

MASTER DEED RESTRICTIONS

N & E VENTURES I, LLC, a Montana limited liability company, to be known as the "Founder," establishes these Master Deed Restrictions on the 17th day of June, year of 2002.

STATEMENT OF PURPOSE:

- A. The Founder is master planning and developing portions of the real property in Missoula, Montana, as a new traditional neighborhood development to be known as Hellgate Meadows. Hellgate Meadows will comprise the 40 acres described on Exhibit A (the "Master Plan Area").
- B. Traditional neighborhood development is intended to establish pedestrian-friendly communities through the use of smaller lot sizes, narrower, tree-lined streets, sidewalks, and, in some areas, rear garage access through the use of alleys. Unlike typical suburbs which separate homes from businesses and force dependence on the automobile, Hellgate Meadows design is intended to mix commercial and residential uses in a way which provides the essentials of life and enlivens the community.
- C. Detailed guidelines, to be known as Hellgate Meadows Design Code, regulate setbacks, porches, outbuildings, building materials and other matters essential for the creation of outdoor and civic spaces. Each Parcel owner, by constructing a building in accordance with Hellgate Meadows Design Code, helps form the outdoor spaces of this community, which will enhance the value of Founder's investment and, ultimately, all property within Hellgate Meadows.
- D. A community is formed when buildings are built and occupied. To establish a community of residents and to create a streetscape of buildings, rather than empty lots, Founder wishes to require each Parcel owner to build a building within a certain time limit.
- E. To ensure the proper application of Hellgate Meadows Design Code and to further



the development of the community, Founder wishes to subject each deed for property which is a part of the Master Plan Area being developed by Founder and which is described on Exhibit A to certain deed restrictions, which shall be considered to be part of the grantee's consideration for each Parcel.

F. While the rights reserved by this instrument shall initially be reserved to the Founder during the development period, it is intended that certain rights be conveyed to the Associations, so that the plan of architectural control be continued throughout the lifetime of the community.

IMPOSITION OF DEED RESTRICTIONS:

The Founder hereby submits to these deed restrictions the real property within the Master Plan Area described on Exhibit A (and, in accordance with Section 1.4(a), within any additional property which is submitted to these Master Deed Restrictions), including each separately conveyable parcel ("Parcel") which has been platted or which shall be platted, and all common areas ("Commons") created or to be created. These Deed Restrictions shall run with the land and be binding upon each owner of the Parcel, and the owner's heirs, personal representatives, successors and assigns (together, the "Owner") and upon the Association, whether or not these Deed Restrictions are individually recorded or noticed with each deed.

GENERAL NOTE: 1. It is the express intention of the Founder that the following Master Deed Restrictions, as well as the Design Code adopted in conjunction therewith to regulate land use, architecture and environment, shall apply only to that portion of Hellgate Meadows to be developed by the Founder described on Exhibit A attached. The same intention on the part of the Founder exists with respect to any Declaration of Covenants, Restrictions and Easements adopted contemporaneous herewith with regard to the property described on Exhibit A. Consequently, notwithstanding anything to the contrary hereinafter contained, these Master Deed Restrictions and the related Design Code and Declaration of Covenants, Restrictions and Easements described in the preceding sentences, shall apply only to the 40 acres described on Exhibit A unless other property owned by Founder (or with the express written consent of the owner and the Founder) is expressly added by the Founder at a later date by the recording of documents reflecting that express intention.

2. The following Articles include a brief summary of the purpose and/or content of the article. The summary is not intended to alter or amend or to contradict any substantive provision of any of the articles. Consequently, only the provisions which follow each numbered article summary shall be referred to or relied upon in interpreting the meaning of any provision of these Master Deed Restrictions.



ARTICLE I: Definitions

1.1 Generally. The following definitions apply wherever the capitalized terms appear in these Master Deed Restrictions or in any Declaration, unless the Declaration provides a definition specific to that Declaration. To aid in understanding the relationships between terms, terms are grouped functionally. Additional terms which apply only to one article or section will be defined as they appear.

1.2. Documents.

(a) Master Plan. The Master Plan is the initial plan for the development of the Master Plan Area. The Master Plan is subject to change. Based on market conditions, governmental requirements or other modifications which may be made as development progresses, if approved by the City of Missoula, and if necessary, with the concurrence of the County of Missoula.

(b) Master Deed Restrictions. These Master Deed Restrictions, which apply to all deeds granted within that portion of Hellgate Meadows described on Exhibit A, are intended to ensure the proper application of Hellgate Meadows Design Code during the development stage and to impose other restrictions designed to further the development of Hellgate Meadows.

(c) Declaration. Each "Declaration" shall be a Declaration of Easements, Covenants and Restrictions, which provides for the ongoing operation and maintenance of that portion of Hellgate Meadows described on Exhibit A. The Residential Neighborhood and the Village Core will each have its own separate Declaration, which will be recorded after these Master Deed Restrictions. Other portions of Hellgate Meadows may have a separate Declaration as well. The term "Declaration" shall also include the Declaration of Covenants and Restrictions for townhouses or row houses to be recorded to the extent that development of that nature occurs in the Master Plan Area, as townhouses or row houses will be subject to additional provisions which relate to those particular kinds of residential structures.

(d) Supplemental Declaration. A "Supplemental Declaration" is an instrument which may be recorded by the Founder, all in accordance with the applicable Declaration provision to make additional property subject to any such Declaration.

(e) Design Code (Hellgate Meadows). "Hellgate Meadows Design Code," as further described below in Section 3.1, regulates land use, architecture and environment within Hellgate Meadows.





1.3 Parties.

(a) Founder. The "Founder" is N & E Ventures I, LLC, a Montana limited liability company, its successors and assigns. The Founder may also be an Owner for so long as the Founder is record owner of any Parcel.

(b) Association. As further described in Section 1.6, the Residential Neighborhood Declaration shall establish "Hellgate Meadows Residential Neighborhood Association" whose members are the Owners of Parcels within the land subject to the Residential Neighborhood Declaration. The Village Core Declaration may also establish an Village Core Association whose members are the Owners of Parcels within the last subject to the Village Core Declaration. The Associations shall be responsible for developing, maintaining, repairing, and if necessary, replacing the Commons located within and upon the property subject to the respective Declarations, and for enforcing the Declaration as it pertains to the respective property subject thereto.

(c) Owner. "Owner" is the record owner, whether one or more persons or entities, of the fee simple title to any Parcel. Owners shall not include those having such interest merely as security for the performance of an obligation.

1.4 Land Definitions.

(a) Hellgate Meadows. The real property described on Exhibit A attached shall be made subject to the Master Deed Restrictions and shall be known as "Hellgate Meadows". However, Hellgate Meadows shall comprise the Master Plan Area described on Exhibit A attached. Additional land owned by Founder (or with the express written consent of owner and the Founder) may be added in accordance with the terms of the Master Deed Restrictions.

(b) Master Plan Area. The Master Plan Area comprises approximately 97 acres, 40 acres of which will be developed by the Founder, N & E Ventures I, LLC, as the initial phase of the development and will be subjected to the Master Deed Restrictions. The initial phase to be developed by Founder is described on Exhibit A attached.

(c) Residential Neighborhood (Hellgate Meadows). The "Residential Neighborhood" shall be the primarily residential portion of Hellgate Meadows described on Exhibit A attached which shall be subject to the Neighborhood Declaration.

(d) Village Core (Hellgate Meadows). The "Village Core" is intended to be the mixed-use and higher density/more intense use portion of Hellgate Meadows described on Exhibit A attached and shall be subject to a separate Village Core Declaration.

(e) Commons. "Commons" comprises real property and non-exclusive easement

rights within the Residential Neighborhood or Village Core designated as Commons on any plat or granted by the Founder to the Association, for the common use and enjoyment of all Owners. "Commons" shall include planter strips which are adjacent to dedicated common roads and lanes which may be maintained by the Residential Neighborhood. "Commons" shall also include any improvements on that real property or easement areas or personal property for the Owners' common use, and any other property of any type specifically designated as Commons. The Commons will include sidewalks. It is anticipated that the Commons shall include walkways, landscaped areas (including boulevards and parks), public restrooms and facilities.

(f) Zone. "Zones" are smaller, contiguous areas within the Master Plan Area which by virtue of the Village Regulations adopted as a part of the Master Plan, define the type(s) of use permitted within each zone, including, but not limited to, building type(s) and character. The Master Plan as approved by the City of Missoula for the property described on Exhibit A-1 and the Village Regulations adopted therein are incorporated herein by reference as if set forth herein in full. Owners of property within a Zone may be assessed for maintenance of property primarily serving that Zone. The Village Regulations, which are in the form of Ordinance No. 3198 adopted by the City of Missoula on February 4, 2002, are available at the office of the City Clerk, Missoula City Hall, Missoula, Montana, and that ordinance is otherwise available at the office of the Founder and/or Hellgate Meadows Village Architect.

(g) Parcel. A "Parcel" is the smallest parcel of land which may be separately conveyed. Most Parcels will be designated as numbered, separately identifiable lots on the recorded subdivision plat which encompasses the Parcel. Once improved, the Parcel includes any buildings or other permanent improvements. Each condominium unit shall be considered a Parcel; if a portion of the building has not been declared into condominium ownership, that portion of the building shall be considered an additional Parcel. The Founder may redefine Parcels prior to sale to third parties by dividing or combining Parcels or portions of Parcels or adjusting the boundary of a Parcel.

(h) Special Use Parcel. A "Special Use Parcel" is a lot of unconventional size, shape, location or use which calls for special design considerations. Typically, a Special Use Parcel will be used for commercial, educational or institutional purposes, multi-family residential or community or recreation facilities.

(i) Residential Unit. A "Residential Unit" is any separate dwelling and ordinarily includes a kitchen. A Residential Unit shall include a detached single-family home, townhouse or row house or other attached dwelling (such as each half of a duplex unit), an apartment or condominium unit, and a residential dwelling within a mixed-use building.





1.5 Architectural Review Definitions.

(a) Architectural Review Board (Hellgate Meadows). Hellgate Meadows "Architectural Review Board" is the panel established by these Master Deed Restrictions to administer the Design Code.

(b) Village Architect (Hellgate Meadows). The position of Hellgate Meadows Village Architect, and the selection of the Village Architect, is established under these Master Deed Restrictions. As provided in these Master Deed Restrictions, the Village Architect either serves as a member of Hellgate Meadows Architectural Review Board or selects a similarly qualified individual to serve as a member of Hellgate Meadows Architectural Review Board.

(c) Design Code (Hellgate Meadows). The "Design Code" for that portion of Hellgate Meadows described on Exhibit A attached establishes the plan for the development of Hellgate Meadows through its regulation of land use, architecture and environment, as further described in Section 3.1. The Design Code does not need to be recorded to be effective but shall be available from Hellgate Meadows Architectural Review Board.

(d) Development Period. The Development Period begins immediately upon recording of this instrument and continues so long as the Founder owns at least five (5) Parcels in that portion of the Master Plan Area described on Exhibit A attached or holds at least two (2) Parcels for sale in the normal course of business. For the purposes of this definition, the term "Parcel" may include lots which are not yet platted or improved but which are indicated on the Master Plan for future development. The Founder may terminate its rights concerning the Development Period at any time by written, recorded notice. During the Development Period, the Founder may select the original Village Architect and any subsequent Village Architect, and shall select the remaining members of the Architectural Review Board.

1.6 Association Definitions.

(a) Association. The Residential Neighborhood Declaration and the Village Core Declaration shall each establish an entity to develop, maintain, repair, and if necessary, replace the portion of the Commons contained within the area made subject to the respective Declaration, and to enforce the respective Declarations. To accomplish this, the Residential Neighborhood Declaration shall establish an "Association" whose members are the Owners of Parcels within the land subject to that Declaration. The Village Core Declaration will establish an Association whose members are the Owners of Parcels within the land subject to that Declaration. When used in this instrument, the term "Association" may include such an entity, unless the context requires otherwise. The name of each of the Associations is as provided in the applicable Declaration.

- (b) Member. Each Owner is a "Member" of the Association, as provided in the applicable Declaration.
- (c) Board. "Board" is the Board of Directors of the Association as provided in the applicable Declaration.
- (d) Articles. "Articles" are the Articles of Incorporation of the Association as provided in the applicable Declaration.
- (e) Bylaws. "Bylaws" are the Bylaws of the Association as provided in the applicable Declaration.
- (f) Community Meeting. The "Community Meeting" is the public meeting of Members for discussion and voting, as described in the applicable Declaration.
- (g) Assessments. "Assessments" is the collective term for the following Association charges:
- (i) General Assessment. The "General Assessment" is the amount allocated among all Members to meet the Association's annual budgeted expenses.
 - (ii) Individual Parcel Assessment. An "Individual Parcel Assessment" is a charge made to a particular Parcel Owner for charges relating only to that Parcel, or for Zone charges.
 - (iii) Special Assessment. A "Special Assessment" may be charged to each Parcel for capital improvements or emergency expenses.

ARTICLE II: | Development Plan

2.1 Mixed Use.

(a) Separate Declarations. The Founder intends to develop residential, mixed-use and commercial areas within the Master Plan Area, all of which are intended to be an integral part of the community as provided in the Zoning Matrix adopted as a part of the Master Plan. The Master Plan for that portion of Hellgate Meadows described on Exhibit A attached comprises two parts: the Residential Neighborhood, which is the primarily residential portion; and the Village Core, which brings together a mixture of more intense and higher density uses. The Residential Neighborhood and Village Core each will be submitted to separate Declarations to provide a standard of maintenance, to adopt covenants and restrictions for use of the property, and to establish for each an Owners' Association. In addition, the Founder may file a Declaration of Covenants and Restrictions for Townhouses

or Row Houses as townhouses or row houses developed within the Master Plan Area may be subject to additional provisions which relate to those particular kinds of residential structures.

(b) Cooperation. Operation of Hellgate Meadows will require cooperation between the Residential Neighborhood Association and the Village Core Association. It is anticipated that the entities will meet on a regular basis to discuss activities and common concerns.

2.2 Property Subject to Master Deed Restrictions.

(a) Initial Property. Property subject to these Master Deed Restrictions shall be known as "Hellgate Meadows" and shall consist initially of that portion of the Master Plan Area encompassing 40 acres described on Exhibit A attached and intended for development as a portion of a unified, traditional neighborhood development, inclusive of the Village Core.

(b) Additional Property. The Founder may, from time to time in its sole discretion and with no obligation to do so, add any qualified property to Hellgate Meadows by the recording of a supplemental instrument submitting the qualified property to these Master Deed Restrictions. Any of the following properties, if owned by the Founder (or with the express written consent of the owner and the Founder), shall be considered qualified properties:

- (i) contiguous property;
- (ii) property any portion of which is within one-half mile of any portion of Hellgate Meadows, whether or not contiguous (including property separated from Hellgate Meadows by a public street, body of water or other property); or
- (iii) any other property with a reasonable relationship to Hellgate Meadows.

2.3 Submission of Property to Declaration. The Founder intends that any property within that portion of Hellgate Meadows described on Exhibit A attached which is conveyed to a party other than the Founder be made subject to a Declaration. If through error a Declaration is not recorded prior to, or at the time of, such a conveyance, the Founder shall have the right to record a corrective instrument imposing upon such property a plan for assessments and use restrictions consistent with that agreed between the parties in the purchase and sale agreement or other instrument, or, if no such agreement exists, consistent with other similar property within Hellgate Meadows.

2.4 Master Plan. The Master Plan and conceptual drawings represent the current intent of the Founder for the development of Hellgate Meadows. However, the Master Plan and

conceptual drawings are subject to change and may be modified based on market conditions, governmental or engineering requirements, changing land use conditions and other modifications which may be made as development progresses.

