The Developer shall have and hereby reserves the right (without the consent of any other Owner), but shall not be obligated, to construct additional improvements within the Common Property at any time and from time to time in accordance with this Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners, so long as such construction does not directly result in the increase of such Maintenance Charge. The Developer shall, upon the Control Transfer Date, convey or transfer such improvements to the Association; and the Association shall be obligated to accept title to, care for and maintain the same as elsewhere provided in this Declaration, with the exception that the Developer, its successors or assigns, shall own and operate the sewer disposal areas and storage facilities which lie within common areas.

Section 9.3 Developer's Rights to Grant and Create Easements. The Developer shall have and hereby reserves the right, without the consent of any other Owner or the Association, to grant or create temporary or permanent easements, for access, utilities, pipeline easement, cable television systems, communication and security systems, drainage, water and other purposes incidental to development, sale, operation and maintenance of the Subdivision, located in, on, under, over and across (i) the Lots or other property owned by Developer, (ii) the Common Property, and (iii) existing utility easements. The Developer also reserves the right, without the consent of any other Owner or the Association, to grant or create temporary or permanent easements for access over and across the streets and roads within the Subdivision.

Section 9.4 Marketing Events and Tournaments. The Developer shall have the exclusive right to use the Lakes and Common Properties for marketing events, including water ski tournaments, through the Control Transfer Date. These special events shall not use more than one (1) lake at anyone time and such events are limited to a total of four (4) days in any calendar year. The Developer shall give the Association thirty (30) days prior notice of any such marketing event or water ski tournament. Any competition/tournament events shall comply with the Approved Conditions of Flathead County Board of Adjustment.

Section 9.5 Sewer Disposal Facilities. As stated above, the Developer or its assignee or assignees shall own and control the sewer disposal facilities located in Common Areas C, F, G and J at all times, subject to the Developer's right to sell and transfer such ownership to a third party or to the Association; and the Developer or such other owner of said facilities shall bill each Lot owner using the sewer disposal facilities in accordance with rates established by the Developer or such other owner. The utility service provided shall be conducted in a manner so as not to be regulated by the Montana Public Service Commission. Any rates proposed by the Developer or such other owner shall not change

without a prior ninety (90) day written notice to the Association, and during that time period, the Association shall have a right to provide input, for or against, the rate change. The initial rate charges shall begin and shall be set as the Developer may deem appropriate and necessary to cover the operation of the sewer disposal facilities. The Developer or its assignee or assignees shall not be obliged to share the income derived from the sewer disposal facilities with the Association.

Section 9.6. Storage Facilities. The Developer or its assignee or assignees shall own the land and control the Storage Facilities located in Common Area H at all times for its own business without obligation to pay rent to the Association for placement of or use of the storage units, nor is the Developer or its assignee or assignees obliged to share the income derived from the storage units with the Association. Payment of the tax assessment bill associated with Common Area H shall be the sole responsibility of the Developer or of its assignee or assignees.

Section 9.7. Perpetual Lease and Contribution for Property Taxes. The Developer or its assignee or assignees shall have a perpetual rent-free lease, to be placed of record, for Common Areas C, F, G and J for the Sewer Disposal Facilities, as described in Section 9.5, with the right to obtain financing for improvements and repairs, if necessary, by providing lenders with security encumbering the leasehold and the leasehold improvements. The Developer or its assignee or assignees shall pay such portion of the government property tax assessment and bill associated with improvements for sewer disposal and storage facilities located on said common areas.

Section 9.8. Sale of Sewer Disposal Facility. The ability of the Developer to operate the Sewer Facility or to sell it to a third party or to the Association, as stated above, is subject to the Association's priority right to acquire ownership, according to the following provisions:

(a) For a period of four years subsequent to the Control Transfer Date, the Association may elect, by written notice to Developer, to purchase the Sewer Facility from the Developer for the amount of money spent by the Developer for material and labor in installation of the Sewer Facility, less that portion of the installment rate identified by Developer to be for recoupment of said capital expense already billed to and received from homeowners by Developer. The purchase price shall be amortized, without interest, over 48 monthly installments, with each payment to be 1/48th of the purchase price, and with the first monthly payment to begin 30 days from the date the written notice of election to purchase is received from the Association by Developer. Time of election is of the essence.

(b) Notwithstanding 9.8(a), above, for the same period of four years subsequent to the Control Transfer Date, Developer may seek a third-party buyer of the Sewer Facility; but should Developer receive an offer to purchase the Sewer Facility, the offer may not be accepted without first affording the Association the opportunity to purchase the Sewer Facility from the Developer using the purchase price and terms set forth in 9.8(a) or using the purchase price and terms offered by the buyer, whichever purchase price and terms are acceptable to the Association, with the decision of the Association to be provided to the Developer in writing within 90 days of the date the Association receives the purchase price and terms presented by the

proposed buyer to the Developer. Should the Association not act to purchase the Sewer Facility within said 90 days, the offer of the proposed Buyer may be accepted by the Developer.

(c) Should the Association not become a purchaser of the Sewer Facility by affirmative action taken within four years subsequent to the Control Transfer Date, Developer may continue to operate the Sewer Facility or sell it without notice to the Association and without obligation to sell to the Association, but the Association may make offers to buy the Sewer Facility.

Section 9.9. Ability to Modify Sections 9.5 - 9.7. Notwithstanding Section 11.2 Amendments, the provisions of Section 9.5, 9.6 and 9.7 cannot be changed, modified or amended without the consent of the Developer or its assignee or assignees.

ARTICLE X

DUTIES AND POWERS OF THE PROPERTY OWNERS ASSOCIATION

Section 10.1 General Duties and Powers of the Association. The Association has been formed to further the common interest of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has delegated such powers (and subject to the provisions of the Bylaws), shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interest of the members, to maintain, improve and enhance the Common Property and to improve and enhance the attractiveness, desirability and safety of the Subdivision. The Association shall have the authority to act as the agent to enter into any and all contracts on behalf of the Members in order to carry out the duties, powers and obligations of the Association as set forth in this Declaration. Prior to the Control Transfer Date, the powers and rights of the Association are subject to Developer's powers and rights provided under this Declaration.

