
**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF GLACIER HILLS**

THIS DECLARATION is made this 15th day of May, 2003 by

SPOKLIE & HOOVER, a general partnership
700 White Basin Road
Kalispell, Montana 59901

hereafter referred to as "DECLARANT",

RECITALS

1. Declarant is the owner of approximately 237 acres in Sections 4 and 9 in Township 30 North, Range 19 West, M.P.M., Flathead County, Montana which property is informally known as "Glacier Hills".

2. Glacier Hills is being subjected to these Covenants, Conditions, Restrictions to insure the most appropriate development and improvement of each Lot, to preserve and protect the natural beauty and rural timbered setting of the Property, to guard against the construction of buildings from inappropriate or unsuitable materials and preserving the native woodland character of the property and its wildlife habitat and migration corridors. This declaration is for the benefit of said property and for each owner thereof, and shall inure to the benefit of and pass with said property and each and every parcel thereof, and shall apply to and bind the successors in interest, and any owner thereof.

NOW THEREFORE, Declarant having established a general plan for the improvement and development of the property, hereby establishes these covenants, conditions, restrictions and reservations upon which and subject to which the property described herein or any portion thereof shall be used and hereby declares that said property is and shall be held, transferred, sold and conveyed subject to these covenants, conditions and restrictions.

ARTICLE I
PROPERTY

The property or any portion thereof which is and shall be held, transferred, sold and conveyed subject to these covenants, conditions, and restrictions is more particularly described as follows to wit:

All of Block 14 of Greene's East Addition to Martin City together with the South Half of the abandoned street lying between the South line of Lots 1-6, Block 13 Green's East Addition to Martin City and the North line of Block 14, Greene's East Addition to Martin City according to the map or plat there of on file and of record in the office of the Clerk and Recorder of Flathead County, Montana.

AND

Blocks 12 and 13 of Greene's East addition to Martin City, together with the abandoned street lying North of Lot 7, Block 13, Greene's East Addition to Martin City, together with the abandoned alley lying South of Lot 7, Block 13, Greene's East Addition to Martin City and together with the North Half of the abandoned street lying between the South line of Lots 1-6, Block 13, Greene's East Addition to Martin City and the North line of Block 14 Greene's East Addition to Martin City, according to the map or plat hereof on file and of record in the office of the Clerk and Recorder of Flathead County, Montana. (This portion of Greene's East Addition to Martin City has been vacated.)

AND

The Southwest Quarter of the Southeast Quarter (SW ¼ SE ¼) and the Southeast Quarter of the Southeast Quarter (SE ¼ SE ¼) of Section 4, Township 30 North, Range 19 West, P.M.M., Flathead County, Montana.

EXCEPTING THEREFROM that part of the SW ¼ SE ¼ lying within Greene's Addition to Martin City according to the recorded plat thereof Flathead County, Montana.

FURTHER EXCEPTING THEREFROM a tract located in the Southeast Quarter of the Southeast Quarter of Section 4, Township 30 North, Range 19 West, P.M.M., Flathead County, Montana, described as follows: Beginning at the East Quarter corner of Section 4; thence South 0°13' West, a distance of 1352.17 feet to the Point of Beginning; thence South 0°13' West 330 feet; thence North 89°10' West 330 feet; thence North 0°13' East 300 feet; thence South 89°10' East 330 feet to the point of beginning. [3A].

FURTHER EXCEPTING THEREFROM Parcel 1 of the Amended Plat of the Amended Plat of Portion of Block 2 of Greene's Martin City, according to the map or plat there of on file and of record in the office of the Clerk and Recorder of Flathead County, Montana. [Kentros].

AND

The Northeast Quarter of Section 9, Township 30 North, Range 19 West, P.M.M., Flathead County, Montana.

AND

A tract of property in the SW ¼ of Section 3, Township 30 North, Range 19 West, P.M.M., Flathead County, Montana, more particularly described as follows: That portion of H.E.S. 1014, Flathead County, Montana, described as follows: Beginning at Comer No. 2, H.E.S. 1014, then along the North line of H.E.S. 1014, North 89°13'39" East, 886.55 feet; thence South 0°18'13" West 677.83 feet; then North 89°09'40" West, 885.65 feet to the West line of H.E.S. 1014; then along the West line North 0°03'40" East, 652.91 feet to the point of beginning. [Parcel 3, Certificate of Survey No. 2169]. [Sunling].

