

Return to: Double-Tree, Inc.
P.O. Box 10098
Bozeman, MT 59719

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

NORTHSTAR SUBDIVISION SINGLE FAMILY RESIDENTIAL PROPERTY

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this__ day of _____, 200__ by VALKYRIE, LLC, a Montana Limited Liability Company ("Declarant").

VALKYRIE, LLC, has established this Declaration to provide a governance structure for the overall development, administration, maintenance, and preservation of the Single Family Residential Property of the Northstar Subdivision consisting of Phase 1: Block 4 Lots 1-102, and Block 5 Lots 19-44, and 97-102, inclusive, totaling 134 Lots; Phase 2: Block 5 Lots 1-18, and Lots 45-96, inclusive, totaling 70 Lots; Phase 3: Block 3 Lots 1-80 inclusive, totaling 80 Lots; and open space tracts within Northstar Subdivision Single Family Residential Property as shown, set forth, and described on the Final Plat of each Phase thereof filed among the records in the office of the Clerk and Recorder of Gallatin County, Montana, hereinafter referred to as the "Property".

Article I Purpose and Intent

Declarant, as the owner of the real property set out and described on the Final Plat of Northstar Subdivision Single Family Residential Phase 1, Phase 2, and Phase 3, intends by recording this Declaration to establish the Covenants, Conditions, and Restrictions for the purpose of protecting the value and desirability of the Property, the aesthetic nature of the Property, and the wildlife that frequent the Property. Declarant hereby sets forth that all of the Property shall be owned, held, sold, conveyed, encumbered, leased, used, occupied and developed subject to these covenants, conditions and restrictions, and that such Declaration shall run with the real property and be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner of any part thereof.

1.1 Governing Documents.

Governing Documents for Northstar Single Family Residential Property shall consist of:

- (a) This Declaration and such Recorded Supplemental Declarations;
- (b) Northstar Residential Homeowners Association, Inc.'s Articles of Incorporation and By-Laws;
- (c) The Association's Board of Directors' resolutions;

all as they may be amended from time to time.

1.2 Construction and Validity of Restrictions.

All of said covenants, conditions and restrictions contained in this Declaration shall be construed together, but if it shall at any time be held that any one of said conditions, covenants or reservations, or any part thereof, is invalid, or for any reason becomes unenforceable, no other condition, covenant or reservation, or any part thereof, shall be thereby affected or impaired; and the Declarant, grantor and grantee, their heirs, successors and assigns, shall be bound by each Article, Section, subsection, paragraph, sentence, clause and phrase of this Declaration irrespective of the fact that any Article, section, subsection, paragraph, sentence, clause or phrase be declared invalid or inoperative or for any reason becomes unenforceable.

1.3 Binding Effect.

All property described herein, and any additional property which is made a part of the Northstar Subdivision Residential Properties in the future by recording one or more Supplemental Declarations, shall be owned, conveyed, and used subject to all of the provisions of this Declaration which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of that real property set forth and described herein, their heirs, successors, successors-in-title, and assigns. This Declaration, as it may be amended, shall remain in effect and shall be enforceable by Declarant, the Association, any Owner, and their respective legal representatives, heirs, successors, and assigns.

Article II Concepts and Definitions

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified.

"Articles of Incorporation" shall mean the Articles of Incorporation, filed with the Secretary of State of the State of Montana for the Northstar Residential Homeowners Association, Inc, as the context requires, as said Articles may be amended from time to time.

"Architectural Guidelines" shall mean the architectural, design, and construction guidelines and review procedures established prior to any lot sale by the Declarant and/or the Board to control the development of improvements on all lots within the Property and to set the standard for the architectural design of structures within the Subdivision. The Architectural Guidelines shall contain minimum standards for the construction of all structures within the Property, the landscaping of all lots within the Property, fencing, and such other guidelines as the Board, in its judgment, deems appropriate from time to time.

"Association" shall mean and refer to Northstar Residential Property Owners Association, and its successors and assigns, established to administer and enforce the terms and conditions of this Declaration as set forth herein.

"Architectural Review Committee" (ARC) shall mean the Committee appointed by the Declarant and/or President of the Board of Directors of the Association whose function is to review and approve or disapprove plans, specifications, designs, landscaping, sites and locations of improvements to be constructed or erected on any Lot.

“Board of Directors” or “Directors” shall mean duly qualified members of the Board of Directors of the Northstar Residential Homeowners Association, which Board shall be the sole governing body of the Association.

“Building Contractor” shall mean any person or entity buying one or more Lots from the Declarant for the purpose of constructing Improvements thereon.

“By-Laws”: The By-Laws of the Northstar Residential Homeowners Association, Inc. as they may be amended from time to time.

“Common Area” shall mean all of the property, including easements, conveyed to the Northstar Residential Homeowners Association for use and enjoyment by the Association and its Members and Owners in common. “Common Area” shall include Open Space, Parks, Common Roads, Trails, Landscape Easements, and all other parts of the Northstar Subdivision owned or leased by the Association, or in which the Association holds possessory or use rights for the common use and enjoyment of the Owners, and any other property not specifically owned by individual lot owners.