Section 10.2 Duty to Accept the Property and Facilities Transferred by Developer. The Association shall accept title to any property, including any improvements thereon and personal property transferred to the Association by Developer, and equipment related thereto, together with the responsibility to perform any and all administrative functions and recreation functions associated therewith (collectively herein referred to as "Functions") provided that such property and Functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Association by Developer may include fee simple title, easements, leasehold interests and licenses to use such property. Any property or interest in property transferred to the Association by Developer shall be situated within the boundaries of the Property. Any property or interest in property transferred to the Association by Developer shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and mortgages (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration, the terms of any declaration of covenants, conditions and restrictions annexing such property to the Common Property, and all easements, covenants, conditions, restrictions and equitable servitude or other encumbrances which do not materially affect the Owners authorized to use such property. Except as otherwise specifically approved by

resolution of the Board of Directors, no property or interest in property transferred to the Association by the Developer shall impose upon the Association any obligation to make monetary payments to the Developer or any affiliate of Developer including, but not limited to, any purchase price, rent, charge or fee. The property or interest in property transferred to the Association by the Developer shall not impose any unreasonable or special burdens of ownership of property, including the management, maintenance, replacement and operation thereof.

Section 10.3 Duty to Manage and Care for the Common Property. The Association shall manage, operate, care for, maintain and repair all Common Property and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Members. The duty to operate, manage and maintain the Common Property shall include, but not be limited to the following: establishment, operation and maintenance of a security system, if any for the Subdivision; management, maintenance, repair and upkeep of the subdivision entrances and other Common Property; maintenance, repair and upkeep of the lakes, drainage structures and related items such as swales, ditches, private lakes, detention structures, levees, berms, outfall structures, weirs, drainage pipes, maintenance, repair, and upkeep of the private roads and road right-of-ways within the Subdivision; and maintenance, repair, and upkeep of the entry Gates and related facilities. The Rosewater Water Ski Club, however, shall manage, operate, care for, maintain and repair the ski courses and marker buoys and related improvements for water skiers. With regard to the proposed lake berming plan, lake construction, and long-term maintenance and operation of the lake liner system, the Developer and/or Association shall comply with the Approved Conditions of the Flathead County Board of Adjustment and the Conditions of the Flathead County Board of Commissioners. Systems for water, wastewater treatment and stormwater drainage shall comply with the Conditions of the Flathead County Board of Commissioners. The installation and monitoring of monitoring wells shall be performed under and comply with the Conditions of the Flathead County Board of Commissioners.

Section 10.4 Duty to Obtain Insurance and Bonds. The Association shall obtain such insurance as may be required by law, including Worker's Compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity or other bonds as the Association shall deem necessary or desirable.

Section 10.5 Duty to Prepare Budgets. The Association shall prepare budgets for the Association, which budgets shall include a reserve fund for the maintenance of all Common Property.

Section 10.6 Duty to Levy and Collect the Maintenance Charge. The Association shall levy, collect and enforce the Maintenance Charge and other charges and assessments as elsewhere provided in this Declaration.

Section 10.7 Duty to Provide Annual Review. The Association shall provide for an annual unaudited independent review of the accounts of the Association. Copies of the review shall be made available to any Member who requests a copy of the same upon payment by such Member of the reasonable cost of copying the same.

Section 10.8 Duties with Respect to Architectural Approvals. The Association shall perform functions to assist the ACC as elsewhere provided in this Declaration.

Section 10.9 Power to Acquire Property and Construct Improvements. The Association may acquire property or an interest in property (including leases) for the common benefit of Owners including improvements and personal property. The Association may construct improvements on the Common Property and may demolish existing improvements on the Common Property.

Section 10.10 Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal and enforce rules and regulations ("Rules and Regulations"), fines, levies and enforcement provisions as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Property, and the use of any other property, facilities or improvements owned or operated by the Association.

Section 10.11 Power to Enforce Restrictions and Rules and Regulations. The Association (and any Owner with respect only to the remedies described in (ii) or (iii), below) shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as the Board of Directors deems necessary or desirable to cause such compliance by each Member and each Related User. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and of Rules and Regulations of the Association by anyone or more of the following means: (i) By entry upon any property within the Subdivision after notice and hearing (unless a bona fide emergency exists in which event this right of entry may be exercised without notice (written or oral) to the Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of the improvements situated thereon by the Owner or any other person), without liability by the Association to the Owner thereof, for the purpose of enforcement of this Declaration or the Rules and regulations; (ii) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations; (iii) by exclusion, after notice and hearing, of any Member or Related User from use of any recreational facilities within the Common Property during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or any Related User, unless the breach is a continuing breach in which case exclusion shall continue for so long as such breach continues; (iv) by suspension, after notice and hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Related User of a provision of this Declaration or such Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (v) by levying and collecting, after notice and hearing, an assessment against such Member for breach of this Declaration or such Rules and Regulations by such Member or a Related User which assessment reimbursed the Association for the costs incurred by the Association in connection with such breach; (vi) by levying and collecting, after notice hearing, reasonable and uniformly applied fines, and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Related User for breach of this Declaration or such Rules and Regulations by such Member or a Related User, and (vii) by taking action itself to cure or abate such violation and to charge the expenses thereof, if any, to such violating Members, plus attorney's fees incurred by the Association with respect to exercising such remedy.

Before the Board may invoke the remedies provided above, it shall give registered notice of such alleged violation to the Owner, and shall afford the Owner a hearing. If, after the

hearing, a violation is found to exist, the Board's right to proceed with the listed remedies shall become absolute. Each day a violation continues shall be deemed a separate violation. Failure of the Association, the Developer, or of any Owner to take any action upon any breach or default with respect to any of the foregoing violations shall not be deemed a waiver of their right to take enforcement action thereafter or upon a subsequent breach or default.

Section 10.12 Power to Grant Easements. In addition to any blanket easements described in this Declaration, the Association shall have the power to grant access, utility, drainage water facility, sewer disposal facility, and other such easements in, on, over or under the Common Property.

