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PAULA ROBINSON FLATHEAD COUNTY MONTANA

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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS OF SPRING CREEK ESTATES (Flathead County, Montana)

THIS DECLARATION is made as of this 27 day of December, 2006 by the undersigned, hereinafter referred to as "Declarant."

RECITALS

A Declarant owns certain real property located within the State of Montana, which property and improvements are commonly known as "Spring Creek Estates," and is located on land more particularly described in Exhibit A attached hereto and incorporated herein (the "Property").

B All Common Areas of the Project are to be described in this Declaration or shown on Plat Maps recorded in conjunction with this Declaration.

C. For the benefit and protection of the Project, to enhance its value and attractiveness, and as an inducement to vendors and investors to make and purchase loans secured by Homes and Lots within the Project, Declarant agrees to provide herein for a comprehensive system of land use and building controls within the Project.

NOW, THEREFORE, Declarant, being the sole owner of the Project, hereby makes this Declaration for the purpose of subjecting the Project to this Declaration, and declares that the Project described herein shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to the following covenants, conditions, restrictions, reservations, grants of easement rights, rights of way, liens, charges and equitable servitudes, which are for the purpose of protecting the value and desirability of the Project and shall be binding on all parties having any right, title or interest in the Project or any part thereof, and shall inure to the benefit of each owner thereof. Any conveyance, transfer, sale, assignment, lease or sublease of a Lot or Home in the Project shall and hereby is deemed to incorporate by reference all provisions of this Declaration. The provisions of this Declaration shall be enforceable by Declarant, any Lot Owner, the Association and any first Mortgagee of any Lot.

Article 1
INTERPRETATION

1.1 Liberal Construction

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation and maintenance of the Project.

1.2 Covenant Running with Land

This Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on Declarant, its successors and assigns, all subsequent owners of the Property or any part thereof, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

1.3 Declarant is Original Owner.

Declarant is the original Owner of all Lots and Property and will continue to be deemed the Owner thereof except as conveyances or documents changing such ownership regarding specifically described Lots are filed of record.

1.4 Captions

Captions given to the various articles and sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof.

1.5 Definitions

"Architectural Control Committee" or "ACC" means the committee established pursuant to Article 6.

"Articles" means the articles of incorporation of the Association, as defined below.

"Assessments" means all sums chargeable by the Association (or by Declarant in exercising Special Declarant Rights) against a Lot, including without limitation (a) regular and special assessments for Common Expenses and Home Expenses, (b) deposits and contributions to the Association's working capital as established by its Board of Directors, (c) special charges against a Lot Owner for work done on the Owner's Lot, (d) fines, (e) interest and late charges on any delinquent account, and (f) costs of collection, including reasonable attorneys' fees incurred in connection with the collection of a delinquent Owner's account.

"Association" means Spring Creek Estates Homeowners' Association, a Montana mutual benefit corporation, as described more fully in Article 4, and its successors and assigns. The term "Association" shall be deemed to refer to the Declarant when exercising Special Declarant Rights otherwise permitted to the Association.

"Board" means the board of directors of the Association, as provided for in Article 5.

"Bylaws" means the bylaws of the Association as they may from time to time be amended.

"Builder" means a person or entity who acquires title to one or more Lots for the purpose of, in the ordinary course of business, of constructing Homes for resale.

"Common Area" or "Common Areas" means all real property (including the improvements thereto) within the Project designated as Common Area(s) in Section 2.1 or an amendment to this Declaration or in the Plat Maps for the Project.

"Common Expenses" means those expenses incurred by the Association and paid by Assessments levied against Lots. Common Expenses shall not include Home Expenses.

"Common Expense Percentage" shall mean the portion of the Common Expenses which each Lot must pay. The Common Expense Percentage for all Lots shall be an equal amount.

"Declarant" shall mean Northstar Associates, LLC, a Montana limited liability company, and its successors and assigns if such successors or assigns should (a) acquire more than one undeveloped Lot from the Declarant for the purpose of development, and (b) be specifically assigned the rights and duties of Declarant by written instrument in recordable form.

"Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions and Reservations for Spring Creek Estates, a Subdivision, and any amendments thereto.

"Home" shall mean and refer to any structure, or portion of a structure, located on a Lot, which structure is designed and intended for use and occupancy as a residence or which is intended for use in connection with such residence.

"Home Expenses" shall mean those expenses incurred by the Association solely relating to or benefitting Homes (and not Common Areas).

"Lot" shall mean and refer to any plot of land shown upon any recorded Plat Map of the Project, excluding Common Areas. Ownership of a Lot shall include ownership of the Home and

improvements now or hereafter constructed on such Lot. "Lot" shall not include any land now or hereafter owned by the Association or by all of the Lot Owners as tenants-in-common, nor include any land shown on the Plat Map that is dedicated to the public or to a governmental entity.

"Member" means a person entitled to membership in the Association pursuant to Section 4.3.

"Mortgage" shall mean a recorded mortgage or deed of trust that creates a lien against a Lot and shall also mean a real estate contract for the sale of a Lot.

"Mortgagee" shall mean the beneficial owner, or the designee of the beneficial owner, of an encumbrance on a Lot created by mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Lot.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Project and except as may be otherwise expressly provided herein, shall, in the case of a Lot which has been sold pursuant to a real estate contract, include any person of record holding a vendee's interest under such real estate contract, to the exclusion of the vendor thereunder. Any person or entity having such an interest merely as security for the performance of an obligation shall not be considered an owner.

"Person" shall include natural persons, partnerships, corporations, limited liability companies, associations and successors and personal representatives of such individuals and entities.

"Plat Maps" shall mean the recorded final plat(s) depicting the layout of the Lots in the Project, including any amendments thereto.

"Project" shall mean any real property (including any improvements and structures thereon) as are now or hereafter subjected to this Declaration and brought within the jurisdiction of the Association.

"Property," shall mean the real estate described in Exhibit A and any additions thereto (together with all improvements and structures thereon).

"Special Declarant Rights" shall mean rights and powers reserved by Declarant under Section 5.2.

"Transition Date" shall mean the earlier of the following: (i) 60 days after the date on which Declarant no longer owns any of the Property (including the Project and any other Property described in this Declaration for possible annexation to the Project as provided in Article 16), or (ii) the seventh anniversary of the recording of this Declaration, or (iii) the date on which Declarant elects to permanently relinquish all Special Declarant Rights by written notice to all Owners.

1.6 Percentage of Owners

For purposes of determining the percentage of Owners approving a proposed decision or course of action, an Owner shall be deemed a separate Owner for each Lot owned.

Article 2
OWNERSHIP OF COMMON AREAS

2.1 Description of Common Areas

The Common Areas shall consist of the real property (including the improvements thereto) within the Project designated as Common Area(s) in an amendment to this Declaration or in the Plat of Spring Creek Estates.

2.2 Common Areas Conveyed to Association

Upon formation and organization of Association, including election of a board of directors, Declarant shall convey all Common Areas to the Association.

2.3 Disposition Upon Dissolution of the Association.

In the event the Association should be dissolved without there being a successor, the Common Areas shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, the Common Areas shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes. Absent such dedication, grant, conveyance or assignment, each Lot shall be deemed to have an equal and undivided interest in the Common Areas. In such event, (a) such undivided interest in such Common Area shall be appurtenant and inseparable from the ownership of a Lot, (b) such undivided interest shall not be subject to any right of partition, and (c) the provisions of this Declaration and the Plat Map shall control over any conflicting principles of common law applicable to tenancy in common interests.

2.4 Dedicated Common Areas

The Common Areas shall exclude those portions of Common Areas (and improvements thereto) which have been or may hereafter be dedicated to and owned by a governmental entity.

2.5 Control of Common Areas

Subject to Section 5.2 (Special Declarant Rights), the Association (and the Owners who are Members thereof) have the responsibility and obligation to maintain, repair and administer the Common Areas in a clean, attractive, sanitary and safe condition and in full compliance with applicable governmental laws, rules and regulations and the provisions of this Declaration. Except as otherwise provided herein, maintenance of any sidewalk median strip shall be the responsibility of the Lot Owner whose Lot directly abuts the median strip. Where a median strip abuts on a Common Area, the maintenance responsibility shall be the obligation of the Association.

Article 3
OWNERS' PROPERTY RIGHTS

3.1 Owners' Easements of Enjoyment

Every Owner shall have a non-exclusive, right and easement, in common with all Owners, of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

3.1.1 The Association may totally bar or restrict use of portions of the Common Areas where ordinary use could be dangerous, unreasonably increase Association costs, or be detrimental to the environment, or is inconsistent with its designation as a Common Area.

3.1.2 The Association shall have the right to suspend the voting rights and right to use of Common Areas of an Owner for any period during which any Assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. Until the Transition Date, the Association shall be required to exercise its right to suspend the voting rights of, and the right to the use of the recreational facilities by, a Member for non-payment of an Assessment, upon the request of the Declarant.

3.1.3 The Association shall have the right to dedicate or transfer all or any part of the Common Area, including easements across said properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members of the Association. No such dedication or transfer shall be effective unless approved by 75% of the Owners and by the Declarant (until the Transition Date) and the provisions of Article 14 hereof have been observed

3.1.4 The Association, in accordance with this Declaration and its Articles and Bylaws, may borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, but the rights of such mortgagee in, said property shall be subordinate to the rights of the Owners under this Declaration and subject to the provisions of Section 1.1.

3.1.5 Until the Transition Date, the exercise by the Association of its rights and powers under this Section 3.1 shall be subject to Section 5.2 (Special Declarant Rights).

3.2 Delegation of Use

Any Owner may delegate (in accordance with the Bylaws) his right of enjoyment to the Common Area and facilities to the members of his family, tenants or contract purchasers who reside in such Owner's Home, and (subject to regulation by the Association) to his temporary guests.

Article 4
OWNERS' ASSOCIATION

4.1 Establishment

There is hereby created the Association to be called Spring Creek Estates Homeowners' Association.

4.2 Form of Association

The Association shall be a nonprofit, mutual benefit corporation formed and operated pursuant to Sections 35-2-114, et. seq., Montana Code Annotated.

4.3 Membership

4.3.1 Qualification. The membership of the Association at all times shall consist exclusively of the Owners of all Lots in the Project. Each Owner of a Lot in the Project (including Declarant) shall be a Member of the Association and shall be entitled to one membership for each Lot so owned. Ownership of a Lot shall be the sole qualification for membership in the Association. In the event any Lot is owned by more than one (1) Person, each co-owner shall be considered a member of the Association, but collectively such co-owners shall only be entitled to one (1) membership for each Lot owned and shall collectively only be entitled to cast one (1) vote for each Lot owned. There shall be no fractional voting allowed, rather, co-owners of Lots must decide how their vote shall be cast on matters involving the vote of the Association membership.

4.3.2 Transfer of Membership. The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, conveyed, pledged or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title to such Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

4.4 Voting

4.4.1 Classes of Voting Membership. The Association shall have two classes of voting membership.

Class A — Class A Members shall be all Owners (except Declarant shall not be a Class A Member until the Transition Date). Class A Members shall be entitled to one vote for each Lot owned.

Class B — The Class B Member shall be the Declarant, which shall be entitled to three (3) votes for each Lot owned.

Termination of Class B Membership. The Class B membership shall cease and be converted to Class A membership on the Transition Date.

4.4.2 Combining Class A and B Votes. In determining whether any given proposition shall have been approved by the membership, the total number of Class A and Class B votes shall be combined and the appropriate percentage applied against that combined number.

4.4.3 Number of Votes. Except as provided above with respect to the Class B Member, the total voting power of all Owners shall equal the number of Lots at any given time.

4.5 Bylaws of Association

Bylaws for the administration of the Association and the Project (and to further the intent of this Declaration) shall be adopted or amended by the Owners at a regular or special meeting; provided,

that the initial Bylaws shall be adopted by Declarant. The Bylaws shall provide which, if any, of the powers the Board or Association officers may delegate to other persons or to a managing agent.

Article 5
MANAGEMENT OF THE ASSOCIATION

5.1 Administration of the Project

The Owners covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration and the Articles, Bylaws and rules and regulations, if any, of the Association, which are made a part hereof. In the event of any conflict between this Declaration and any provision of the Articles, Bylaws or rules and regulations of the Association, this Declaration shall prevail. In the event of any conflict between the Articles and any Bylaws, the provisions of the Articles shall prevail.