“Common Expenses” shall mean the actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents.

“Common Roads” shall mean the roadways designated on the Final Plat, which provide access to individual lot lines, which roads are dedicated to Gallatin County.

“Common Services” shall mean the roadway maintenance and snow removal services for the common roads, and the maintenance and servicing of other Common Area, and such other and further services as shall benefit all of the lots within the Property.

“Declarant” shall mean VALKYRIE, LLC or ASSIGNS, and shall not mean a purchaser of a lot from the Declarant.

“Declaration” shall mean this Declaration of Covenants, Conditions and Restrictions for Northstar Subdivision Single Family Residential Property and as it may, from time to time, be amended or supplemented.

“Final Plat” shall mean the plat of each phase of the Northstar Subdivision Single Family Residential Property, as approved by the Gallatin County Commission and as recorded in the records of Gallatin County, Montana.

“Northstar Single Family Residential Phase 1” shall mean all that property set out and described on the Final Plat as Block 4 Lots 1-102, and Block 5 Lots 19-44, and 97-102, inclusive, totaling 134 Lots, of the Northstar Subdivision.

“Northstar Single Family Residential Phase 2” shall mean all that property set out and described on the Final Plat as Block 5 Lots 1-18, and Lots 45-96, inclusive, totaling 70 Lots, of the Northstar Subdivision.

“Northstar Single Family Residential Phase 3” shall mean all that property set out and described on the Final Plat as Block 3 Lots 1-80 inclusive, totaling 80 Lots, of the Northstar Subdivision.

“Property Owners Association” or “Association” shall mean the Northstar Residential Homeowners Association and its successors and assigns.

“Improvement(s)” shall include, but not exclusively, all buildings, outbuildings, bridges, roads, trails, pathways, driveways, parking areas, fences, screening walls, and barriers, retaining walls, stairs, decks, water lines, sewer lines, springs, ponds, lagoons, ditches, electrical, gas and TV distribution facilities, hedges, windbreaks, crop plantings, natural or planted trees and shrubs, poles, signs, loading areas and all other structures, installations and landscaping of every type and kind, whether above or below the land surface.

“Landscape Easements” shall mean those areas shown on the Final Plat and set aside for landscaping purposes.

“Lot” shall mean and refer to any of the 134 residential parcels herein described (Block 4 Lots 1-102, and Block 5 Lots 19-44, and 97-102, inclusive) as Phase 1; 70 residential parcels herein described (Block 5 Lots 1-18, and Lots 45-96, inclusive) as Phase 2; and 80 residential parcels herein described (Block 3 Lots 1-80, inclusive) as Phase 3; in Northstar Subdivision Single Family Residential Property which land is shown upon the Final Plat for each Phase in the Office of the Gallatin County Clerk and Recorder.

“Member” shall mean any person or entity owning or purchasing a lot in the Single Family Residential Property of Northstar Subdivision. Each lot owner shall be a member of the Association and agrees to abide by and be bound by these Covenants, and the Articles of Incorporation, Bylaws and Resolutions of the Association.

“Open Space” shall mean those areas designated on the Final Plat as “Open Space” and or “Parks” whether or not dedicated and shall be owned by the Association in perpetuity.

“Owner” shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any lot, including contract buyers and owners of a beneficial interest, but excluding those having such interest merely as security for the performance of an obligation.

“Person” shall mean a natural person, a corporation, a partnership, a trustee, or any other legal entity.

“Property” shall mean the Northstar Single Family Residential Property set forth and described on the Final Plat for each Phase as Phase 1: Block 4 Lots 1-102, and Block 5 Lots 19-44, and 97-102, inclusive, totaling 134 Lots; Phase 2: Block 5 Lots 1-18, and Lots 45-96, inclusive, totaling 70 Lots; and Phase 3: Block 3 Lots 1-80, inclusive, totaling 80 Lots.

“Structure” shall mean anything built or placed on the ground, excluding fences and ground level features such as pathways or low profile patios contiguous to homes or fences.

“Trails” shall be those internal trails, or any relocation thereof, within the boundaries of Northstar Subdivision, for non-motorized use of the Owners, their families, guests and invitees, which may be improved and maintained as determined by the Association.

Article III Property Rights

3.1 Owners Easements of Enjoyment.

Each Owner and the Owner’s guests and invitees shall have a right and easement of enjoyment in and to the Common Roads, Trails, Open Space and Park, and other community facilities which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

- a) The right of the Association to charge reasonable assessments for the use and maintenance of the Common Roads, Trails, Open Space and Park as hereinafter set forth.
- b) The right of the Association to establish rules and regulations, including speed limits, for the use of the Common Roads and Trails and to impose reasonable sanctions for violations of published rules and regulations.
- c) The right of the Association to dedicate or transfer all or any part of the Common Roads to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by the Declarant or its Assigns, or by seventy-five percent (75%) of the members agreeing to such dedication or transfer has been recorded.