Section 10.13 Easement from Whitefish River. The Developer shall transfer to the Homeowners Association the easement, pump facilities, water rights and related property to provide water to Rosewater for irrigation and replacement of lake water at the Control Transfer Date. However, immediately and at all times the expenses of maintenance and repair shall be the obligation of the Homeowners Association. With regard to water rights of Whitefish River, Developer and Association shall comply with the Approved Conditions of the Flathead County Board of Adjustment and also the Conditions of the Flathead County Board of Commissioners.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1 Term. The provisions hereof shall run with all property in the Subdivision and shall be binding upon all Owners and all persons claiming under them for a period forty (40) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten (10) years each, unless an instrument, signed by not less than two-thirds (2/3rds) of the Owners (including the Developer) of the Lots has been recorded agreeing to amend or change, in whole or in part, this Declaration.

Section 11.2 Amendments. This Declaration may be amended or changed, in whole or in part, at any time by the written agreement or signed ballot of Owners (including the Developer) entitled to cast not less than two-thirds (2/3rds) of the votes of all of the Owners. If the Declaration is amended by a written instrument signed by those Owners entitled to cast not less than two-thirds (2/3rds) of all of the votes of the Owners of the Association, such amendment must be approved by said Owners within three hundred sixty-five (365) days of the date the first Owner executes such amendment. The date an Owner's signature is acknowledged shall constitute prima facia evidence of the date of execution of said amendment by such Owner. Those Members (Owners, including the Developer) entitled to cast not less than two-thirds (2/3rds) of all of the votes of the Members of the Association may also vote to amend this Declaration, in person, or by proxy, at a meeting of the Members (Owners, including the Developer) duly called for such purpose, written notice of which shall be given to all Owners at least ten (l0) days and not more than sixty (60) days in advance and shall set forth the purpose of such meeting. Notwithstanding any provision contained in the Bylaws to the contrary, a quorum, for purposes of such meeting, shall consist of Members present (in person or by proxy) holding at least fifty percent (50%) of all votes entitled to be cast. Any such amendment

shall become effective when an instrument is filed for record with the Clerk and Recorder of Flathead County, Montana, accompanied by a certificate, signed by a majority of the Board of Directors, stating that the required number of Members (Owners, including the Developer) executed the instrument amending this Declaration or cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose. Copies of the written ballots pertaining to such amendment shall be retained by the Association for a period of not less than three (3) years after the date of filing of the amendment or termination.

Section 11.3 Amendments by the Developer. At any time prior to the Control Transfer Date, Developer may amend this Declaration in any manner it desires, with the exception of configuring Lots, lakes and water ski attributes, by an instrument in writing filed and recorded with the Clerk and Recorder of Flathead County, Montana, without the approval of any other Member or Owner or any mortgagee; provided, however, that (i) if a proposed amendment materially alters or changes any Owner's right to the use and enjoyment of the Owner's Lot or of the Common Property as set forth in this Declaration or if the proposed amendment adversely affects title to any Lot, then the proposed amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Members affected thereby, or (ii) if the proposed amendment would materially and adversely affect the lien status, security and interest of any mortgagee, then the proposed amendment shall be valid only upon the written consent thereto of all mortgagees so affected. Any amendment made pursuant to this Section shall be certified by Developer as having been duly approved by the Developer and the Members and mortgagees if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section and further agrees that, if requested to do so by Developer, the Owner will consent to the amendment of this Declaration or any other instruments relating to the Development (i) if such amendment is necessary to bring any provision of this Declaration or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith, (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots subject to this Declaration, (iii) if such amendment is required by an institutional or governmental lender, purchaser or guarantor of mortgage loans, including, for example,the Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any Lot subject to this Declaration, (iv) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration, or (v) if such amendment is necessary to correct a scrivener's error in the drafting of this Declaration.

Section 11.4 Severability. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

Section 11.5 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

Section 11.6 Successors and Assigns. The provisions hereof shall be binding upon and inure to the benefit of the Owners, the Developer, and the Association, and their respective

heirs, legal representatives, executors, administrators, successors and assigns. Developer may assign its rights and power under this Declaration, but that assignment shall be effective only if in a writing signed by Developer which specifically states that the rights and powers of Developer are being assigned.

Section 11.7 Effect of Violations on Mortgages. No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien or deed or trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

Section 11.8 Terminology. All personal pronouns used in this Declaration and all exhibits attached hereto, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Titles of Articles and Sections are for convenience only and neither limit nor amplify the provisions of this Declaration itself. The terms "herein", "hereof' and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, section or article in which such terms appear. All references in this Declaration to Exhibits shall refer to the Exhibits attached hereto.

RATIFICATION

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand as of this 27 day of September, 2016.

RIDGELINE CAPITAL, LC

BY _____
William D. Tanner

STATE OF MONTANA)
: ss
County of Flathead)

On this 27 day of September, 2016, before me, the undersigned, a Notary Public for the State aforesaid, personally appeared William D. Tanner, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that such person executed the same in such person's authorized representative capacity on behalf of RIDGELINE CAPITAL, LC, the entity that executed the within instrument, and acknowledged to me that such entity executed the same.

_____

JAMES C BARTLETT
NOTARY PUBLIC for the
State of Montana
Residing at Kalispell, Montana
My Commission Expires
June 12, 2019

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EXHIBIT A

ROSEWATER

Site Planning, Building Design, Landscape Design, Construction Regulations, Construction Review and Approval Process, and Involvement of Homeowner's Association

INTRODUCTION

- The Rosewater Community is centrally located in the heart of the Flathead Valley Montana. Close to world class fishing, summer activities and winter sports. Glacier National Park and millions of acres of public lands are right out the back door. The region's central shopping area is just a few miles away. Natural open space and the private water-ski lakes are significant design features for this community.

- These Design Guidelines are intended to provide Owners & Contractors a framework for designing and building homes. These guidelines are intended to create development that will enhance and protect the natural beauty of the property, ensure high quality homes, and safeguard the property value and privacy of homeowners. The goals are to preserve and enhance the natural landscape of the area, protect the waterfront, and create homes that are well suited to the Montana environment. It is important for Owners to understand and respect the overall vision of the community. We encourage excellence in architecture and land development to in order to create a desirable neighborhood with lasting property values.

- The design styles of these homes are to be in "Mountain Style" to fit in with the landscape of the northwest Montana. Homes should be integrated with the landscape to preserve and enhance the natural characteristics and views of the lot. All homes and townhomes within the neighborhood should be compatible with one another, none should stand apart, and none should be identical. No round log homes or log sided homes will be allowed. Extremely rustic homes are not encouraged.