AND

That portion of H.E.S. 1014, Flathead County, Montana, described as follows: Beginning at corner no. 1 H.E.S. 1014, then along the West line of H.E.S. 1014 North 0°03'40" East 670.33 feet; then South 89°09'40" East 878.02 feet; then South 0°08'13" West 670.32 feet to the South line of H.E.S. 1014; then along the South line North 89°09'40" West 877.13 feet to the point of beginning. [Parcel 4 of Certificate of Survey No. 2169] [Curtis]

ARTICLE II
DEFINITIONS

Section 1: "Association" shall mean the association of owners who own any part of the property described above known as GLACIER HILLS (and lot owners of any annexed property declared by the Declarant to be a part of the association and subject to the articles and by-laws of the association).

Section 2: "Owner" shall mean the record owner of a fee simple title to any property which is a part of the property described above and shall include contract buyers but not contract sellers.

Section 3: "Property" shall mean the real property described in Article I, Paragraph 1 above or tracts created from these tracts. "Properties" shall also mean and refer to any addition of real properties as may hereafter be brought within the jurisdiction of the Association, excepting that such reference shall in no way subject such additions to the Protective Covenants hereafter set forth unless specifically mentioned in the deed of conveyance or separate Declaration.

Section 4: "Lot" shall mean each of the parcels of land described above and any lots or tracts created from these tracts.

Section 5: "Screened from View" shall mean with respect to any given object on a property, that the object is screened by a fence, hedge, other decorative improvement or native vegetation, such that the object is not or would not be visible to a person six (6) feet tall standing on any part of any adjacent property or common roadway at an elevation no greater than the elevation of the base of the object being viewed.

ARTICLE III
ARCHITECTURAL AND ENVIRONMENTAL REVIEW

SECTION 1. *Architectural and Environmental Review Committee:* The Architectural and Environmental Review Committee (hereafter referred to as "AERC" or "Committee") shall consist initially of Robert Spoklie, Scott Santa and any lot owners they may appoint from time to time. At such time as 75% of the original acreage has been sold, the duties and responsibilities of the Committee shall be assigned automatically to the Association. Provided, however, the Declarant may assign the duties and responsibilities of the AERC to the Association in writing at any time prior thereto. Once the duties of the Committee are assumed by the Association, the composition of the Committee shall be as provided in the Association's By-laws.

SECTION 2. *Architectural and Environmental Control:* No site alterations, including road construction, driveways, utility installation, building of any structure, earth moving or removal of trees greater than 6 inches in diameter when measured 12 inches from the ground, shall be made until the plans, specifications, and proposed construction schedule have been submitted to and approved in writing by the Committee. The plans and specifications shall be submitted and reviewed in accordance with Sections 3 and 4 below, and shall show the nature, kind, shape, height, materials and location of the proposed alteration or structure, including

proposed landscaping and exterior lighting. All plans must be reviewed and approved with due consideration given to harmony of external design and locations in relation to surrounding structures and topography, native vegetation and overall compatibility with surroundings and the development as a whole.

SECTION 3. *Plan Review Process:* In order to insure that the design standards for Glacier Hills contained in these Covenants are achieved, a submission of certain plans will be required. Plan submissions will also be required for significant revisions, alterations or additions to approved or existing improvements. Each plan submission will require two (2) sets of plans containing the specific information described below. The plan submission for each new improvement or development and each significant revision, alteration, addition, or change of use shall be accompanied by a payment of \$200.00 as an incentive for submission of thorough and complete plans. Such monies will be deposited in the general bank account of the Association and disbursed against needs of the Association by the Board in accord with the approved budget. All submitted plans will be reviewed by the AERC and upon completion of such review one set of plans will be returned to the applicant along with a letter summarizing comments, recommendations, requirements, and findings. The returned plans will be marked "APPROVED", "APPROVED SUBJECT TO CONDITIONS", OR "NOT APPROVED". Approvals are valid for three (3) years from the date of the written notice of approval. If construction is not commenced within such three (3) year period, plans must be resubmitted and a new approval secured.

SECTION 4. *Required Plans:* The following plans must be submitted to the Committee.

- a. A site plan to an appropriate scale depicting the entire lot and the relative location of all proposed development within the lot, including roads, driveways, fences, pastures, ponds, structures, clearing, thinning and utilities, septic layout and well location.
- b. Site and landscape plans to a scale of 1"= 20' for all site disturbances with consideration given to vegetation, grading, drainage, exterior lighting, fences, driveways, parking and phasing.
- c. Construction plans to a scale of 1/8 inch = 1' or larger for all structures with consideration given to site utilization, engineering and architectural design.