5.2 Special Declarant Rights

Notwithstanding anything in this Declaration or in the Articles, Bylaws or rules and regulations to the contrary, Declarant reserves unto itself and to its managing agent the right (but not the obligation) to exercise any or all of following rights and powers ("Special Declarant Rights") at any time from time to time until the Transition Date without the assent of the Board or Owners:

(a) any or all of the rights and powers otherwise permitted to the Association (or the Board on behalf of or acting for the Association) under this Declaration;

(b) the right to approve or disapprove the exercise by the Association (or by the Board on behalf of or acting for the Association) of any such right or power;

(c) the right to require the Association, upon request by Declarant, to enter into any contract, lease, agreement or other undertaking proposed by the Declarant prior to the Transition Date (or to accept the assignment and assumption thereof if entered into by Declarant prior to the Transition Date) in the exercise of the Special Declarant Rights reserved under subparagraph (a) or (b) above, on such terms as may determined in good faith by Declarant; provided, however, subparagraph (c) shall not apply to (i) any management or employment contract having a term continuing after the Transition Date, (ii) any contract or lease between the Declarant and an affiliate of a Declarant or any lease of Common Area, except on terms which are commercially reasonable, or (iii) any contract or lease that is not bona fide or was unconscionable to the Owners at the time entered into under the circumstances then prevailing;

(d) any other right expressly reserved to the Declarant (or Declarant's managing agent) hereunder which, by its terms, must be exercised, if at all, by the Transition Date, including but not limited to Declarant's right under Article 16 to annex property to the Project, to convert Lots to Common Area, or (subject to any necessary approval under Section 16.5) to convert Common Area to Lots.

Until the Transition Date, the Board shall provide to the Declarant reasonable notice not less than 30 days before the Association or Board takes or commits to take any action which is subject to Declarant's right of approval or disapproval under subparagraph (b) above. No action disapproved by the Declarant (or by Declarant's managing agent) under this Section will be taken. Any action taken or committed to be taken by the Association or Board in violation of the provisions of this Section shall, at the option of Declarant, be deemed null and void. Nothing herein shall diminish the responsibility of the Association and the Board to take such action (not disapproved as provided herein) as shall be reasonably required of them in furtherance of the intent and purposes of this Declaration.

Declarant may, from time to time, elect by written notice to all Owners to relinquish any or all Special Declarant Rights. The Transition Date, if it has not already occurred, will occur upon Declarant's election to permanently relinquish all Special Declarant Rights. The relinquishment of Special Declarant Rights by Declarant pursuant to this paragraph shall not affect rights and entitlements of Declarant in its capacity as the Owner of any Lot or Home or otherwise available to Declarant under this Declaration or applicable law.

Declarant, by reserving or exercising Special Declarant Rights or any other rights under this Declaration, does not assume the primary authority of the Board to manage the affairs of the

Association. Nor does this Declaration impose any obligation on Declarant to exercise such rights on behalf of the Association or the Board. The reservation of rights by Declarant is an exception to Declarant's grant of rights and power to the Association (and to the Board on behalf of the Association) to administer, manage and control the Project. Neither the exercise of, nor the failure to exercise, any Special Declarant Rights or other rights available to Declarant (or to Declarant's managing agent) shall be construed as a waiver or a relinquishment of such rights for the future. No waiver of any such rights shall be deemed to have been made by Declarant (or Declarant's managing agent) unless expressed in writing and signed by the Declarant.

5.3 Management by Elected Board of Directors

The primary authority to manage the Association is hereby vested in a Board elected from among the Lot Owners. The number of directors shall be specified in the Bylaws and shall be sufficient to adequately handle the affairs of the Association. Except as otherwise provided herein, decisions shall be determined by a majority vote of the directors entitled to vote. The Board may delegate all or any portion of its administrative duties to a managing agent or officer of the Association, in accordance with the provisions of the Bylaws. All Board offices shall be open for election at an organizational meeting. The Board shall elect from among its Members a president who shall preside over meetings of the Board and the meetings of the Association. In determining the qualifications of any officer or director of the Association, the term "Lot Owner" in such context shall be deemed to include any director, officer, partner in, member or trustee of any Person, who is, either alone or in conjunction with another Person or Persons, a Lot Owner. Any officer or director of the Association who would not be eligible to serve as such if he or she were not a director, officer, partner in, member or trustee of such a Person shall be disqualified from continuing in office if he or she ceases to have any such affiliation with that Person, or if that Person would have been disqualified from continuing in such office as a natural Person.

5.4 Authority and Duties of the Board

Subject to Section 5.2 (Special Declarant Rights), the Board, on behalf of and acting for the Association, for the benefit of the Project and the Owners, shall have all powers and authority permitted to the Board under this Declaration, including but not limited to the following:

5.4.1 Assessments. Establish and collect regular Assessments (and to the extent necessary and permitted hereunder, special Assessments) to defray expenses attributable to carrying out its duties hereunder and maintain adequate working capital and a reserve fund for the maintenance, repair and replacement of those portions of the Common Areas or facilities which must be maintained, repaired or replaced on a periodic basis, which working capital and reserve shall be funded by the above Assessments.

5.4.2 Services. Obtain the services of persons or firms as required to properly manage the affairs of the Project to the extent deemed advisable by the Board, including legal and accounting services, property management services as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Project, whether such personnel are employed directly by the Board or are furnished by the managing agent or management firm.

5.4.3 Utilities. Obtain water, sewer, garbage collection, electrical, telephone, gas and any other necessary utility service, including utility easements and street lighting, as required for the Common Area.

5.4.4 Insurance. Obtain and pay for policies of insurance or bonds providing

(a) Common Area casualty and liability coverage,

(b) Fidelity of Association officers and other employees.

Insurance under clauses (a) and (b) be in accordance with the requirements set forth herein.

5.4.5 Common Area Maintenance/Repair. Pay the costs of painting, maintenance, snow clearing of alleyways, roadways and other necessary areas to the extent snow removal is not or cannot be done timely by the City of Kalispell or other governmental entity, repair and all landscaping and gardening work for the Common Areas and improvements located thereon so as to keep the Project in a good, clean, attractive, sanitary and safe condition and in full compliance with

applicable governmental laws, rules and regulations and the provisions of this Declaration. Replace and repair the furnishings and equipment for the Common Area as the Board shall determine are necessary and proper.

5.4.6 Maintenance of Rights of Way, etc. To the extent deemed advisable by the Board, pay the costs of maintaining and landscaping rights of way, alleys, traffic islands and medians, or other similar areas which are within or adjacent to the Project boundaries, and which are owned by or dedicated to a governmental entity, if said governmental entity fails to do so; provided, the Board at its option may require a Lot Owner at the Owner's expense to maintain and landscape such areas as are adjacent to such Owner's Lot.

5.4.7 Fences, etc. To the extent deemed advisable by the Board, pay the cost of maintaining, repairing and replacing perimeter and interior fences, if any, and landscaping and improvements on easements, if any, which are located on or across Lots, provided, the Board at its option may require a Lot Owner at the Owner's expense to maintain, repair and replace such fences, landscaping and improvements which are on or adjacent to such Owner's Lot.

5.4.8 Lot and Lot Improvement Maintenance. In the event an Owner of any Lot or Home in the Project shall fail to maintain the premises and the improvements situated thereon in accordance with the provisions of this Declaration, the Association, after approval by two-thirds (⅔) vote of the Board, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot and any other improvements erected thereon. The cost of such maintenance shall be added to and become part of the Assessment to which such Lot or Home is subject.

5.4.9 Lien/Encumbrance. The Board may pay any amount necessary to discharge any lien or encumbrance levied against the Common Areas or any part thereof which is claimed to or may, in the opinion of the Board, constitute a lien against the Common Areas, rather than merely against the interest therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs and expenses (including court costs and attorney fees) incurred by the Board by reason of such lien or liens shall be specially charged against the Owners and the Lots responsible to the extent of their responsibility.

5.4.10 Enforce Declaration. Enforce the applicable provisions of this Declaration for the management and control of the Project.

5.4.11 Materials, Services, etc. Contract and pay for any materials, supplies, labor or services which the Board should determine are necessary or proper for the enforcement of this Declaration, including legal, accounting, management or other services, provided that if for any reason any materials, supplies, labor or services are provided for particular Lots or their Owners, the cost thereof shall be specially charged to the Owners of such Lots.

5.4.12 Attorney-in-Fact. Each Owner, by the mere act of becoming an Owner, irrevocably appoints the Association as his attorney-in-fact, with full power of substitution, to take such action as reasonably necessary to promptly perform the duties of the Association and Board hereunder, including but not limited to the duties to maintain, repair and improve the Project, to deal with the Project upon damage or destruction, and to secure insurance proceeds.

5.4.13 Borrowing of Funds. In the discharge of its duties and the exercise of its powers as set forth herein, but subject to the limitations set forth herein, the Board may borrow funds on behalf of. the Association.

5.4.14 Adoption of Rules and Regulation. When and to the extent deemed advisable by the Board, to adopt reasonable rules and regulations governing the maintenance and use of the Project and other matters of mutual concern to the Lot Owners, which rules and regulations are not inconsistent with this Declaration and the Articles and Bylaws and which treat all Owners fairly and on a non-discriminatory basis.

5.4.15 Additional Powers of Association. In addition to the duties and powers of the Association, as specified herein, and elsewhere in this Declaration, but subject to the provisions of this Declaration, the Association, acting through its Board, shall have the power to do all other

things which may be deemed reasonably necessary to carry out its duties and the purposes of this Declaration.

Article 6
ARCHITECTURAL CONTROL

6.1 Construction and Exterior Alteration/Repair

6.1.1 All buildings, structures and other improvements (including, without limitation, concrete or masonry walls, rockeries, fences, sheds, over-the-air reception devices, swimming pools, if any, or other structures and improvements) to be constructed within the Project, and all exterior alterations and repairs (including, but not limited to, re-roofing or re-painting) of any buildings, structures or improvements in the Project and visible from any public street, Common Area or other Lot must be approved by the Architectural Control Committee ("ACC"). Complete plans and specifications, together with an ACC Review Fee of $250.00, for all such proposed buildings, structures, and exterior alterations and repairs, together with detailed plans showing the proposed location of the same in the particular buildings site and other data requested by the ACC, shall be submitted to the ACC before construction, alteration or repair is started. Construction, alteration or repair shall not be started until written approval thereof is given by the ACC. Any exterior modifications approved or developed by the Declarant while exercising Special Declarant Rights will be deemed approved exterior modifications. The ACC shall have the right, from time to time, to increase the ACC Review Fee, provided that such increased fee is in an amount is reasonably anticipated to compensate the ACC for its time and costs related to the review of such plans and specifications. The ACC may, in its discretion, reduce or waive the Review Fee for smaller projects such as minor repairs, alterations or small additions to existing improvements.

6.1.2 The ACC will review submittals as to the quality of workmanship and materials planned and for conformity and harmony of the external design with proposed or existing, structures on neighborhood residential Lots or building sites, and as to location of the building with respect to topography, finish grade elevation and building setback restrictions.

6.1.3 In the event the ACC fails to approve or disapprove such design and location within forty-five (45) days after said plans, and specifications have been submitted to it, such approval will not be required.

6.1.4 All plans and specifications for approval by the ACC must be submitted in duplicate, at least forty-five (45) days prior to the proposed construction or exterior alteration or repair starting date, unless such requirement is waived in writing by the ACC. Neither the waiver of, nor the failure to waive, such requirement shall be construed as a waiver or a relinquishment of such rights for the future. The maximum height of any building shall be established by the ACC as part of the plan approval and shall be given in writing together with the approval.

6.1.5 The ACC may require that, said plans or specifications shall be prepared by an architect or a competent house-designer, approved by the ACC. One complete set said plans and specifications shall in each case be delivered to and permanently left with the ACC. All buildings or structures shall be erected or constructed, and all exterior alterations or repairs made, by a contractor, house Builder or other person or entity approved by the ACC. The ACC shall have the right to refuse to approve any design, plan or color for such improvements, construction, or exterior alteration or repair visible from a public street, Common Area or other Lot which is not suitable or desirable, in the ACC's reasonable opinion, and in accordance with the standards and specifications herein set forth, aesthetic or otherwise.