3.2 Delegation of the Association of Use.

Any Owner may delegate, in accordance with the Bylaws of the Association, his/her right of enjoyment to the Common Roads, Open Space, Internal Trails and facilities to the members of his family, his/her tenants or contract purchasers who reside on the Property.

3.3 Easements.

(A) Reservation

Easements for the placement, repair and operation of roads, drainage, electricity telephone, telecommunication, lighting, water, sewer, cable television and all other utilities, pedestrian traffic, or any other service or utility shall be, and hereby are, reserved as shown on the plat. Such easements shall not interfere with and shall be subject and servient to any and all buildings subsequently erected in such areas, the easements herein provided for shall by-pass such buildings.

(B) Underground Utilities

All utilities, pipes, wires and service lines shall be buried. Satellite Television dishes may be allowed but the locations, size and color shall be approved by the ARC and the ARC may require shrubbery or screening around the same.

(C) Easement Landscaping

Easement areas except for trails may be landscaped by property owners so as to enhance their appearance so long as the landscaping does not interfere with the use of the property as an easement.

(D) Easement Rework

No utility service line or facility shall be installed or replaced without the prior approval of the ARC. All easement areas must be restored, at the expense of the utility or service entity doing such work, to as near the condition as existed previous to such work as possible. In the discretion of the ARC, a bond may be required of the utility or service entity to insure compliance with the provision.

Article IV Association Membership and Voting Rights

4.1 Association Membership and Administration.

Membership in the Northstar Residential Homeowners Association shall be mandatory for each lot owner. Membership shall be appurtenant to and may not be separated from Ownership of any lot which is subject to assessment. As a member of the Association, each lot owner shall be required to pay such fees as is deemed appropriate for the normal operation and activities of the Association, and for real estate taxes, insurance, and the maintenance of the Common Area.

The Association shall be administered by a Board of Directors composed of not less than three (3) or more than (5) members elected by a majority of lot Owners voting on annual business.

4.2 Voting Rights.

The Association shall have one class of voting membership. The members shall be all Owners, each of which shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members of the Association. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot. The Lot's vote shall be suspended if more than one Person seeks to exercise it.

4.3 Association Jurisdiction.

The Association is the primary entity responsible for enforcement of the Governing Documents of the Single Family Residential Property of the Northstar Subdivision, and shall perform its functions in accordance with those Governing documents and Montana Law. The jurisdiction of the Association shall be and include those facts, matters, items, and articles set forth in this document excepting the budgeting, management, oversight, and implementation of operation and maintenance of the common roads, open space, trail system, and any condition or requirement to be kept and performed as part of the preliminary or final plat approval for each phase of this subdivision by Gallatin County.

Article V **Covenant for Maintenance Assessments**

5.1 Creation of the Lien and Personal Obligation of Assessments.

Each Owner of any lot by acceptance of a deed or contract consents to the creation of a lien against the Owner's real property to the extent of non-payment of any assessment for maintenance or otherwise levied by the homeowner's association, therefore, whether or not it shall be so expressed in such deed, is deemed to have consented to be subject to these covenants and agrees to pay to the Association:

- (1) Operating assessments or charges; and
- (2) Capital assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The operating and capital assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land, shall be the personal obligation of the entity or person who was the Owner of such property at the time when the assessment fell due, and shall be a continuing lien upon the Property against which each such assessment is made.

5.2 Assessments.

The Board shall have the right to fix and determine an annual assessment to be levied and assessed against each lot within the Property on a fair and equitable basis. Funds collected from such assessments shall be placed in a demand and/or savings account with a lending institution licensed by the State of Montana in the name of the Association. All checks and drafts drawn on the account or accounts of the Association shall require a signature of two (2) Board members.

Article VI **Implied Rights and Board Authority**

The Boards of Directors of the Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

In exercising the rights and powers of the Association, making decisions on behalf of the Association, and conducting the Association's affairs, Board members shall be subject to, and their actions shall be judged in accordance with, the standards set forth in the By-Laws.

6.1 Indemnification of Officers, Directors and Others.

The Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section.

The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association.

The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

6.2 Insurance

The Association, acting through the Board of Directors, shall be responsible for liability insurance in an amount to be determined by the Board of Directors of the Association, which insurance shall name Gallatin County as a loss payee.

(a) Required Coverages: The Association shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on all Common Area to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(ii) Commercial general liability insurance on the Common Area, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$2,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Directors and Officers liability coverage; and

(iv) Such additional insurance as the Board, in the exercise of their business judgment, determines advisable.

Premiums for all insurance on the Common Area shall be Common Expenses.

(b) Policy Requirements. The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.2(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agents shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes. If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in an acceptable manner. Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members.