SECTION 5. *Adoption of Guidelines:* The AERC shall have the authority to adopt and publish guidelines setting forth the procedures and criteria for review of structures and other site improvements or modifications so long as such guidelines are not inconsistent with and are no less restrictive than this Declaration.

SECTION 6. *AERC'S Response:* The Committee shall have thirty (30) days from the time plans are received by it within which to complete its review and approve, modify or reject a proposal once a complete set of plans have been submitted along with the requisite plan review fee. If the Committee fails to respond to a proposal within such thirty (30) day period, the Owner shall then be permitted to commence construction in accordance with the submitted plans, but

any deviation from such plans which in the judgment of the Committee is a substantial detriment to the appearance of the structure or of the surrounding area shall be corrected to conform with the plans and elevations as submitted.

SECTION 7. *Continuing Responsibility:* The AERC shall have a continuing role in the approval or disapproval of proposed changes from the original design and construction, including without limitation, exterior remodeling, changes of color, exterior lighting, provision for wood storage, swimming pools, tennis courts, etc. and exterior pet and animal facilities. No such changes or additions will be permitted unless approved by the Committee, which may, in its discretion, waive the requirement that plans and specifications be submitted for such changes.

SECTION 8. *Committee Enforcement:* If the Committee, upon its own inspection or upon receiving a complaint, determines that any Owner is in violation of the Committee's standards or guidelines, or has failed to properly maintain his property or any permanent improvement thereon, including necessary repairs, or has constructed or made any change to any improvement not in conformance with an approved plan, or is otherwise in violation of these Covenants, it shall take such action as provided in the Association Non-Compliance Procedure, including written notification to the Owner. Such notice shall contain a statement of the nature of the nonconformity or violation, the steps needed to remedy it, the Article and Section of the Covenants that are in violation, and the timeframe in which the remedy must be completed. In circumstances where it seems likely that irreparable harm or site alteration is imminent, any committee or Board member may immediately inform the Owner or onsite agents (anyone making or preparing to cause such harm or site alteration) to halt such activities until such time as the Committee is satisfied that applicable standards, guidelines, and approvals have been complied with. If the noticed remedial steps are not taken within the timeframe set through the Association Non-Compliance Procedure, the Committee shall notify the Board of Directors. The Board will assess a reasonable monthly fine appropriate to the violation and notify the Owner in writing of the fine amount added to the Owner's account. The Owner will also be informed within the same letter that such fines not paid within 30 days of the due date will be subject to the same 10% annum late payment penalty as applied to nonpayment of assessments. The monthly fine amount will be repeatedly applied each month to the Owner's account until the remedy needed to come into compliance is completed. If the Owner continues to be in non-compliance for six (6) months from original letter citing such non-compliance, the Board of Directors shall issue a certified letter to the Owner that remedial measures may be undertaken by the Association itself to correct the non-compliance issue unless it is corrected within the next 30 days by the Owner. If the Owner has still not complied with the remedial action within that time, the Board of Directors, or the AERC as directed by the Board of Directors, shall proceed to correct the non-compliance issue in a manner deemed appropriate, possibly including legal action, and charge the Owner for all amounts expended by it in so doing. Any non-compliance fines or assessments shall become a lien against the property so assessed and the personal obligation of the Owner to the same extent as those liens described in Article VII, Section 2 herein. The committee or any of its members shall have the right, upon reasonable advance notice to the Owner, to enter any property to determine if there has been compliance with these Covenants or any approved plans.

ARTICLE IV
PROTECTIVE COVENANTS AND DEVELOPMENT GUIDELINES

SECTION 1. *Land Use:* Each property may be used only for single family residential purposes and no structure shall be erected, placed or permitted to remain on a Lot other than a single family private residence and related buildings such as barns, stables, shops, garages, guest houses or caretaker facilities incidental to the residential use of the property. There shall be no commercial use of the property and no trade, craft, business, professional, religious, educational or other commercial activity may be conducted on any property. Provided however, those businesses or professions carried on solely by family members and conducted entirely within residential structures shall be permissible. No traffic may be generated by such home activities in greater volume than would normally be associated with a residential dwelling. No equipment or process shall be used which creates visual or audible interference with any internet, radio, television, or telephone receivers off the premises or which causes fluctuation in electrical line voltage or municipal water pressure or flow rate to other parts of the development.