6.1.6 In so passing upon such design, the ACC shall have the right to take into consideration the suitability of the proposed building or other structure, and the material of which it is to be built, and the exterior color scheme, to the site upon which it is proposed to erect the same, the harmony thereof with the surroundings, and the effect or impairment that said structures will have on the view or outlook of surrounding building sites, and any and all factors, which, in the ACC's opinion, shall affect the desirability or suitability of such proposed structure, improvements, or exterior alteration or repair.

6.1.7 The ACC shall have the right to disapprove the design or installation of a swimming pool, hot tub or any other recreational structure or equipment undesirable, in the ACC's reasonable

opinion, aesthetic or otherwise. In so passing upon such design or proposed installation, the ACC shall have the right to take into consideration the visual impact of the structure and the noise impact of the related activities upon all of the properties located in close proximity. Any enclosure or cover used in connection with such a recreational structure or equipment, whether temporary, collapsible, seasonal, or whatever, shall be treated as a permanent structure for the purposes of these covenants, and shall be subject to all the conditions, restrictions, and requirements as set forth herein for all buildings and structures.

6.1.8 The ACC shall have the right in conformance with City ordinances and upon issuance of any required permits, to require, at an Owner's expense, the trimming or topping (or, if deemed necessary by the ACC, removal) of any tree, hedges or shrub on a Lot which the ACC determines is unreasonably blocking or interfering with the view or access to sunlight of another Lot or Home.

6.1.9 Declarant (including any successor in interest to Declarant's status as Declarant) shall not be subject to the restrictions of this Section 6.1 as to any Lot owned by Declarant, either before or after the Transition Date. Additionally, until the Transition Date, Declarant, in its sole discretion, may remove any individual(s) from the ACC, and replace such individual(s) with individual(s) designated by Declarant.

6.1.10 The Board may adopt guidelines, criteria, and procedures for the ACC (ACC guidelines) as Association rules, and prescribe penalties and other methods of enforcement; provided that, until the Transition Date, the Board may not adopt, amend, or repeal ACC guidelines without the Declarant's prior written approval.

6.2 Sales Facilities of Declarant and Builders.

6.2.1 Notwithstanding any provision in this Declaration to the contrary, until the Transition Date, Declarant and any Builder (and their respective agents, employees and contractors) shall be permitted to maintain during the period of sale of Lots and/or Homes upon such portion of the Project as Declarant may choose, such facilities as in their sole opinion may be reasonably required, convenient or incidental to the construction, sale, lease or rental of Lots or Homes, including but not limited to, a business office, storage area, signs, model units, sales office, construction office, and parking areas for all prospective tenants or purchasers of Declarant or Builders.

6.2.2 Until the Transition Date, Declarant and Builders may make temporary alterations to model homes (such as fenced front yards, special entries, and French doors oil garages) which are not otherwise permitted by this Declaration or the ACC guidelines for marketing purposes. The selling Owner must remove the model home alterations and return the Home to full compliance with the ACC guidelines prior to occupancy by a Home purchaser or tenant. Owners other than Declarant or Builders may not make such alterations to any Lot or Home.

Article 7
OWNER'S USE/MAINTENANCE OBLIGATION/CONSTRUCTION STANDARDS

7.1 Maintenance of Lots

Except as provided in Article 5, each Owner, at such Owner's sole cost and expense, shall promptly and continuously maintain, repair and restore his or her Lot (including the yard and landscaping) and Home and other improvements located thereon, and also such other areas as may be required pursuant to Article 5, in a good, clean, attractive, safe and sanitary condition and in full compliance with all applicable governmental laws, rules and regulations and the provisions of this Declaration and the rules and regulations of the Association.

7.2 Residences and Residential Use

No residence shall be constructed on any Lot that has less than 1,200 square feet on its main level, excluding garages, porches, decks and similar areas. Basement areas and areas above the main floor shall not be included in computing whether the residence has sufficient square footage. The ACC, in its sole discretion, shall have the right to approve or deny plans for multi-level residences. Residences consisting of a main level and a basement area shall not be considered to be a multi-level residence. All residences shall have not less than 25% of the front of each residence constructed with

masonry products (e.g. brick, stone). The 25% shall be computed excluding all garage frontage, whether or not any of the garage frontage is constructed with masonry product.

Except as provided in Section 7.6, all Lots and improvements located thereon shall be used for:

7.2.1 sleeping, eating, food preparation for on-site consumption by occupants and guests, entertaining by occupants of personal guests and similar activities commonly conducted within a residential dwelling (without regard to whether the Owner or occupant resides in the Home as a primary or secondary personal residence or on an ownership, rental, lease or invitee basis),

7.2.2 such other reasonable ancillary purposes commonly associated with residential dwellings (including without limitation home-offices and home-occupations) which do not cause unusual, or significantly increased traffic, parking, noise or similar problems, or otherwise violate provisions of this Declaration, Association rules and regulations, or applicable law for residential dwellings,

7.2.3 the common social, recreational or other reasonable uses normally incident to such purposes, and

7.2.4 for purposes of operating the Association and managing the Project.

Nothing herein shall be deemed to prevent the Owner from leasing a Home and improvements subject to all of the provisions of this Declaration.

7.3 Restriction on Further Subdivision

No Lot shall be divided into more than one Lot. The foregoing shall not prohibit deeds of correction, deeds to resolve boundary disputes and similar corrective instruments. Lots may be joined and joined Lots may subsequently be subdivided only into the Lots originally joined.

7.4 Rental Homes

7.4.1 All leasing or rental agreements shall be in writing and be subject to this Declaration and the Articles and Bylaws (with a default of the tenant in complying with this Declaration and the Articles and Bylaws constituting a default under the lease or rental agreement).

7.4.2 If a Lot is rented by its Owner and such Owner is in default in payment of Association assessments for a period in excess of thirty (30) days, the Board may collect, and the tenant or lessee shall pay over to the Board, so much of the rent for such Lot as is required to pay any such delinquent assessments, plus interest and costs. The renter or lessee shall not have the right to question payment over to the Board, and such payment will discharge the lessee's or renter's duty of payment to the Owner for rent to the extent such rent is paid to the Association, but will not discharge the liability of the Owner and the Lot under this Declaration for Assessments and other charges or operate as an approval of the lease.

7.4.3 Other than the provisions of subsections 7.4.1 and 7.4.2, no other restriction or prohibition on the rental or lease of a Lot or Home shall be enforceable unless otherwise agreed by the Owner of the Lot or Home.

7.5 Governmental Regulations

Zoning, building, environmental and other similar governmental regulations applicable to the Project shall be observed. In the event of any conflict between any such regulations and the provisions of this Declaration, the more restrictive shall apply.

7.6 No Business Use

No business of any kind shall be conducted on any Lot or Home with the exception of (a) the business of creating, improving and selling the Lots and Homes located in the Project, and (b) uses otherwise permitted by Section 7.2. No materials, supplies or equipment used by a business shall be stored on any Lot or Home within the view of another Lot or Home, except for items relating to an improvement which is under construction in conformance with this Declaration. Nothing in this section shall be construed so as to prevent or prohibit an Owner from maintaining his or her professional

personal library, keeping his or her personal business or professional records or accounts, handling his or her personal business or professional telephone calls, or conferring with business or professional associates in such Owner's Home.

7.7 Building Setback Requirements

All buildings and other Lot improvements shall comply with all applicable governmental requirements, including without limitation minimum setback requirements.

7.8 No Agricultural Activities

No agricultural activities shall be conducted on any Lot.

7.9 Lot Size

No residential structure shall be erected or placed on any Lot which has a lot area of less than that required by the government entity having appropriate jurisdiction over the Project.

7.10 Garages

Every Home must have a garage which holds at least two full-size cars, pickups, boats, recreational vehicles or other motor vehicles ("vehicles"). All vehicles must be stored in garages or in a manner which the Board reasonably determines is not offensive when viewed from the street or from the ground level of adjacent Lots. An attached garage cannot extend toward the street the residence primarily faces by more than four feet (4'). A detached garage is permissible provided that such detached garage does not extend beyond the front of the residence.

7.11 Mobile or Manufactured Housing

Custom designs by licensed architects shall be strongly encouraged and any use of repetitive design shall be strongly discouraged and/or prohibited at the discretion of the ACC. The ACC may refuse to approve a plan based on design or repetitive use of a plan, or for failure to meet the approved criteria as set forth. There shall be no mobile, manufactured or pre-fabricated housing. The foregoing prohibition shall include mobile homes and manufactured or pre-fabricated housing even if placed on a permanent foundation.

7.12 Driveway Standards

All driveways shall be constructed of a material approved by the ACC.

7.13 Parking

Unless substantially screened from view from the street or from the ground level of adjacent Lots in a manner reasonably approved by the ACC, no disabled vehicles, recreational vehicles, commercial vehicles, construction or like equipment, or trailers (utility, boat, camping, horse or otherwise) shall be allowed to be parked or stored on any rights-of-ways, setback areas or street. If parked on rear or side yards, vehicles must be adequately screened with at least a six foot solid fence and otherwise in compliance with the regulations of the ACC. The Board shall have full authority to determine if any vehicle is obnoxious or undesirable to other Lot Owners and take appropriate steps to correct such a violation of this covenant.

7.14 Roof

The exterior of all roofs shall be composed of architecturral grade material, which material and design must be approved by the ACC.

7.15 Exterior Finish

The exterior of each residence shall be designed, built and maintained in such a manner as to blend in with the existing structures and landscaping of the Project. All exterior materials and all exterior colors must be approved by the ACC in accordance with the provisions of this Article. Exterior trim, fences, doors, railing, decks, eaves, gutters and the exterior finish of garages and other accessory buildings shall be designed, built and maintained to be compatible with the exterior of the

structures they adjoin. Exterior lap siding shall be hardy board. No vinyl or steel siding shall be allowed.

7.16 Utilities

All utilities shall be installed underground.

7.17 Exterior Telecommunications Equipment

Radio and television dishes and antennas and other over-the-air reception devices ("OTARD's") that are subject to the FCC's Over-the-Air Reception Devices Rule shall be positioned as inconspicuously as possible. Any such OTARD shall also be painted as directed by the ACC so as to camouflage the installation if that will not interfere with the desired service. The ACC shall have the right to require landscaping or other materials be installed at the Owner's expense to reasonably screen any such OTARD from view and to enforce reasonable OTARD safety and maintenance requirements. ACC approval shall be required for any OTARD mast installation that would be more than 12 feet in height or any OTARD dish that would be more than three feet in diameter.

7.18 Fencing

Fences may only be placed along the rear property line and from the front building line to the rear lot line. Under no circumstances may fences obstruct the view from any other Lot, and they must be constructed of wood, masonry product that is approved by the ACC, or other material approved by the ACC. Chain link fences are not allowed, nor are fences that are in front of the house and which run in a direction that is more or less parallel to the front of the residence. Hedges or other solid screen planting may be used as lot line barriers, subject to the same height restrictions as fences. Fences may not exceed six feet (6') in height where the fence is behind (i.e. away from the street that fronts the Lot) the front of the residence. Side fences which are in the area between the front of the residence and the front Lot line shall not exceed four feet (4') in height.

7.19 Fireplace Chimneys

Fireplace chimneys must be constructed with material approved by the ACC and otherwise required by this Declaration.

7.20 Garbage and Refuse

No garbage, refuse, rubbish, cuttings, or debris of any kind shall be deposited on or left upon any Lot unless placed in an attractive container suitable located and screened from the view of any other Owner. The Association may make and implement rules regarding where garbage containers must be stored. All equipment for the storage or disposal of such materials shall be kept clean and sanitary condition. No building material of any kind shall be placed or stored on any property within the development until the Owner is ready to commence construction, and then such materials shall be placed within the boundary lines of the Lot upon which its use is intended. Garbage cans may only be placed in public view on the day of garbage pickup. All woodpiles and storage areas must be placed so that they do not obstruct or hamper any other Owner's view and must be suitable screened from all other Owner's views. All garbage shall be picked up or removed at least once each week.