Article VII Additional Covenants: Common Areas/Open Space

7.1 Mandatory Requirements

The Open Space within the Property as designated on the Final Plat for each Phase shall be preserved in perpetuity. The Association, among its other duties, shall establish assessments for the taxes, insurance and maintenance of all Common Roads, Open Space, and other common facilities.

7.2 Trails

Trails are for the passive enjoyment of the Owners, their guests and invitees. The Association may install Internal Pedestrian Trails for walking, hiking, jogging, cross country skiing, and similar non-motorized vehicular activities by owners. Except for maintenance, no motorized equipment or vehicles shall be permitted on the trails.

7.3 Landscaping, Lawn Care and Weed Control.

Every lot Owner shall be responsible for the control of state and county declared noxious weeds on his or her lot, regardless of whether that lot is improved, as set forth and specified under the Montana Noxious Weed Control Act (MCA 7-22-2101 through 7-22-2153) and the rules and regulations of Gallatin County Weed Control District. Once a structure is constructed on a lot, the landscaping, including lawn, trees, shrubs, etc., shall be installed within twelve (12) months after the completion of construction. The landscaping shall be cared for and not allowed to deteriorate or become unsightly and detract from the area.

Weeds shall be controlled in the Open Spaces and Common Areas by the Association. Easements, except for the Trails, may be landscaped by Owners so as to enhance their appearance so long as the landscaping does not interfere with the use of the property as an easement.

In the event an Owner does not control noxious weeds on his Lot, after 10 days notice from Association, the Association may cause the noxious weeds to be controlled. The cost and expenses associated with such weed management shall be assessed to the lot and such assessment may become a lien if not paid within thirty (30) days of the mailing of such assessment. The use of chemical herbicides and pesticides is prohibited except for the control of noxious weeds and pests as required by law. Non-chemical weed control is strongly encouraged. Only approved herbicides should be used and a Gallatin County Weed Board Representative (phone: 582-3265) should be consulted before applying chemicals to sensitive areas.

7.4 Use and Enjoyment of Common Areas.

No owner, guest or invitee may use or occupy the common area, common facilities, roads or any lot in such a manner as to disturb or interfere with the peaceful use, occupancy or enjoyment of any other lot owner in the subdivision or adjacent properties including glaring lights, noise, smoke, odors, dust or other specific nuisances. Violations shall be enforced as provided for in Article XIV Enforcement.

Article VIII Land Use

8.1 No Further Subdivision.

No Lot, Common Roads or Open Space shall be further subdivided or dedicated to a use other than that shown on the Final Plat.

8.2 Snow Removal.

The Association shall provide for reasonable and timely snow removal of all common roads within the Property by contracting with an individual or entity on such terms and conditions as the Association may deem appropriate and in the best interests of the lot Owners. Individual lot Owners shall be responsible for snow removal within the confines of their lots. Snow storage areas shall be designated and all roadways shall be kept clear, free and open for unrestricted vehicular traffic at all times.

8.4 Individual Lot Access.

Individual lot access from public roads shall be built to the standards of Section 7.G.2 of the Gallatin County Subdivision Regulations. Each residential lot shall be limited to one (1) driveway access.

8.5 Keeping of Horses.

The keeping of horses or other livestock on the Property is prohibited.

8.6 Home Occupations.

A home occupation is an occupational use customarily conducted entirely within a dwelling by the inhabitants of that dwelling which is clearly incidental and secondary to the use of that dwelling as living quarters and in connection

with which there are: no on-premises sales of products, no on-site employment of persons other than the residents of the dwelling, no generation of pedestrian or vehicular traffic beyond that customarily and incidental to the residential use of the dwelling; no employees who do not reside on the premises, no use of commercial vehicles or for deliveries to and from the premises, no signs or structures advertising the occupation, no excessive or unsightly storage of materials or supplies.

8.7 Noxious, Offensive, or Hazardous Activities.

No noxious, offensive, or hazardous activities shall be permitted upon any portion of the Property nor shall anything be done on or placed upon any portion of the Property, which is or may become a nuisance to others. All exterior lighting shall be non-glare or downlight so as not to be obtrusive to neighboring properties. No sound shall be produced on any lot or other portion of a property that is unreasonably loud or annoying, including but not limited to speakers, horns, whistles or bells.

8.8 Preservation of Water Resources.

All Owners, their guests, invitees or employees, shall at all times conduct their use and activities in a manner that will preserve the integrity of the springs, ponds, streams, ditches and creeks within the Property. The pollution of water or the degradation of water quality is prohibited.

8.9 Wildlife Habitat, Hunting, Fireworks.

All Common Areas shall be utilized and managed for the creation of and enhancement of habitat for wildlife and native plants. It is recognized the wildlife species live on or migrate through the Property during various times of the year. The following limitations on use and development are intended, in addition to all other requirements of these covenants, to protect, preserve and maintain the existing wildlife habitat within the Property and to minimize the adverse effects of any development on the wildlife habitat:

- a) No Owner shall remove or allow others to remove or alter any of the existing vegetation thereon, except as may be required for clearing and preparation of building sites and other permitted improvements, and as approved by the ARC, except for emergency protection of life or property.
- b) Owners acknowledge that wildlife damage to landscaping will occur. Owners shall accept the risk and shall not file claims against the Owners Association or any other governing body for such damages.
- c) The taking of any wildlife species within the property is prohibited. No hunting of any type, trapping, or discharging of firearms for any purpose is permitted anywhere within the Property.
- d) Fireworks are not permitted on any portion of the Property.