- Steep to moderate roof slopes with generous roof overhangs are encouraged. Large expanses of glass can be used to capture the views and let light enter the house. Covered outdoor living areas are helpful to protect from the harsh Montana weather. Use of natural materials such as timber, stone and other wood products are encouraged. All sides of the home are to be designed and decorated, not just the front. Subtle earth tone colors should be the dominant color scheme.

Administration

- These Design Guidelines are part of the Declaration of Covenants. All development shall comply with these and all applicable local, county, state and federal codes, regulations and restrictions. Together, they are binding upon all persons who at any time construct, reconstruct, alter, or maintain any improvement upon the property.



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SITE PLANNING

Introduction

- Site planning is an important part of integrating buildings and improvements into the natural landscapes of the Community. Every owner and designer must visit the site and complete a site analysis to ensure proper location of the building on the lot. All buildings should be designed in harmony with the outstanding views, natural beauty, existing vegetation, road access, steep grades and other relevant issues associated with this unique Community.

Zoning and Property Setbacks

- The neighborhood is zoned as SAG-5 One Family Residential per Flathead County Zoning Regulations. The Rosewater PUD is a supplement to these regulations. No more than (1) single family home and (1) guest house is allowed per lot except for designated multi-family lots. No commercial or further subdivision is allowed. All development must meet the current version of the Flathead County zoning.

- All portions of the building must be within the setback line including roof overhangs, driveways, and outdoor patios and decks, etc. Driveways and utilities from the main road are allowed within the front setback. The PUD setbacks are as follows.

A. Minimum Yard Requirements for Principle Structure:

Front:	20-feet
Side	10-feet
Side Corner:	20-feet
Rear:	20-feet*

* Boathouse can be at waters edge

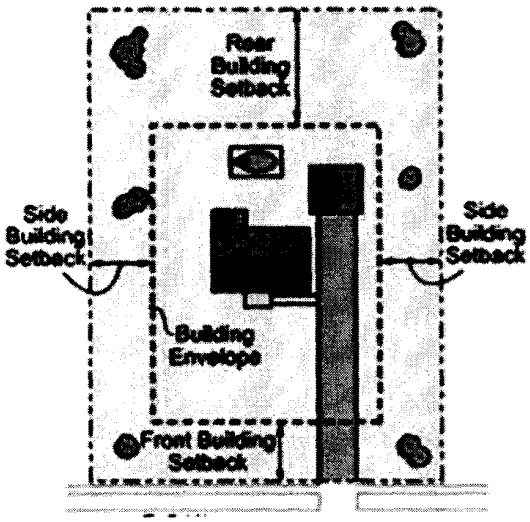
B. Minimum Yard Requirements for Townhouse lots:

Front:	20-feet
Side:	10-feet for exterior units 0-feet for interior units
Side Corner:	20-feet
Rear:	20-feet

C. Detached Accessory Structures:

Front:	20-feet
Side	5-feet
Side Corner:	20-feet
Rear:	5-feet*

* Boathouse can be at waters edge



- Maximum permitted lot coverage is 40% for single family lots and 70% for townhouse lots. This includes the footprint of all building, covered outdoor porches, or other structures. This does not include driveways, uncovered patios, or roof overhangs.

Property Uniformity and Accessory Buildings

- In order to ensure a cohesive neighborhood, all accessory structures such as gazebos, outbuildings, storage, garages, boathouses, etc shall be similar in style with the main residence. These structures shall use exterior building materials, colors, architectural style and form consistent with the main residence. All outbuildings must get approval through the Homeowner's Association.

- RV storage buildings are not allowed on individual lots. There is a storage building area planned for the development. Non-enclosed open-air RV, boat or other vehicle storage is not allowed. RV and trailer use on lots will be allowed during the home construction phase.

- Enclosed areas should be provided for trash containers, maintenance and recreational equipment, and for firewood and seasonal equipment such and patio furniture. These areas should be shielded from view with fencing or landscaping.

Lot Maintenance

- All lots must be maintained by the property Owner. Even lots without structures or development must be kept in tidy condition. Such maintenance includes but is not limited to structure maintenance, lawn mowing, weed control, pest control, etc.

Grading and Drainage and Driveways

- Site grading shall be limited to no more than what is necessary to accommodate the construction of a home and site access. All grading must occur within the property setback lines unless specifically approved. Excessive re-contouring of a site, changing the grade of neighboring lots, interfering with existing natural drainage courses, or construction of large berms is not permitted.

- Driveways should be designed to align with roadways at no less than a 75-degree angle. All driveways shall be paved from the roadway to the house. Driveways shall be constructed of asphalt, unit pavers, poured concrete or other hard surface material. Gravel driveways are not allowed.



Easements and Utilities

- Water, sewer, natural gas, power, phone and TV services are available at the common roadway. Property Owners are responsible for providing underground utility service from the road to home and for re-vegetating all areas damaged during development.

- All individual lots within the community are served by common water and sewer services. No individual wells or septic systems will be allowed.

Exterior Equipment and Satellite Dishes

- All outdoor mechanical and electrical equipment such as metering devices, transformers, and air conditioning units shall be concealed from view of adjacent properties. Satellite dishes one meter in diameter or less are permitted, but shall be located to be out of view from other properties and from roadways. All utilities or other equipment shall be hidden with fencing or landscape buffers.

- Individual home mail and newspaper delivery receptacles will not be allowed, and are not necessary. A central mailbox location will be provided for the community.

- Solar equipment is allowed, however it must be well integrated into the structure.

Signage

- House address identification numbers are required on or near individual homes and are to be supplied by the Homeowner. All address numbers must match a standard sign design which will be provided by the Homeowner's Association.

- No real estate "for sale" signs are permitted in excess of 5 square feet. Temporary construction signs are permitted during the construction period only. Signs shall be promptly removed upon completion.



Pools and Spas

- Swimming pools and hot tubs and spas area allowed in the development. Only in-ground type swimming pools area allowed, however above ground hot tubs are allowed. Use of natural landscape buffers and fencing for privacy and safety is encouraged. All pools and spas must be within the building setbacks.

BUILDING DESIGN

Allowable Development

- A single-family residence and guest house are permitted on each residential Lot. Townhomes are allowed on multi-family lots. No pre-fabricated of "kit" home, no mobile home, nor any home constructed to any significant extent with pre-fabricated elements shall be permitted. No round log homes or round log sided homes will be permitted. Square log homes and square log sided homes are allowed.