7.21 Games and Play Structures

No platform, dog house, playhouse or structure of a similar kind or nature shall be constructed on any Lot located in front of the front line of the residence constructed thereon.

7.22 Significant Recreation Facilities

The construction of any significant recreational facilities on any Lot including, but not limited to, such items as swimming pool, tennis, badminton, or pickle ball courts shall require the approval of the ACC and shall be subject to the requirements adopted by the ACC. No such facilities shall be constructed or located in front of the primary residence that is constructed on the Lot.

7.23 Pets

No animal, livestock, or poultry of any kind shall be raised, fired, or kept on any Lot, except that cats, dogs, birds, or other household pets may be kept if they are not kept, bred or maintained for any commercial purpose, and that such pets shall not be kept in numbers or under conditions reasonably objectionable in a closely built-up residential community or in violation of the reasonable rules and regulations of the Association. Animals shall not be allowed to roam loose outside the limits of any Lot in which they are kept.

7.24 Landscaping

All cleared areas in front of the building line to the street shall be fully landscaped within ninety (90) days, depending on weather conditions, of the time when the house is ready for occupancy. The Owner shall install or cause to be installed within nine (9) months of occupancy the balance of all landscaping unless a longer time is approved by the ACC. A maximum of forty percent (40%) of the Lot (excluding any residence and other buildings constructed thereon) shall be landscaped using dry or hard material (e.g. rocks, bark, or other non-vegetative material). Stated otherwise, sixty percent (60%) of the landscaping shall be lawn and flower bed areas.

7.25 Signs

No signs of any kind or for any use shall be erected, posted, painted or displayed at any location within this Project whatsoever, except (a) Project entry and identification signs permitted by this Declaration; (b) public notice by political division of the State or County or as required by law, (c) signs of any Builder or the Builder's agent during the period the Builder is building, selling, leasing or renting Lots or Homes in the Project, (d) signs not larger than 900 square inches placed by any Lot Owner or the Lot Owner's agent on such Owner's Lot advertising the Lot for sale, (e) during any election period, political signs not larger than 900 square inches provided that such signs are removed the day following the election for which they are displayed, or (f) signs installed or authorized by Declarant prior to the Transition Date for any Project-related purpose.

7.26 Temporary Structures

No trailer, basement, shack, garage, barn or any other structure or outbuilding of a temporary character shall be erected or placed on the Project for a period exceeding nine (9) months. No building or structure shall be moved onto the Project from any land outside the Project. Notwithstanding the foregoing, a trailer may be placed and occupied by the designated Project sales agent with the prior written approval of the Builder's panel of the ACC, and a construction shack or trailer may be used by an Owner's construction contractor for a reasonable time during the construction period.

7.27 Completion of Construction

Any dwelling or structure erected or placed on any Lot shall be completed as to external appearance, including finish painting or stained, and shall be connected to sewers within one (1) year after the date of commencement of construction or such longer period of time as may be approved in writing by the ACC.

7.28 Easements

Easements for the installation and maintenance of utilities and drainage, and irrigation facilities, are reserved as shown on the recorded Plat Map. Within these easements no structure, planting or other materials shall be placed or permitted to remain which may damage, or interfere with the installation and/or maintenance of such utilities, or which may change the direction of flow of water through a drainage channel in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easements on any Lot and all improvements on it shall be maintained continuously by the Lot Owner.

7.29 Use During Construction

Except with the prior written approval of the ACC, no person shall reside upon the premises of any Lot until such time as the improvements to be erected thereon accordance with the plans and specifications approved by the ACC have been completed. Completion shall be considered receipt of a final inspection of the dwelling unit by the Building Department having jurisdiction.

7.30 Excavations

Except with the prior permission of the ACC, or except as may be necessary in connection with the construction of any approved improvement, no excavation shall be made nor shall any dirt be removed from or added to any Lot herein.

7.31 Nuisances

No noxious, harmful or offensive thing or use shall be permitted or maintained upon any Lot or upon any other portion of the Project, nor shall anything be done thereon which maybe or may become an annoyance or nuisance to any Owner.

7.32 Common Drives

Any common drives, walks and paths shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the Board.

7.33 Compliance with Law

All buildings and other improvements shall comply with all applicable governmental ordinances, regulations, rules and requirements, including without limitation, minimum setback, maximum height and maximum lot coverage requirements.

Article 8
COMMON EXPENSES AND ASSESSMENTS

8.1 Lien and Personal Obligation for Assessments

The Declarant, for each Lot and Home owned within the Project, hereby covenants, and each Owner of any Lot and Home by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association any Assessment duly levied by the Association as provided herein. Such Assessments, together with interest, costs, late charges and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made. Each such Assessment, together with interest, costs, late charges and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to his successors in title unless the lien for such delinquent Assessments had been properly recorded prior to title transfer or unless expressly assumed by them. Notwithstanding the foregoing, in the case of a sale of any Home or Lot which is charged with the payment of an Assessment or Assessments payable in installments, the person or entity who is the Owner immediately prior to the date of any such sale shall be personally liable only for the amount of the installments due prior to said date. The new Owner shall be personally liable for installments which become due on and after said date.

8.2 Uniform Rate

8.2.1 Common Expenses. Except as otherwise provided in this Declaration, Assessments to pay for Common Expenses shall be based on the Common Expense Percentage. As set forth in the Definitions Section hereof (§1.5), the Common Expense Percentage shall be an equal amount for each Lot.

8.2.2 Special Changes to Owner. Assessments levied against an Owner for the purpose of reimbursing the Association for costs incurred in bringing the Owner or his Lot and/or Home into compliance with the provisions of this Declaration shall be paid solely by that Owner.

8.2.3 Declarant Assessments. Declarant shall pay any Assessment levied against any Lots owned by it, except for assessments to build reserves or working capital or assessments to cover the cost of building or constructing any capital expenditure that the Association determines should be incurred with respect to Common Areas or otherwise incurred for the benefit of the Association.

8.3 Limitation on Annual Assessment Amount

8.3.1 Board Authority. Subject to Section 5.2 (Special Declarant Rights), the Board shall have the authority, without obtaining prior approval of the Owners to levy Assessments in a given

calendar year totaling that amount which is necessary to fund the Association's annual budget adopted by the Board. In the event the Board's budget exceeds the prior year's budget by more than fifteen percent (15%), such budget must be approved at a meeting of Members duly called and noticed, all as further set forth in Section 8.3.2 hereof. Assessments included in the foregoing calculation shall not include any Assessments which are levied against an Owner for reimbursing the Association for costs incurred in bringing the Owner or his Home and/or Lot into compliance with the provisions of this Declaration.

8.3.2 Owner Approval Required. Any Assessment to be levied in a given calendar year which would cause the total of all Assessments for the year to exceed the amount permitted by Section 8.3.1 shall require the calling of a meeting of the Association upon notice sent to all Members not less than thirty (30) nor more than sixty (60) days in advance of the meeting, and the such Assessment shall be deemed approved unless rejected by fifty-one percent (51%) of the Owners. In the event any such Assessment is rejected, the immediately prior Assessment (with a permissible increase of a maximum of 15%) shall continue in effect. In addition, any borrowing by the Association in any amount shall require the approval of the Members in the manner set forth herein.

8.4 Manner and Time of Payment

Assessments shall be payable in such reasonable manner as the Board shall designate. Any Assessment or installment thereof which remains unpaid for at least fifteen (15) days after the due date shall bear interest at the rate of twelve percent (12%) per annum. The Board may also assess a late charge in an amount not exceeding twenty-five percent (25%) of any unpaid Assessment which has been delinquent for more than fifteen (15) days.

8.5 Accounts

Any Assessments collected by the Association shall be deposited in one or more insured institutional depository accounts in the name of the Association established by the Board. The Board shall have exclusive control of such accounts and shall maintain accurate records thereof. No withdrawal shall be made from said accounts except to pay for charges and expenses authorized by this Declaration. The funds of the Association shall not be commingled with the funds of any other association, nor with the funds of the Declarant, nor with the funds of any managing agent of the Association or any other person responsible for the custody of such funds.

8.6 Lien

In the event any Assessment or installment thereof remains delinquent for more than thirty (30) days, the Board may, upon fifteen (15) days prior written notice to the Owner of such Lot of the existence of the default, accelerate and demand immediate payment of the entire Assessment. The amount of any Assessment assessed or charged to any Lot, plus interest, costs, late charges and reasonable attorney' fees, shall be lien upon such Lot. A notice of Assessment may be recorded in the office where real estate conveyances are recorded for the county in which this Project is located. Such notice of Assessment maybe filed at any time at least fifteen (15) days following delivery of the notice of default referred to above in this Section 8.6. The lien for payment of such Assessments and charges shall have priority over all other liens and encumbrances, recorded or unrecorded, limited as provided in Section 11.1. Suit to recover a money judgment for unpaid Assessments or charges shall be maintainable without foreclosure or waiver of the lien securing the same.

8.7 Waiver of Homestead

Each Owner hereby waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed pursuant to the terms hereof.

8.8 Continuing Liability for Assessments

No Owner may exempt himself/herself from liability for his/her Assessments by abandonment of his/her Home or Lot.

8.9 Records; Financial Statements

The Board shall prepare or cause to be prepared, financial and other records sufficiently detailed to enable the Association to fully declare to each Owner the true statement of its financial status. All financial and other records of the Association, including but not limited to checks, bank records, and invoices, in whatever form they are kept, are the property of the Association. Any Association managing agent shall turn over all original books and records to the Association immediately upon termination of the management relationship with the Association, or upon such other demand as is made by the Board. Any Association managing agent is entitled to keep copies of Association records. All records which the managing agent has turned over to the Association shall be made reasonably available for the examination and copying by the managing agent.

At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association. For any calendar year in which the Association levies or collects any Assessments, and shall distribute to all Owners, a balance sheet and an operating (income/ expense) statement for the Association, which shall include a schedule of Assessments received and receivable, identified by the number of the Lot and the name of the Owner so assessed. Financial statements with annual Assessments of $50,000 or more shall be audited or reviewed at least annually by an independent certified public accountant, but the audit/review may be waived if 67% of the votes cast by Members, in person or by proxy, at a meeting of the Association at which a quorum is present, vote each year to waive the audit.

All records of the Association, including the names and addresses of Owners and other occupants of the Lots, copies of this Declaration, the Articles and the Bylaws, and any resolutions authorizing expenditures of Association funds shall be available for examination by all Owners, Declarant, holders of Mortgages on the Lots, and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the Association or its managing agent. The Association shall not release the unlisted telephone number of any Owner. The Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Association in providing access to records.

8.10 Certificate of Assessment

A certificate executed and acknowledged by the treasurer or the president of the Board, or an authorized agent thereof if neither the president nor treasurer is available, stating the indebtedness for Assessments and charges or lack thereof secured by the Assessment lien upon any Lot shall be conclusive upon the Association as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith. Such a certificate shall be furnished to any Owner or any encumbrancer of a Lot within a reasonable time after request, in recordable form, at a reasonable fee. Unless otherwise prohibited by law, any encumbrancer holding a lien on a Lot may pay any unpaid Assessments or charges with respect to such Lot, and, upon such payment, shall have a lien on such Lot for the amounts paid of the same rank as the lien of its encumbrance.

8.11 Assessment Lien; Attorneys' Fees and Costs

Subject to Section 5.2 (Special Declarant Rights), the Board, on behalf of the Association, may initiate action to foreclose the lien of, or collect, any Assessment. In any action to foreclose the lien of, or otherwise collect, delinquent Assessments or charges, any judgment rendered in favor of the Association shall include a reasonable sum for attorneys' fees and all costs and expenses reasonably incurred in preparation for or in the prosecution of said action, in addition to taxable costs permitted by law.

8.12 Curing of Default

The Board shall prepare and record a satisfaction and release of the lien for which a notice of Assessment has been filed and recorded in accordance with this Article upon payment or other satisfaction of all delinquent Assessments set forth in the notice, and all other Assessments which have become due and payable following the date of such recordation with respect to the Lot as to which such notice of Assessment was recorded, together with all costs, late charges and interest which have accrued thereon. For the purposes of the preceding sentence, the term "costs" shall include costs and expenses actually incurred or expended by the Association in connection with the cost of preparation and recordation of the notice of Assessment and in efforts to collect the delinquent Assessments secured by the lien and a reasonable sum for attorneys' fees. In addition, a fee of $25.00 covering the cost of preparation and recordation of the satisfaction of lien shall be paid to the Association prior to such

action. The satisfaction of the lien created by the notice of Assessment shall be executed by the president or treasurer of the Association or by any authorized representative of the Board.