ARTICLE III: | Design Code

3.1 Establishment of Design Code. The Founder has established Hellgate Meadows Design Code (hereinafter "Design Code") for that portion of the Master Plan Area described on Exhibit A attached, which comprises the following, all as may be amended from time to time:

(a) The Master Plan, which depicts the streets, Commons, and residential, commercial and civic use Parcels for the Master Plan Area;

(b) The Village Regulations, which establish setbacks, lot coverage and other similar matters;

(c) The Architectural Standards, which guide the design of buildings and describe the materials of which buildings may be constructed; and

(d) Landscape Standards, which regulate erosion control and stormwater detention, irrigation, preservation of existing trees and the planting of new trees and plants.

(e) Architectural Review Procedure with forms, which describes the review process for compliance with all of the above.

All construction within the Master Plan Area shall comply with the Design Code in effect at the time of the submittal, unless a variance is granted as provided in Section 4.3 (d).

3.2 Permitted Uses. Permitted uses for Parcels, which may include residential use, civic use, recreational use or retail, office, restaurant or other commercial use, shall be determined based on the Design Code. One of the Parcels in the Village Core will be created for use as a combination restaurant and/or bed and breakfast facility, which shall include the right to serve on-premises alcoholic beverages so long as a proper liquor license is procured from the State of Montana. At the Founder's discretion, the Founder shall record the determination of permitted uses at the time of the Parcel's addition to Hellgate Meadows, or at any time up to and including the time of conveyance of the Parcel to someone other than the Founder. If the Founder fails to make such a determination of record, the Design Code, or the approval of the building or modification under Article IV, may describe permitted uses. Uses may be revised by modification of the Design Code in accordance with Section 3.4; however, no such modification shall require the removal or cessation of a legally existing use on a particular Parcel without the Parcel Owner's consent. Provided, however, that

notwithstanding any other provision of these Master Deed Restrictions to the contrary, Founder expressly declares that the following businesses shall not be permitted on any of the property located within the Master Plan Area, to-wit: tattoo parlors, pawnshops, title loan or check cashing facilities, adult bookstores, or establishments which derive revenue from gambling or gaming devices or as a result of the conduct of gambling or gaming activities. The foregoing list of prohibited uses is not intended to be exhaustive and may be amended from time to time to include other prohibited uses which are found to be inconsistent with the implementation of the philosophy of the development of Hellgate Meadows as a traditional neighborhood development.

3.3 Hellgate Meadows Architect.

(a) Qualification. Hellgate Meadows Architect shall have a professional degree in architecture or urban design from an accredited university, or shall have comparable qualifications. Hellgate Meadows Architect needs to be licensed to practice in the State of Montana.

(b) Selection. Hellgate Meadows Architect shall be selected as provided by Section 4.7. and shall serve at the pleasure of the entity entitled to select Hellgate Meadows Architect.

3.4 Modification of the Design Code. With the consent of the Founder, Hellgate Meadows Architect may revise any part of the Design Code from time to time for any of the following reasons:

(a) To make changes which Hellgate Meadows Architect believes will better accomplish the objectives of Hellgate Meadows;

(b) To adjust for market conditions; or

(c) To recognize changing land use conditions over time, both from within and outside Hellgate Meadows.

3.5 Applicable Governmental Statutes and Ordinances. It is the intent of the Founder that Hellgate Meadows Design Code be consistent with all applicable requirements of state and local law, including those modifications of state or local law which are made to accommodate Hellgate Meadows. In the event of a conflict, Founder and Hellgate Meadows Architect shall be afforded the opportunity to attempt to resolve the issue with the applicable agency and, if necessary, revise Hellgate Meadows Design Code.



3.6 Attractiveness and Safety of Units- Compliance with Regulatory Authority Regulations.

(a) Installation of Fire Sprinklers. Any building constructed in the Village Core shall be equipped with structural fire sprinklers installed for fire suppression purposes. The sprinklers shall be of sufficient capacity and design for the building and shall be installed in a manner approved by the City of Missoula Fire Marshal.

(b) Regulation of Wood Burning Stoves or Fireplaces. The Missoula City-County Air Pollution Control Regulation prohibits the installation of wood burning stoves or fireplaces. Pellet stoves that need emission requirements or natural gas or propane fireplaces may be installed. Pellet stoves require an installation permit from the Health Department.

(c) Airport Influence Area Regulations and Owner/Declarant's Disclosure. A portion of the Real Property is located within the Missoula County Airport Influence Area and is subject to the requirements of the Missoula County Airport Influence Area Resolutions. The resolutions that created the Airport Influence Area were adopted by the Board of County Commissioners for Missoula County pursuant to Resolution No. 78-96 and amended by Resolution No. 78-187 dated July 5, 1978 and December 6, 1978, respectively, and recorded in Book 121 of Micro Records, page 1319 (Resolution 78-96) and Book 135 of Micro Records, page 474 (Amendment by Resolution 78-187). A portion of the real property is further subject to an Avigation Easement entered between the Declarant and the Missoula County Airport Authority, dated the 10th day of June, 2002 and recorded on the records of the Missoula County Clerk and Recorder in Book 683, Micro Records at Page 647, all of which limit and restrict the rights of the Owners of Lots within Hellgate Meadows Subdivision, now and into the future. The limitations and restrictions set out in these documents should be reviewed carefully prior to purchase by all prospective purchasers of Lots. The Avigation Easement includes a map attachment Exhibit "B" which depicts a portion of Phases 1 and 2 of Hellgate Meadows Subdivision subject to the Avigation Easement, and a legal description Exhibit "C" which describes the portion of Phases 1 and 2 of Hellgate Meadows Subdivision subject to the Avigation Easement. Prospective purchasers and Owners are advised that the operations at the airport may change and/or expand in the future, thereby changing and/or expanding the impacts felt on the portion of the Real Property subject to the Avigation Easement. Prospective purchasers and Owners are advised and should consider before purchasing a Lot that noise, vibration, dust, fumes, smoke, vapor and other effects from aircraft may occur, which may cause inconvenience or annoyance that may vary from Lot to Lot and that may affect people in different ways or extent. Federal funding for soundproofing, other mitigation of these impacts, or for acquisition of these properties is not available at present, nor in the future. The provisions of paragraph 3 of the above-described Avigation Easement executed by the Owner/Declarant provides for a full waiver and release by Owner/Declarant of any right or cause of action which it now has or may have in the future against the Missoula County Airport Authority,



its successors and assigns, on account of or arising out of such noise, vibration, dust, fumes, smoke, vapor or other effects heretofore or hereafter caused by the operation of aircraft in said air space and/or by operations at the Missoula County Airport. The acquisition of a Lot or Lots in Hellgate Meadows Subdivision subject to the Avigation Easement and the aforementioned Resolutions by a prospective purchaser shall constitute an express acknowledgment and agreement by such prospective purchaser on behalf of prospective purchaser, its heirs, personal representatives, successors and assigns, that prospective purchaser fully waives and releases Owner/Declarant, N & E Ventures I, LLC, a Montana limited liability company, and its successors and assigns, as well as the Missoula County Airport Authority and its successors and assigns, of any right or cause of action which prospective purchaser now has or may have in the future as the purchaser and occupant of a Lot or Lots in Hellgate Meadows Subdivision against N & E Ventures I, LLC, a Montana limited liability company, and/or the Missoula County Airport Authority and their respective successors and assigns, on account of or arising out of such noise, vibration, dust, fumes, smoke, vapor or other effects heretofore or hereafter caused by the operation of aircraft in the air space and/or by the operations at the Missoula County Airport within the Missoula County Airport Influence Area. This paragraph may not be revised without the written consent of the Missoula County Airport Authority, which consent shall not be unreasonably withheld.

(d) Common Parking Regulations (Including Maintenance Obligations). Lots 1-12 within Hellgate Meadows, Phase 1, a recorded subdivision of Missoula County, share parking on the parcel designated and labeled "Common Parking Area" on the recorded subdivision plat. Ownership of the Common Parking Area has been apportioned between the owners of lot(s) 1-12 Phase I as tenants in common. The percentage of ownership interest in the Common Parking Area for each lot(s) owner has been derived, in each instance, based upon a quantification of projected parking use as a function of the projected use of each owner's lot(s), taking into consideration frequency and timing of use, coupled with the size (square footage) encompassed within each owner's lot. The respective percentage interest of each lot(s) owner, based upon application of the foregoing factors, has been determined preliminarily by Owner/Declarant and is set forth on Exhibit "D", attached hereto and incorporated herein by reference. At any time until the final sale of lots which share parking in the Common Parking Area has been completed, Owner/Declarant reserves the express right to unilaterally reapportion the respective percentage interests of each remaining unsold lot(s) based upon actual parking usage, which shall be predicated upon the results of a parking study to be prepared at the instance of the Office of Planning and Grants of the City of Missoula. The respective percentage interests of the remaining unsold lot(s) may be adjusted and reapportioned accordingly. Additionally, in the event any lot owner contemplates the need to revise their allocated share of parking to increase that share based upon a change in existing use or to accommodate a use not originally contemplated by the lot owner, no such change in allocated share shall be permitted unless and until the lot owner commissions and pays for a parking study prepared to the standards acceptable to the Office of Planning and Grants of the City of Missoula. Furthermore, whether the results of the



study justify the change in the allocated share of common parking spaces shall require the written concurrence and approval of the Owner/Declarant and the Office of Planning and Grants of the City of Missoula.

Owner/Declarant will be responsible for the initial construction of the Common Parking Area, including, but not limited to, grading, surfacing, striping, landscaping and irrigation. Purchaser shall reimburse Owner/Declarant at closing for its share of the initial cost of construction based upon Purchaser's percent of ownership interest in the Common Parking Area.

The owners of the Common Parking Area, and their successors and assigns, shall have the sole responsibility for the ongoing upkeep and maintenance and/or improvement of the Common Parking Area. Annually, during the period March 1– March 31 each year, representatives of the owners of the Common Parking Area shall meet to determine the scope of general maintenance and/or improvement to be undertaken during the next calendar year (i.e., April 1– March 31) for the general benefit and well-being of the Common Parking Area users, and to agree upon the maintenance and/or improvement plan that fairly and adequately addresses maintenance or improvement needs. The decision of a majority of the owners, based upon their percentage of ownership of the Common Parking Area, shall be determinative. The maintenance and or improvement to be undertaken shall be pursuant to a bid(s) obtained from one or more business entities capable of undertaking and discharging the general maintenance and or improvement. The cost of such maintenance and/or improvement shall be shared and apportioned based on the percentage ownership in the Common Parking Area of each owner. Each owner shall pay its respective share of such costs within fifteen (15) days of the completion and billing for each element of the maintenance and or improvement undertaken in fulfillment of the maintenance and/or improvement plan. Each owner's share of the cost shall be deemed a zone assessment and a zone expense pursuant to paragraph 10.4 of this Village Core Declaration. Failure of an owner to pay its respective share of the cost shall subject it to the remedies available pursuant to section 10.9 of this Village Core Declaration.

In the event of the need to repair any portion of the Common Parking Area by virtue of damage caused by acts of God or other circumstances beyond the control of the owners, owners or their representatives, shall determine a proper course of action to implement repair on an expedited basis. The principles set forth in the preceding paragraph regarding payment responsibility shall apply.

Notwithstanding the foregoing provisions, each owner shall be solely responsible for the repair of damage which occurs as a result of the owner's actions. The owner's actions shall include but not be limited to actions attributable to the owner's agents, servants, contractors, employees or invitees.

The owners of the Common Parking Area shall have the right to form a common,



separate legal entity for purposes of ease of administration of the Common Parking Area, or to reasonably limit their individual liability for the use thereof. Provided, however, that the creation of such a legal entity shall in no manner limit or restrict the transferability of each party's respective ownership interest as an incident of or appurtenance to each owner's lot(s), nor shall it relieve any owner from responsibility for the discharge of its respective share of costs of maintenance and/or improvement. Provided further, that ownership and use of the Common Parking Area shall always be in common and shall not be capable of segregation or division in any manner or by any means, including, but not limited to, agreement of the owners, by partition, the exercise of any other proceedings in law or in equity, or by the exercise of any legal remedy, including, but not limited to, remedies which would otherwise be available in proceedings in foreclosure.

Any owner of an interest in the Common Parking Area may develop private parking on its lots which will be maintained and used exclusively by and for that owner. In the event ingress and egress through the Common Parking Area is required to accommodate private parking, such ingress and egress shall be allowed, provided that any loss of parking within the Common Parking Area arising by virtue of such ingress and egress shall be attributed to that owner. Under such circumstance, the owner's use of the Common Parking Area shall be reduced accordingly without adjustment to the owner's payment obligation.

ARTICLE IV: | Review Procedure

4.1 Architectural Review Board (Hellgate Meadows). The Architectural Review Board shall have a minimum of three members as follows:

(a) Hellgate Meadows Architect. Hellgate Meadows Architect shall serve on the Architectural Review Board.

(b) Additional Members. At least two individuals, selected as provided by Section 4.7. and who shall serve at the pleasure of the entity which appointed them.

4.2 Construction Subject to Review.

(a) Parcels. Prior to construction, Hellgate Meadows Architectural Review Board must review and approve construction plans and specifications for all improvements on any Parcel within the Master Plan Area. No construction on any Parcel shall begin and no improvements on any Parcel shall be modified except in accordance with an approved plan. Once a plan is approved, any modification to that plan, or any modification to the finished Parcel, must also be reviewed and approved.

(b) Commons. Construction of any structure upon the Commons (other than initial construction by the Founder), or modification of any existing structure, as well as

any material alteration of the landscaping or topography of any Commons, must be reviewed and approved in advance by Hellgate Meadows Architectural Review Board.

(c) Scope. Hellgate Meadows Design Code shall set standards for all aspects of the Parcel visible from the outside, including without limitation the size and shape of the building, its roof, windows, doors, porches and other components, placement on the lot, fences, drainage, paving and landscaping and all finish materials. Hellgate Meadows Design Code may also regulate the type, placement and number of residential or business units which may be constructed on a Parcel and the uses to which those units may be put. Hellgate Meadows Design Code may also regulate and shall require review of building materials and color selection and selection and placement of any ornamentation or functional accessories, including but not limited to the following:

- (i) materials and color selection for the main building and any outbuilding (including roof, doors, windows and trim);
- (ii) driveways, walks, patios and other ground surface materials;
- (iii) antennas, satellite dishes or receivers, solar panels or other devices which are visible from outside the Parcel;
- (iv) fountains, swimming pools, whirlpools or other pools;
- (v) privacy walls or other fences and gates;
- (vi) awnings, flower boxes, shelves, statues, or other outdoor ornamentation, and window coverings visible through the window;
- (vii) construction trailers or other trailers, temporary structures, tents, shacks, and sheds;
- (viii) the parking and/or storage of boats, recreational vehicles, travel or livestock trailers (including fifth wheel trailers), three or four wheel all terrain vehicles, motorcycles, or similar equipment or instrumentalities;
- (ix) signage of any type; and
- (x) permanent or semi-permanent play equipment, whether or not secured, such as tree houses, basketball hoops, skateboard ramps and swing sets.

The listing of a category does not imply, in any respect, that such construction is permitted.

(d) Exception. Interior construction and modifications not affecting the external structure or appearance of any building are not subject to review. However, construction drawings are required as part of the review process to assist in interpreting the design.

(e) Trees. A consistent line of trees which shade, enclose and define the street are an important part of traditional neighborhood design and are part of Hellgate Meadows Design Code. Owners may be required to plant street trees on their Parcel or public right-of-way adjacent to their Parcel, in accordance with Hellgate Meadows Design Code, to maintain street trees, and to replace street trees which die or which

become damaged or diseased. The cutting, removal or intentional damage of new or existing trees (including neglect, excessive pruning or failure to use due care with equipment or when removing other trees permitted to be removed) shall be strictly regulated under Hellgate Meadows Design Code. Hellgate Meadows Architectural Review Board may require the relocation and replanting of trees which must be removed for construction. If particularly significant trees are found within the building setback lines, Hellgate Meadows Architectural Review Board shall determine whether the placement of the building should be altered to accommodate the trees, or whether the trees may be removed.