SECTION 2. *Subdivision of Lots:* Property owners of record as of May 17, 2024 may further subdivide their property as long as no resulting parcel is less than 4 acres and is in compliance with all applicable county and state statutes and regulations. Property owners who are recorded after May 18, 2024 will not be permitted to subdivide lots. Provided further, that if the property is located within either Tract 3 of Certificate of Survey No. 15609 (42 acres) or the property described on Exhibit A (40 acres) then any proposed subdivision of the property resulting in a parcel being less than 20 acres shall first require the unanimous written consent of all property owners of record as of May 17, 2024 within those two certificates of survey. Property owners within these two tracts who are recorded after May 18, 2024 may further subdivide as long as no resulting parcel is less than 20 acres and is in compliance with all applicable county and state statutes and regulations.

SECTION 3. *Building Sites:* No lot shall have erected upon it more than one dwelling house together with buildings allowed in Section 1 above.

SECTION 4. *Building Standards:* The following construction standards shall be followed for all building on the Lots:

- a. Each home shall contain not less than 830 square feet of finished living space on the main level. For purposes of this paragraph, porches, balconies and garages shall not be considered part of the living space.
- b. No structure of any kind, and particularly those commonly known as "mobile home", "modular home", "trailer", or other prefabricated structure, designed to be hauled or moved on wheels or of "boxed" , "sheet metal" or "A-frame" construction shall be built or moved onto any Lot for any purpose. No basement, garage, barn or other outbuilding, erected or placed on any Lot, shall at any time, be allowed or used as a residence either temporarily or permanent.

- c. All buildings shall be permanent in nature and no temporary building or partly finished buildings or structures shall be erected or placed upon a Lot. Only new materials may be used. However, used brick, beams and the like, on any integral part of the architecture of the building, may be allowed. All construction shall first be reviewed and approved pursuant to the provisions of this declaration.
- d. All buildings, including barns, stables, garages, tool sheds, etc. shall be in keeping with the architecture of the other buildings located on the Lot, kept in good repair and appearance, and maintained in a sanitary condition with strict fly and pest control measures.
- e. All construction, once begun, shall be completed as to exterior finish including siding and/or masonry, paint, and roof within 18 months of the beginning of construction. The construction area around each building constructed shall be at rough-grade and seeded at the time of occupancy. All construction must be completed and building debris removed within the time frame set out in the approved construction schedule. The dwelling shall not be occupied until such time as the above work is completed including the installation and completion of all plumbing fixtures and utilities.
- f. No building on any Lot shall have a roof or exterior siding which is silver or metallic colored, shiny, or reflective. Only class A or B roofing materials, as rated by the National Fire Protection Association, shall be allowed on all structures.
- g. Each structure, once constructed on a Lot, shall be kept in the same condition as at the time of its initial construction, excepting normal wear and tear. All structures (including fences) shall be preserved and/or pleasant in appearance by maintaining paint, stain or sealer as needed. If any structure is damaged in any way, the Owner shall exercise due diligence to rebuild, repair and restore the structure to its appearance and condition prior to the casualty. Such repair or reconstruction shall be completed within nine (9) months of the casualty, or such longer time as may be approved by the AERC for good cause shown.
- h. No portion of any building shall be more than 35 feet from the ground as measured from the average finished grade of the building site, nor closer than 50 feet from any property line for lots of up to 30 acres, nor closer than 100 feet from any property line for lots over 30 acres unless, for good cause shown, the Committee, in the exercise of its discretion, allows a taller structure, or in the case of Lots of 6 acres or less should allow encroachment into the set-back area not to exceed 20 feet.
- i. All dwellings shall have house numbers which shall be visible from the private road serving the property either at the driveway entrance or on the house.

- j. All electrical, telephone, cable TV and other utility lines shall be installed underground.
- k. If construction activity on any Lot causes damage to the common road, the cost of repair of such road shall be borne solely by the Owner of said property.

SECTION 5. *Seeding, Planting and Weed Control:* Noxious weeds shall be destroyed on a regular basis to prevent them from reaching seed stage. Whenever a structure is constructed or ground is otherwise disturbed on any property the Owner shall promptly upon completion of construction plant a ground cover or other vegetation to restore the ground disturbed by said construction. Such re-vegetation of disturbed soil shall be commenced no later than sixty (60) days after completion of construction, or if construction is completed after planting season ends in the fall, within thirty (30) days of the beginning of planting season the following spring.