- The minimum house foot print requirement is 2,200 square feet for a 1-level home and 1,800 square feet footprint for a multi-level home. All square foot limitations do not include the Garage or any covered or uncovered outdoor spaces. Maximum allowable square footage of any residence shall not exceed the maximum lot coverage restrictions in the Flathead County Zoning Regulations.

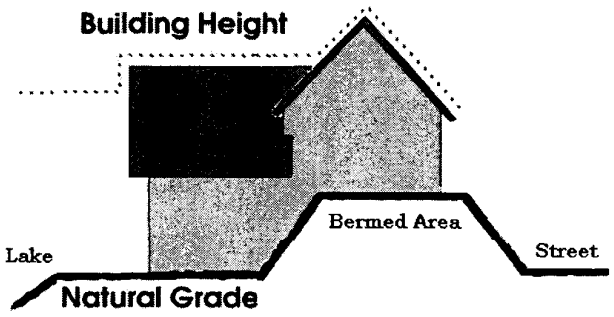
- The minimum townhouse size is 1,400 square feet (excluding the Garage) and can be multi-level. At least (1) enclosed Garage is required for townhomes. Specific townhome designs, regulations and/or exceptions may be approved by the HOA.

Building Height and Massing

- Building height and massing should be designed with a low-profile understated appearance. Large boxy structures with continuous unbroken wall and roof forms should be avoided. The maximum building height is 35' for principal structure and 18' for detached accessory structures, and is not to exceed restrictions in the Flathead County Zoning Regulations per Flathead County Appendix B show below.

- Low level 1 to 2 story building massing is encouraged. Building forms should step with the natural grade of the site.

- Building height is measured from the existing natural grade to the highest ridge point of the building, parallel to the grade directly below. Minor extensions such as chimneys, cupolas, and other architectural features may exceed the height restriction, but by no more than 4'-0".



Garages and Boathouses and Guest Houses

- A minimum of (2) enclosed Garage parking spaces is required for single family homes. A minimum of (1) enclosed Garage is required for townhomes. Overhead garage doors larger than 12' tall will not be permitted. Open carports will not be permitted, however portico drive through entryways are allowed. Detached garages may be allowed; a covered roof breezeway connection is encouraged. Garages shall use exterior building materials, colors, style and form consistent with the main house.

- (1) Boathouse and Dock may be allowed per tract if low profile and in keeping with the exterior materials of the main residence. All Boathouses and Docks must be built to meet the uniform standard design. Such design will be provided by Homeowner's Association. This structure is intended for boat and storage purposes only, no living quarters are allowed. Boathouses can be located at the waters edge, and must be in compliance with all design guidelines, covenants, setbacks, and zoning.

- (1) Guest House may be allowed per tract if small in nature, in keeping with the main residence and with 1,000 square feet maximum of living space. A Guest House must be in compliance with all design guidelines, covenants, setbacks, and zoning. Flathead County defines a Guest House "as a detached structure which is accessory to a 1- family dwelling with not more than two bedrooms, which shall be used and/or designed for use primarily by guests and/or servants."



Roofs

- All roofs should compliment the simple character of mountain and ranch style buildings. Primary roof forms should be gable, shed, or hip with a 6:12 to 10:12 slope. Consistent roof shapes, pitches, and materials should be used. Secondary roof forms such as dormers, porches, etc are encouraged and can be lower roof slopes including flat roof accent areas. Large continuous roof planes must be avoided, a max. 40' of roof length uninterrupted by another roof form is allowed. All overhangs to be 24" minimum. Entire house roof slopes less than 4:12 shall not be used. A-frame, gambrel barn style, and all-flat roof homes are not permitted.

- The main entry to the home should be emphasized with an overhanging roof form or recess, to protect the entry from the weather, and to create visual interest. The use of stone, timber, or log columns, etc in this area is highly encouraged. Other covered outdoor areas are also encouraged.

- Appropriate roofing include class A and B materials such as asphalt comp shingles, colored metal panels, fire treated cedar shakes, rusted metal roofs, and cold-weather concrete/slate tiles. Prohibited roof materials include, galvanized shiny metal roof or wall panels, glazed ceramic or southwest type tiles, and non-fire treated cedar shakes.

Exterior Wall Materials

- The design, materials, and color of exterior walls should be compatible with the natural colors and textures of the landscape. All siding shall be finished in earth tones. It is highly suggested that a 2 or 3 exterior color scheme is selected.

- Natural wood siding materials are strongly encouraged. Textured composite wood and concrete lap siding (hardiplank) are also allowed. Cedar shingles may be used as an accent element only and not cover the entire building. Prohibited wall materials include plastic, metal, or vinyl siding, plywood sheet material such as T-111, and asphalt shingles.

- All structures must be constructed of new materials. However suitable used or reclaimed materials such as brick, timbers and siding may be utilized with approval.

- Stucco or EIFS (dryvit) siding is an allowable wall accent material. The use of exposed timbers, logs, stone, or other wood features in conjunction with stucco is required. The stucco color shall be subdued earth tones.

- Exposed concrete or cinder block is not allowed, except at the ground level between wall siding and foundation.

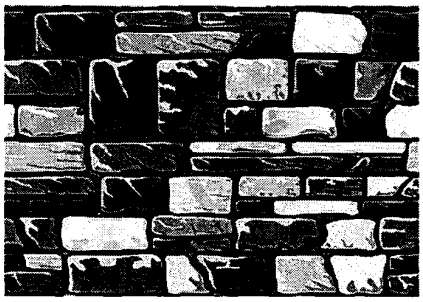
Rough Hewn Timbers and Logs

- The use of exposed timbers and logs for roof and porch framing, columns, lintels and sills is strongly encouraged. Some type of natural wood must be included on the exterior of the home.

Exterior Stone

- All buildings should include some earth-tone stone veneer. A minimum of 10% of the front exterior wall surface shall be covered with stone. Real or thin stone veneers are suggested; however manufactured stone products are acceptable.

- A stone wainscot at the base of the home is encouraged. This helps visually tie the building to the ground and protect the siding from rain and snow.