8.10 No Temporary Structures.

No structure of a temporary character, mobile home, trailer, basement, tent, shack, garage or any other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently.

8.11 R.V.s, Trailers, and Boats.

No R.V.s, trailers, or motorized boats over 18 feet may be parked on the lots or on the street. They may be kept inside a garage and out of sight.

Article IX Architectural Design Review

9.0 Intent

The Architectural and Design Review Covenants and Guidelines which follow are intended to govern this project and to clarify the intention for the design of buildings within the Northstar Subdivision Single Family Residential Phase 1.

9.1 Architectural Review Committee.

The Association shall assume jurisdiction over architectural matters, and shall exercise that authority by and through an Architectural Review Committee (ARC). The ARC, when appointed, shall consist of at least three (3), but not more than seven (7), persons who shall serve and may be removed and replaced in the discretion of the President of the Board. The members of the ARC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount, if any, as the President of the Board may establish.

The Architectural Review Committee shall make the Architectural Guidelines available to Owners and Building Contractors who seek to engage in development or construction within the Northstar Subdivision Single Family Residential Property.

9.2 Review By Declarant.

So long as Declarant owns any portion of the Northstar Single Family Residential Area, unless earlier terminated in a written instrument executed and Recorded by Declarant, Declarant may, in its sole discretion, designate one or more Persons from time to time to the Architectural Review Committee.

9.3 Fees; Assistance.

The ARC may enlist the assistance of architects, engineers, or other professionals in the process of reviewing plans and specifications submitted for its review. Such professionals shall be referred to as the "Reviewer." The Reviewer may establish and charge reasonable fees for review of applications and may require such fees to be paid in full prior to review of any application. The Board may include the compensation of such persons in the Association's annual operating budget.

9.4 Plan Rejection.

The Architectural Review Committee shall have the authority to reject materials, designs submitted with plans, or the plans themselves if they are deemed to be not compatible with the rest of the subdivision.

9.5 Construction Compliance.

All improvements, construction, reconstruction, alterations, or remodeling requiring the approval of the Architectural Review Committee must be completed in substantial compliance with the plans and specifications initially approved by the Committee. All such construction must be completed within 12 months from the date construction is commenced.

9.6 Enforcement.

The Architectural Review Committee shall have the power, authority, standing and right to enforce these covenants in any court of law or equity when it reasonably believes the same have been violated, and shall have the authority to order suspension or cessation of any construction or work in violation of these covenants or of any permit issued by the Committee. Failure to comply with these covenants shall result in Declarant's denial of utility services (water and sewer) to the Owner until such time as violations are rectified.

9.7 Liability.

The Architectural Review Committee or the individual members thereof may not be held liable by any person for any damages which may result from Committee action taken pursuant to these covenants, including but not by way

of limitation, damages which may result from correction, amendment, change or rejection of plans, the issuance of building permits, or any delays associated with such action on the part of the Committee.

Article X Building and Site Development

10.0 Intent.

It is the intent of the Declarant to provide for a degree of continuity among the building site improvements and landscape within the Northstar Subdivision Single Family Residential Property. The ARC shall make available to each Owner a current and detailed copy of Building and Site Development Guidelines, Architectural Standards, and Rules and Restrictions pertinent to construction within the Property.

10.1 Minimum Residence Requirements.

Single family residences shall have a minimum building foot print of 1,500 square feet, exclusive of exterior parking spaces, garages, carports, porches and decks. The minimum living area for any single-family residence shall not be less than 1,750 square feet. Each residence shall have as a minimum an attached or detached two-car garage.

10.2 Minimum Building Standard Requirements.

All structures shall be constructed in compliance with Montana State adopted codes for construction and with the provisions of the following standard codes or their amendments:

- 1) Uniform Building Code
- 2) International Conference of Building Officials
- 3) National Plumbing Code
- 4) National Electric Code
- 5) Seismic Zone 3 Code
- 6) National Fire Protection Code

10.3 Height Limitations.

Maximum height in the Northstar Residential Area shall be 36' except for architectural details such as chimneys or roof line ridge vents.

10.4 Setbacks.

Buildings: Front - 20'
 Side - 7 1/2' (15' corner lots)
 Rear - 10'

10.5 No Temporary Structures.

No structure of a temporary character, mobile home, trailer, basement, tent, shack, garage or any other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently.

10.6 Parking.

Single-family homes are to include a minimum of two enclosed garage spaces and two additional parking spaces within the lot.