8.13 Payment by Owners

Each Owner shall be obligated to pay its share of Common Expenses and special charges made pursuant to this Article to the treasurer for the Association. Assessments for each Owner shall begin on the date said Owner closes the transaction in which he acquires right, title or interest in the Lot. Assessments for the initial month shall be prorated if closing occurs on other than the first of the month. Any Assessment or charge which remains unpaid for at least 15 days shall bear interest at the rate of 12% from due date until paid. In addition, the Board may impose a late charge in an amount not exceeding 25% of any unpaid Assessment or charge, which has remained delinquent for more than 15 days.

8.14 Omission of Assessment

The omission by the Board or the Association to fix the estimate for Assessments and charges hereunder for the next year before the expiration of any current year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owner from the obligation to pay the Assessments and charges, or any installment thereof for that or any subsequent year. The Assessment and charge fixed for the preceding year shall continue until a new Assessment or charge is fixed.

8.15 Notice of Creation of Assessment Lien

The notice of Assessment shall not be filed of record unless and until the same remains unsatisfied at least 15 days after a written notice of default and demand to cure is given to the defaulting Owner by the Board or a person designated by it.

8.16 Exempt Property

The following property subject to this Declaration shall be exempt from the Assessments created herein: (1) all properties dedicated to and accepted by a governmental entity, and (2) all Common Areas.

8.17 Effect of Legal Proceedings

In any legal proceeding commenced pursuant to Section 9.1.1, the court having jurisdiction over such proceeding shall also have jurisdiction and power to cause Assessments to be levied and collected on an equal per Lot basis in such amounts as are reasonably necessary to cause the Project to be properly administered in accordance with the provisions of this Declaration and the Articles and Bylaws (and to cause the provisions of this Declaration and the Articles and Bylaws to be properly applied and enforced). Except with respect to legal proceedings to collect Assessments or similar charges owed to the Association by an Owner or to enforce the provisions of this Declaration, neither the Association nor its Board may commence and prosecute litigation (or collect Assessments in connection therewith) until first approved as provided in Section 8.3.3 after the Owners have been provided a written explanation of the nature of such litigation, the reasons therefor, the expected result and the estimated cost thereof.

8.18 Commencement of Assessments

The Declarant in the exercise of its reasonable discretion shall determine when the Association (or the Declarant in exercising Special Declarant Rights) shall commence making Assessments. Until an Assessment is made, the Declarant shall pay all Common Expenses. After any Assessment has been made, Assessments must be made against all Lots based on a budget adopted by the Association (or by the Declarant in exercising Special Declarant Rights). Notwithstanding anything in this Declaration, until the Transition Date, the Declarant may elect not to permit the collection of monthly Assessments calculated as provided in Section 8.3 and instead elect to collect and expend monthly Assessments based on the actual costs of Common Expenses and Home Expenses (excluding reserves).

Article 9
COMPLIANCE WITH DECLARATION

9.1 Enforcement

9.1.1 Compliance of Owner. Each Owner, Board member and the Association shall comply strictly with the provisions of this Declaration and with the Articles and Bylaws and administrative rules and regulations adopted by the Association (as the same may be lawfully amended from time to time). Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board (acting through its officers on behalf of the Association and the Owners), or by the aggrieved Owner on his own, or by Declarant against the party (including an Owner or the Association) failing to comply.

9.1.2 Compliance of Lessee. Each Owner who shall rent or lease his Home shall insure that the lease or rental agreement will be in writing and subject to the terms of this Declaration and the Articles and Bylaws. Said agreement shall further provide that failure of any lessee to comply with the provisions of said documents shall be a default under the lease.

9.1.3 Attorneys' Fees. In any action to enforce the provisions of this Declaration, the Articles, or the Bylaws, or to collect any Association assessment (including foreclosure of any lien for unpaid assessments), the prevailing party in such legal action shall be entitled to an award for reasonable attorneys' fees and all costs and expenses reasonably incurred in preparation for or prosecution of said action, in addition to taxable costs permitted by law.

9.2 No Waiver of Strict Performance

The failure of the Board, or Declarant or Declarant's managing agent, as applicable, in any one or more instances to insist upon or enforce strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of the Articles or Bylaws or administrative rules or regulations, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. No waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

9.3 Right of Entry

Violation of any of the provisions hereof shall give to the Association, or until the Transition Date to the Declarant (or Declarant's managing agent), the right to enter upon the Project as to which such violation exists and to abate, correct and remove, at the expense of the Owner thereof, any erection, thing or condition that may be or exists thereon contrary to the provisions hereof. Such entry shall be made only after three (3) days notice to said Owner. Any person exercising such right of entry shall exercise reasonable efforts to minimize any inconvenience to the Owner, and shall repair any damage caused thereby. Declarant or the Association shall not be deemed guilty of any manner of trespass by such entry, abatement or removal, nor shall Declarant or Association incur any liability for any damages claimed or asserted with respect to the removal of any improvement that does not conform with this Declaration.

9.4 Remedies Cumulative

The remedies provided are cumulative, and may be pursued concurrently, as well as any other remedies which may be available under law although not expressed herein.

Article 10
LIMITATION OF LIABILITY

10.1 No Personal Liability

So long as a Board member, Association committee member, Association officer, or Declarant (or Declarant's managing agent) exercising Special Declarant Rights or other rights reserved to it hereunder, has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, no such person shall be personally liable to any Owner, or other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, negligence (except gross negligence), any discretionary

decision, or failure to make a discretionary decision by such person in such person's official capacity. This Section shall not apply to the extent the consequences of such act, omission, error or negligence are covered by insurance or bonds obtained by the Board; providing, however, that any such insurance or bonds shall contain a waiver of subrogation rights in favor of any person released hereby (unless insurance or bonds containing such a waiver of subrogation is not available at commercially reasonable rates).

10.2 Indemnification of Board Members

Each Board member or Association committee member, or Association officer, or Declarant (or Declarant's managing agent) exercising Special Declarant Rights, and their respective heirs and successors, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party; or in which he may become involved, by reason of being or having held such position at the time such expenses or liabilities are incurred; except in such cases wherein such person is adjudged guilty of intentional misconduct, or gross negligence or a knowing violation of law in the performance of his duties, and except in such cases where such person has participated in a transaction from which said person will personally receive a benefit in money, property, or services to which said person is not legally entitled. Notwithstanding the foregoing, in the event of a settlement, such indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association.

Article 11
MORTGAGE PROTECTION

11.1 Priority of Mortgages

Notwithstanding all other provisions hereof, the liens created under this Declaration upon any Lot for Assessments shall be subject to tax liens on the Lot in favor of any assessing unit and/or special district and be subject to the rights of the secured party in the case of any indebtedness secured by any first lien Mortgage made in good faith and for value upon the Lot. Where the Mortgagee of a Lot, or other purchaser of a Lot, obtains possession of a Lot as a result of such Mortgagee's foreclosure or deed in lieu thereof, such possessor and his successors and assigns shall not be liable for the share of any Assessment chargeable to such Lot which becomes due prior to such possession, but will be liable for any Assessment accruing after such possession. Such unpaid share of Assessments shall be deemed to be Common Expenses collectible from all of the Owners including such possessor, his successor and assigns. For the purpose of this section the terms "Mortgage" and "Mortgagee" shall not mean a real estate contract or the vendor, or the designee of a vendor thereunder, or a mortgage or deed of trust (or mortgagee or beneficiary thereunder) securing a deferred purchase price balance owed with respect to a sale by an individual Owner other than Declarant.

11.2 Effect of Declaration Amendments

No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon Mortgagees in this instrument with respect to any unsatisfied Mortgage duly recorded, unless the amendment shall be consented to in writing by the holder of such Mortgage. Any provision of this Article conferring rights upon Mortgagees which is inconsistent with any other provision of this Declaration shall control over such other inconsistent provisions.

11.3 Right of Lien Holder

A breach of any of the provisions, conditions, restrictions, covenants, easements or reservations herein contained shall not affect or impair the lien or charge of any bona fide Mortgage made in good faith and for value on any Lots, provided, however, that any subsequent Owner of the Lot shall be bound by these provisions whether such Owner's title was acquired by foreclosure or trustee's sale or otherwise.

11.4 Copies of Notices

If the first Mortgagee of any Lot has so requested the Association in writing, the Association shall give written notice to such first Mortgagee that an Owner mortgagor of a Lot has for more than sixty (60) days failed to meet any obligation under this Declaration. Any first Mortgagee shall, upon

written request, also be entitled to receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

11.5 Furnishing of Documents

The Association shall make available to prospective purchasers, Mortgagees, insurers, and guarantors, at their request, current copies of this Declaration, the Articles and Bylaws and other rules governing the Project, and the most recent balance sheet and income/expense statement for the Association, if any has been prepared.

11.6 Rights Granted By Declarant.

Nothing contained in this Declaration shall impair any right expressly granted by Declarant to any Mortgagee which conditions or otherwise limits the exercise of Declarant's rights hereunder.

Article 12
EASEMENTS

12.1 Association Functions

There is hereby reserved to Declarant and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in this Declaration, or in the Articles, Bylaws and rules and regulations adopted by the Association.

12.2 Easements Over Common Areas

The Board, on behalf of the Association and all Members thereof, shall have authority to grant (in accordance with applicable governmental laws and regulations) utility, road and similar easements, licenses and permits, under, through or over the Common Area, which easements the Board determines are reasonably necessary to the ongoing development and operation of the Project.

12.3 Access to Public Streets

Each Owner and his guests and invitees shall have a perpetual, non-exclusive easement across the Common Areas and across all roadways constructed within the Project, thereby providing access throughout the Project and to public streets.

12.4 Utility Easements

On each Lot, easements are reserved as provided by the Plat Map and applicable laws, ordinances and other governmental rules and regulations for utility installation and maintenance, including but not limited to, underground electric power, telephone, water, sewer, drainage, gas, and accessory equipment, together with the right to enter upon the Lots at all times for said purposes.

12.5 Project Entry Signs

On Common Areas adjacent to a roadway entrance into the Project, and on such portion of said Common Areas determined by Declarant, the Board (or the Declarant at any time until the Transition Date) may erect, and the Association as a Common Expense may thereafter maintain repair and replace, such Project entry and identification signs (and landscaping, fencing and improvements relating thereto) as the Board (or the Declarant) deems necessary and appropriate.

Article 13
TERM OF DECLARATION

13.1 Duration of Covenants

The covenants contained herein shall run with and bind the land for a term of 30 years from the date this Declaration is recorded, after which time the covenants shall be automatically extended for successive periods of 10 years each, unless an instrument executed in accordance with Section 13.2 below shall be recorded, abandoning or terminating this Declaration.

13.2 Abandonment of Subdivision Status

The Association shall not, without the prior written approval of the governmental entity having jurisdiction over the Project and without prior written approval of one hundred percent (100%) of all first Mortgagees (based upon one vote for each first Mortgage owned), Declarant (until the Transition Date) and Owners of record, seek by act or omission to abandon or terminate the subdivision status of the Project as approved by the governmental entity having appropriate jurisdiction over the Project.

Article 14
DECLARATION/PLAT MAP AMENDMENT

14.1 Declaration Amendment

Amendments to this Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Amendments may be adopted at a meeting of the Owners if 75% of the Owners vote for such amendment, or without any meeting if all Owners have been duly notified and 75% of the Owners consent in writing to such amendment. In all events, the amendment when adopted shall bear the signature of the president of the Association and shall be attested by the secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the appropriate governmental offices.

14.2 Plat Map

Except as otherwise provided herein, specifically including Section 7.3 hereof which restricts further subdividing any Lot, the Plat Map may be amended by revised versions or revised portions thereof. Such amendment to the Plat Map shall be effective, once properly adopted, upon having received any governmental approval required bylaw and recordation in the appropriate city or county office in conjunction with the Declaration amendment.