(f) Drainage. All plans shall comply with applicable drainage, water conservation, erosion control and stormwater detention requirements. No alteration of existing grade or any planting, fences or other improvements which alter the flow of water shall be permitted without the express consent of Hellgate Meadows Architectural Review Board.

(g) Modifications. Modifications after completion of construction, or additions or changes to the approved plans during construction, must be reviewed and approved. However, review is not required to repaint with originally approved materials and colors, or to replace the roof or other components with duplicates of the original material. Significant new landscaping, grading and any removal or substantial pruning of trees or plants must be reviewed and approved in advance.

4.3 Review Procedure.

(a) Application. The plans to be submitted for approval shall include (i) the construction plans and specifications, including all materials and colors, (ii) elevations of all proposed improvements (iii) proposed clearing, grading and landscaping, and (iv) all other items required by Hellgate Meadows Architectural Review Board. Plans and specifications for review shall be submitted in the form required by Hellgate Meadows Architectural Review Board.

(b) Uniform Procedures. Hellgate Meadows Architectural Review Board may establish forms and procedures for the review of applications, including review costs and fees, if any, to be paid by the applicant. Hellgate Meadows Architectural Review Board may provide lists of pre-approved materials and may allow Hellgate Meadows Architect to review and approve of routine or minor matters.

(c) Basis for Decision. Applications shall be approved or denied based upon compliance with the provisions of Hellgate Meadows Design Code and overall quality of design. If Hellgate Meadows Architectural Review Board rejects an application due to overall design quality, despite compliance with Hellgate Meadows Design Code, Hellgate Meadows Architectural Review Board shall make suggestions for improving the design



but shall be under no obligation to implement actual design revisions on behalf of the applicant.

(d) Variances. Hellgate Meadows Architectural Review Board may grant variances from Hellgate Meadows Design Code based on existing topographical or landscape conditions, existing trees, or architectural merit. Any such variance must be in writing. Approval of a variance does not constitute a precedent for other applications, and such requests may be arbitrarily denied.

(e) Notification; Construction; Inspection. Hellgate Meadows Architectural Review Board shall make best efforts to notify the applicant of its decision within the time allowances set out in its design approval process handbook. However, a delay in reviewing an application shall not be deemed consent to construction. If approval is given, construction of the improvements may begin. All construction must comply with the submitted plans. Hellgate Meadows Architectural Review Board or its agent may inspect the property during construction but has no obligation to make any such inspection.

(f) Completion. When the primary building and landscaping are completed in substantial compliance with the approved plans and specifications and within the time limits described in Article V, Hellgate Meadows Architectural Review Board and Founder shall issue a Certificate of Substantial Conformance. The Certificate shall describe any areas of deficiency which need to be corrected. All fines and other enforcement shall be waived so long as the deficiencies are corrected within sixty (60) days. Upon correction of all deficiencies, Hellgate Meadows Architectural Review Board shall issue a Certificate of Completion and Release in recordable form.

(g) Governmental Compliance. Owners are responsible for making sure that construction conforms to governmental regulations and all local building codes. If Hellgate Meadows Architectural Review Board notes noncompliance, the Owner will be required to make the necessary changes. However, Hellgate Meadows Architectural Review Board is not responsible for assuring or enforcing compliance by Owner with governmental requirements.

4.4 Architects and Builders.

(a) Generally. The creation of Hellgate Meadows streetscape depends on the quality of design and construction, and strict adherence to Hellgate Meadows Design Code. While architects and builders are selected by the Owner, they must obtain the requisite approvals from Hellgate Meadows Architectural Review Board. Consequently, Owners are encouraged to use care in selecting builders and/or architects who have the capacity to construct a quality structure in compliance with Hellgate Meadows Design Code.





4.5 Enforcement.

(a) Suit Permitted. If any construction is begun which has not been approved or which deviates from approved plans and specifications, Hellgate Meadows Architectural Review Board, Hellgate Meadows Architect, the Founder or the Association may require the Owner to resolve the dispute through binding arbitration or may bring suit seeking damages, specific performance, declaratory decree and/or injunction, or any other remedy at law or in equity. The Board shall be empowered to bring suits on behalf of the Association. If suit is brought and the court finds that the construction was not approved or that the construction deviated from the approved plans or specifications, then the party initiating suit shall also be awarded reasonable attorney's fees and costs, even if the relief requested is not granted.

(b) Trees. Improper cutting, removal, lack of care or intentional damage to existing trees is subject to fines plus a requirement that the tree be replaced with an approved species of comparable caliper, or, if approved by Hellgate Meadows Architectural Review Board, a combination of trees totaling the caliper of the removed tree. The amount of any fine shall be set by Hellgate Meadows Architectural Review Board and shall be of a sufficient magnitude to deter any repeat of prohibited activities or conduct.

(c) Drainage. After reasonable notice (except in an emergency), the Founder or the Association shall have the right to enter onto a Parcel and correct improper grading or other modification to the Parcel which causes drainage problems. Such corrections shall be made at the cost and expense of the Owner of the Parcel, who shall promptly reimburse the Founder or the Association, as applicable. The Parcel shall be subject to a lien for the cost if not paid. The Founder or the Association, as applicable, shall not be required to repair or replace landscaping or other improvements after such action.

(d) No Waiver. Failure to enforce any provision of these Master Deed Restrictions shall not be deemed a waiver of the right to do so at any time thereafter. Variances from Hellgate Meadows Design Code may be granted in particular circumstances; however, such variances shall not create a precedent for other applications.

4.6 Liability. Hellgate Meadows Architectural Review Board and its designated inspectors or agents are concerned primarily with aesthetic considerations, and are not responsible for compliance with governmental requirements or design or construction defects or use of materials affecting the safety or structural integrity of the building. Approval by Hellgate Meadows Architectural Review Board of an application shall not constitute a basis for any liability of Hellgate Meadows Architect, the Founder, or members of Hellgate Meadows Architectural Review Board, Board of Directors or

Association, or their designated inspectors or agents, for failure of the plans to conform to any applicable building codes or inadequacy or deficiency in the plans resulting in defects in the improvements, or for the performance or quality of work of any builder or architect which may have been approved by it, or for non-compatible or unstable soil conditions or soil erosion, or any other physical condition of the property.

4.7 Selection of Hellgate Meadows Architect, Review Board Members.

(a) Selection by Founder. During the Development Period as defined in Section 1.5, the Founder may select the original Meadows Architect and any subsequent Meadows Architect, and shall select the remaining members of Hellgate Meadows Architectural Review Board. All such appointees shall serve at the Founder's pleasure.

(b) Assignment of Founder's Rights. Founder's rights to retain and select Hellgate Meadows Architect and Meadows Architectural Review Board members shall be assigned to the Association upon the first to occur of the following:

- (i) Upon written notice at any time at the Founder's election, or
- (ii) Automatically, at the end of the Development Period as defined in Section 1.5.

Notwithstanding, by written notice to the Association at any time, the Founder may elect to retain indefinitely such rights as they pertain to the Village Core.

(c) Village Core. When the Founder no longer selects the members of Hellgate Meadows Architectural Review Board, Hellgate Meadows Architectural Review Board established by these Master Deed Restrictions shall have jurisdiction over all of the property within Hellgate Meadows developed by the Founder (i.e., Hellgate Meadows Residential Neighborhood and Hellgate Meadows Village Core developed by the Founder).

4.8 Financial Support. The Association shall pay the Village Architect, other professionals and staff reasonable compensation for serving on Hellgate Meadows Architectural Review Board, as determined from time to time by the Board. All members and all professionals and staff shall be compensated for expenses. The Association shall set Hellgate Meadows Architectural Review Board's review fees to cover all or part of the expected cost of its operation. If fees do not cover the cost, the Association shall fund the deficit. Fees shall not be intended to create a surplus, other than an ordinary operating fund for the Architectural Review Board to which any excess fees shall be contributed. The Architectural Review Board may employ personnel or contract with individuals or companies as necessary to assist in the review process.

ARTICLE V: | Covenant to Complete Building on Parcel

5.1 Restrictions on Building, Resale.

(a) Restriction; Purpose. To allow for community development and to discourage speculation which results in empty lots, the Owner of a Parcel must substantially complete construction of a primary building on the Parcel, in accordance with plans and specifications approved by the Architectural Review Board within a limited period of time (the "Construction Period"), as described in Section 5.2, unless the deed or other recorded instrument from the Founder releases or modifies the restriction as to that Parcel.

(b) Completion. A primary building shall be considered complete when it has received a Certificate of Substantial Conformance as described in Section 4.3, and satisfies the requirements for receiving a certificate of occupancy from the City of Missoula.

(c) Holder of Rights. The right to enforce this Article V is held originally by the Founder, who may assign these rights, in whole or in part, at any time to the Architectural Review Board or to the applicable Association or management entity. **The time limit for construction does not apply to any Parcels held by the Founder or any entity related to or affiliated with the Founder.** At the end of the Development Period as defined in Section 1.5, all of the Founder's rights under this Article V shall be automatically assigned to the applicable Association or management entity.

5.2 Architectural Review; Time Limit. Unless otherwise specified in the deed or other recorded instrument from the Founder, Owner shall:

(a) Submit initial plans and begin the architectural review process within six (6) months from the closing date of the purchase of the Parcel;

(b) Begin construction of a primary building on the Parcel, in accordance with approved plans and specifications, within nine (9) months from the closing date (the "Construction Start Date");

(c) Diligently pursue construction once construction has begun; and

(d) Substantially complete the building, including landscaping, within nine (9) months from the Construction Start Date for Single Family Residential Parcels, and within twelve (12) months for any building other than Single Family Residential Parcels, i.e., commercial, higher density residential, etc. (the "Required Completion Date").

Failure to make significant progress during any thirty-day period shall be considered a failure to diligently pursue construction under (c). The time periods in (b) and (d) shall be extended



for casualty, extreme material shortages, extreme weather conditions or other significant matters beyond the builder's control.

(e) Preferred Builders – Founder contemplates that one or more of the preferred builders may desire to acquire lots for resale after constructing custom finished improvements (i.e., single family residence or other permitted structures as primary buildings, etc.) reflective of the quality of the builder's design and work product. In all circumstances involving a preferred builder who acquires multiple lots for development purposes, Founder reserves the absolute right, in Founder's sole discretion, on a case by case basis, to vary the time frames set forth in subparagraphs (a), (b) and (d) above. Factors to be taken into consideration by Founder in varying the time periods may include, but shall not be limited to, the number of lots so acquired, the present projected market for the resale of completed fully improved properties within the project (including the availability of long-term financing), and the capacity of the preferred builder to realistically accommodate the orderly build-out of its inventory of lots within the project. Any modification of the foregoing time periods will be agreed upon and evidenced in writing, which will be available from the Founder upon written request by any lot owner or prospective lot owner within the project.

(f) Founder recognizes that unpredictable variables which affect the Missoula real estate market may at times create legitimate hardships for completion of the primary building by an individual lot owner. By way of example, an owner who acquires a lot who must first dispose of other improved residential property occupied by the owner in order to build the primary building, may be thwarted in having the resources available to complete the primary building if the currently occupied structure does not sell. Under such circumstances or comparable circumstances, the Founder reserves the right to grant an extension of the date to commence construction pursuant to subparagraph (b) above for up to six months.

The grant of such an extension shall be in Founder's sole and absolute discretion on a case by case basis. In order to receive consideration from Founder for such an extension, written application must be made to the Founder by the individual owner not less than thirty days prior to the date for commencement of construction of the primary building as otherwise provided in subparagraph (b) above. The application must set forth in detail the reason(s) for requesting an extension and the nature of the hardship which will be sustained in the absence of a grant of extension of the date to commence construction. The application shall also set forth the amount of time requested for the extension, not to exceed six months. Such consideration shall not be available to an individual who owns more than one lot upon which the primary building has not been completed. Furthermore, no more than one extension shall be granted by Founder in each instance to an individual owner.

5.3 Enforcement. If Owner fails to comply with the requirements of Section 5.2 or if Owner deviates from the approved plans and specifications and fails, after reasonable notice, to correct the deviation, then Founder shall have the following options:

(a) If the Parcel is unimproved, Founder shall have the right, but not the obligation, to repurchase the Parcel for a total purchase price equal to the amount paid by the Owner to Founder or any related entity for the purchase of the property, plus 6% per annum of the amount so paid, calculated and prorated to the date of repurchase. Any mortgage or lien on the Parcel, all closing costs for the repurchase, and a resale fee of 5% shall be deducted from the amount required to be paid to Owner by Founder.

(b) In all other circumstances, the Founder shall have the right, but not the obligation, to repurchase the parcel for a total purchase price equal to the amount paid by Owner to Founder or any related entity for the purchase of the Parcel, plus 6% per annum of the amount so paid, calculated and prorated to the date of repurchase, plus the cost or fair market value, **whichever is less**, of any improvements made in accordance with plans approved by the applicable Design Review Board. Any mortgage or lien on the Parcel, all closing costs for the repurchase and a resale fee of 5%, shall be deducted from the amount required to be paid to Owner by Founder.

(c) The right, but not the obligation, to repurchase the Parcel for a total purchase price equal to the amount paid by Owner to Founder or any related entity for the purchase of the Parcel or the current fair market value of the Parcel, whichever is less, plus the cost or fair market value, whichever is less, of any improvements made in accordance with plans approved by the applicable Architectural Review Board. Any mortgage or lien on the Parcel, all closing costs for the repurchase and a resale fee of 10% shall be deducted from the amount required to be paid to Owner by Founder.

(d) The right to receive the difference between the amount paid by Owner to Founder (increased by the cost or fair market value, whichever is less, of any improvements made in accordance with plans approved by the applicable Architectural Review Board) and the resale price of the Parcel. Such amount will be both the personal obligation of the Owner under this agreement and a lien on the Parcel.

Unless Owner has obtained a Certificate of Completion and Release as provided in Section 4.3, and except as provided in Section 5.4, Founder may exercise its rights against Owner at any time before the Required Completion Date or within two (2) years after the Required Completion Date. Founder may preserve its enforcement rights by recording, within two (2) years after the Required Completion Date, a lien or other notice of its intent to exercise its rights. Founder may assign any or all of its rights under this Section 5.3, and may exercise any of its rights through an assignee or other designee.





5.4 Subordination to Mortgage.

(a) Effect. Founder and any designee or assignee of Founder's rights under Section 5.3 agrees to subordinate its right of repurchase to the first mortgage or deed of trust liens of an institutional lender (specifically including Fannie Mae and any bank, savings and loan association or insurance company) under the terms of this section, which shall be effective whether or not noted in the deed. A lender in granting a mortgage or other lien subject to this right of repurchase agrees to these terms. Except as described in this section, the right of repurchase by Founder or its applicable designee or assignee shall not be subordinate to any other encumbrances.

(b) Assumption of Mortgage. If Founder exercises its right of repurchase while lender's mortgage or other lien encumbers the Parcel, Founder shall take the Parcel subject to the mortgage or other lien, and lender in granting a mortgage or other lien subject to this right of repurchase agrees to allow Founder or its applicable designee or assignee to repurchase the Parcel subject to the mortgage or such other lien.

(c) Mortgage Foreclosure. If lender seeks to foreclose the lien of its mortgage or other lien or accepts a deed in lieu of foreclosure before the Required Completion Date or within two (2) years thereafter and Founder has not provided a release and satisfaction of its rights as provided in Section 5.1, Founder shall be notified of the foreclosure action or conveyance. Founder's rights of enforcement under Section 5.3 shall not be extinguished by foreclosure or deed in lieu of foreclosure but shall continue as a restriction on the lot.