SECTION 6. *Signs:* No signs shall be placed on any Lot except name or address plates (which may be illuminated by indirect lighting), and one unlighted sign, not exceeding twelve (12) square feet in surface area, advertising the sale of a Lot.

SECTION 7. *Pets and Livestock:* No animals or livestock of any kind other than horses, llamas, dogs, cats, birds or other small indoor pets shall be kept or maintained on any property for any purpose. All animals permitted by this section shall be contained within the boundaries of their owner's Lot to prevent the running of wildlife or domestic livestock. Any animal that barks, howls, bites, roams at large or chases vehicles shall not be kept on the Lot at any time. Horses and llamas or other large animals are allowed on each owner's Lot to the extent of one animal per 2 acres and then, only to the extent that the Lots shall not be overgrazed. Large animals shall not be fed food supplements within 30 feet of a property line or common roadway. All animals and pets maintained on any property must not create or cause a violation of any of the covenants contained herein, such as an annoyance or nuisance or disturbance to the neighborhood or the residents of any of the other properties.

SECTION 8. *Overgrazing:* While horses are allowed, overgrazing is of special concern to the Committee and the Association. Any grazing activity that detracts from the overall aesthetic qualities of the development or encourages the growth of noxious weeds may be curtailed by the Committee and a plan for restoration required.

SECTION 9. *Lot Appearance and Garbage:* Except as provided herein, no part of any property shall be used as a dumping ground or used to store or place rubbish, trash, garbage, junk cars or parts thereof or other unsightly objects. Each property owner shall avoid accumulation of such refuse or other material prohibited by these covenants. All garbage cans shall be screened from view or kept in an enclosed structure. If bears or animals become a problem, AERC may require all garbage cans or enclosures to be "bear proof" in accordance with the specifications promulgated by the National Park Service for Glacier National Park.

SECTION 10. *Sewer Systems:* Only individual sewage disposal systems, designed, located and constructed in accordance with the requirements, standards and recommendations of

the Montana State Department of Health and the Flathead County Sanitation Department shall be permitted on each property. Prior to the construction or site preparation, the Lot Owner shall secure all permits from Flathead County and/or the State of Montana.

SECTION 11. *Nuisances:* No noxious or offensive activity shall be carried on or permitted upon any of the property, nor shall anything be done thereon which may be an annoyance or nuisance to the other property owners. By way of illustration, and not of limitation, the discharge of firearms and driving motorcycles or snowmobiles on a property may constitute a nuisance within the meaning hereof and, at the discretion of the Association, may be expressly prohibited. Provided however, driving motorized recreational vehicles to or from the Lots is allowed.

SECTION 12. *Fences:* All fencing, walls, or other barriers shall be subject to the review and approval of the AERC and shall be kept in good maintenance and repair.

SECTION 13. *Vehicles:* Vehicles are defined as either motorized or non-motorized (e.g., including but not limited to automobiles, motorcycles, motor bikes, tractors, recreational, watercraft/boats, ATVs, snowmobiles, wagons, trailers, buggies, etc.). Exceptions may include certain vehicles on display as a planned element of a landscape plan approved by the AERC. All vehicles shall be parked in garages or driveways and no vehicle shall be parked upon a common roadway. Each owner shall be responsible to see that visitors and guests park accordingly. Vehicles parked on driveways must be in good working order and in active use. Active use is defined as used at least weekly. Boats, campers and camper-trailers may be kept or stored on the properties but must be screened from view. The Association shall have the authority to promulgate rules and regulations for restricting the types and manner of use of vehicles which may be operated on roadways within the Property, including but not limited to motorcycles, motorbikes and bicycles.

SECTION 14. *Antennas, Poles and Other Structures:* Radio, satellite dishes and other antennae are permitted. Fuel tanks must either be buried underground in compliance with all applicable State and Federal regulations or screened from view.

SECTION 15. *Temporary Structures:* No structure of a temporary character, trailer, mobile home, tent, shack, garage, barn or other outbuilding shall be placed upon the property or be used on any property at any time as a residence, either temporarily or permanently. A construction trailer may be allowed, with prior approval of the AERC but only during the time of residential construction and must be promptly removed upon completion of construction. Guests of owners may park motor homes or recreational vehicles on the property of such owner and reside temporarily in such vehicles. Any such use of a Lot for a period exceeding 60 days must be approved by the Board of Directors of the Association.