10.7 Utilities.

It shall be the responsibility of the lot owner to connect sewer, water, power, gas and telephone services from the points of service at the lot lines to the buildings consistent with the rules and regulations of the service provider. Water meters shall be obtained from Declarant at a cost estimated at \$500 per meter plus a \$25 inspection fee following installation by Declarant's certified operator.

10.8 Sidewalks.

Owners of all lots shall construct, at the time of construction of the first structure intended for occupancy, sidewalks in those locations designated on the herein incorporated Sidewalk Location Exhibit to standards and with materials designated by the ARC and with the prior approval of the ARC.

10.9 Exterior Lighting.

All exterior lighting within the lot areas shall be subdued, understated, indirect or "down" type lighting equipped with photo-sensor devices. Area lighting shall have concealed light sources and under no circumstances will non-shielded flood lights or spot lights be allowed. A standard walk entry light for each residence will be required and shall be specified by the Architectural Review Committee. Declarant will provide specific detail and policy for entry lights.

10.10 Accessory Buildings.

Accessory buildings for maintenance, storage, hobby or shop purposes, recreational purposes, guest quarters, studios, etc. shall be designed in keeping with the architectural character of the residential structure and are subject to ARC approval prior to construction.

10.11 Construction Job Site.

All equipment and materials must be stored on the building site and may not be kept on other lots or in common areas. All rubbish, trash and garbage shall be regularly removed from the property and shall not be allowed to accumulate thereon. Rubbish, trash and garbage must be kept in sanitary containers and not allowed to blow or scatter onto other property in the area. Owner is responsible for providing a portable toilet on the site.

Article XI Procedure for Design Review

11.1 Approval Required

Except as otherwise specifically provided in the Architectural Guidelines, no activities shall commence on any portion of the Northstar Single Family Residential Property until an application for approval has been submitted to and approved by the ARC. Such application shall include plans and specifications showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as set forth in the Building and Site Development Guidelines, Architectural Standards, and Rules and Restrictions pertinent to construction within the Property. The Architectural Review Committee and the Reviewer may require the submission of such additional information as may be reasonably necessary to consider any application.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements. The ARC shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations shall not be subject to review so long as made in good faith and in accordance with the procedures set forth herein.

11.2 Process and Timeframe.

The ARC shall make a determination on each application within 30 days after receipt of a completed application and all required information. The ARC may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application.

The Reviewer shall notify the applicant in writing of the final determination on any application within five days thereafter or, with respect to any determination by the ARC. In the case of disapproval, the Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

If construction does not commence on a project for which plans have been approved within one year after the date of approval, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing any activities. Once construction is commenced, it shall be diligently pursued to completion. All work shall be completed within twelve (12) months of commencement unless otherwise specified in the notice of approval or unless the ARC grants an extension in writing.

Article XII Environmental Regulations

The following limitations on use and development are intended, in addition to all other requirements of these Protective Covenants, to protect, preserve and maintain the existing vegetation and to minimize visual impacts.

12.1 Existing Vegetation.

No Owner of any lot shall remove or alter or allow others to remove or alter any of the existing vegetation thereon, except as specified in Section 8.8(a). This provision shall not prohibit or preclude the installation of landscaping on the Property.

12.2 Chemicals.

The use of chemical herbicides and pesticides is prohibited except for the control of noxious weeds and pests as required by law. Non-chemical weed control is strongly encouraged. Only approved herbicides should be used and a Gallatin County Weed Board Representative (phone: 582-3265) should be consulted before applying chemicals to sensitive areas. Contact a local nursery for the most effective pesticides that least impact desirable species of insects.

Article XIII General Provisions

13.1 Condemnation on Common Area.

If at any time, or from time to time, all or any portion of Common Area, or any interest therein, be taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain. The entire award in condemnation shall be paid to the Association and deposited into either the operating fund or the development fund as the Association may, in its sole discretion, determine. No Owner shall be entitled to participate as a party, or otherwise, in any proceeding relating to such condemnation, such right or participation being herein reserved exclusively to the Association which shall, in its name alone, represent the interests of all Owners; provided, however, that the portion of any award relating to improvements which constitute a private recreation facility shall be divided equally among the Owners who at the time of such taking, are permitted users of such facility.

13.2 Recreational Facilities.

The Association shall have the right to construct such recreational facilities that may be approved by a majority vote of the members voting at any regular or special meeting called in accordance with the provisions of these covenants.

13.3 Access; Certain Additional Improvements.

The Board shall have the irrevocable right to have access to each lot from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Area and facilities, and for making emergency repairs necessary to prevent damage to the Common Area or to a lot, although there shall be no affirmative duty to do so.

The Declarant reserves full rights, but not the obligation, to conduct landscaping activities on the Property, and to implement additional improvements (including without limitation fencing, pathways, sign, outdoor lighting and maintenance sheds) on the Property in the future with the consent or other authorization of the Association, the Board or the Owners, which shall not be unreasonably withheld.