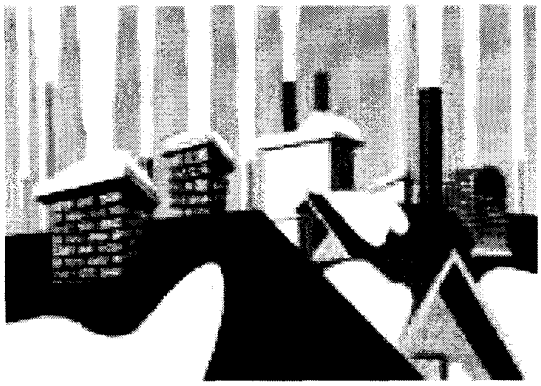


Exterior Windows and Doors

- Windows and doors should be of a consistent size, shape, and type throughout the building. All exterior windows and doors must promote energy efficiency and meet local energy standards and code. Use cold-weather products with double or triple glazing, low-e coatings, weather-stripping, thermal breaks, etc. Metal clad windows with wood interiors are suggested, although vinyl windows are allowed. Galvanized all-metal window frames are not allowed. Overhead garage doors should be insulated wood or pre-finished metal with raised or recessed panels. Carriage style overhead garage doors are encouraged. All windows and doors to be subdued earth tone colors; accent window clad colors are acceptable. Use of divided-lite window panes are encouraged, however snap on grille mullions are not permitted.

Chimneys and Flues

- Chimneys shall be constructed of materials consistent with materials used on other portions of the building. All fireplace stovepipes and flues must be enclosed in a wood chimney and covered with wood or stone siding. A decorative chimney cap shall be installed over the fireplace spark arrestor. All other vents or flues shall be painted where exposed, or located in a decorative enclosure.



Balconies and Porches

- Outdoor spaces are an important part of the home. These spaces must be designed keeping the specific site conditions in mind. Covered porches protect the home and its occupants from the constantly changing Montana environment and visually accent the home.

- Above grade decks must have substantial looking stone and/or timber supports. In no case shall above grade decks be supported by narrow posts or columns.

- Concrete, wood decking or composite decking (trex) are all acceptable surface materials.

MOUNTAIN STYLING DESIGN EXAMPLES

House Examples

- The following pictures are examples of acceptable home design styles for the Rosewater development. Mountain styling is consistent in all the photos. These are example homes only and not the only building look allowed. We encourage individual home design within a common theme.







LANDSCAPE DESIGN

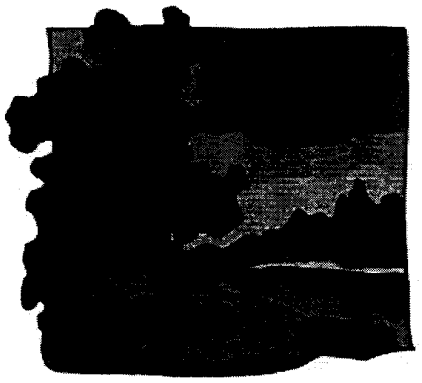
Landscaping

- The landscape design should integrate homes and other structures with their site and establish a common natural landscape throughout the Community. Plant materials should be selected to enhance the surrounding mountain area. Use groupings of plant materials to define outdoor spaces and entries, frame desirable views, screen undesirable views, buffer winds, provide shade, and create private areas.

- Permanent underground automatic irrigation systems are required. The use of moisture sensors, drip irrigation, and pop-up heads that conserve water are encouraged.

- Both the present and future size of trees and shrubs should be considered when selecting landscaping materials. Use of large-caliper landscape material is recommended to quickly establish a natural landscape. Use of natural Montana species and deer resistant materials is very strongly encouraged.

- To avoid monotony, the landscape should have a variety of size and type of plantings. All specific plant species must be approved by the Homeowner's Association. An approved plant list will be provided by the Homeowner's Association.



Exterior and Landscape Lighting

- Exterior lighting shall be designed to minimize impacts on adjacent properties and should be used for safety and security purposes and to subtly accent architectural features of a home. Exterior lighting shall be low-level and low-wattage. The light fixture selection should be consistent with the design of the home. Dark sky type and LED type exterior fixtures are suggested.

- No exterior lighting in which the direct source is visible from a neighboring property or which produces excessive glare to pedestrian or vehicular traffic is permitted. Pole mounted yard lights will not be allowed.

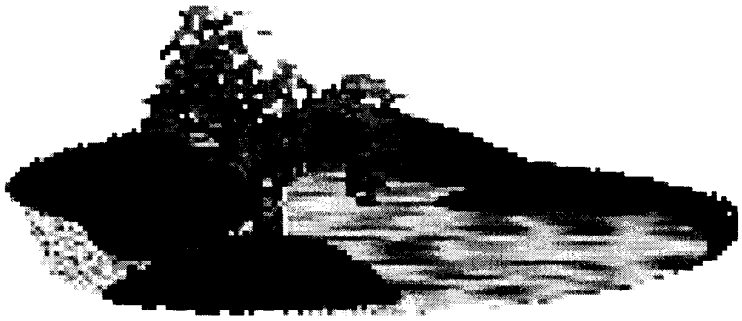
Walls, Fences, and Sloping Hillside

- In order to create a natural sense of openness throughout the community, separating walls and fences should be kept to a minimum. For this reason, the introduction of solid landscape privacy walls and fences is prohibited. Natural landscape buffers can be used to establish privacy around outdoor spaces.

- Solid privacy fencing along property lines is not allowed. Small fenced backyard areas or kennels may be allowed at the discretion of the Homeowner's Association. Any fences should be integrated with the design the residence, and shall not exceed 4' in height at front and 6' in height at side & rear. All fences shall be constructed of materials consistent with the main residence. Colored chain link or wood fencing is encouraged; vinyl fencing will not be permitted.

- Use landscaping to integrate the home into sloping hillsides. Outdoor spaces on sloping sites should be terraced in order to minimize the need for retaining walls or extensive site grading. The use of plant materials to stabilize the soil on hillsides and prevent erosion if suggested.

- Each owner is responsible for erosion control on their property. No structure, landscaping or other improvement shall interfere with the natural flow of water, cause erosion or modify in any way the natural landscape of their or neighboring property.



CONSTRUCTION REGULATIONS

Introduction

- No construction may start until the Homeowner's Association has approved the plans, and local building permits have been issued. If construction does not start within 1-year from date of approval, the approval expires and application must be resubmitted.