SECTION 16. *Drainage Control:* Reasonable precaution shall be taken during construction and thereafter, to prevent erosion and drainage problems. All disturbed soil areas shall be promptly re-vegetated in such fashion as to minimize erosion and weed introduction. Driveways shall be constructed so as not to interfere with drainage and shall include culverts of appropriate size to prevent obstruction of water flow. No construction or landscaping will be

allowed that increases or changes the flow of water onto adjacent properties. The washing of mud or other debris from any property onto the common road shall be strictly controlled.

SECTION 17. *Timber:* Timber shall not be cut or sold on or from any property on a commercial basis, other than by the Declarant, although such timber and foliage may be cut and portions of said Lot cleared for improvement to the property for residential construction, views, animal pasture, or sound forest husbandry. No further cutting of trees is permitted within a 50 foot buffer or set-back zone surrounding each Lot, except to promote the health of the native forest or as provided in Section 18, below.

SECTION 18. *Set-Back Areas:* There shall be a protected set-back area (an area where no structures may be built or placed) around the entire perimeter of each Lot. The set-back area shall be 20 feet on lots 6 acres or less; 50 feet on Lots over 6 acres up to 30 acres and 100 feet for all lots over 30 acres, determined by measuring inward from a perpendicular to the exterior lot boundary line. There shall be no development within the setback areas, including no removal of any trees larger than 6 inches in diameter when measured from a point 12 inches from the ground. The Declarant is excluded from this section. The AERC has the power to waive or modify compliance with this section on a case by case basis when a hardship is shown by the Lot owner.

SECTION 19. *Exterior Lighting and Night Sky Protection:* Outdoor lighting fixtures and installations shall be regulated to improve nighttime safety and security, to promote energy efficiency, to reduce lighting which is detrimental to the environment or private property, and to preserve and promote the natural character of Glacier Hills subdivision. It is recognized and confirmed that the character and nature of the Glacier Hills subdivision includes the enjoyment and preservation of the unobstructed night sky. All outdoor lighting which is routinely left on during extended periods of the day or night, except incandescent fixtures of one hundred twenty total watts or less and other sources of seventy watts or less, shall be fully shielded or cutoff (no light is emitted above a horizontal plane)(examples are available from the AERC). No night light may stay on all night, be automatically triggered by dusk, or shine onto a neighbor's land or into the border buffers. All outside continuous lighting shall be turned off by 11:00 PM. No mercury-vapor light fixtures are allowed. Common area lighting, such as street lights and entrance gate lights, and low lumen house number lighting and door bell ringer lighting, are specifically allowed at all times. If security illumination is a concern, the use of lights on motion detectors which stay lit for a maximum of 5 continuous minutes is recommended.

SECTION 20. *Firewise Defensible Standards:* Firewise defensible space standards shall be incorporated around all primary structures and improvements in accordance with current best practices outlined by the State & Flathead County.

ARTICLE V **HOMEOWNERS' ASSOCIATION**

SECTION 1. *Membership:* The Glacier Hills Homeowners' Association, to be formed by Declarant, shall have as members the owner of each property in the development. In addition, the Association shall have as members the owner of each property contained in any annexed

properties. Every person or entity who is the record owner of a fee or undivided fee interest in any property which is subject to assessment by the Association shall be a member of the Association; excepting however, any person or entity who has sold or is selling any such Lot under a contract for deed shall not qualify as a member of the Association. Every person or entity purchasing any property under a contract for deed shall be a member of the Association. The business of the Association shall be under the control of the Association's Board of Directors and its members as set forth in the Association's By-laws.

The foregoing is not intended to include persons or entities who hold a beneficial interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of the property which is subject to the assessment by the Association. Ownership of such property shall be the sole qualification for membership. The Declarant shall be considered as the property owners for purposes of Association membership, and shall therefore be a member of the Association so long as the Declarant owns one or more Lots.

Members shall participate in the Association in the manner prescribed by the Articles and By-laws of the Association, and resolutions of the Association's Board of Directors. The primary purposes of the Association shall be to: (1) administer and enforce these Covenants; (2) to own, control, maintain, operate and improve the entrances, roads and trails which serve the Property and (3) to manage, maintain, and improve the common areas and any other property, real or personal which may be owned or acquired by the Association.

