

DECLARATION OF PROTECTIVE COVENANTS

WHEREAS, the undersigned, Daniel J. Gebhardt, Bonnie R. Gebhardt, White Sulphur Springs, Montana, the owners of a tract of land has filed in the office of the Clerk and Recorder of Meagher County Montana.

WHEREAS, Daniel J. Gebhardt, Bonnie R. Gebhardt, hereinafter referred to as "Arrowhead Meadows Estates", "Grantor", or "Declarant", intends to sell, dispose of, divide into tracts, and convey the real property described in Exhibit "A" attached.

Whereas, Declarant desires to subject all of the said real property and tracts thereof to Protective and Restrictive Covenants, conditions, restrictions and reservations herein set forth, and referred to as "Covenants".

NOW, THEREFORE, Declarant and the purchasers of tracts, do hereby establish, dedicate, declare, publish and impose upon the premises, the following protective and restrictive covenants which shall run with the land and shall be binding upon and be for the benefit of all persons claiming such property, their grantors, legal representatives, heirs, successors and assigns, and shall be for the purpose of maintaining a uniform and stable value, character, use and development of the premises, and such covenants shall apply to the entire premises, and all improvements placed or erected thereon, unless otherwise specifically excepted as herein mentioned, and said covenants shall adhere to and pass with each and every parcel, tract, lot or division and thereby to preserve and enhance the value of the investments made by purchasers of subject property. Said Covenants are as follows;

ARTICLE 1. MINIMUM BUILDING AND USE RESTRICTIONS

Section 1. Grantor intends to divide the property herein affected prior to sale by grantor to third parties, and warrants that no lots so divided shall be less than one to six (1-6) acres in size, none of these lots may be further divided by the grantee or their assigns. This provision shall not prohibit a division for the mortgage survey purposes, provided the laws, rules and regulations of the state of Montana and its political subdivisions pertaining to the mortgage surveys are complied with.

Section 2. Use Permitted. The permitted use of the tracts shall be primarily for single family residential purposes. Accessory buildings, which are incidental and secondary to the residential use of the property, shall be allowed. That portion of the lot not used for the residential purpose may be used for agriculture excluding maintenance of livestock.

Section 3. Size of Dwelling and Set Back. No dwelling shall have less than 1200 square feet of ground floor area or less than 1600 square feet on two above ground levels with at least 1000 square feet on ground level, exclusive of garages, porches, unfinished basements, decks or other additions; no dwelling shall be constructed of a height greater than two stories; no old buildings or houses shall be moved upon any tract. No building shall be constructed or located on any lot nearer than twenty five (25) feet from the outside boundaries or twenty five (25) feet from the center of all roads within the development or leading to the development. Buildings should be, if possible, located on the lot so as not to obstruct or inhibit the view of and from near by homes. The size, color, use, shape and location of each addition should conform with and be in harmony with the existing improvements on the lot and in the surrounding neighborhood and in conformance with state and county requirements. Materials and colors of building exteriors to conform with the natural surroundings. An attached or detached garage must be built at the same time the main residence is constructed and shall have no less than 250 sq. feet.

Section 4. Notice and Quorum for Meeting and Action. Written notice of association meetings called for the purpose of taking any action authorized hereunder shall be mailed to all members not less than 30 days or not more than 45 days in advance of such meetings. At such meetings called, the presence of members or of written proxies entitled to cast 60% of all votes of members shall constitute a quorum. If the required quorum is not present another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. The notice called for herein shall state the purpose of the meeting.

Section 5. The annual assessment provided for herein shall commence as to all tracts on the date determined by the association directors. The directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of the due date of each annual assessment. Written notice of the annual assessment and the due date shall be sent to every owner or member. The due date shall be established by the directors. The association shall, upon demand, and for a reasonable charge, furnish a certificate signed by a director of the association setting forth whether the assessment of a specified lot has been paid.

Section 6. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate of eighteen percent (18%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. Upon delivery of the Notice of Assessment to the owner, the assessment shall be a lien upon the owner's tract until paid. The Association may record a notice of the lien with the Clerk and Recorder of Meagher County, Montana, and in the event of non-payment within thirty (30) days after recording the notice of lien, the Association may foreclose the lien in the manner set forth under Montana law for the foreclosure of liens against real property.

Section 7. Sale or transfer of any lot shall not affect the assessment, lien or the personal liability of the owner except to the extent extinguished by Montana law pertaining to liens, mortgages and trust indentures. No sale or transfer shall relieve such tract from liability for any assessments thereafter becoming due or from the lien thereof, provided that if the assessment lien has not been recorded with the Clerk and Recorder of Meagher County, a good faith purchaser without notice of the lien shall take the property free of the lien.