- Once construction on a project is initiated, completion of the project shall be pursued with due diligence until completion, and in no event shall be later that 12 months after breaking ground. Final landscaping and driveway paving must occur within 90 days after completion. If completion of the project is to be delayed for an unreasonable length of time the Homeowner's Association must be notified.

Protection of Adjacent Property and Natural Features

- All construction activity and access shall be confined to the Owner's Lot, unless an adjacent property owner has granted access with written authorization.

- A certain amount of site disruption is to be expected during construction. However, every effort must be made to protect the natural landscape. Soil erosion control measures shall be implemented during construction. The General Contractor and Owner shall be responsible for controlling and mitigating all damaging activities. Fencing for off-limit areas should be done before excavation and construction begins. Any areas damaged during construction shall be promptly repaired and /or restored at Owner's expense. The owner is responsible for any damage done to subdivision roads, curbs, sidewalks or other Owner's property.

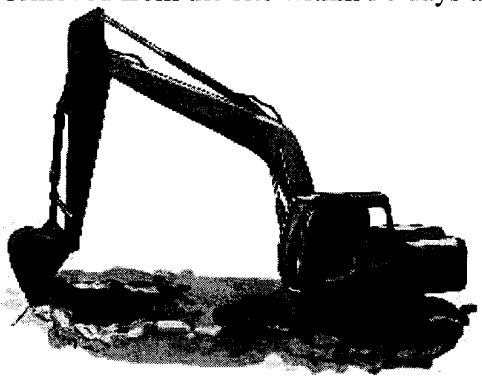
Construction Equipment, Materials, Noise and Trash

- Construction vehicles, heavy equipment and construction workers shall park only on Owner's lot. Construction and workers' vehicles shall not be parked on or block access to other property owner's lots or in open space areas.

- The General Contractor shall be responsible for maintaining a clean job site at all times. All construction material shall be stored on the Owner's Lot. All debris and related material shall be deposited in dumpsters and removed in a timely manner. Temporary chemical toilets must be provided for the construction process. Storage, trash and toilets shall be located to minimize the visual impact from adjacent properties and roadways.

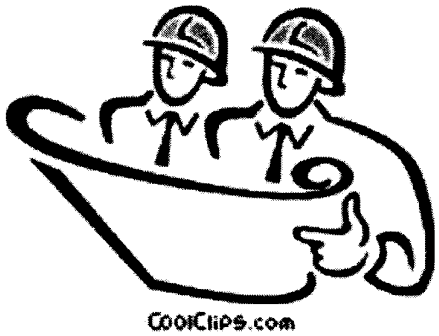
- The General Contractor shall be responsible for controlling dust and noise from the construction site for the comfort and benefit of other Homeowners. Excessive construction noise and stereos will not be permitted. Work hours to be 7 am to 7 pm Monday through Saturday only.

- A small field office, temporary construction trailer, or storage building may be placed on the site while the project is under construction. Temporary buildings shall be in good condition and may not be used at any time for a residence. All temporary structures shall be removed from the site within 30 days after completion of building.



CONSTRUCTION REVIEW AND APPROVAL PROCESS:

- There are (2) different phases of the Construction Review process. Both must be completed in order to get Homeowner's Committee approval.
- A pre-design conference is encouraged between the Owner, Designer and Homeowner's representative. A meeting on site to review the design guidelines, specific site requirements and general community information.
- It is the Owner's responsibility to obtain and follow all current covenants, conditions and restrictions of the community. Including local zoning, and other pertinent codes.
- Provide (2) sets of required drawings for each submittal.
- Submit fully completed construction application. See attached form. Any application not fully completed and/or without the required information will be returned.
- Submit all applicant information to Rosewater Design Review Committee.



- **PHASE 1-CONCEPTUAL DESIGN:** This review is intended to verify that the house and location on the property is in accordance to the design guidelines before construction drawings are started. Submit the following:

  - **Owner and Contractor names:** Provide mailing addresses, e-mails, phone numbers, Lot number of construction, and the start/finish dates for the project.

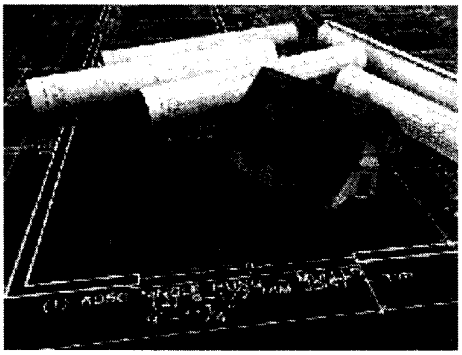
  - **$1,000.00 REFUNDABLE deposit clean-up fee:** Provide payment to ensure proper clean up of common areas. To be refunded after all construction, cleanup & landscaping is complete. Extensive damage may result in more costs to Owner.

  - **$500.00 NON-refundable design review fee.** Provide payment to cover the cost of reviewing the submittal and site visits for the entire review process.

  - **Site Plan:** Indicating property lines, setbacks, house footprint, driveway, and other significant site features. (Scale: min of 1"= 40')

  - **Concept Floor Plans:** Sketch type plans indicating general layout of proposed house. Include total square footage for each floor. (Scale: min of 1/8" = 1'-0")

  - **Concept Exterior Elevations**: Sketch type exterior drawings of proposed house. Indicate the general exterior style and character, material notations and overall height. (Scale: min of 1/8" = 1'-0")



- **PHASE 2-CONSTRUCTION DRAWINGS:** This review is intended to see the detailed information about the proposed building. These should be detailed construction drawings as required for construction. The incorporation of suggestions and discussions from the first review is required.