(d) Extension. If lender has acquired title through a foreclosure or a deed in lieu, then lender may give notice to Founder that it wishes to extend the Required Completion Date. Founder shall be given thirty (30) days after such notice from lender in which to exercise a repurchase right by payment to lender of the amount obtained or bid by the lender in such foreclosure (or amount owed, for deed in lieu), plus interest at the stated rate of the note (not default rate) provided by the mortgage or deed of trust at the time of foreclosure or deed in lieu. Founder may exercise such rights whether or not the conditions for default under Section 5.3 are met at the time the notice is given. If Founder does not exercise its repurchase right, then Founder shall grant, in recordable form, an extension of the construction period provided in Section 5.2 as follows:

(i) If construction of the primary building has not begun, the date of the foreclosure or deed in lieu shall be considered the new closing date.

(ii) If construction of the primary building has begun, lender shall have a new Construction Start Date of six (6) months from the date of the foreclosure or deed in lieu, to allow lender to contract with a builder and to complete the architectural review process for any modifications to the approved plans and specifications. Lender or lender's assignee must then diligently pursue construction and substantially complete

the building, including landscaping, within a reasonable time, based on the amount of completion. The amount of time to complete construction shall not exceed the time which would have been allowed under Section 5.2 (d), beginning from the new Construction Start Date.

Subject to the extended dates, Founder's rights of enforcement under Section 5.3 shall continue as a restriction on the Parcel.

5.5 Resale Restriction. If Owner (including a lender who acquires title) has not constructed a building on the Parcel in accordance with approved plans and specifications prior to reselling the Parcel, the Parcel shall remain subject to all restrictions. Except as modified under Section 5.4, the Plan Submittal Date, Construction Start Date and Completion Date shall continue to run from the closing date from Founder or other grantor to the original Owner, not the resale.

ARTICLE VI: | Founder's Additional Reserved Rights

6.1 Easements in Favor of the Founder. The easements provided by this section are intended to permit the Founder to continue and complete construction of the Master Plan Area, whether or not that property is ultimately submitted to a Declaration. Furthermore, Hellgate Meadows is intended to follow design principles which allow interconnectivity of streets with neighboring communities. Accordingly, the Founder hereby reserves for itself, its successors and assigns (which shall expressly include providers of public or private utility services) the following easements, which shall benefit all properties within the Master Plan Area and all other properties owned by Founder or its assigns which are adjacent to, or reasonably near, Hellgate Meadows (including property separated from Hellgate Meadows by a public road), whether or not such properties are developed as part of Hellgate Meadows;

(a) Private Roads and Paths. A nonexclusive easement for use of any roads or streets which are not accepted for dedication to the public and which are intended for automobile traffic (other than rear lanes or other similar access roads which are intended for use only by residents on that road), along with a nonexclusive easement for appropriate use of any pedestrian or bicycle paths. If such roads become a primary means of access to a community which is not made part of Hellgate Meadows, and Hellgate Meadows does not similarly use the roads of such community, such community shall contribute its pro rata share of the cost of Hellgate Meadows road maintenance.

(b) Utility Easements. An Easement(s) as designated on the face of the plat upon, across, over, through, and under Hellgate Meadows for ingress, egress, installation, replacement, repair and maintenance of all public and private utility and service systems. These systems and services include, but are not limited to, water, sewer, irrigation systems,

drainage, telephone, electricity, natural gas, television, security, collection of garbage and recyclable materials, cable or communication lines and other equipment. By virtue of this easement(s) the Founder, and its successors or assigns, may install and maintain facilities and equipment, excavate for such purposes and affix and maintain wires, circuits and conduits. The Founder and the Association shall have the right to reasonable entry upon and temporary use of the property immediately adjacent to said easement(s) for necessary activities related to constructing, maintaining, improving, repair or removing elements of the public and/or private utility and service systems. Provided, however, that Founder and the Association shall only make such excavation as is reasonably necessary for the installation, maintenance, improvement, repair or removal of said public and/or private utility and service systems.

(c) Police Powers. A blanket easement throughout Hellgate Meadows for private patrol services, and for police powers and services supplied by the local, state and federal governments. The reservation of such easement does not imply that any such service shall be provided.

(d) Drainage, Erosion Controls. A blanket easement and right on, over, under and through the ground within Hellgate Meadows to maintain and to correct drainage of surface water and other erosion controls. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health or safety or to comply with governmental requirements. The entity which exercises this easement shall be responsible for notifying the affected Owners (except in an emergency) but shall not be obligated to restore landscaping or other improvements. This easement may be exercised at the option of the Founder and shall not be construed to obligate Founder to take any affirmative action to correct conditions.

(e) Encroachment. An easement for any improvements constructed on the Commons which encroach on any Parcel, whether due to any minor deviation from the subdivision plat of Hellgate Meadows or the settling or shifting of any land or improvements.

(f) Maintenance of Commons. To the extent reasonably necessary, an easement over any Parcel for maintenance of the Commons.

(g) Continued Construction. To the extent reasonably necessary, an easement over, under and through any roads, whether public or private, and any other Commons for construction equipment and any other purpose related to continued construction of any property within the Master Plan Area.

6.2 Reservation of Exclusive Easements. Founder hereby reserves for itself and its assigns exclusive easements within all of Hellgate Meadows for installation, replacement, repair and maintenance of cable and fiber optic systems. By virtue of this easement the Founder, and its successors or assigns, may install and maintain facilities and equipment, excavate for such purposes and affix and maintain wires, circuits and conduits. However, the



exercise of this easement must not unreasonably disturb each Owner's right of quiet enjoyment of his Parcel.

6.3 Right of Way Dedicated for Additional Street Connections. The Master Plan and the plat of Hellgate Meadows Subdivision include two lots which have been dedicated by Founder as right of way for two additional street connections from O'Leary Street to the southerly boundary of Hellgate Meadows Subdivision. The two lots are described as Lot 40, Phase II of Hellgate Meadows Subdivision and Lot 185 of the preliminary plat of Phase III of Hellgate Meadows Subdivision. The final plat approval of Hellgate Meadows Subdivision by the City of Missoula provides that the rights of way dedicated by Founder over these two lots shall not be required to be developed with full street improvements unless the adjacent property to the south dedicates a continued public right of way to the south within two years of the date of filing of the final plat of Phase III of Hellgate Meadows Subdivision. In the interim and pending such dedication, the Founder agrees that it will dedicate and pave a 20 foot right of way being 10 feet on either side of the center line of Lot 40, Phase II of Hellgate Meadows Subdivision in order to provide access to the alleyways behind Lots 41 and 39, Phase II of Hellgate Meadows Subdivision, in an easterly and westerly direction, respectively. The remainder of Lot 40, Phase II, Hellgate Meadows Subdivision, will be landscaped by Founder. A like arrangement will be effected by Founder with respect to Lot 185 of the preliminary plat of Phase III of Hellgate Meadows Subdivision, depending upon the status of the dedication of the continued public right of way to the south at the time of the filing of the final subdivision plat for Phase III, Hellgate Meadows Subdivision.

6.4 Models; Sales and Management Offices. The Founder reserves for itself and its assigns the right to maintain a sales office, a management office and an unlimited number of models within Hellgate Meadows. These facilities may be located on any Parcel in Hellgate Meadows and may be relocated from time to time at the Founder's discretion. The sales office, management office and models may be owned by different entities, including builders and other entities which are unrelated to the Founder. At the end of its use as a sales or management office or model, the Parcel shall be owned by the owner of record, subject to all normal covenants and restrictions for Hellgate Meadows. Subject to state law and local ordinances, the Founder or its assigns may maintain signs on the Commons and on the sales office, management office and models advertising Hellgate Meadows.

6.5 Commercial Use of Images. The Founder reserves the following rights:

(a) Commons. The exclusive right to grant permission for the Commons to be photographed, sketched, painted or its image otherwise reproduced for commercial use (including without limitation its use as a motion picture set or as a background for the display of fashions or other goods), and

(b) Exteriors. The right to grant permission for similar reproduction of the exteriors of any other part of Hellgate Meadows which can be viewed from streets, alleys or Commons. Such exteriors may be reproduced without the consent of, or payment to, the Parcel Owner, but the above right is not intended to prevent any Parcel Owner from granting



independent permission for any part of Hellgate Meadows owned exclusively by that Owner, in which case the consent of the Founder shall not be required.

The Founder may collect a fee for its consent to the use of such images, or for the providing of support services to photographers or others. The exercise of these rights shall not interfere with normal and customary rights of architects as to structures designed by them. Consent of the Founder shall not be required for photography or other reproductions of the images of Hellgate Meadows in connection with any news or feature coverage, for academic purposes, or by any governmental agency or other entity interested in the promotion of the City of Missoula, State of Montana, the development of tourism or commerce or any other similar purpose.

6.6 Name.

(a) Name and Trademark. The Founder reserves the name "Hellgate Meadows" and the right to trademark the name "Hellgate Meadows" or other name of the community as a trade name owned by the Founder. An Owner may use the trademarked name to describe the location of the business, and may advertise a business as being located "in Hellgate Meadows" or other trademarked name. If requested by the Founder, Owner shall accompany such use with a symbol or explanation concerning trademark or service mark registration of the name. Owner may not use the trademarked name in any other manner without the express permission of the Founder, which may be arbitrarily denied.

ARTICLE VII: | General Provisions

7.1 Assignment. Founder may assign all or any portion of its rights at any time for all or part of the Master Plan Area to a related entity, to a successor Founder, or to the Association.

7.2 Additional Property. Unless a notice is recorded specifically to the contrary, the submission of additional property to the Declaration for Hellgate Meadows shall automatically extend the provisions of these Master Deed Restrictions to the additional property as well. Founder may record a notice in the public records extending these Master Deed Restrictions to the additional property or may modify these Master Deed Restrictions as to the additional property without the need to obtain the prior consent of any Owner.

7.3 Amendment.

(a) By Members. Except as otherwise specified, these Master Deed Restrictions may be amended only with the written consent of the Owners of either two-thirds of the Parcels or two-thirds of the land, by acreage, within the Master Plan Area, whichever approval can be more readily obtained. **During the Development Period, the written consent of the Founder shall be required as well.** For the purposes of this definition, the

term "Parcel" may include lots which are not yet platted or improved but which are indicated on the Master Plan for future development.

(b) By the Founder. To the extent permitted by law, the Founder specifically reserves the absolute and unconditional right to amend these Master Deed Restrictions without the consent or joinder of any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association or any other generally recognized institution involved in the guarantee or purchase and sale of mortgages, (ii) to conform to the requirements of institutional mortgage lenders or title insurance companies, (iii) to comply with governmental requirements, (iv) to clarify the Master Deed Restrictions' provisions or correct errors, or (v) to modify these Master Deed Restrictions with respect to additional property made subject to its provisions by Founder.

(c) Limitations. Whenever any action described in these Master Deed Restrictions requires approval of greater than sixty seven percent (67%) of the Parcel Owners, amendment of that provision shall require the same percentage vote as would be required to accomplish that action directly. Rights reserved to the Founder may not be amended without the specific consent of the Founder. After assignment of Founder's rights under Articles III and IV to the Association, those provisions shall be amended as provided in the Declaration.

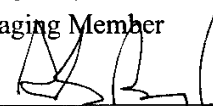
(d) Recording. Any amendment shall take effect upon recording in the public records.

7.4 Enforcement. In addition to the various enforcement rights specified in this instrument, Founder may bring suit in any court of competent jurisdiction to enforce specific performance of its rights under this Agreement or to seek damages.

In witness whereof, the undersigned does execute these Master Deed Restrictions as of the day and year first above written.

N & E VENTURES I, LLC, a
A Montana limited liability company

By: NEIGHBORHOODS BY DESIGN, LLC
Its Managing Member

By: 
Robert G. Brugh, Managing Member



STATE OF MONTANA)

: ss.
County of Missoula)

This instrument was acknowledged before me on this 17th day of JUNE, 2002 by ROBERT G. BRUGH, known to me to be the Managing Member of NEIGHBORHOODS BY DESIGN, LLC, a Managing Member of N & E Ventures I, LLC, a Montana limited liability company.

(SEAL)

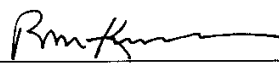
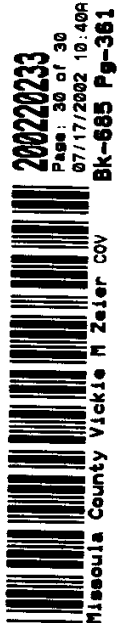

Printed or Typed Name Robert M. Knapp
Notary Public for the State of Montana
Residing at Missoula Montana
My commission expires Jan 27, 2004

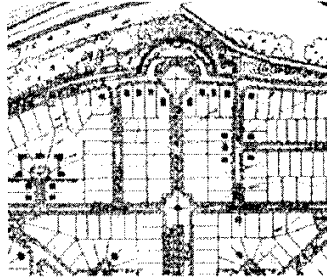


EXHIBIT A

Exhibit A shall consist of the 40 acres of the Master Plan Area to be developed by the Founder, N & E Ventures I, LLC.

Phases I and II of Hellgate Meadows Subdivision. Additional Phases of Hellgate Meadows Subdivision, inclusive of the remainder of the 40 acre tract, will be added to these Master Deed Restrictions upon final plat approval of those Phases.





DECLARATION

of
Easements,
Covenants and Restrictions
for
the Residential Neighborhood

N & E VENTURES I, LLC, a Montana limited liability company, also known as the "Founder," makes this Declaration on the 17th day of June, year of 2002.

STATEMENT OF PURPOSE:

A. The Founder is developing portions of the real property in Missoula, Missoula County, Montana, a traditional neighborhood development to be known as Hellgate Meadows. *It is the express intention of the Founder that the following Declaration of Easements, Covenants and Restrictions for the Residential Neighborhood, as well as the Design Code adopted in conjunction therewith to regulate land use, architecture and environment, shall apply only to that portion of Hellgate Meadows to be developed by the Founder described on Exhibit A-1 attached. Consequently, notwithstanding anything to the contrary hereinafter contained, this Declaration of Easements, Covenants and Restrictions and the related Design Code described in the preceding sentences, shall apply only to that portion of the 40 acres described on Exhibit A-1 unless other property owned by Founder (or with the express written consent of the Owner and the Founder) is expressly added by the Founder at a later date by the recording of documents reflecting that express intention. Likewise, the name "Hellgate Meadows" shall be used only in conjunction with the development to occur on the property described on Exhibit A-1 and A-2 attached.*

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B. Hellgate Meadows comprises two parts: the Residential Neighborhood, which is the primarily residential portion; and the Village Core which brings together a mixture of commercial and high density residential uses, including apartments and townhouses or row houses. Unlike typical suburbs which separate homes from businesses and force dependence on the automobile, Hellgate Meadows design is intended to mix commercial, civic and residential uses in a way which enlivens the community.

C. This Declaration is intended to provide for the maintenance and operation of the Residential Neighborhood, while the Village Core is subject to a separate Declaration. In addition, the Declaration of Covenants and Restrictions for row houses (townhouses) has been recorded contemporaneous with this Declaration and includes additional provisions which relate to row houses constructed within the Residential Neighborhood.

D. *The Residential Neighborhood will have an owners' association to own, develop and maintain certain common parks and boulevards (herein "the Commons").*

E. All of the property within Hellgate Meadows described in Exhibits A-1 and A-2 attached shall be subject to Master Deed Restrictions, which shall be recorded immediately prior to this Declaration. Among other things, the Master Deed Restrictions regulate the construction and modification of buildings and other improvements within Hellgate Meadows.