SECTION 2. *Association Property:* In the event any real or personal property is conveyed to or acquired by the Association, then every Owner shall have a right and easement of enjoyment in and to the Association Property which shall be appurtenant to and shall pass with the title to every Lot subject to:

- a. The right of the Association to charge reasonable fees for, and to impose reasonable restrictions on the use, care, maintenance and improvement of said property.
- b. The right of the Association to dedicate or transfer all or part of said property for such purposes and subject to such conditions as the Association may provide.

ARTICLE VI **ASSESSMENT/COLLECTION**

SECTION 1. *Assessment/Creation of Lien:* In order to finance the costs of maintaining, repairing, operating and improving the roadway, entrance areas, parks and other common areas, including weed control on all common areas and easements, and other costs incurred in owning and operating the same and to enforce and administer these covenants, each Owner, by accepting a deed to, or land contract for the purchase of a property within this development, whether or not specifically so expressed in said conveying instrument, shall be deemed to agree and shall be bound to pay Annual Dues, Special Assessments and Non-Compliance fines established pursuant

to the provisions of these covenants. Assessments, whether special or regular, may be collected on a monthly, quarterly, or yearly basis as determined by the Board of Directors, together with interest, costs and reasonable legal fees incurred in the enforcement of the provisions of this article.

SECTION 2. *Lien:* Annual Dues, Special Assessments, Non-Compliance Fines and Association initiated remedial action costs, as provided herein, together with any interest costs, and reasonable legal fees incurred in collecting same, shall be a charge on the Owner's property, and shall be a continuing lien against said property as of the date the amount becomes egregiously delinquent, as put forth in the Association Collection Policy and Procedure, or the Association Non-Compliance Procedure. Said amount shall also be a personal obligation of the owner of the property at the time when said assessment becomes due.

SECTION 3. *Purpose:* Assessments herein shall be used for the general purpose of acquiring and maintaining property of the Association and administering and enforcing the covenants.

SECTION 4. *Assessments:* The Board of Directors shall levy Annual Dues and/or Special Assessments, authorized by a majority of the Association Owners subject to assessment to cover the annual association operating budget and any one time projects. If a true emergency occurs, as declared by the Board, there will be no time to solicit a vote, and the Board is authorized to obligate the Association as necessary. The first year for which regular annual assessments shall be established and collected shall be the calendar year 2004.

SECTION 5. *Uniform Rate:* Regular annual assessments must be fixed at a uniform rate for all properties. Initially the regular annual assessment shall be \$100.00 on each lot owned by any person other than the Declarant. It is the intent that a lot shall not be subject to assessment until it is sold by the Declarant.

SECTION 6. *Assessment Period/Due Date:* Annual dues as provided herein shall commence as against all lots on the 1st day of January 2004. The Board of Directors shall determine the amount of the regular Annual Dues against each lot by December 15th of the preceding year. Commencing January 1, 2004, an Annual Dues period shall consist of a calendar year. Written notice of the regular Annual Dues shall be sent to every owner subject thereto. Upon an owner purchasing a lot, his or her liability for regular Annual Dues and Special Assessments shall be prorated on a daily basis to the extent of the number of days remaining from date of purchase in any Annual Dues or Special Assessment period. Said proration shall be based on a 365 day year.

From time to time, the Board of Directors may also execute a Special Assessment for specific purposes, such as but not limited to, placement of a gated entry, road repairs, emergency projects and so on. A written notice is required of such a Special Assessment and must be sent to each Owner subject thereto. The Board shall establish the period over which the assessment is to be paid as well as the amount, and due date(s) for receipt of payments. Special Assessments, unless of emergency in nature and must be undertaken immediately, as recommended by the Board of Directors, must be authorized by the Association, as outlined in Article IV, Section 4:

Assessments.

SECTION 7. *Membership:* Any Annual Dues, Special Assessment or Non-Compliance Fine amounts not paid within thirty (30) days after the due date shall bear simple interest as provided by Montana state law on the principle balance(s) from the due date at 10% per annum. The Association may bring an action against the Owner of the property in default as stated in the Association Collection Policy and Procedure. Such Annual Dues, Special Assessment and/or Non-Compliance Fine amounts shall be a personal obligation. In addition to the amount of the Annual Dues, Special Assessment and/or the Non-Compliance Fine and interest thereon, in the event of any such action, the Association shall be entitled to all legal fees incurred and costs.