  - **Site Plan:** Indicating property lines, easements, setbacks, and other significant natural features. Include a topographical site contour map if necessary. Show proposed house and garage footprint, driveway/patio locations and materials. Also include any fencing or kennel proposals, and other site related items. Provide % lot coverage calculation. (Scale: min of 1"= 20')

  - **Floor Plans:** Indicating the general layout and use of rooms, dimensions, notes, and window/door locations. Provide square footage calculations for each floor level. (Scale: min of 1/4" = 1'-0")

  - **Roof Plan:** Indicating the general layout and roof slopes. Show valleys, crickets, major roof penetrations and overhang dimensions. (Scale: min of 1/4" = 1'-0")

  - **Exterior Elevations**: Indicating the exterior character of the residence, dimensions and notes. Exterior material descriptions, window/door locations, and existing/finished grades. Provide height dimension at highest building point. (Scale: min of 1/4" = 1'-0")

  - **Building Cross Section**: Indicating the general type of house construction. Include dimensions and notes. (Scale: min of 1/4" = 1'-0")

  - **Landscape Plan:** Site drawings showing the proposed landscaping. Show all walkways, patios, walls, fences and other site elements. Indicate general plant names and locations including seed and sod areas. (Scale: min of 1"= 20') CAN BE PROVIDED AT A LATER DATE DURING CONSTRUCTION

  - **Exterior Color Palette:** Provide actual material samples for review by the Homeowner's Committee. Include siding samples with applied stain color, stone and/or stucco sample, roofing sample, window color sample, light fixture cut sheet, and any other exterior items. CAN BE PROVIDED AT A LATER DATE DURING CONSTRUCTION

HOMEOWNER'S ASSOCIATION

Approvals and Appeals

- The Homeowner's Association will consider all COMPLETE applications within 30 days after receiving the submittal. The review will be to determine if the proposed construction is in accordance with the community CCR's and design guidelines. A letter of approval or denial will be sent to the Owner from the Homeowner's Association regarding the construction application and submittals.

- Upon approval, the applicant may then begin construction as long as the construction conforms to the approved plans and local codes. In the event the Homeowner's Association rejects the plans, the applicant may revise their plans and resubmit to the Homeowner's Association. If, after a second review, the plan is still denied, the applicant may then appeal the decision, by contacting the Homeowner's Association Board of Directors. Said appeal must be filed within 30 days of the Homeowner's Association final decision.

- It is the Owner's responsibility to notify the Homeowner's Association of the tentative construction schedule. This should be in writing 30 days prior to start of construction.

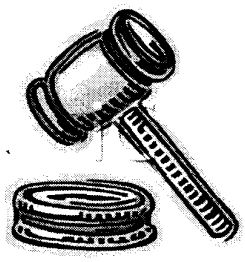
- Owner must notify the Homeowner's Association when all construction items are complete and in compliance with the Design Guidelines. Clean up deposit will be refunded at this time unless any damage done to common areas or adjacent homeowner property has not been repaired.

- The Homeowner's Association has the authority to grant a variance of these guidelines. Granting of a variance in one situation does not establish a precedence for future situations.



Site clean up Deposits

- The Board of Directors requires a refundable deposit guaranteeing completion of proposed landscaping and site repair work. This amount will be refunded upon completion of all requirements. All fees and deposits shall be payable to the Homeowner's Association.



The HOA Design Review Board Duties and Powers

- The Design Review Board of the HOA shall consist of members appointed according to the bylaws. All plans for site preparation, building construction, and site modifications, fencing, alterations or enlargements of an existing structure, or other improvements must be submitted to the Design Board. Approval must be received prior to initiating any of the above activities. No approval is needed for alterations which are completely within a building and which do not change the exterior.

- The Homeowner's Association shall rely on and have the right to interpret the guidelines contained herein as the primary basis for evaluating building proposals. The approval of the Homeowner's Association shall not be unreasonably withheld, actions taken shall not be arbitrary and decisions shall be binding on all interested parties, subject only to the right of appeal. The Homeowner's Association shall have sole discretion to approve or deny any proposed improvement in accordance with the provisions of the Declaration of Covenants, Conditions and Restrictions.

- The Design Guidelines may be amended from time to time per the Homeowner's Association rules. All such additions, revisions or other amendments shall be made part of the Design Guidelines and shall have the same force and effect. Each Owner is responsible for obtaining the most current set of Design Guidelines.

- The Homeowner's Association is authorized to retain the services of consulting architects, landscape architects or land planners to advise and assist in performing design review functions as needed.

- The Homeowner's Association, the Review Committee, nor their respective members or agents shall not be responsible or liable for defects in any plans submitted, revised or approved. Approval of these plans and specifications shall not be deemed in lieu of compliance by the Owner to applicable building codes or other laws & regulations.

- The Homeowner's Association shall have primary responsibility for the enforcement of the Design Guidelines and restrictions set forth herein. Authority of the HOA is outlined in the Community's Declaration of Covenants, Conditions and Restrictions. Should any Owner fail to comply with these Design Guidelines, the HOA shall have the right to seek an order from a court requiring specific performance to comply with the provisions or to recover damages or both. The costs and expenses incurred including reasonable attorney fees shall be considered the personal obligation of the Lot Owner and shall constitute a lien on the property.

ROSEWATER COMMUNITY CONSTRUCTION APPLICATION:

- LOT NUMBER/STREET ADDRESS:_____
- OWNER(S) NAME:_____
  - MAILING ADDRESS_____

    _____
  - PHONE NUMBER_____ EMAIL_____
- CONTRACTOR NAME:_____
  - MAILING ADDRESS_____

    _____
  - PHONE NUMBER_____ EMAIL_____
- ARCHITECT/DESIGNER NAME:_____
  - MAILING ADDRESS_____

    _____
  - PHONE NUMBER_____ EMAIL_____
- DATE:_____OWNER(S) SIGNATURE:_____

BELOW LINE IS FOR HOMEOWNER'S ASSOCIATION USE ONLY:

- PHASE 1-CONCEPTUAL DESIGN HOA REVIEW DATE:_____

  APPROVED BY: _____
- PHASE 2-CONSTRUCTION DRAWING HOA REVIEW DATE:_____

  APPROVED BY: _____



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Fees: $329.00
9/27/2016 3:44 PM

EXHIBIT B

ROSEWATER

Legal Description

The real property is described as follows:

Tract 1:

Tract 1 of Certificate of Survey No. 18421, located and being in the South Half of Section 20, Township 29 North, Range 21 West, P.M.M., Flathead County, Montana.

Tract 2:

Tract 2 of Certificate of Survey No. 18421, located and being in the South Half of Section 20, Township 29 North, Range 21 West, P.M.M., Flathead County, Montana.

Tract 3:

Tract 1 of Certificate of Survey No. 17722, located and being in the South Half of Section 20, Township 29 North, Range 21 West, P.M.M., Flathead County, Montana.