14.3 Conform to Construction

Declarant, upon Declarant's sole signature without the assent of the Board, Owners or Mortgagees, and as an attorney-in-fact for the Association and all Owners with an irrevocable power coupled with an interest, may at any time until the Transition Date, file an amendment to this Declaration and to the Plat Map to conform data depicted therein to improvements as actually constructed and to establish, vacate and relocate utility easements and access road easements.

14.4 Conform to Lending Institution Guidelines

Declarant, upon Declarant's sole signature without the assent of the Board or Owners, and as an attorney-in-fact for the Association and all Owners with an irrevocable power coupled with an interest, may at any time until the Transition Date file such amendments to this Declaration and the Plat Map as are necessary to meet the then requirements of Federal National Mortgage Association, Veterans Administration, Federal Home Loan Mortgage Corporation, or other agencies, institutions or lenders financing and/or title insuring the purchase of a Lot from the Declarant.

14.5 Property Not Part of the Project

Declarant has provided in this Declaration a legal description of the Property in order to give record notice to all persons dealing with the Property that Declarant has the right, but not the obligation, pursuant to Article 16 to annex to and make a part of the Project all or any portion of the Property not already part of the Project. Declarant, upon Declarant's sole signature without the assent of the Board, Owners or Mortgagees, and as an attorney-in-fact for the Association and all Owners with an irrevocable power coupled with an interest, may from time to time at any time before or after the Transition Date, file amendments to this Declaration for the purpose of (a) adding to the Property any real property (and improvements thereto) not already described in this Declaration or (b) removing from the Property (including any additions thereto) all or any portion of the Property not then part of the Project.

14.6 Declarant Powers

Declarant, upon Declarant's sole signature without the assent of the Board or Owners, and as an attorney-in-fact for the Association and all Owners with an irrevocable power coupled with an interest, may at any time until the Transition Date, file such amendments to this Declaration and the Plat Map as are necessary or incidental to the exercise of Declarant's powers under Section 5.2, Article 16 or any other provision of this Declaration.

14.7 Amendments Affecting Special Rights

Except as otherwise provided herein, any amendment to this Declaration which would affect a right, power, duty or obligation which is exclusively granted to or imposed upon a specific person or class shall require the consent of the person or seventy-five percent (75%) of the members of that class. As used herein, the term "person or class" means the Declarant, Owners or institutional first Mortgagees.

Article 15
DESTRUCTION AND RECONSTRUCTION

15.1 Common Areas

In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a reconstruction Assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other Common Assessments made against such Lot Owner.

15.2 Homes

In the event of damage or destruction by fire or other casualty to any Home or other improvements to the Lot, the Owner shall, regardless of the amount or availability of insurance proceeds, repair or rebuild such damage or destroyed portions of the Lot and improvements in a good, workmanlike manner and to accordance with the provisions of this Declaration, including obtaining all approvals required by the ACC.

Article 16
ANNEXATION AND CONVERSION

16.1 Annexation by Declarant.

At any time from time to time until the Transition Date, Declarant may, in its discretion without the assent of the Board, Owners or Mortgagees, cause any real property not already part of the Project to be annexed to the then existing Project and thereby subjected to this Declaration as part of the Project. Such annexation shall be accomplished by recording an amendment to this Declaration in accordance with the provisions of Section 16.3. Lots within property annexed to the Project pursuant to this Section shall be owned by Declarant.

16.2 Non-Declarant Annexations

Annexation of additional properties (other than Declarant annexations provided for in Section 16.1 hereof) shall require the assent of two-thirds (⅔) of the Members of the Association attending a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days or more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. At this meeting the presence of Members or of proxies entitled to cast sixty-percent (60%) of the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at such subsequent meeting shall be one-half (½) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event two-thirds (⅔) of the Members are not present in person or by proxy, Members not present may give their written consent to the action taken thereat. Until the Transition Date, annexation of additional properties under this Section shall also require the prior written approval of the Declarant. Annexation of additional properties under this Section shall be accomplished by recording an amendment to this Declaration in accordance with the provisions of Section 16.3.

16.3 Declaration Amendment

To make effective any annexation pursuant to this Article 16, the Declarant (or the Association acting pursuant to Section 16.2) shall execute and record an amendment to this Declaration describing the real property to be annexed (the "Annexed Property") and stating that such Annexed Property shall be annexed to and made a part of the Project. Such amendment shall identify Common Areas within the Annexed Property, and may include covenants, conditions and restrictions affecting such Common Areas and the use and maintenance thereof. Such covenants, conditions and restrictions shall be operative as a set of covenants running with the land as provided in Section 1.2. From and after the recording of such amendment, all property (including all Lots, Common Areas, and all Homes and other improvements constructed thereon) within the Annexed Property as well as within the Project existing prior to such amendment shall constitute a single Project pursuant to the provisions of this Declaration.

16.4 Common Areas Within Annexed Property

Common Areas within property subsequently annexed to the Project shall be available for the common use of all Owners of Lots within such subsequently Annexed Property as well as within the Project existing prior to such annexation. Likewise, Common Areas within the Project existing prior to such annexation shall be available for the common use of all Owners of Lots within the Project including the property annexed thereto.

16.5 Conversion of Lots to Common Area

Declarant reserves the right to amend this Declaration and the Plat Maps, from time to time until the Transition Date, for the purpose of converting to Common Area any Lots or portions thereof which have not yet been improved with Homes. Such amendment shall not require the consent of any person other than the Owner(s) and Mortgagee(s) of the property to be converted.

16.6 Adjustment of Voting and Common Expense Percentages

16.7 In the event of the annexation of property to the Project, the conversion of Lots to Common Areas or the conversion of Common Areas to Lots, the voting rights and Common Expense Percentages shall be adjusted accordingly.

Article 17
MISCELLANEOUS

17.1 Delivery of Notices and Documents

Any written notice, or other document as required by this Declaration, may be delivered personally or by mail. If by mail, such notice, unless expressly provided for herein to the contrary with regard to the type of notice being given, shall be deemed to have been delivered and received 48 hours after a copy thereof has been deposited in the United States mail, postage prepaid, addressed as follows.

(a) If to an Owner, other than Declarant, to the address of such Owner filed in writing with the Board pursuant to the requirements of the Bylaws, or if no address has been filed with the Board by such Owner, to the address shown for such property owner in the property tax records of Flathead County, Montana.

(b) If to Declarant, whether in its capacity as an Owner, or in any other capacity, the address which Declarant shall have advised the Board in writing;

(c) Prior to the organizational meeting, notices to the Board shall be addressed to the address set forth in (b) above. Thereafter, notices to the Board shall be addressed either to an address to be posted by the Board at all times in a conspicuous place, or to the registered office of the Association. In addition, from and after the organizational meeting, notice of the address of the Association shall be given by the Board to each Owner, within a reasonable time after the Board has received actual notice of such Owner's purchase of a Lot.

17.2 Conveyances; Notice Required

The right of an Owner to sell, transfer or otherwise convey his Lot shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An Owner intending to sell a Lot shall deliver a written notice to the Board, at least two weeks before closing, specifying the Lot being sold, the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest, and the estimated closing date. The failure of an Owner to properly give such notice to the Board shall not invalidate the sale. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid Assessments and charges outstanding against the Lot, whether or not such information is requested.

17.3 Successor and Assigns

This Declaration shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of Declarant, and the heirs, personal representatives, grantees, lessees, sublessees and assignees of the Owners.

17.4 Joint and Several Liability

In the case of joint ownership of a Lot, the liability of each of the Owners thereof in connection with the liabilities and obligations of Owners, set forth in or imposed by this Declaration, shall be joint and several.

17.5 Severability

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

17.6 Effective Date

This Declaration shall take effect upon recording.

17.7 Governmental Right of Access

All governmental and quasi-governmental entities (including without limitation public and private providers of utility services) shall have rights of access, maintenance and inspection for the open space area, any drainage facilities or utility systems contained therein, or other matter of their respective jurisdiction.

17.8 Approval of Lawsuits

The Board shall not commence a lawsuit or arbitration against any party without first notifying all Owners in writing as to the nature of and reasons for such lawsuit or arbitration, and obtaining the approval of 75% of all Owners to commence such lawsuit or arbitration. This Section shall not apply to the collection of Assessment pursuant to Article 8 or the enforcement of this Declaration pursuant to Article 9.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first hereinabove written.

NORTHSTAR ASSOCIATES, L.L.C.

By _____

Timothy R. Birk
Managing Member

STATE OF MONTANA)
) ss.
County of Flathead)

This instrument was acknowledged before me on the 27 day of December, 2006 by TIMOTHY R. BIRK, managing member of Northstar Associates, LLC.

Terryann Pate
TERRYANN PATE
Notary Public for the State of Montana
Residing at Kalispell
My Commission Expires JANUARY 15, 2007

Exhibit "A" 200710716550

CERTIFICATE OF DEDICATION

NORTHSTAR ASSOCIATES, LLC, the undersigned property owner does hereby certify that it has caused to be surveyed, subdivided and platted into lots, streets, alleys and parks as shown by the plat hereto annexed, the following described land situated in the City of Kalispell, Montana, to-wit:

Tract 1 as shown on Certificate of Survey No. 16428 in the North 1/2, Section 11, Township 28 North, Range 22 West, P.M., M., Flathead County, Montana, described as follows:
Beginning at the Center North 1/16 corner of said Section 11;
Thence South 89°43'59" West, 1313.22 feet to the Northwest 1/16 corner of Said Section 11;
Thence North 00°54'50" East, 1281.22 feet to the Northwest corner of Parcel A of Certificate of Survey No. 4218, Flathead County Records, said point lies on the South right of way of Three Mile Drive;
Thence the following seven courses are along said South right of way;
North 89°56'08" East, 297.82 feet;
South 00°13'00" East, 30.33 feet;
North 89°56'37" East, 697.68 feet;
North 00°30'23" West, 9.90 feet;
North 89°56'11" East, 599.49 feet;
North 01°01'12" East, 10.09 feet;
North 89°59'52" East, 112.21 feet to the Northwest corner of Parcel B of Certificate of Survey No. 4218;
Thence leaving said right of way, South 00°01'48" East, 420.84 feet to the Southwest corner of said Parcel B;
Thence North 89°56'17" East, 77.63 feet along the South boundary of said Parcel B to the Northwest corner of Tract 2 of Certificate of Survey No. 16428;
Thence South 00°00'03" West 842.70 feet to the Southwest corner of said Tract 2, said point lies on the North boundary of Aspen Knoll Subdivision, Phase 1, a map or plat on file in the office of the Flathead County Clerk and Recorder;
Thence the following two courses are along the North boundary of said Subdivision;
South 89°36'48" West, 11.26 feet;
South 89°40'22" West, 481.24 feet to the Point of Beginning containing 51.10 acres of land all as shown hereon,
Subject to and together with all easements apparent or of record.

The above described tract of land is to be known and designated as SPRING CREEK ESTATES and the lands included in all streets and alleys as shown on said plat are hereby granted and donated to the use of the public forever.
I hereby certify that the tracts are within a master planned area and that municipal services for water supply, sewage disposal and solid waste disposal are available to said tracts of land; therefore, these tracts of land are exempt from review by the Department of Environmental Quality pursuant to ARM 17.36.602. The water and sewage easements as shown hereon are hereby dedicated to the city of Kalispell. All new utilities shall be installed underground.

The undersigned hereby grants to each and every person, firm, or corporation, whether public or private, providing or offering to provide telephone, telegraph, electric power, gas, cable television, water or sewer service to the public, the right to the joint use of an easement for the construction, maintenance, repair, and removal of their lines and other facilities, in, over, under, and across each area designated on this plat as "UTILITY EASEMENT" to have and to hold forever.

Dated this 15th day of December, 2006.

Return to: K.R. Saxby
PO Box 3038
Kalispell, MT 59903-3038

Paula Robinson, Flathead County MT by DD
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CERTIFICATION

The undersigned, TIMOTHY R. BIRK, the incorporator and registered agent of Flathead Spring Creek Estates Homeowners' Association, Inc. (herein "Association"), and a member of the Board of Directors of such Association, hereby certifies that the Association's Articles of Incorporation and Bylaws attached hereto as Exhibits A and B, respectively, are true and correct copies of such documents as of the date hereof.