13.4 Use of Water.

Except as expressly provided in the Rules and Regulations of the Four Corners County Water and Sewer District, each Owner shall use only that water and water supply made available to any Lot by and through the Utility Solutions, LLC, or its successors and assigns, and/or the Four Corners County Water and Sewer District, and each shall owner shall connect, disconnect, and/or reconnect his tap into that water and water supply system as Utility Solutions, LLC, or its successors and assigns, and/or the Four Corners County Water and Sewer District may direct from time to time. No Owner shall alter, disturb, operate, or otherwise affect any well, wellhead, pump, or other equipment used or useful for the provision or distribution of water or a water supply, except as expressly permitted by the Rules and Regulations of the Four Corners County Water and Sewer District.

13.5 On-Site Burning.

In an effort to protect and preserve the Property and the investments of the Property Owners, on-site burning shall be and is prohibited. This prohibition includes, but is not limited to the burning of trash, debris, garbage, waste of any type or nature, grass clippings and leaves, and the like, in containers or in open areas. This prohibition is not intended to nor does it prohibit the outdoor use of barbeques and other containers for the preparation of food, nor the burning of slash and diseased timber subject to the receipt of a permit from the ARC and proper local burning permit.

13.6 Landscape Plan.

Prior to the construction of any structure on any lot within the Property, the Owner shall submit a landscaping plan to the ARC. The landscaping plan shall substantially comply with those landscape requirements set forth in the Design Guidelines.

13.7 Fences.

Lot Owners shall have the right to fence, with wood fencing, the back yard perimeter of their Lot. No fencing shall be allowed in the front yard area of any lot. Fencing shall be constructed in conformance with Architectural Review Guidelines, and with the approval of the ARC.

13.8 Signage.

The main entries to Northstar Residential Areas will include themed entry signage in common areas or easement locations. No signage is allowed on residential lots except for standard real estate signs not to exceed 9 square feet or builder signs not to exceed 9 square feet.

13.9 Domestic Pets.

A limited number, as determined by the Board, of generally recognized house pets may be maintained by Owners of the lots within the Property, however, no domestic pets shall be allowed to run at large and shall at all times be restrained and leashed or otherwise contained on the lot Owner's property. This covenant shall be strictly enforced by the Board without reservation or exception of any type or nature. The Board shall have the power and authority to levy escalating fines, which fines, if not paid, shall become a lien on the lot of the Owner allowing any pet to run at large. It is suggested that the Board develop a schedule of fines commencing at \$50.00 for the first offense, \$100.00 for the second offense, and the removal of the animal upon the third offense, without exception or reservation.

Enforcement of fines and the lien imposed if a fine is not paid shall be followed by an action filed in the Eighteenth Judicial District Court of and for the County of Gallatin, Montana, to enforce the provisions of this section. The terms and provisions of the Gallatin County Dog Control Ordinance shall be, and are, incorporated herein by reference and shall be adhered to in addition to the provisions set forth above.

13.10 Junk Vehicles, Equipment or Other Miscellaneous Paraphernalia.

No junk vehicles, equipment or other miscellaneous paraphernalia shall be allowed to accumulate on any lot within the Property unless screened from plain view from all other lots, Parks, Common Areas and roadways.

13.11 Antennas and Satellite Dishes.

In no case shall a satellite dish exceed 30" in diameter. No antennas for the transmission or reception of telephone, television, microwave, radio signals, or wireless reception shall be placed on any Lot within the Property without the prior written approval of Declarant and/or Association. Ham radio antennae are specifically prohibited.

13.12 Wood Burning Devices.

All wood burning devices shall meet EPA certification standards. Spark arrester screens shall be placed on all fireplace and woodstove chimneys.

Article XIV Enforcement, Duration and Amendment

14.1 Enforcement.

The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In the event the Association or any Owner shall elect to enforce any restriction, condition, covenant or reservation contained herein in the Eighteenth Judicial District Court of and for the County of Gallatin, the prevailing party shall be entitled to receive attorney's fees and costs as determined by the Court.

14.2 Duration of Restrictions.

All of the covenants, conditions, and restrictions set forth in these covenants shall continue and remain in full force and affect at all times against said property and the Owners thereof in perpetuity.

14.3 Amendment.

Any covenant which is included herein as a condition of preliminary plat approval and required by the County Commission may not be amended or revoked without the mutual consent of the Owners in accordance with the amendment procedures in these covenants and the governing body of Gallatin County.

This Declaration may be amended by an instrument signed by not less than seventy-five percent (75%) of the lot Owners, which instrument must be recorded in the Office of the Clerk and Recorder of Gallatin County, Montana. Such amendments shall be duly executed and placed of record in the Office of the Clerk and Recorder of Gallatin County, Montana. No covenant, condition or restriction set forth herein providing for the establishment "in perpetuity" shall be amended.