F. The Founder records this Declaration for the Residential Neighborhood, and establishes an owners' association to enhance community life, to institute and enforce certain covenants and restrictions, to provide for further development and maintenance of the Residential Neighborhood's Commons, and to allow ultimately for self-governing of the Residential Neighborhood by its owners.

DECLARATION:

The Founder hereby submits that portion of the Master Plan Area owned by the Founder to this Declaration of Easements, Covenants and Restrictions. The portion of the Master Plan Area which is subject to this Declaration of Easements, Covenants and Restrictions is described on Exhibit A-1 attached hereto and incorporated herein by reference. The Founder hereby declares that the property comprising the Master Plan Area described on Exhibit A-1 shall be held, sold and conveyed subject to the covenants, restrictions and easements of this Declaration, which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title or interest in all or any part of that portion of the Master Plan Area subject to this Declaration.

NOTE: In accordance with paragraph 14.1 hereof, the following Articles include a brief summary of the purpose and/or content of the article. The summary is not intended to alter or amend or to contradict any substantive provision of any of the articles. Consequently,



only the provisions which follow each numbered article summary shall be referred to or relied upon in interpreting the meaning of any provision of this Declaration.

ARTICLE I: Definitions

The following definitions apply wherever the capitalized terms appear in this Declaration. Additional terms which apply only to one article are defined the first time they appear.

1.1 Architectural Review Board (Hellgate Meadows). "Hellgate Meadows Architectural Review Board" or "Architectural Review Board" is the panel established to administer Hellgate Meadows Design Code as established by the Master Deed Restrictions and described in Article V.

1.2 Articles. "Articles" are the Articles of Incorporation of the Association, which are attached as Exhibit C to this Declaration (Articles of Incorporation are to accompany the final Declaration for recording to establish a Montana nonprofit corporation as the legal entity creating the owners' association.).

1.3 Assessments. "Assessments" is the collective term for the following Association charges:

- a) General Assessment. The "General Assessment" is the amount allocated among all Members to be paid to meet the Association's annual budgeted expenses, as described in Section 10.3 and 8.4.
- b) Individual Parcel Assessment. An "Individual Parcel Assessment" is a charge made to a particular Parcel Owner for charges relating only to that Parcel, as provided in Section 10.5 and 8.7, or for Zone charges.
- c) Special Assessment. A "Special Assessment" may be charged to each Parcel for capital improvements or emergency expenses, in accordance with the provisions of Section 10.4.

1.4 Association. "Association" is Hellgate Meadows Residential Neighborhood Association, Inc., a Montana nonprofit corporation, its successors and assigns. The Association, whose members are the Owners, is responsible for maintaining the Neighborhood and enforcing the Declaration.

1.5 Board. "Board" is the Board of Directors of the Association.

1.6 Building. "Building" is any residential, mixed-use or commercial building constructed on any Lot. If permitted by Hellgate Meadows Design Code, a Building may



be attached to another Building and share party walls. Hellgate Meadows Design Code may permit the construction of two or more Buildings or two or more Residential Units on a Lot.

1.7 Bylaws. "Bylaws" are the Bylaws of the Association which are attached as Exhibit D to this Declaration. (The Bylaws of the Association are to accompany the final Declaration for recording to establish the Bylaws for the Montana nonprofit corporation which will be the legal entity creating the owners' association).

1.8 Commons. "Commons" comprises real property and non-exclusive easement rights within the Residential Neighborhood described on Exhibit B, or as designated on a plat or granted by the Founder to the Association, for the common use and enjoyment of all Owners. "Commons" shall include planter strips which are adjacent to dedicated common roads and lanes and which may be maintained by the Residential Neighborhood. "Commons" shall also include any improvements on that real property, all utilities, utility easements and other easement rights or personal property for the Owners' common use, and any other property of any type specifically designated as Commons. The Commons may include areas dedicated to the public to the extent that the Association agrees to maintain, or is required by this Declaration to maintain, such property.

1.9 Common Roads. "Common Roads" are the streets, lanes and alleys located within the Neighborhood which are intended for automobile and bicycle traffic, as well as for pedestrian walkways. Most of the Common Roads are intended to be dedicated to the public.

1.10 Declaration. "Declaration" is this Declaration of Easements, Covenants and Restrictions for that portion of Hellgate Meadows described on Exhibit A-1 attached. The term "Declaration" shall also include the Declaration of Covenants and Restrictions for townhouses or row houses recorded contemporaneous with this Declaration, to the extent that any property hereto is also included within and subject to the additional provisions which relate to townhouses or row houses constructed within the Residential Neighborhood.

1.11 Design Code (Hellgate Meadows). "Hellgate Meadows Design Code" establishes the development of Hellgate Meadows through its regulation of land use, architecture and environment. Hellgate Meadows Design Code is originally adopted by the Founder as provided in the Master Deed Restrictions and may be amended from time to time. The provisions of the Master Deed Restrictions which relate to Hellgate Meadows Design Code, including, but not limited to, paragraph 3.1 thereof, are incorporated herein by reference as if set forth herein in full. Hellgate Meadows Design Code does not need to be recorded to be effective but shall be available from Hellgate Meadows Architectural Review Board.

1.12 Founder. The "Founder" is N & E Ventures I, LLC, a Montana limited liability company, and its successors and assigns.



1.13 Lot. A "Lot" is a parcel of land intended for a single building, or a building and an outbuilding. Ordinarily, Lots are designated as numbered or lettered, separately identifiable parcels on the recorded subdivision plat of Hellgate Meadows, or, for unplatted areas, as shown on a site plan of property offered for sale as a part of Hellgate Meadows.

1.14 Master Deed Restrictions. The Founder, as the grantor of deeds within Hellgate Meadows, has recorded an instrument immediately prior to this Declaration known as the Master Deed Restrictions. The Master Deed Restrictions, which apply to all deeds granted within that portion of Hellgate Meadows being developed by Founder, are intended to ensure the proper application of Hellgate Meadows Design Code during the development stage and to impose other restrictions designed to further the development of the community.

1.15 Master Plan. The Master Plan is the initial plan for the development of the Master Plan Area. The Master Plan is subject to change based on market conditions, governmental requirements and other modifications which may be made as development progresses if approved by the City of Missoula, and if necessary, with the concurrence of the County of Missoula.

1.16 Master Plan Area. As further defined in the Master Deed Restrictions, the initial Master Plan Area comprises approximately 97 acres, 40 acres of which shall be developed by the Founder, N & E Ventures I, LLC. Adjacent land may possibly be added at a later date.

1.17 Member. Each Owner is a "Member" of the Association, as provided in Article VII of this Declaration.

1.18 Mortgagee. A "Mortgagee" is any institutional lender which holds a bona fide first mortgage, deed of trust or trust indenture encumbering a Parcel as security for the performance of an obligation. The term "institutional lender" specifically includes a bank, savings and loan association, a mortgage lending company, an insurance company, and the Federal National Mortgage Association or similar agency.

1.19 Neighborhood Meeting. The "Neighborhood Meeting" is the public meeting of Members for discussion and voting, as described in Article VII.

1.20 Owner. "Owner" is the record owner, whether one or more persons or entities, of the fee simple title to any Parcel. Owners shall not include those having such interest merely as security for the performance of an obligation.

1.21 Parcel. A "Parcel" is the smallest piece of real property which may be separately conveyed. A Parcel may be a Lot (whether or not improved by a Building), a Special Use Parcel, or certain Residential Units such as condominium units.

1.22 Residential Neighborhood (Hellgate Meadows). The "Residential Neighborhood (Hellgate Meadows)" is the real property described on Exhibit A-1. The "Residential Neighborhood" does not include Hellgate Meadows Village Core which is described on Exhibit A-2 and which is dedicated to higher density, more intense form of use, and which will be subject to a separate Declaration of Easements, Covenants and Restrictions for Hellgate Meadows Village Core. Hellgate Meadows Residential Neighborhood is also zoned within the Master Plan. Hellgate Meadows Residential Neighborhood shall also include any additional property owned by Founder or which is added with the Owner's consent by Supplemental Declaration of the Founder. The name "Hellgate Meadows" will only be used by Founder in conjunction with the 40 acre tract of the Master Plan Area to be developed by the Founder.

1.23 Residential Unit. A "Residential Unit" is an individual dwelling unit and shall include a row house or townhouse or other attached dwelling (such as each half of a duplex unit), an apartment or condominium unit, a residential dwelling within a mixed-use building, or an assisted living facility unit (but not a nursing home).

1.24 Special Use Parcel. A "Special Use Parcel" is a Lot of unconventional size, shape, location or use which calls for special design considerations. Typically, a Special Use Parcel will be used for commercial purposes, multi-family residential or community or recreation facilities.

1.25 Supplemental Declaration. "Supplemental Declaration" is any declaration which may be recorded by the Founder in accordance with Section 2.3 to add Additional Property to the Neighborhood.

1.26 Zone. "Zones" are smaller, contiguous areas within the Master Plan Area which by virtue of the Village Regulations adopted as a part of the Master Plan, define the type(s) of use permitted within each zone, including, but not limited to, building type(s) and character. The Master Plan as approved by the City of Missoula for the property described on Exhibit A-1 and the Village Regulations adopted therein are incorporated herein by reference as if set forth herein in full. Owners of property within a Zone may be assessed for maintenance of property primarily serving that Zone. The Village Regulations, which are in the form of Ordinance No. 3198 adopted by the City of Missoula on February 4, 2002, are available at the office of the City Clerk, Missoula City Hall, Missoula, Montana, and that ordinance is otherwise available at the office of the Founder and/or Hellgate Meadows Village Architect.



ARTICLE II:

Property comprising the Neighborhood

The Neighborhood is the property which is subject to this Declaration. This article describes the real property of which the Neighborhood will initially be comprised and provides the method by which property may be added.

2.1 Initial Property. The real property which shall be held, transferred, conveyed and occupied subject to this Declaration consists of that real property described on Exhibit A-2.

2.2 Development Plan.

(a) Master Plan Area. The property which comprises the Master Plan Area is intended for development as a single, unified traditional neighborhood as described in the Zoning Matrix adopted as a part of the Master Plan. Portions of the Master Plan Area which are primarily for higher density or more intense uses (i.e., Hellgate Meadows Village Core), will be submitted to a separate declaration and maintained by a separate association.

(b) Right of Way Dedicated for Additional Street Connections. The Master Plan and the plat of Hellgate Meadows Subdivision include two lots which have been dedicated by Founder as right of way for two additional street connections from O'Leary Street to the southerly boundary of Hellgate Meadows Subdivision. The two lots are described as Lot 40, Phase II of Hellgate Meadows Subdivision and Lot 185 of the preliminary plat of Phase III of Hellgate Meadows Subdivision. The final plat approval of Hellgate Meadows Subdivision by the City of Missoula provides that the rights of way dedicated by Founder over these two lots shall not be required to be developed with full street improvements unless the adjacent property to the south dedicates a continued public right of way to the south within two years of the date of filing of the final plat of Phase III of Hellgate Meadows Subdivision. In the interim and pending such dedication, the Founder agrees that it will dedicate and pave a 20 foot right of way being 10 feet on either side of the center line of Lot 40, Phase II of Hellgate Meadows Subdivision in order to provide access to the alleyways behind Lots 41 and 39, Phase II of Hellgate Meadows Subdivision, in an easterly and westerly direction, respectively. The remainder of Lot 40, Phase II, Hellgate Meadows Subdivision, will be landscaped by Founder. A like arrangement will be effected by Founder with respect to Lot 185 of the preliminary plat of Phase III of Hellgate Meadows Subdivision, depending upon the status of the dedication of the continued public right of way to the south at the time of the filing of the final subdivision plat for Phase III, Hellgate Meadows Subdivision.

2.3 Additional Property.

(a) The Founder shall have the right, but not the obligation, for a period of thirty (30) years from this date, from time to time and at its sole discretion, to add to the Residential Neighborhood contiguous property, property any portion of which is within one-half mile of any portion of the Residential Neighborhood (including any property separated from the Residential Neighborhood by a public street, body of water or other property) or any other property with a reasonable relationship to the Residential Neighborhood. The foregoing property shall either be owned by Founder or shall be added with the express



written consent of the owner and the Founder. The Founder may also add individual Residential Units (such as apartment or condominium units above stores or offices or which are free standing) which are within primarily the commercial Village Core portion of the Master Plan Area, even if the land surrounding the units is not added. If individual Residential Units which are within the primarily commercial Village Core portion of the Master Plan Area are added, the amount of assessments to be paid by such units may be reduced, based upon a reasonable estimate of the unit's usage of the Commons.

(b) Supplemental Declaration. A Supplemental Declaration adding the additional property shall become effective upon being recorded in the county's public records. The Supplemental Declaration may modify or add to the provisions of this Declaration if needed to reflect the different character of the additional property. A Supplemental Declaration may define Zones.

2.4 Zones.

(a) Definition. As provided in section 1.26, "Zones" are smaller, contiguous areas within the Master Plan Area which by virtue of the Zoning Matrix adopted as a part of the Master Plan, define the type(s) of use permitted within each zone, including, but not limited to, building type(s) and character.

(b) Intent. As provided in paragraph 1.26 hereof, Zones are intended to provide a flexible means for providing additional maintenance or capital improvements for a small portion of the Residential Neighborhood which has special needs. Owners of property within a Zone may be assessed for maintenance of property primarily serving that Zone. A Zone may also be established to identify a small portion of the Residential Neighborhood on which certain kinds of use, otherwise prohibited by this Declaration, shall be permitted.

(c) Designation. Zone boundaries may be designated at the time of the addition of the property by Supplemental Declaration, or at any later time by the Board.

ARTICLE III: *Each Parcel is benefitted by, and burdened by, certain easements.*

Easements

3.1 Easements in Favor of the Association. The Founder hereby reserves for itself and its successors and assigns (which shall expressly include providers of public or private utility services) and for the Association and its assigns the following easements, which shall benefit the Neighborhood:



(a) Utility Easements. An Easement(s) as designated on the face of the plat, upon, across, over, through, and under the Residential Neighborhood for ingress, egress, installation, replacement, repair and maintenance of all public and private utility and service systems. These systems include, but are not limited to, water, sewer, irrigation systems, drainage, telephone, electricity, television, security, cable or communication lines and other equipment. By virtue of this easement(s) the Founder and the Association, and its successors or assigns, may install and maintain facilities and equipment, excavate for such purposes and affix and maintain wires, circuits and conduits. The Founder and the Association shall have the right to reasonable entry upon and temporary use of the property immediately adjacent to said easement(s) for necessary activities related to constructing, maintaining, improving, repair or removing elements of the public and/or private utility and service systems. Provided, however, that Founder and the Association shall only make such excavation as is reasonably necessary for the installation, maintenance, improvement, repair or removal of said public and/or private utility and service systems.

(b) Police Powers. A blanket easement throughout the Residential Neighborhood for private patrol services, and for police powers and services supplied by the local, state and federal governments. The reservation of such easement does not imply, in any respect, that any such service shall be provided.

(c) Drainage, Erosion Controls. A blanket easement and right on, over, under and through the ground within the Residential Neighborhood to inspect, maintain and to correct drainage of surface water and other erosion controls. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health or safety or to comply with governmental requirements. The Association shall notify affected Owners (except in an emergency) and shall restore the affected property to its original condition as nearly as practicable.

(d) Encroachment. An easement for any improvements constructed on the Commons which encroach on any Parcel, whether due to any minor deviation from the subdivision plat of the Residential Neighborhood or the settling or shifting of any land or improvements.

(e) Maintenance of Commons. To the extent reasonably necessary, an easement over any Parcel for maintenance of the Commons.