SECTION 8. *Subordination of Assessment Lien:* The lien of any assessment provided herein shall be subordinate to any purchase money security interest for a property acquired herein or construction lien for the construction of a residence herein when said lien secures the owners obligation for acquisition or construction.

ARTICLE VII
RESERVATION OF ROADWAY and UTILITY EASEMENT

Declarant hereby reserves and retains the right over, under, and across the 60 foot wide private roadway as it passes over, across and through each lot as more fully shown and depicted on Certificates of Survey Nos.15609 for the purpose of ingress and egress to and from each property and for the purpose of locating, installing, erecting, constructing, maintaining or using underground electric and telephone lines and other utilities. The Declarant hereby declares that said roadway is private in all respects and the easement hereby reserved and retained shall be conveyed by the Declarant to the Association and is intended to be dedicated for the use of the owners of the lots and the association shall thereafter be the owner of and have control over the roadway.

The association shall apportion the cost of maintaining and improving the roadways owned by the association equally between all lots.

All costs for extension of utilities and telephone lines from the private road to structures on a property shall be borne entirely by that property owner, and all such utilities shall be underground. Any property owner who shall place any building, improvement, shrub, hedge or tree on any easement right of way reserved herein shall be required without notice at the request of any other affected property owner, the Declarant, or utility company to remove such structure, improvement or vegetation if such removal shall facilitate installation, repair or maintenance of utilities or the roadway within said easement area.

ARTICLE VIII
ANNEXATION

If within five years of the date of this Declaration, Declarant develops additional lands lying adjacent to the property subject to these covenants such additional lands may be annexed to

As adopted and amended by
reception numbers 200315308130, 200800001929, 201300014968, 201400002727, 201400005867, 202400006435

the association (and thereby add to its membership in the incorporated association) at the discretion of the Declarant and without the assent of any members of the association. Although the development of such additional lands will be in accordance with a general plan for the overall development of Glacier Hill's by the Declarant, each such additional area so developed shall be subject only to those protective covenants as may be made applicable to that area.

ARTICLE IX **TERM OF DECLARATION**

The provisions of this declaration shall be binding for a term of twenty (20) years from the date of this Declaration after which time the Declaration shall automatically be extended for successive periods of ten (10) years unless there shall be recorded an instrument signed by the owners of 67 % of the properties then subject to these covenants who agree to change this declaration in whole or in part.

ARTICLE X **AMENDMENTS**

This Declaration may be amended from time to time by a vote of the owners of at least 67% of the lots then in existence. Documentation of all votes cast shall be retained by the Board of Directors. This vote must be certified by the Board of Directors, with an instrument containing the notarized signatures of all Directors. Amendments to be effective must be recorded in the office of the Clerk and Recorder of Flathead County, Montana.

ARTICLE XI **ENFORCEMENT**

SECTION 1. *Who may enforce covenants:* The Declarant, the Association, the AERC or any property owner shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants and amendments now or hereafter imposed pursuant to the provisions of this Declaration. The failure of the Declarant, the Association, the AERC or any owner to enforce any covenant or restriction herein contained shall not be deemed to be a waiver of the right to do so thereafter. The Declarant shall not have the duty to take any affirmative action to enforce any restrictive covenants nor shall it be subject to any liability for its failure to so act.

SECTION 2. *Attorneys fees and costs:* If any person or entity in Section 1 above commences legal proceedings in court to enforce any provisions of these covenants, the prevailing party in such action shall be entitled to recover from the other party reasonable attorneys fees and costs of said action.

SECTION 3. *Severability:* Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect the remaining provisions which shall remain in force and effect.

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SECTION 4. *Construction and binding effect:* These covenants shall be construed pursuant to the laws of the State of Montana and shall be binding upon the heirs, successors and assigns of the parties hereto and time is of the essence in complying with these covenants.

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

SPOKLIE & HOOVER

by: _____
Robert L. Spoklie

by: _____
Thomas Hoover

STATE OF MONTANA)
)ss.
County of Flathead)

On this 15th day of May, 2003, before me, the undersigned, a Notary Public for the State of Montana, personally appeared ROBERT L. SPOKLIE and THOMAS HOOVER, known to me to be the managing partners of the above named partnership that executed the above instrument and whose name is subscribed to the within instrument, and acknowledged to me that they executed the same on behalf of said partnership with proper authority and as the act of the partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, the day and year in this certificate last above written.

Notary Public for the State of Montana
Residing at Kalispell, Montana
My Commission Expires _____, 20__