14.4 Supplemental Declaration.

Notwithstanding any other term herein, this Declaration and all provisions hereof may be extended by the Declarant to include other real property in addition to that set forth and described on the final plat hereto, whenever the Declarant files an instrument with Gallatin County that expressly refers to this Declaration and designates its applicability to property described therein, provided that such an instrument is files within a period of three (3) years after the effective date hereto.

14.5 Violation Constitutes Nuisance.

Every act or omission, whereby any restriction, condition or covenant in this Declaration set forth, if violated in whole or in part, is declared to be and shall constitute a nuisance and may be abated by Declarant or its successors-in-interest and/or by any lot Owner; and such remedies shall be deemed cumulative and not exclusive.

14.6 No Waiver.

The failure of the Board or its agents to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action, shall not be construed as a waiver or 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. The receipt and acceptance by the Board or its agent of the payment of any assessment from an Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and duly signed by or on behalf of the Board.

Article XV Mandatory Covenants

Notwithstanding anything to the contrary in this Declaration, the Gallatin County Commissioners, as governing body of Gallatin County, have imposed, through the Findings of Fact and Order and Conditions of Final Plat for each Phase, the following mandatory covenants, none of which shall be amended, modified or changed without the expressed approval of the Commission.

Covenants for the subdivision shall include the following provisions:

- a) The property owner shall be responsible for the control of County-declared noxious weeds.
- b) Individual lot accesses from County public roads shall be built to the standards of Section 7.G.2 of the Subdivision Regulations.
- c) All structures shall be constructed in compliance with Montana State adopted codes for construction, including codes for Seismic Zone 3, and the National Fire Protection Codes.
- d) All new dwellings or home business occupancies built prior to the provision of an adequate water supply for fire fighting purposes shall be constructed with an automatic fire sprinkler system meeting the requirements of NFPA 13D/Uniform Fire Code. The fire district shall receive a stamped set of engineered sprinkler system plans for review and approval prior to construction. Inspections shall be scheduled, with 48-hour notice, during construction and after completion.
- e) The control of noxious weeds by the Association on those areas for which the Association is responsible and the control of noxious weeds by individual owners on their respective lots shall be as set forth and specified under the Montana Noxious Weed Control Act (MCA 7-22-2101 through 7-21-2153) and the rules and regulations of the Gallatin County Weed Control District.
- f) The landowner shall be responsible for the control of state and county declared noxious weeds on his or her lot. Both unimproved and improved lots shall be managed for noxious weeds. In the event a landowner does not control the noxious weeds, after 10 days notice from the property owners' association, the association may cause the noxious weeds to be controlled.
- g) Lot owners and residents of the subdivision are informed that nearby uses may be agricultural. Lot owners accept and are aware that standard agricultural and farming practices can result in smoke, dust, animal odors, flies and machinery noise. Standard agricultural practices feature the use of heavy equipment, burning, chemical sprays and the use of machinery early in the morning and sometimes late into the evening.
- h) All fences bordering agricultural lands shall be maintained by the property owners, in accordance with state law.
- i) The property owners' association shall be responsible for the operation and maintenance of all interior subdivision roads, parks, and open space.
- j) The maintenance of all exterior boundary fences shall be shared equally with adjacent property owner.
- k) Title to the common open space within the subdivision shall vest in the property owners' association and be maintained and controlled by the board of directors of the association.

- l) Common open space shall be preserved and maintained for passive and active recreation, wildlife habitat, protection of scenic, and unique or important natural features.
- m) Membership in the property owners' association shall be mandatory for each lot owner. Each lot owner shall be required to pay such fees as the board of directors of the association deems appropriate for real estate taxes, insurance, and the maintenance of the common open space.
- n) Repeat of condition m) above.
- o) The property owners association shall be responsible for liability insurance in an amount to be determined by the board of directors of the association, which insurance shall name Gallatin County as a loss payee.
- p) A portion of the assessments levied by the Board of Directors of the property owners' association shall become a lien on the lots within the subdivision in the event the taxes on the open space become delinquent. The board of directors shall adjust the assessments on the taxes on the common open space increase.
- q) Ownership shall be structured in such a manner that real property taxing authorities may satisfy tax claims against the common open space lands by proceeding against individual owners in the property owners' association and the dwelling or building units they own.
- r) Any covenant which is included herein as a condition of the preliminary plat approval and required by the County Commission shall not be amended or revoked without the mutual consent of the owner, in accordance with the amendment procedures in the covenants, and the County Commission.

DATED this ___ day of _____, 2005.

DECLARANT:

VALKYRIE, LLC., a
Montana Limited Liability Company

By:

Its: _____

STATE OF MONTANA)

ss.

County of Gallatin)

On this ___ day of _____, 200_, before me, a Notary Public for the State of Montana, personally appeared _____, known to me to be the _____ of VALKYRIE, LLC., a Montana Limited Liability Company, and acknowledged to be that she executed the same pursuant to the power and authority vested in her.

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

Notary Public for the State of Montana
Printed Name: _____
Residing at: _____
My Commission expires: _____