3.2 Relationship between Lots.

(a) Intent. The design for Hellgate Meadows is intended to maximize land usage and sense of community by providing common boulevards, squares and parks while offering small but private yards for individual use. As provided by Hellgate Meadows Design Code, certain buildings within the Residential Neighborhood may be attached as row houses, or may be detached but placed on or near the property line. No row houses shall be allowed in the Neighborhood Edge Zone as reflected in the Zoning Matrix adopted as a part of the Master Plan. The easements in this Section 3.2 are intended to provide guidelines for reasonable cooperation between neighbors. The Association may make rules for maintenance and use of easement areas and shared improvements which shall be applied uniformly to all Lots similarly configured.

(b) Lot Lines. Lots may not be subdivided or separated into smaller Lots, or any portion of a Lot separately conveyed, except by the Founder or with the specific consent of Hellgate Meadows Architectural Review Board. However, this shall not prohibit corrective deeds or similar corrective instruments. The Founder may redefine Lots prior to sale by dividing or combining Lots or portions of Lots and adjusting the boundary of a Lot. The Founder shall also have the right to modify subdivision plats of the Residential Neighborhood to make adjustments to Lot boundary lines with consent only of those Owners whose Lot boundaries are to be changed. The division or combination of Lots may be subject to zoning or other governmental regulation, which may require, among other things, that the number of Residential Units not be reduced if Lots are combined.

(c) Structural Party Walls. Each Owner grants to the Owner of each adjacent Lot the right and easement to maintain and to utilize any exterior or interior wall of a Building which forms a party wall between them. A wall will be considered a party wall only if it provides structural support for the Buildings, or parts of a Building, on more than one Lot. Maintenance of the surface of the party wall shall be the sole responsibility of the Owner whose Building faces such wall. Each Owner shall be liable and responsible if, in connection with that Owner's use and maintenance of the party wall, the Owner damages the adjacent Owner's Lot or the wall itself. The cost of any other repairs to the party wall shall be shared equally by the adjacent Owners.

(d) Exterior Walls along a Lot Line. An exterior wall which supports the Building on only one Lot, or which encloses a courtyard on one Lot, shall not be considered a party wall. The Association may make rules and regulations concerning use and maintenance of such walls, including assigning responsibility between the adjoining owners for painting and repair and granting access over the adjoining Lot as reasonably necessary to maintain the wall. All such maintenance and repair shall be in accordance with Hellgate Meadows Design Code.



(e) Roof Overhang; Footings. For certain building types, such as side yard houses, which are to be built along a property line, Hellgate Meadows Design Code may permit roofs, gutters, soffits and down spouts to overhang this property line, and may allow footings and rain leaders to intrude below the surface of the same property line. To the extent allowed by the Design Code and local governmental regulations the adjacent property shall be subject to an easement for such intrusion. However, roofs, gutters, down spouts and rain leaders may not discharge water onto adjacent property.

(g) Townhouse or Row House Roof. If a townhouse or row house wall or parapet is constructed along or very near the property line, the owner of the townhouse or row house to be constructed on the adjacent property shall have the right to flash into the existing building, in accordance with industry standards and in order to make the new building watertight. This right shall include the right to make minor cuts on the existing building and to secure flashing or other materials to the existing building, so long as the structural integrity and watertightness of the existing building is not impaired. The cost for flashing shall be incurred by the owner of the new building, but the maintenance of this connection shall be a shared expense between adjacent property owners.

ARTICLE IV: Commons

Certain property within the Neighborhood and certain easement rights, called the "Commons," are to be owned and maintained by the Association for the benefit of all Owners.

4.1 Title.

(a) Association-Owned Commons. The Association shall hold title to certain Commons. For those portions of the Commons which consist of easements and other rights, the Association shall be the holder of those rights.

(c) Additional Commons. The Developer may convey to the Association additional Commons which the Association shall accept for development and maintenance.

4.2 Development, Maintenance and Capital Improvements.

(a) Generally. The Association shall be responsible for the development, management, maintenance, control and improvement of the Commons and shall keep the Commons attractive, clean and in good repair.

(b) Capital Improvements. Subject to design review, the Association shall be responsible to develop the Commons. The Association may also make capital improvements to the Commons and may modify the uses of the Commons, subject to design review. For example, the Association may add recreational facilities (which improvements must be approved in accordance with the architectural review provisions of the Master Deed

Restrictions). Expenses for any substantial capital improvements must be approved in accordance with Section 8.6.

4.3 Owners' Easements of Access and Enjoyment.

(a) Commons. The Founder hereby grants and conveys to every Owner a right and easement of appropriate use and enjoyment of the Commons, subject to the Association's right of regulation in accordance with this Declaration and the Founder's right to use the commons as provided in paragraph 4.4 (c), and subject also to any limitations contained in the conveyance of those Commons to the Association. These easements shall be appurtenant to and shall pass with title to every Parcel.

(b) Tenants, Guests. Any Owner may delegate, subject to the provisions of this Declaration, the Bylaws and the Rules and Regulations, his right to enjoyment to the Commons to the members of his family, his tenants or his guests who reside on the Parcel or are accompanied by the Owner. The Association may adopt rules to prohibit or restrict use of any Commons recreational facilities by a non-resident Owner whose Residential Unit has been leased to a tenant, except when the Owner is a bona fide guest of the tenant.

4.4 Use of Commons.

(a) Members' Benefit. The Association shall develop and maintain the Commons for the benefit of its Members.

(b) Non-Members. The Association may permit limited use and access for all or a portion of the Commons which are not dedicated to the public, through the sale of club memberships or other fees. Any such revenue shall benefit the Association. Provided, however, that no restriction shall be adopted which prohibits use or access by the general public to those portions of the Commons which are developed as a park(s).

(c) Open-Air Market and Festivals. The Founder reserves, for itself or its various assigns, the right to use portions of the Commons as an open-air market for the rental of space for pushcarts, kiosks, stands or similar temporary sales structures. Such uses may be for special events or on a recurring or daily basis. Founder also reserves, for itself or its various assigns, the right to use portions of the Commons for festivals or other events intended to enrich and enliven the community. Founder further reserves a right of access through the Commons for all such purposes. Founder may, but is not obligated to, assign such rights to the Association at any time.

(d) No Commercial Use. Except as specifically permitted by this Declaration, there shall be no commercial use of the Commons, nor shall the Commons be subdivided or sold.



4.5 Common Road Regulation. To the extent permitted by the City of Missoula, the Association may make rules and regulations concerning driving and parking within the Residential Neighborhood. To the extent permitted by the City of Missoula, the Association may enforce any violation in accordance with Section 11.8 hereof.

4.6 Surface Water or Stormwater Management System. Subject to the reservation in favor of the Founder set forth in paragraph 3.1 hereof, the Association shall have the right and power to maintain proper drainage within the Residential Neighborhood. In the exercise of this right and power, the Association shall have a blanket easement and right on, over, under and through the ground within the Residential Neighborhood to maintain and to correct drainage of surface water. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health or safety or to comply with governmental requirements. This easement includes the right and power of the Association to assign to or to otherwise authorize public entities or public or private utilities to exercise the rights of the Association enumerated herein.

4.7 Damage or Destruction of Commons by Owner. If any Owner or any of his guests, tenants, licensees, agents, employees or members of his family damages any of the Commons as a result of negligence or misuse, the Owner hereby authorizes the Association to repair the damage. The cost of repair shall be the responsibility of that Owner and shall become an Individual Parcel Assessment payable by the responsible Owner. The Association may, but is not required to, seek compensation for damage from the guest, tenant or other party who caused the damage, in which case the Owner shall be jointly and severally liable.

4.8 Limitation of Liability. The Association shall use reasonable judgment in developing and maintaining the Commons and in exercising its rights and powers with respect to the use of the Commons, but neither the Association nor the Founder makes any representation or assumes any liability for any loss or injury.



ARTICLE V: Community Planning and Administration of The Design Code

Hellgate Meadows will be built by many different owners, architects and builders. Each of these individuals will contribute to the shaping of the final community.

Hellgate Meadows Architectural Standards communicates the elements which are essential for creating the community. Within these essential elements, there is room for the creative and individual design which vitalizes the community.

5.1 Master Deed Restrictions. The Master Deed Restrictions establish the Hellgate Meadows Design Code as the guide for all construction within Hellgate Meadows, provide for a Village Architect to administer Hellgate Meadows Design Code, and create Hellgate Meadows Architectural Review Board. All construction or modification of any building or other improvements, any tree removal or landscaping or any material alteration of the topography of any Lot or Commons must be approved in advance by Hellgate Meadows Architectural Review Board. The Master Deed Restrictions provide for the Founder to appoint the Village Architect and the other members of the Architectural Review Board, and to enforce Hellgate Meadows Architectural Standards during the development period.

5.2 Binding Effect. The Master Deed Restrictions, which are recorded in the public records, are binding upon all of the property in the Master Plan Area. Unless a notice is recorded specifically to the contrary, the submission of additional property to this Declaration for Hellgate Meadows shall automatically extend the provisions of the Master Deed Restrictions to the additional property.

5.3 Assignment to Association. The Master Deed Restrictions provide for the Founder's enforcement of Hellgate Meadows Design Code during the entire development period. At the end of the development period, the Founder shall assign to the Association its rights to enforce Hellgate Meadows Design Code, as provided in the Master Deed Restrictions, which assignment may include a reservation of the right of the Founder to also enforce Hellgate Meadows Design Code as provided in the Master Deed Restrictions. Upon such assignment or if for any reason the Founder is unable or unwilling to perform its powers under Articles I and II of the Master Deed Restrictions, the provisions of Articles I and II of the Master Deed Restrictions shall become part of this Declaration as if originally included. If provided for in the assignment by the Founder, the Residential Neighborhood Association and the Village Core Association shall jointly have and assume the responsibility of appointing Hellgate Meadows Architect and members of Hellgate Meadows Architectural Review Board and enforcing all violations of Articles I and II of the Master Deed Restrictions with all of its powers under the Master Deed Restrictions and this Declaration.



ARTICLE VI: Owners' Association

The Association is responsible for maintaining the Residential Neighborhood and enforcing the Declaration. While the Founder will control the Association during the early development stage, the owners themselves will be responsible for the continuation of the community through their participation in the Association.

The Articles and Bylaws of the Association, which create the Association as a non-profit corporation and provide certain procedures for its corporate organization, are attached as exhibits to this Declaration.

6.1 Duties. The Association shall develop, maintain, repair and replace, if necessary, the Commons, and any and all improvements thereon, and shall enforce the terms of this Declaration, and shall perform all other duties required by this Declaration or by State of Montana law, by the City of Missoula and by other government entities having jurisdiction. Additionally, the Association shall have the right to maintain easements or public rights of way if deterioration of the public rights of way and boulevards or easements would affect the appearance of or access to the Residential Neighborhood.

6.2 Additional Powers. To the extent permitted by governmental authorities, the Association may, but is not obligated to, provide other services allowed by law to be provided by a homeowners' association organized under Montana law. As determined by the Board depending upon the nature of the service, such additional services may be part of the common expenses of the Association, may be assessed as an Individual Parcel Assessment to affected Parcels, or may be provided on a fee-for-service or other reasonable basis. If requested by petitions signed by at least 40% of the Members, a Neighborhood Meeting may be called and, if a quorum is present, the Board's action to initiate or terminate an additional service under this Section 6.2 shall be repealed by majority vote of the Members.

6.3 Contracts. The Association may contract with any party for the performance of all or any portion of the management responsibilities of the Association and its development, maintenance and repair obligations. The cost of the contract shall be included within the General Assessment, Special Assessment or Individual Parcel Assessment as applicable. The Association may require that Owners contract for certain routine yard maintenance, in order to provide a uniform level of care. The terms and conditions of all such contracts shall be at the absolute discretion of the Board.

6.4 Membership. Every Owner shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from title to any Parcel.



6.5 Voting Rights. Each Member shall have a proportional vote based on the allocation of interests under Section 6.6, subject to the Founder's rights under Section 6.7 ("Founder's Selection of Initial Board").

6.6 Exercise of Vote. (a) Calculation and Exercise of Vote. When more than one person holds an interest in any Parcel, all such persons shall be Members. However, each Parcel shall be entitled to exercise only one vote and the number of votes for that Parcel shall not be increased under any circumstance. Additionally, the Members must determine among themselves how the Parcel's vote may be exercised. Corporations, partnerships and other entities shall notify the Association of the natural person who shall exercise its vote. To the greatest extent permitted by law, the Association may institute voting by electronic or other means. The foregoing provisions are expressly subject to the following provisions relating to the Residential Neighborhood Center Zone.

(b) Notwithstanding the provisions of paragraph 6.6(a) above or any other provision of this Declaration, only the owners of Parcels dedicated to commercial use located within the Residential Neighborhood Center Zone shall have the right to vote on any matter relating to the future use of such Parcels, including, but not limited to, hours of use and the nature of business enterprises permitted thereon. Provided, furthermore, no vote of the general membership of the Residential Neighborhood Association or of the Parcels designated for commercial use within the Residential Neighborhood Center Zone, shall result in the levy of a general or special assessment upon any Parcel therein to exceed the percent of assessment for commercial use set forth in paragraph 9.2(b) hereof. Provided, however, that those Parcels dedicated to commercial use in the Residential Neighborhood Center Zone may not amend this Declaration or the Master Plan or Master Deed Restrictions in any manner which abrogates any restriction contained therein, which limits the size of the facility housing the commercial enterprise or which prohibits or restricts the establishment of certain kinds of business enterprises to be conducted thereon or therein.

6.7 Election of Board of Directors.

(a) Procedure. Elections shall be conducted in accordance with the Bylaws.

(b) Initial Composition. The Board shall initially consist of at least three persons who shall be originally appointed by the Founder, who shall also have the right to appoint, remove and replace the initial officers of the Association.

(c) Later Composition. The Founder's right to appoint, remove and replace the initial officers and members of the Board shall be in force and effect until sixty days after all of the buildings indicated by or permitted under the Master Plan have been completed and conveyed to owners other than the Founder or the builder. When used in this paragraph, "buildings" shall include both detached buildings and Residential Units, but not outbuildings. The Founder may voluntarily surrender all or a portion of its reserved rights to appoint and



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remove and replace officers and members of the Board before termination of the control period, in which case the Founder reserves the right to record an instrument specifying that, until the time Founder would have otherwise been required to end control of the Board, certain actions of the Association or Board must be approved by the Founder before they become effective. Additionally, once the Founder surrenders the reserved right to appoint, remove and replace officers and members of the Board, the Board shall determine, from time to time, the number of directors which shall be permitted, which shall no fewer than three and no more than nine.

6.8 Contracts. The Residential Neighborhood Association may contract with any party for the performance of all or any portion of the management of the Residential Neighborhood Association and its maintenance and repair obligations. The cost of the contract shall be included within the General Assessment, Zone Assessment, Special Assessment or Individual Unit Assessment as applicable.

6.8 No Compensation for Directors. Directors shall receive no compensation for their services unless expressly provided for in resolutions adopted by the Members, but may be reimbursed for expenses.

6.9 Additional Provisions. Additional provisions concerning the operation of the Association and the Board are contained in the Articles and Bylaws.

ARTICLE VII: Decision Making

Most day-to-day decisions about the maintenance of the Neighborhood and enforcement of the Declaration are the responsibility of the Board, acting on the Members' behalf. For those decisions requiring Members' approval, the Neighborhood Meeting provides a public opportunity for discussion and voting. Where more practical, consensus may be achieved through the internet and other forms of electronic communication which may be devised in the future..

7.1 Neighborhood Meeting.

(a) When called. The Neighborhood Meeting shall be called annually for the election of members of the Board, and whenever any action is required by this Declaration to be taken by vote or assent in writing of the Members. As a convenient reference and not as a limitation, actions requiring a vote of the Members, or assent in writing, include the following:

Repeal of Additional Services Section 6.2
Election of the Board of Directors Pursuant to the Bylaws Section 6.7

Approval of General Assessments when increased more than 15%	Section 8.4
Ratification of expenditures for capital improvements	Section 8.6
Approval of Zone expenses	Section 8.7
Repeal of Rules and Regulations adopted by the Board	Section 11.7
Amendment of Declaration	Section 13.1
Dedication of the Commons	Section 13.2
Termination of the Declaration	Section 13.4

(b) Quorum. Voting at a Neighborhood Meeting requires presence of members representing the percentage of votes necessary to transact business. The necessary percentage is determined by the Bylaws, and if permitted by the Bylaws and by statute, the Board may revise this percentage from time to time.