Section 8. Meagher County requires that a minimum balance be on deposit in the Home Owners Association account that not be used for maintenance purposes but be held on account for the purposes of legal fees should they be needed. The amount set by the County will require that at the time of purchase an assessment of (\$150.00) shall be levied and paid prior to any individuals taking possession of any lot. Should these funds be needed an additional assessment to all lot owners shall be levied to restore the Home Owners Association account to the minimum amount required by Meagher County.

Section 9. Until such time as 75% of the lots have been sold/improved the Declarant shall be responsible for the harvesting of the hay crops. Any profits from haying will be distributed to lot owners as a percentage of the total harvest in relation to each lot size.

ARTICLE 3. ARCHITECTURAL COMMITTEE

Section 1. The Architectural Committee shall initially consist of the Declarants until such a time that 50% of the lots have been sold, after which they shall consist of two or three persons appointed by a majority of the Directors of the Homeowners Association. After such an appointment the committee shall have authority to act hereunder until they are replaced or their successors are appointed.

Section 11. Pets and Livestock. No livestock (grazing animals, horses, cows, goats, sheep, pigs, fowl, llamas, etc.) shall be allowed. Domestic pets (dogs, cats, and other household pets) shall be allowed so long as they are not bred or maintained for commercial purposes and are strictly controlled by their owners so as to prevent them from creating a nuisance to their neighbors and interfering with any livestock or fowl or wildlife upon the neighboring tracts of property. No animals will be allowed to roam at large and shall at all times be kept under the control of or on the property of their owners. Any person wishing to keep more than two (2) dogs or three (3) cats on their lot must first receive approval from the Home Owners Association. Excessive dog barking will be considered a nuisance and will not be permitted. All other animals not mentioned herein or previously in these covenants must be approved for their kind and number by the Home Owners Association prior to their establishment on any lot.

Section 12. Husbandry. Lots must be kept free of noxious weeds and treated on an annual basis following a weed control program approved by the Meagher County Weed Supervisor. Grasses shall be cut on an annual basis to prevent fire hazard. Any area disturbed by construction shall be reseeded to natural vegetation.

Section 13. Easements. An easement for utilities on each lot is reserved unto the Grantors, their successors and assigns, for the purpose of installation and maintenance of utilities. No other utility easements may be established without permission of the Grantors, their successors and assigns. Any other easements established for maintenance purposes shall be reserved; i.e. Mt. Power Co. lines, roads, Meagher County Solid Waste Management District, etc.

Section 14. Conflict with Zoning or Use Ordinance. In the event these covenants are in conflict with any zoning or use laws, regulations, or ordinances made applicable to the land by any public or government body, these covenants shall remain in effect to the extent legally permissible by such laws, rules, ordinances or regulations.

Section 15. No Mobile Homes or Trailers. No mobile homes or trailers or the like shall be allowed, except that recreational campers and trailers shall be allowed if the permanent residence is completed, but not for the purpose of residing therein nor for office use. Campers or trailers or the like can not be left on property for more than 14 days without being enclosed in a shelter or under a car port.

Section 16. Roads. Each lot shall be limited to two(2) accesses for ingress and egress from the subdivision road. All access for ingress and egress from the subdivision roads shall be designed and constructed so as to provide safe travel by the users thereof and those using the private roadways. All access for ingress and egress from the subdivision roads shall be at least gravel. If drainage structures adjacent to or under said accesses are required they shall conform to standard roadway construction practices. The private roads into the development were initially constructed by the Declarant and will be transferred to the City of White Sulphur Springs, which shall be responsible for the maintenance and preservation of said roadways, including snow removal.

Section 17. No Hunting, Trapping or Harassment of Animals. No hunting, trapping or harassment of game animals will be allowed on any lot, however, safe pest and predator control shall be allowed on ones own lot.

Section 18. Nuisances. No noxious or offensive activities shall be carried out upon any portion of the property, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood as a whole. No dusk to dawn lighting shall be allowed. All yard lighting must be switched and should be shut off when not in use.

IN WITNESS WHEREOF, the Declarants have hereunto set its hand as of the 29th day of December, 1997.

[Signature]
Daniel J. Gebhardt
[Signature]
Bonnie R. Gebhardt

STATE OF MONTANA

County of Meagher

On this 29th day of Dec., 1997, before me, a Notary Public in and for the said State; personally appeared Daniel J. Gebhardt and Bonnie R. Gebhardt. Known to me to be the persons whose names subscribed to the within instrument and acknowledged to me that they executed the same.

[Signature] CLERK OF THE DISTRICT COURT
Meagher County, Montana
Notary Public for the State of Montana
Residing at White Sulphur Springs, Montana.
My commission expires: 1/1/98