The undersigned further certifies that such Association was organized on the filing of its Articles of Incorporation with the Montana Secretary of State on December 3, 2008, that the initial directors of such Association are Timothy R. Birk, Justin H. Dean and Kent P. Saxby, with the Association's initial mailing address being 2238 Lower Valley Road, Kalispell, Montana 59901.

The Flathead Spring Creek Estates Homeowners' Association, Inc. is a homeowners' association, which association is provided for in the Covenants, Conditions, Restrictions and Reservations recorded in the records of Flathead County, Montana, as Document No. 200706516110. This homeowners' association is an association of property owners who own interests in the following described Flathead County, Montana real property:

> Lot 1 through Lot 174 of Spring Creek Estates I, and also the homeowner's park, buffer areas A and B (constituting common landscape buffers, underground utility easements and bicycle/pedestrian path easements), and all dedicated streets, alleys, and other rights-of-way as depicted and shown on the subdivision plat of Spring Creek Estates I, according to the map or plat thereof on file and of record with the office of the Clerk and Recorder of Flathead County, Montana.

EXECUTED this 17th day of February, 2009.

FLATHEAD SPRING CREEK ESTATES
HOMEOWNERS' ASSOCIATION, INC.

By _____
Timothy R. Birk
Incorporator/Director

STATE OF MONTANA)
) ss.
County of Flathead)

This instrument was acknowledged before me on the 17th day of February, 2009 by TIMOTHY R. BIRK, as the incorporator and director of Flathead Spring Creek Estates Homeowners' Association, Inc.

KENT P. SAXBY NOTARIAL SEAL STATE OF MONTANA

_____
Kent P. Saxby
Notary Public for the State of Montana
Residing at Kalispell
My Commission Expires 09/01/2010

PRIORITY COPY

ARTICLES OF INCORPORATION

OF

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Fees: $97.00
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Paula Robinson, Flathead County MT by DD

FLATHEAD SPRING CREEK ESTATES HOMEOWNERS' ASSOCIATION, INC.

The undersigned incorporator, in order to form a non-profit corporation pursuant to the Montana Non-Profit Corporation Act, does hereby voluntarily adopt and certify the following articles:

ARTICLE I

The name of the corporation is **FLATHEAD SPRING CREEK ESTATES HOMEOWNERS' ASSOCIATION, INC.**

ARTICLE II

The corporation is formed to be a mutual benefit corporation.

ARTICLE III

This corporation shall have perpetual existence unless and until dissolved in accordance with Montana law.

ARTICLE IV

The corporation is formed to provide an entity to operate, administer and enforce the use and occupancy of Flathead County, Montana, real property in accordance with that provided for in that certain Declaration of Covenants, Conditions, Restrictions and Reservations ("CCRs") for Spring Creek Estates, which CCRs were recorded April 17, 2007 under Reception No. 200706516110, records of Flathead County, Montana, as same may hereafter be amended as allowed and addressed in Article 14 of the CCRs.

ARTICLE V

The address of the initial registered office and the name of the initial registered agent at such address are:

Timothy R. Birk
2239 Lower Valley Road
Kalispell, Montana 59901

ARTICLE VI

The Board of Directors of the corporation shall initially consist of three (3) members, at least two of whom shall be members of the corporation or owners of an entity which is a member of the corporation. The members of the corporation may hereafter increase the number of directors of the corporation by amendment to the corporation's bylaws **provided that** the number of directors shall not be increased above seven (7), nor reduced to less than three

EXHIBIT A

(3) directors. The corporation's bylaws shall be amended in accordance with that provided for in the corporation's bylaws. The initial members of the Board of Directors of the corporation shall be elected at the organizational meeting of the members of the corporation, which organizational meeting shall be called by the undersigned incorporator.

ARTICLE VII

Each owner of a lot or tract of property subject to the Declaration of Covenants, Conditions, Restrictions and Reservations (all as further defined in Article 4 of the CCRs) shall be a member of the corporation. This corporation shall be governed in accordance with these Articles of Incorporation (as same may hereafter be amended), the corporation's Bylaws, and the CCRs. As set forth in Section 4.4.1 of the CCRs, the corporation shall have, for the period of time provided in the CCRs, both Class A and Class B members.

The corporation shall not have nor issue any shares of stock. No dividends shall be paid out by the corporation. The corporation may pay compensation in a reasonable amount to its members, directors, officers, or other employees for services rendered, may confer benefits upon its members in conformity with its function and purposes, and upon dissolution or final liquidation may make distribution to its members as may be permitted by the bylaws of the corporation and the laws of the State of Montana. The corporation is intended to be established and to qualify as an exempt homeowners organization for income tax purposes under Section 528 of the Internal Revenue Code of 1986, as same may be hereafter amended, and under Montana law.

ARTICLE VIII

A director shall not have any personal liability to the corporation or members of the corporation for monetary damages for breach of a director's duties to the corporation and its members except:

a. For a breach of the director's duty or loyalty to the corporation or its members;

b. for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

c. for a transaction from which a director derived an improper personal economic benefit; or

d. under MCA §35-2-418 (director conflict of interest), MCA §35-3-435 (loans to or guaranties for directors and officers), or MCA §35-2-436 (liability for unlawful distributions).

ARTICLE IX

The name and address of the incorporator of this corporation are:

Timothy R. Birk
2239 Lower Valley Road
Kalispell, Montana 59901

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Page: 3 of 11
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IN WITNESS WHEREOF the undersigned duly authorized incorporator has hereunto set his signature this ____ day of November, 2008.

Timothy R. Birk
Incorporator / Registered Agent

STATE OF MONTANA)
) ss.
County of Flathead)

This instrument was acknowledged before me on the 25th day of November, 2008, by **TIMOTHY R. BIRK.**

Kent P. Saxby
Notary Public for the State of Montana
Residing at Kalispell
My Commission expires 09/01/2010

BYLAWS
OF
FLATHEAD SPRING CREEK ESTATES HOMEOWNERS' ASSOCIATION, INC.

ARTICLE, I
INTRODUCTION

Section 1. The provisions of these Bylaws govern the internal affairs of the Flathead Spring Creek Estates Homeowners' Association, Inc, ("Association") and its members, as applicable, to the operation, administration, use and occupancy of the lots and improvements described as Spring Creek Estates, an addition to Kalispell, Montana, as depicted on the map or plat of Spring Creek Estates on file and of record with the office of the Flathead County Clerk and Recorder. The described property is hereinafter referred to as the "Subject Property," and specifically including all common areas of the Subject Property as depicted on the plat of Spring Creek Estates. The Declaration of Covenants, Conditions, Restrictions and Reservations (herein "CCRs" or "Declaration") was recorded in the records of the Clerk and Recorder of Flathead County, Montana as Document No. 200706516110. Said Declaration is incorporated in these Bylaws by this reference. Any conflict between said Declaration and these Bylaws shall be resolved in favor of said Declaration.

Section 2. These Bylaws were adopted by this corporation, a nonprofit corporation, organized under the laws of Montana, and intended to qualify under Internal Revenue Code, Section 528, as amended, pertaining to owners' associations.

ARTICLE II
PRINCIPAL OFFICE

The principal office of the corporation shall be maintained in Flathead County, Montana as determined from time to time by a majority of the members of the Association's Board of Directors.

ARTICLE III
MEETINGS AND MEMBERS

Section 1. Every owner of a lot in the project shall be a member of the Owners Association and shall remain a member for the period of ownership of such lot, all as set forth in Article 4 of the Declaration. Until the "Transition Date" as defined in the Declaration, there shall be both Class A member and Class B members, all as further provided for in Article 4 of the CCRs.

Section 2. There shall be an annual meeting of voting members of the Association on the second Saturday in December of each year at a time and place designated in the written notice thereof mailed to voting members by the Board of Directors at least ten (10) days prior to the date of said meeting. With said notice shall be mailed, and at the annual meeting the Board of Directors shall be presented, a written statement of the financial condition of the Association, itemizing receipts and disbursements for the preceding financial year and the ensuing year's proposed budget. A majority of the members (with such majority determined based on the number of votes cast, taking into account Class A and Class B memberships when applicable), must approve the proposed budget if it exceeds by more than fifteen percent (15%) the prior year's budget, all as further provided for in Section 8.3.1 of the CCRs.

Section 3. Special meetings may be called at any time for the purpose of considering matters which require the approval of members. Such a special meeting shall be called by written notice mailed by the Board of Directors at least thirty (30) days prior to the date of such meeting to all members. Such written notice may be initiated by the majority of the Board of Directors and must be so initiated upon petition to the Board of Directors of members holding twenty percent (20%) of the voting rights. Such notice and such petition shall specify the date, time and place of the meeting as well as an agenda.

EXHIBIT B

Section 4. The presence at any meeting in person or by proxy of members owning forty percent (40%) of the total existing voting interests shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the members upon the affirmative vote of a majority of members or their proxies owning a majority of the total voting interests present or represented by proxy at the meeting.

Section 5. Voting on any issue may be conducted by mail so long as sufficient ballots are returned representing the votes of sufficient owners who have constituted a quorum.

Section 6. Voting rights shall be suspended as to any owner who fails to pay any annual or special assessment (or any monthly installment thereof) within thirty (30) days after the same becomes due and payable. Such voting rights shall be immediately restored upon payment of such past due assessments, plus interest, and such other amounts as may be charged as a result of nonpayment.

Section 7. The Board of Directors may fix a time not exceeding thirty (30) days preceding the date of a meeting of members as a record date for the determination of members entitled to notice of and to vote at any meeting and only members of record on the date so fixed shall be entitled to notice of and to vote at such meeting. If no record date is fixed by the Board of Directors, the record date for the determination of members entitled to notice of and to vote at any such meeting shall be the 40th day preceding the date of such meeting as of 8:00 a.m. of such day.

Section 8. The members of the Association shall elect an Architectural Committee consisting of three (3) members as provided in the Declaration of Covenants, Conditions and Restrictions. Committee members shall serve two (2) year terms. The committee shall be initially designated by Timothy R. Birk and Justin H. Dean.

ARTICLE IV
BOARD OF DIRECTORS

Section 1. The affairs of the Owners Association shall be governed by a Board of Directors consisting of three (3) directors. Members shall elect directors by majority vote and there shall be no cumulative voting. All directors shall serve three-year terms, which terms shall be staggered so that one director is elected each year.

Section 2. Any director may be removed at any meeting of members by vote of two-thirds (⅔) of the members present at a membership meeting, provided that written notice is mailed to all members at least thirty (30) days prior to the meeting whereat removal of a director is to be considered and voted on, and further provided that such notice specifically states that removal of such director(s) is to be voted on at said meeting.

Section 3. A regular meeting of the Board of Directors shall be held immediately after the adjournment of each annual meeting of members with no notice required other than this Bylaw.

Section 4. Special meetings of the Board of Directors may be called by the President or, in his/her absence, by the Vice President or Secretary. By unanimous consent of the directors, a special meeting may be held, without notice, at any time or place, and may be held telephonically, so long as all Directors are in voice contact with each other at the same time and minutes are duly recorded and signed.

Section 5. Notice of all special meetings, except those specified in the second sentence of Section 4 of this Article, shall be mailed to each director by the Secretary/Treasurer at least five (5) days prior to the time fixed for the meeting. Such notice shall specify the time and place of meeting, and shall state the purpose or purposes thereof. A director may execute a Waiver of Notice in lieu of being provided such written notice.

Section 6. A quorum for the transaction of business at any regular or special meeting of the directors shall consist of a majority of members of the Board. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board except where a greater number is required by the Articles of Incorporation or these Bylaws. Each director shall have one vote. The presiding officer shall be the President or,

in his/her absence, the Vice President. Any business may be transacted by the signature and consent of all directors, in lieu of a meeting for that purpose.

Section 7. The organizational directors or successors shall elect officers of the Association to serve until the first annual meeting of the Board. Thereafter, the directors shall elect the officers of the Association specified in these Bylaws at the directors' meeting following each annual meeting of the members of the Association thereafter. An officer may be removed at any time by a majority vote of the full Board of Directors of the Association.

Section 8. Directors shall not receive any compensation for their services as directors, but may be reimbursed for any costs they incur in connection with providing services or discharging their duties to the Association.