(c) Notice. Notice of the meeting must be given to Members in accordance with Section 14.5 ("Notices") and in accordance with the Bylaws. Notice of meetings shall also be posted in at least one place within the Commons.

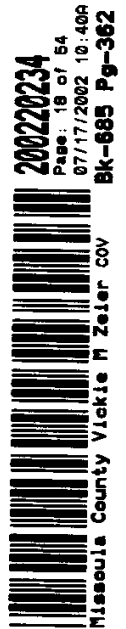
(d) Proxies; Electronic Voting. To the extent allowed by the Bylaws and statute, proxies and limited proxies may be used to establish a quorum and for voting purposes. To the extent allowed by law and in accordance with procedure which may be adopted in the Bylaws, a quorum may be evidenced, and votes may be cast, by electronic means.

7.2 Action without Meeting. If permitted by the Board, the membership may approve any matter (specifically including the election of directors) by a written vote conducted by mail, by electronic ballot, or by written consent without a meeting. Notice may be waived in the event of an emergency. Voting or consents shall be in accordance with the Bylaws and statute. Wherever used in this Article, "electronic means" or "electronic ballot" shall specifically include e-mail and, upon approval of the Board, other similar means of communication which may be developed in the future.

7.3 Board Meetings.

(a) Board's Responsibility. Except as specifically provided in this Article or elsewhere in this Declaration, the Board has been delegated the power, and shall have the authority to act on behalf of the Association and to make all decisions necessary for the operation of the Association, the enforcement of this Declaration and the care of the Commons.

(b) Quorum. Voting at a Board meeting requires presence of at least one-half of the directors, in person or telephone conference. If permitted by law, any action required to be taken by vote of the Board may be taken in the absence of a meeting (or in the absence of a quorum at a meeting) by obtaining the written approval of a majority of the Board. With the approval of all directors, meetings may be conducted by electronic means.



7.4 Record Keeping. The Board shall keep a record of all meetings, both of the Board and of the Association. For each action taken, the record shall state the vote and a description of the action approved, and, where applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record shall be available for inspection by any Member.

7.5 Approval. Wherever used in this Declaration, approval by a majority or other proportion of the Members refers to a vote in accordance with this Article, either at a properly called Neighborhood Meeting or through a voting procedure established under Section 7.2. Where the Declaration specifies consent in writing, or request in writing, by a majority or other proportion of all Members, then the necessary number is based on the number of votes represented by the total Membership of the Association, and signatures may be collected without a Neighborhood Meeting or other voting procedure.

ARTICLE VIII:

Association Budget

To fulfill its obligation to maintain the Commons, the Board is responsible for the fiscal management of the Association.

8.1 Fiscal Year. The fiscal year of the Association shall begin January 1 of each year and end on December 31 of that year, unless the Board selects a different fiscal year.

8.2 Budget Items. The budget shall estimate total expenses to be incurred by the Association in carrying out its responsibilities. These expenses shall include, without limitation, the cost of wages, materials, insurance premiums, services, supplies and other expenses for the rendering of all services required by this Declaration or properly approved in accordance with this Declaration. The budget may also include reasonable amounts, as determined by the Board, for working capital for the Association and for reserves. If the Commons are taxed separately from the Parcels, the Association shall include such taxes as part of the budget. Fees for professional management of the Association, accounting services, legal counsel and other professional services may also be included in the budget.

8.3 Reserves. The Association may build up and maintain reserves for working capital, contingencies and replacement, which shall be included in the budget and collected as part of the annual General Assessment. Extraordinary expenses not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a majority vote of the Members. If the reserves are inadequate for any reason, including nonpayment of any Member's assessment, the Board may at any time levy an emergency assessment in accordance with the provisions of Section 10.4 ("Special Assessment"). If there is an excess of reserves at the end of the fiscal year and the Board so determines, the excess may be returned on a pro rata basis to all Members who are current in payment of all assessments.



due the Association, or may be used to reduce the following year's assessments, at the Board's discretion.

8.4 Preparation and Approval of Annual Budget.

(a) Initial Budget. The Founder shall determine the budget for the fiscal year in which a Parcel is first conveyed to an Owner other than the Founder, which budget shall provide for the cost associated with the initial development and maintenance of the Commons.

(b) Subsequent Years. Beginning with the year in which a Parcel is first conveyed to an Owner other than the Founder and each year thereafter, at least one month before the end of the fiscal year, the Board shall, by majority vote, adopt a budget for the coming year and set the annual General Assessments at a level sufficient to meet the budget. At least two weeks before the fiscal year to which the budget applies, the Board shall send to each Member a copy of the budget in reasonably itemized form, which shall include the amount of General Assessments payable by each Member.

(c) Approval. If General Assessments are to be increased to greater than 115% of the previous year's General Assessment which previous year was not a year in which General Assessments were determined in whole or in part by Founder, and petitions signed by at least 20% of all Members request review within thirty (30) days after the budget is delivered to Members, the Board shall call a Neighborhood Meeting to present the budget and to answer any questions. After presentation, the budget shall be deemed approved unless the percentage required to transact business is present and the budget is rejected by a majority of the Members entitled to vote thereon. If the budget is rejected, the Board shall approve a new budget within ten (10) days and send a copy to each Member.

8.5 Effect of Failure to Prepare or Adopt Budget. The Board's failure or delay in preparing or adopting the annual budget for any fiscal year, or review of the budget under paragraph 8.4 (c), shall not waive or release a Member's obligation to pay General Assessments whenever the amount of such assessments is finally determined. In the absence of an annual Association budget each Member shall continue to pay the assessment at the rate established for the previous fiscal period until notified otherwise.

8.6 Capital Improvements. Once the Commons have been developed, any substantial capital improvement to the Commons approved by the Board must be ratified by a majority of the Members. If the substantial capital improvement is approved by the Members, the Board shall determine whether it shall be paid from General Assessments or by Special Assessment. A capital improvement shall be considered substantial if the cost to the Association of the improvement is more than six percent (6%) of the Association's annual budget, or if, when added to other capital improvements for the fiscal year, totals more than



ten percent (10%) of the Association's annual budget. However, the cost associated with the initial development of the Commons and any repair or replacement of existing improvements shall not be considered a capital improvement. Approval of Hellgate Meadows Architectural Review Board is required for all substantial capital improvements. This section shall not limit the right of the Founder to impose requirements for the initial development of the Commons.

8.7 Zone Expenses.

(a) Capital Improvements. Any Zone may, by two-thirds (2/3) vote of the Members within that Zone and approval of the Board, vote to assess themselves for capital improvements to Commons which will primarily benefit that Zone.

(b) Additional Services. Any Zone may, by majority vote of the Members within that Zone and approval of the Board, vote to assess themselves for maintenance or services in addition to those normally provided by the Association.

(c) Combined Zones; Smaller Groups. Zones may be combined or join together for such assessments. If more than one Zone is to vote, the Board shall determine whether approval and assessment is to be by Zone or by the combined group of Zones. If a group smaller than a Zone wishes to be assessed for capital improvements or services, all of those being assessed must agree to the assessment.

(d) Assessment Levy. Any assessment so approved shall be assessed to all Owners within that Zone or designated group as an Individual Parcel Assessment.

8.8 Accounts. Reserves shall be kept separate from other Association funds, either in a single account for all reserves or separated by purpose. All other sums collected by the Board with respect to Assessments and charges of all types may be commingled in a single fund.

ARTICLE IX:

Allocation of Expenses

The Declaration provides a formula for allocating interests among the Parcels for assessment of common expenses.

9.1 Generally. The common expenses of the Association shall be allocated among the Parcels in accordance with the relative values described in Section 9.2. The fractional allocation of the common expenses of the Association may be calculated for each Parcel by dividing the value assigned that Parcel by the sum of the values of all Parcels within the Neighborhood.



9.2 Residential and Mixed Uses. Each Parcel shall be assigned a value which is based on the following calculations conducted in accordance with paragraph 9.6 hereof.

(a) Residential Uses. Residential uses shall be assigned a value equal to 0.1 for each 100 square feet of gross occupied square footage, as defined in paragraph 9.6 hereof. Any garage or permitted non-occupied outbuildings on the Parcel shall be excluded in making the calculation.

(b) Commercial Use. Any Parcel which has a commercial use shall be assigned a value equal to 0.2 for each 100 square feet of gross occupied square footage, as defined in paragraph 9.6 hereof.

(c) Mixed-Use. A single Parcel may have both a residential use and a commercial use and be assessed for both uses. The actual amount of assessment in circumstances of dual use shall be determined by the Association in accordance with the rules established pursuant to paragraph 9.6(b) hereof. A home-based occupation which does not advertise to the general public or have signage on any street, other than an alley, shall be subject to the residential and not to the commercial use value.

9.3 Special Use Parcels. Assessments for Special Use Parcels shall be determined by the Founder based on the anticipated use of the parcel.

9.4 Unimproved Lots. Unimproved Lots shall be assigned a value of 0.25. Upon substantial completion of improvements, the value shall be changed as provided in Section 9.2. If the Founder or an Owner combines two Lots or parts of Lots and uses them as a single Lot, the Association may assess them as a single Lot or other formula in accordance with regulations consistently applied.

9.5 Exempt Parcels. Parcels which are used by non-profit entities primarily for the benefit of residents of the Neighborhood may have a zero allocation. The Founder may grant such exempt status of record at any time up to and including the time of conveyance of the parcel to someone other than the Founder. Once granted, such exempt status shall continue so long as the use of the Parcel remains substantially the same. The Association also has the authority to grant exempt status for qualified entities upon terms and conditions established by the Association.

9.6 Definition of Gross Occupied Square Footage.

(a) Space to be Included. For purposes of calculating the allocation of expenses, residential gross occupied square footage shall include all heated or air-conditioned space, measured to the center of the exterior walls, but for Parcels used solely for residential purposes shall exclude garages and permitted non-occupied outbuildings. Residential facilities constructed above garages or which otherwise exist as accessory dwelling units,

shall include all heated or air conditioned space used for residential purposes in determining residential gross occupied square footage, but shall exclude that portion of the structure used for vehicle storage, etc. Commercial gross occupied square footage shall include all space which may be used for commerce, office, storage and other support areas for the commercial use, but shall not include any space occupied for residential use or any stairwells or walkways used primarily to access residential space. At the discretion of the Association, decks and other un-airconditioned space which are used on a regular basis for commerce may also be considered as part of the square footage and assessed at a reduced rate, depending on use. Space occupied within a commercial building for residential use or access shall be calculated utilizing the residential standards set forth above.

(b) Determination by Association. The amount and category of assessed gross occupied square footage for a particular Parcel shall be as determined by the Association in its reasonable discretion. The Association may establish further rules for the definition and calculation of gross occupied square footage, the rounding of square footage to the nearest 100 square feet, assessment of unimproved lots other than those owned by the Founder which shall never be assessed for more than the value set forth in paragraph 9.4 above, determination of residential and commercial use or combinations thereof, and other matters relating to assessment. The Association's agent may enter and examine Buildings at reasonable times for assessment purposes. An Owner shall have the right to a hearing before the Association to appeal an assessment evaluation; however, the decision of the Association after appeal is final.

9.7 Additional Property. If Parcels of substantially different size or use are created within Additional Property, the Founder may by Supplemental Declaration establish a different relative value for those Parcels based on a reasonable determination of the expected usage levels consistent with the determination for other properties within the Neighborhood. If individual Residential Units which are within primarily commercial portions of the Master Plan Area are added and the property surrounding such units is not added, the amount of assessments to be paid by such units may be reduced, based upon a reasonable estimate of the units' usage of the Commons.

ARTICLE X:

Covenants for Maintenance Assessments

The cost of fulfilling the Association's financial obligations is divided equitably among the Members by means of Assessments. To assure the Association of a reliable source of funds and to protect those Members who contribute their equitable share, assessments are mandatory and are secured both by a lien on the lot and the Member's personal obligation.

10.1 Obligation for Assessments. The Founder, for each Parcel owned within the property submitted by this Declaration or Supplemental Declaration to the Neighborhood, hereby covenants, and each Owner of any Parcel by acceptance of a deed or other transfer



instrument, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the following (to be known collectively as "Assessments"):

- (a) General Assessments for expenses included in the budget,
- (b) Special Assessments for the purposes provided in this Declaration, and
- (d) Individual Parcel Assessments for any charges particular to that Parcel,

together with a late fee and interest, as established by the Board, and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought. Upon default in the payment of any one or more installments, the Board may accelerate the entire balance of such Assessment, which shall be declared due and payable in full.

10.2 Allocation of Common Expenses. Expenses shall be allocated among the Parcels as provided in Article IX ("Allocation of Expenses"). The Founder shall be excused from payment of assessments if the Founder guarantees to Parcel owners that their Assessments during the "Guarantee Period," as defined below, shall not exceed the amounts shown in the then-current estimated operating budget. If the Founder offers such a guarantee, the Founder agrees to pay any Common Expenses incurred during the Guarantee Period which exceed the amount produced by Assessments during that time. The "Guarantee Period" may begin at Founder's discretion at any time within the first three years after the recording of this Declaration in the public records of Missoula County, Montana and shall end at the beginning of the next fiscal year. The Guarantee Period shall then be automatically extended for successive six-month periods up to an additional five years unless terminated upon written notice by the Founder to the Association at least 30 days before the end of the then-current Guarantee Period. During the Guarantee Period, the General Assessments may be increased by up to 15% per year.

10.3 General Assessments.

(a) Establishment by Board. The Board shall set the date or dates such assessments become due and may provide for collection of assessments annually or in quarterly or semiannual installments.

(b) Date of Commencement. The annual General Assessments shall begin on the day of conveyance of the first Parcel to an Owner other than the Founder. The initial Assessment on any Parcel subject to assessment shall be collected at the time title is conveyed to the Owner. During the initial year of ownership, each Owner shall be responsible for the pro rata share of the annual General or Special Assessment charged to each Parcel, prorated to the month of closing.

10.4 Special Assessment. In addition to the General Assessment for the development and maintenance of the Commons, the Board may levy in any fiscal year a Special Assessment applicable to that year and not more than the next four succeeding years as follows:

(a) Capital Improvements. Once the Commons has been developed, any substantial capital improvement which has been approved in accordance with Section 8.6 ("Capital Improvements") or any capital improvement not required to be approved by the Members may be paid by Special Assessment.

(b) Emergency Assessment. By a two-thirds (2/3) vote, the Board may impose a Special Assessment for any unusual or emergency maintenance or repair or other expense which this Declaration or the law requires the Association to pay (including, after depletion of reserves, any unexpected expenditures not provided by the budget or unanticipated increases in the amounts budgeted).

10.5 Individual Parcel Assessments. The Association may levy at any time an Individual Parcel Assessment against a particular Parcel for the purpose of defraying, in whole or in part, the cost of any special services to that Parcel, for expenses approved by that Zone in accordance with Section 8.7, or any other charges designated in this Declaration as an Individual Parcel Assessment.

10.6 Capital Contribution; Transfer Fee.

(a) Initial Closing. At the closing and transfer of title of each Parcel to the first Owner other than the Founder or the builder, the Owner shall contribute an amount equal to three months assessments. This contribution shall be deposited in the general funds of the Association for start-up expenses of the Association and for working capital for the Association, and shall not be considered as a pre-payment of assessments.