Section 9. Any vacancy or vacancies on the Board of Directors may be filled by the remaining directors in any special or regular directors' meeting. Death, incapacity or resignation of any director shall cause his office to become vacant. Such appointment shall be for the remaining term of the vacancy filled.

Section 10. The Board of Directors shall have the responsibility for and the authority to do all things necessary for the accomplishment of the matters specified in these Bylaws and/or in the Declaration of Covenants, Conditions and Restrictions or Montana statutes, all as may be amended. All corporate powers shall be exercised by or under the authority of the Board and the business and affairs of the Association shall be controlled by the Board. Such powers and duties are subject to approval by the members only when such is specifically required under these Bylaws.

Section 11. The Board of Directors shall have the authority to engage the services of a property manager/agent or management service for the Association and to fix such agent's compensation and to specify the agent's authority.

Section 12. All checks, drafts, notes, acceptances, vouchers, conveyances, contracts and other instruments shall be approved and signed on behalf of the Association by such person(s) as shall be provided by general or special resolution of the Board of Directors, or in the absence of any such resolution applicable to such instruments, by any two (2) officers of the Association.

ARTICLE V
OFFICERS

Section 1. The officers of the corporation shall be a President, Vice President and Secretary/Treasurer. The President and Vice President must be directors. The officers of the corporation shall not receive compensation (but shall be entitled to be reimbursed costs incurred for the Association) for their services as officers unless such is approved by the affirmative vote of a majority of the Association's Members. A vacancy in office shall be filled by the Board of Directors at any regular or special meeting. The President may appoint such committees and committee chairpersons as appear necessary in his/her judgment.

Section 2. The President shall preside at all directors', and members' meetings; shall have general supervision over the affairs of the Association; and shall perform all such other duties as are incident to the office.

Section 3. The Vice President shall perform the duties of the President in his/her absence or disability.

Section 4. The Secretary/Treasurer shall issue notices of all directors' and members' meetings and shall attend and keep the minutes of the same; shall have charge of all Association books and records and papers; shall have custody of all money and securities of the Association, and shall give bond in such amount as required by the directors, conditioned upon the faithful performance of the duties of the office. The Secretary/Treasurer shall keep regular books of account and shall submit them monthly or quarterly as directed by the directors for the examination and approval by such directors; shall have such regular books of account available to individual members upon request; and such other duties as are incident to this office. The Secretary/Treasurer may retain the services, upon approval

by the Board of Directors, of an independent accountant or accounting firm to assist in the completion of his/her duties hereunder.

ARTICLE VI
FINANCE AND RECORDS

Section 1. The funds of the Association shall be deposited in such bank(s) or other financial institutions as the directors shall designate and shall be duly authorized by the Board of Directors. All such accounts shall be federally insured.

Section 2. As soon as practicable after the end of each fiscal year, an annual report or the receipts and expenditures of the Association shall be rendered by the Board to all owners and any mortgagee, trust indenture beneficiaries or contract sellers who have requested such.

Section 3. The Board of Directors shall keep detailed records of its actions, financial dealings, and minutes of all meetings of the Board and all member meetings.

Section 4. The Board of Directors shall determine the fiscal year of the corporation.

ARTICLE VII
ASSESSMENTS

Section 1. Covenant of Personal Obligation of Assessments. Every owner, by acceptance of the deed or other instrument of transfer, including the acceptance by a purchaser of the terms and provisions of an executory land sales contract, of a lot within the Subject Property is deemed to personally covenant and agree, jointly and severally, with every other owner and with this Association, and hereby does so covenant and agree to pay to the Association (a) annual assessments or charges; and (b) special assessments; and (c) such other amounts which may be assessed by the Association, including any interest, penalties and costs or fees that are payable thereon or with respect thereto. Such assessments shall be established and collected as hereinafter provided and as provided for in the CCRs. No owner may waive or otherwise escape personal liability for the payment of the assessments provided for herein by non-use of his/her lot or by abandonment or leasing of his/her lot. In addition to the foregoing, every owner shall also have the obligation to pay to the appropriate governmental subdivision real property ad valorem taxes and special assessments imposed by Montana governmental subdivisions applicable to his/her lot.

Section 2. Incorporation by Reference. All of the terms, obligations, rights and duties set forth in Article 8 of the Declaration (pertaining to Assessments and Liens for non-payment thereof) are hereby adopted by this reference as if again set forth herein.

Section 3. Effect of Nonpayment of Assessments. If any annual or special assessment (or any monthly installment thereof) is not fully paid within fifteen (15) days after the same has become due and payable, or if any default assessment shall arise, then in any of such events and as often as the same may happen, interest shall accrue at the rate provided for in the Declaration, and the amount due may be subject to a late payment charge as provided for in the CCRs. The Association may thereafter bring an action at law or in equity, or both, against any owner personally obligated to pay the same and may also proceed to foreclose its lien against the particular lot in the manner and form provided by Montana law for foreclosure of liens in and through the courts. The liability of co-owners of any lot for assessments against such lot shall be joint and several. No owner may vote in Association elections while thirty (30) or more days past due on any assessment (or monthly installment thereof). An action at law or in equity by the Association against an owner to recover a money judgment for unpaid assessments (or any monthly installment thereof), may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien therefor. In the event that any such assessment (or monthly installment thereof) is not fully paid when due and the Association may commence such an action (or may counterclaim or cross-claim for such relief in any action) against any owner personally obligated to pay the same or may proceed to foreclose its lien against the

particular lot, then all unpaid monthly installments of annual and special assessments and all default assessments (including any such installments or foreclosure proceedings), and late charges, any accrued interest, the Association's costs of suit, expenses and reasonable attorney's fees incurred for preparing and recording any lien notice) and the Association's costs of suit, expenses and reasonable attorney's fees incurred for any such action and/or foreclosure proceedings shall be recoverable as a part of the costs of any such action or foreclosure proceedings by the Association from any owner personally obligated to pay the same and from the proceeds of the foreclosure sale of the particular lot in satisfaction of the Association's lien. Foreclosure, or attempted foreclosure by the Association, of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments (or monthly installments thereof) which are not fully paid when due or for any subsequent default assessments. The Association shall have the power and right to bid on or purchase any lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the Association votes appurtenant to ownership thereof, convey or otherwise deal with the same.

Section 4. Successor's Liability for Assessments. In accordance with that provided for in Section 8.1 of the CCRs, liability for delinquent assessments shall only pass to successors in title if a lien for any such delinquent assessments has been filed or recorded of record with the County Clerk and Recorder prior to the date and time of the recording of the transfer deed.

Section 5. Subordination of Association's Lien for Assessments. The Association's perpetual lien on a lot for assessments provided for herein shall be superior to all other liens and encumbrances except: (a) real property ad valorem tax and special assessment liens duly imposed by Montana governmental subdivision; or (b) the lien of a contract seller or any first mortgage or trust indenture recorded in the records of the office of the Clerk and Recorder of Flathead County, Montana, prior to the date such assessment became due or the lien, including any and all advances made by the first mortgagee or trust indenture beneficiary and notwithstanding that any of such advances may have been made subsequent to the date of the attachment of the Association's liens. With respect to the foregoing sub-part (b) of this section, any contract seller, first mortgagee or trust indenture beneficiary who comes into possession of a lot by virtue of default or foreclosing the first mortgage or trust indenture, or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchase at a foreclosure sale of the first mortgage or trust indenture, will take the lot free of any claims for unpaid Association assessments, interest, late charges, costs, expenses and attorney's fees against the lot which accrue prior to the time such first mortgagee, trust indenture beneficiary or purchaser comes into possession of the lot, except for claims for a pro rata share of such assessments resulting from a pro rata reallocation of such assessments to all lots (including the lot which is encumbered by the first mortgage or trust indenture). No sale or transfer, foreclosure, or cancellation or forfeiture of any executory land sales contract, shall relieve such lot from liability for any such claims thereafter becoming due or from any lien thereof for assessments, interest, late charges, costs, expenses and attorney's fees due and owing at the time of such sale or other transfer and shall not affect the personal liability of each owner who shall have been responsible for the payment thereof.

Section 6. Certificate of State of Assessments. Upon request in writing by any person and payment of a reasonable charge therefor, the Association shall furnish within thirty (30) days after such request is received, a certificate setting forth: (a) the amount of any unpaid assessments, interest, late charges, costs, expenses and attorney's fees then existing against a particular lot; (b) the due date of the payment of any assessments; and (c) any other information deemed proper by the Association. Upon the issuance of such a certificate signed by a member of the Board or by an officer of the Association, the information contained therein shall be conclusive upon the Association as to the person(s) to whom such certificate is addressed and who rely thereon in good faith.

Section 7. Mortgagees May Pay Assessments and Cure Defaults. Provided that a contract seller, mortgagee or trust indenture beneficiary has, in writing, requested the following information with respect to a lot upon which the party holds a security interest and has furnished the Association with the address to which the party wants the information sent, then, if any assessment, or monthly installments thereof, on any lot shall not be paid by the owner thereof within thirty (30) days after the same is due, or if a default by any owner of any provisions hereof shall not be cured within thirty (30) days after written notice thereof is given to such owner, then the Association shall thereafter send a notice

thereof to such party and may (but shall not be required to) send a notice thereof to any other contract seller, mortgagee, or trust indenture beneficiary thereof. Any contract seller, mortgagee, or trust indenture beneficiary may (but shall not be required to) pay such assessment or monthly installments thereof, together with any other amounts secured by the Association's lien, and may (but shall not be required to) cure any such default.

ARTICLE VIII
INSURANCE

Section 1. The Association may obtain and maintain in full force and effect at all times insurance coverage determined by the Board of Directors to be reasonably necessary to protect against any risks, which insurance coverage shall be provided by a company or companies duly qualified to do business in the state of Montana.

Section 2. Insurance premiums for the above-provided insurance shall be a common expense to be paid by assessments levied by the Association.

Section 3. In addition, an owner may obtain such other and additional insurance coverage on and in relation to his, her or its property as, in the sole determination of the owner, he/she/it shall conclude to be desirable; provided, however, that none of such insurance coverage obtained by a member shall affect any insurance coverage obtained by the Association nor cause the diminution or termination thereof. Any such insurance obtained by a member shall waive the particular insurance company's right of subrogation against the Association.

ARTICLE, IX
RULES AND REGULATIONS

The Board of Directors may, from time to time, approve and enact rules and regulations applicable to the lots and/or use of the common areas. The Board may also delegate to a property manager the ability to set and enforce rules and regulations affecting the lots and common areas; provided, however, that no rule or regulation enacted shall be inconsistent with the Declaration of Covenants, Conditions and Restrictions or these Bylaws.

ARTICLE X
AMENDMENTS

No amendment of these Bylaws shall be effective unless approved by the affirmative vote of members holding sixty percent (60%) of the membership voting rights. An amendment must be in writing and a majority of the then-serving officers and directors of the Association must certify that such amendment was properly adopted by the required number of members of the Association.

ARTICLE XI
MISCELLANEOUS

Section 1. All notices to the Board of Directors shall be sent postage prepaid to the directors at each director's address as may be designated by each such director from time to time. Said notices to be effective upon mailing or personal service thereof. All notices by the Board of Directors to owners shall be sent by the Board or its agent, postage prepaid to the most recent address furnished by each owner, with copies to all mortgagees, trust indenture beneficiaries, or contract sellers from which the Board has received requests for notices, said notices to be deemed received and effective three (3) days after mailing.

Section 2. The invalidity of any part of these Bylaws shall not affect or impair in any manner the validity, enforceability, or effect of the balance of these remaining Bylaws.

Section 3. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to be abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches thereof which may occur.

Section 4. Upon dissolution or final liquidation of the corporation, obligations shall be paid and assets distributed in conformity with the Montana Non-Profit Corporation Act and/or Section 528 of the Internal Revenue Code.

IN WITNESS WHEREOF, the undersigned, President and Secretary/Treasurer of Flathead Spring Creek Estates Homeowners' Association, Inc., do hereby certify that the foregoing is a true and correct copy of the Bylaws as duly adopted by the organizational Board of Directors of said corporation this 11 day of ~~November~~ December, 2008.

FLATHEAD SPRING CREEK ESTATES HOMEOWNERS' ASSOCIATION, INC.

By _____
Timothy R. Birk, Director

Attest

_____
Justin H. Dean, Director