(b) Subsequent Closings. At each subsequent closing and transfer of title, the new Owner shall pay five hundred dollars (\$500), which amount shall be increased in accordance with cost of living increases, which shall be collected by the Association in a separate fund for the benefit of the Residential Neighborhood's Commons and, if it chooses, enhancement of the Common Area(s). The transfer fee shall not be paid by a Mortgagee who assumes title as the result of a foreclosure or deed in lieu, but shall be paid upon the conveyance by the Mortgagee to a subsequent Owner.

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10.7 Effect of Nonpayment of Assessment; Remedies

(a) Personal Obligation. All Assessments, together with any late fee, interest and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought (collectively, the "Assessment Charge") shall be the personal obligation of the person or entity who was the Owner of the Parcel at the time when the assessment was levied, and of each subsequent Owner. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of the Parcel.

(b) Creation of Lien. The Assessment Charge shall also be charged on the land and shall be a continuing lien upon the Parcel against which the Assessment Charge is made, which may be enforced upon recording of a claim of lien. This lien, in favor of the Association, shall secure the Assessment Charge which is then due and which may accrue subsequent to the recording of the claim of lien and prior to entry of final judgment of foreclosure. Any subsequent owner of the Parcel shall be deemed to have notice of the Assessment Charge on the land, whether or not a lien has been filed.

(c) Suit for Payment; Foreclosure of Lien. The Association may bring an action at law against the Owner personally obligated to pay the Assessment Charge, or may foreclose the lien in a manner similar to foreclosure of a mortgage lien, or both. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Parcel foreclosed at such foreclosure sale and to acquire, hold, lease, mortgage and convey the Parcel.

(d) Other Remedies. The Association shall have the right to assess fines and suspend the voting rights and right to use of the Commons by an Owner for any period during which any Assessment against his Parcel remains unpaid.

10.8 Certificate of Payment. The treasurer of the Association, upon request of any Owner, shall furnish a certificate signed by a member of the Board stating whether any assessments are paid to date by that Owner. Such certificate, when co-signed by the secretary of the Association, may be relied upon by a good faith purchaser or mortgagee as conclusive evidence of payment of any assessment therein stated to have been paid.

ARTICLE XI:

Use of Parcels

The following covenants are designed to protect the quality of life for all Owners within the Residential Neighborhood to set a standard for reasonable cooperation within the community. The following covenants are also designed to establish the type of commercial use which may be made of parcels within the Residential Neighborhood Center Zone.

11.1 Permitted Uses.

(a) Determination. Permitted uses for Parcels, which may include residential use, civic use or retail, or other commercial use, shall be determined based on Hellgate Meadows Design Code, the Zoning Matrix adopted as part of the Master Plan, and the plat, subject to the zoning requirements of the City of Missoula. Uses for Parcels located within the Residential Neighborhood Center Zone shall be subject to the provisions of Article 11.1(c) hereof, as well as the provisions of this Article XI to the extent those provisions are not in conflict with the provisions of Article 11.1(c). At the Founder's discretion, the Founder shall make the determination of record at the time of the Parcel's addition to the Residential Neighborhood, or at any time up to and including the time of conveyance of the parcel to someone other than the Founder. If the Founder fails to make such a determination of record, Hellgate Meadows Design Code or the Master Deed Restrictions may describe permitted uses.

(b) Home-based Businesses. Unless prohibited by law, this Declaration, or the Master Deed Restrictions, home-based business which does not generate significant noise, odor or traffic shall be permitted in any residential area. Signage for home-based business shall be regulated under Hellgate Meadows Design Code.

(c) Cottage Industry. A cottage industry is a small, individual owned business or concern which functions without altering the residential character of the neighborhood, and which does not create any negative impacts on the public health, safety, and general welfare. Any cottage industry must be conducted in and from an approved accessory building. An accessory building is a secondary building detached from and in the rear yard of the principal buildings. Accessory buildings shall be limited to 1000 square feet of gross floor area and 500 square feet of lot coverage. Accessory buildings must comply fully with Hellgate Meadows Design Code and shall also be subject to the following criteria:

1. The business activity, not to exceed 550 square feet, shall be conducted within an accessory building.
2. Hours of operation shall be limited to between 8:00 a.m. to 7:00 p.m.
3. The principal residence of the owner/proprietor shall be located on the same lot or parcel as the cottage industry and shall be lived in the owner/proprietor.
4. The business shall employ no more than two employees on site, including the proprietor.
5. One on-site business sign is permitted. The sign shall be a maximum of three square feet, and attached to the accessory building which contains the business. No part of the sign shall be over six feet high measured from ground level immediately below the sign. All signs shall display a street address number. Lighted signs and off-premises signs are not permitted.



6. The business shall not generate traffic, dust, noise, odors or other nuisances or safety hazards that affect the residential character of the neighborhood.
7. Cottage industries shall provide at least one off street parking space per employee- exclusive of the proprietor.
8. Before a Zoning Compliance Permit may be issued for a cottage industry, a site plan which is consistent with this district shall be submitted to the Office of Planning and Grants and reviewed and approved by the Zoning Officer.
9. Permissible Cottage Industries:
 - Arts and crafts studios;
 - Art galleries;
 - Bicycle repair and service shops;
 - Child and adult care, nurseries and similar uses;
 - Dealers in coins, stamps, or collector's items;
 - Dress making and tailor shops;
 - Landscaping services;
 - Locksmith operations;
 - Musical instrument fabrication and repair;
 - Photography studios;
 - Computer sales and service shops;
 - Artisan and skilled trade shops;
 - Professional services such as:
 - accountants, appraisers, attorneys, engineers, surveyors, interior decorators,
 - real estate services, data processing, typing and similar services;
 - Other similar small businesses.

(d) The Residential Neighborhood Center Zone.

(i) Permitted Uses. Permitted uses within the Residential Neighborhood Center Zone may include residential use or retail, office, restaurant or other commercial use and buildings limited to 2000 square feet in size, and shall be determined by the Founder based on the size, shape and location of the parcel within Hellgate Meadows Neighborhood Center Zone. At the Founder's discretion, the Founder shall make the determination of record at any time up to and including the time of conveyance of the Parcel to someone other than the Founder. If the Founder fails to make such a determination of record, the approval of the building or modification under the design review procedures of the Master Deed Restrictions may describe permitted uses.



(ii) Use of Name "Hellgate Meadows". The name "Hellgate Meadows" is a trade name owned by the Founder to be used in conjunction with the 40 acre tract of the Master Plan Area which it is developing. An Owner may use the name "Hellgate Meadows" to describe the location of the business, and may advertise a business as being located "in Hellgate Meadows". If requested by the Founder, Owner shall accompany such use with a symbol or explanation concerning trademark or service mark registration of the name "Hellgate Meadows". Owner may not use the name "Hellgate Meadows" in any other manner without the express permission of the Founder, which may be arbitrarily denied.

(iii) Restriction on Use of Handbills. The Town Center Association may prohibit or regulate the distribution of handbills within the Town Center.

(iv) Signage. A business shall display on the exterior of the building or upon any exterior glass surfaces or within 24 inches of any window only those signs, advertising placards, names, insignia, trademarks, descriptive material or other identification which are specifically approved by the Town Center Association and, as applicable, Hellgate Meadows Architectural Review Board.. No hand-lettered signs may be displayed unless professionally prepared. Additionally, no moveable or active signs, such as reader board signs, may be used for signage or display purposes.

11.2 Prohibited Uses.

(a) Generally. Notwithstanding any other provision in this Declaration to the contrary, Founder expressly declares that the following businesses shall not be permitted on any of the property located within the Residential Neighborhood which may be classified as a Residential Neighborhood Zone, to-wit: tattoo parlors, pawnshops, title loan or check cashing facilities, adult bookstores or establishments which derive revenue from gambling or gaming devices or as the result of the conduct of gambling or gaming activities. The foregoing list of prohibited uses is not intended to be exhaustive and may be amended from time to time to include other prohibited uses which are found to be inconsistent with the implementation of the philosophy of the development of Hellgate Meadows as a traditional neighborhood development.

(b) Nuisances. No nuisance or other use which creates an unreasonable disturbance shall be permitted on any Parcel. The Association may from time to time define and determine unacceptable uses.

(c) Insurance. Nothing shall be done or kept on any Parcel or the Commons which will increase the rate of, or result in cancellation of, insurance for the Commons or any other Parcel or its content, without the prior written consent of the Association.



(d) Soliciting. The Association may regulate or prohibit soliciting within the Neighborhood.

(e) Time Sharing. No time-share ownership of Parcels is permitted without the Association's approval. For this purpose, the term "time-share ownership" shall mean a method of ownership of an interest in a Parcel under which the exclusive right of use, possession or occupancy of the Parcel circulates among the various owners on a periodically reoccurring basis over a scheduled period of time. Leasing a building or ownership of a Parcel by a corporation, partnership or other entity or by not more than four individuals or married couples will not normally be considered time-share ownership. Ownership of a condominium unit will also not normally be considered time-share ownership.

11.3 Attractiveness and Safety of Parcels-- Compliance with Regulatory Authority Regulations.

(a) Generally. Each Owner shall keep all parts of his Parcel in good order and repair and free from debris. Hellgate Meadows Design Code or the Association may regulate placement and maintenance of garbage and trash containers and fuel or gas storage tanks (including the prohibition of such tanks), and other matters affecting the attractiveness or safety of Parcels.

(b) Signage. Except as provided in the Residential Neighborhood Center Zone, paragraph 11.1(d)(iv), no sign, advertisement or notice of any type or nature whatsoever (including "For Sale" or "For Rent" signs) shall be erected or displayed on any Parcel or portion of the Commons unless specifically permitted by Hellgate Meadows Design Code.

(c) Vehicles. Hellgate Meadows Design Code or the Association may regulate or prohibit the parking of trailers, recreational vehicles, nonfunctioning or excessive numbers of vehicles, sports equipment or any other item visible on the Parcel, and may require that garage doors be kept closed except when automobiles are entering or leaving the garage.

(d) Sports Equipment. Play structures, such as basketball hoops and swing sets, must be kept in good repair and may be limited, in accordance with Hellgate Meadows Design Code, to back yards or alleys. Large play structures such as skateboard ramps which are visible from outside the Parcel may be prohibited.

(e) Privacy Walls, Fences and Gates. Hellgate Meadows Design Code includes as a part of the Architectural Standards the general regulations which apply to fencing, including, but not limited to, materials, style, location and height. All plans for installation of a privacy wall, fence or gate, shall be subject to review and approval by the Architectural Review Board (see Article IV - Master Deed Restrictions) prior to commencement of construction. Once constructed, any privacy wall, fence or gate shall be maintained by the

owner of the parcel upon which such privacy wall, fence or gate is erected, in a good state of repair.

(f) Regulation of Wood Burning Stoves or Fireplaces. The Missoula City-County Air Pollution Control Regulation prohibits the installation of wood burning stoves or fireplaces. Pellet stoves that need emission requirements or natural gas or propane fireplaces may be installed. Pellet stoves require an installation permit from the Health Department.

(g) Airport Influence Area Regulations and Owner/Declarant's Disclosure. A portion of the Real Property is located within the Missoula County Airport Influence Area and is subject to the requirements of the Missoula County Airport Influence Area Resolutions. The resolutions that created the Airport Influence Area were adopted by the Board of County Commissioners for Missoula County pursuant to Resolution No. 78-96 and amended by Resolution No. 78-187 dated July 5, 1978 and December 6, 1978, respectively, and recorded in Book 121 of Micro Records, page 1319 (Resolution 78-96) and Book 135 of Micro Records, page 474 (Amendment by Resolution 78-187). A portion of the real property is further subject to an Avigation Easement entered between the Declarant and the Missoula County Airport Authority, dated the 10th day of June, 2002 and recorded on the records of the Missoula County Clerk and Recorder in Book 683, Micro Records at Page 647, all of which limit and restrict the rights of the Owners of Lots within Hellgate Meadows Subdivision, now and into the future. The limitations and restrictions set out in these documents should be reviewed carefully prior to purchase by all prospective purchasers of Lots. The Avigation Easement includes a map attachment Exhibit "B" which depicts a portion of Phases 1 and 2 of Hellgate Meadows Subdivision subject to the Avigation Easement, and a legal description Exhibit "C" which describes the portion of Phases 1 and 2 of Hellgate Meadows Subdivision subject to the Avigation Easement. Prospective purchasers and Owners are advised that the operations at the airport may change and/or expand in the future, thereby changing and/or expanding the impacts felt on the portion of the Real Property subject to the Avigation Easement. Prospective purchasers and Owners are advised and should consider before purchasing a Lot that noise, vibration, dust, fumes, smoke, vapor and other effects from aircraft may occur, which may cause inconvenience or annoyance that may vary from Lot to Lot and that may affect people in different ways or extent. Federal funding for soundproofing, other mitigation of these impacts, or for acquisition of these properties is not available at present, nor in the future. The provisions of paragraph 3 of the above-described Avigation Easement executed by the Owner/Declarant provides for a full waiver and release by Owner/Declarant of any right or cause of action which it now has or may have in the future against the Missoula County Airport Authority, its successors and assigns, on account of or arising out of such noise, vibration, dust, fumes, smoke, vapor or other effects heretofore or hereafter caused by the operation of aircraft in said air space and/or by operations at the Missoula County Airport. The acquisition of a Lot or Lots in Hellgate Meadows Subdivision subject to the Avigation Easement and the aforementioned Resolutions by a prospective purchaser shall constitute an express



permitted within the Residential Neighborhood unless designated camp grounds are added to the property.

11.7 Rules and Regulations.

(a) Generally. The Association may from time to time adopt rules or amend previously adopted rules and regulations governing the details of the operation, use, maintenance and control of the Parcels, Commons and any facilities or services made available to the Owners.

(b) Effect. Rules and Regulations shall take effect immediately upon approval by the Board, or at a later date selected by the Board. If requested by at least 40% of the Members, a Neighborhood Meeting may be called and any Rule or Regulation may be repealed by majority vote of the Members.

(d) Notice. A copy of the Rules and Regulations adopted from time to time shall be posted in a conspicuous place within the Residential Neighborhood or furnished to each Owner.

11.8 Enforcement.

(a) Owner's Responsibility. Each Owner and Owners' family members, guests and tenants shall conform and abide by the covenants contained in this Declaration and any Rules and Regulations which may be adopted from time to time by the Association. Each Owner shall be responsible for assuring such compliance, and any violation by family members, guests or tenants may be considered to be a violation by the Owner.

(b) Notice, Hearing and Fines. Any Owner who is believed to be in violation of this Declaration or the Rules and Regulations shall be given notice and an opportunity to be heard. After such hearing, the Association shall have the right to assess fines, up to the maximum allowed by law and may restrict the Owner's use of the Commons for up to sixty (60) days or until remedied, whichever is longer. However, the primary goal of this provision is not to punish but to conciliate and resolve problems. The Association may suggest or approve agreements and withhold the requirement of paying a fine if the agreement is honored. Fines shall be charged against the Parcel as an Individual Parcel Assessment. Any fines collected shall be contributed to the general fund of the Association.

(c) Tenant Violations. If a tenant is believed to be in violation of the Declaration or Rules and Regulations, the Association shall notify the Owner and tenant and provide an opportunity for hearing. If the Association determines after notice and opportunity for hearing that a tenant has violated this Declaration or Rules and Regulations, the Association may assess fines against the Owner as provided in paragraph (b). In addition, if the violation continues for ten days after notice to the Owner of the findings, or if the tenant materially



violates either Declaration or Rules and Regulations more than once in any one-year period, the Association shall have the right to evict the tenant. Each Owner by acceptance of a deed irrevocably appoints the Association as its agent and attorney-in-fact in such an eviction action. All costs related to such action shall be charged to the Owner as an Individual Parcel Assessment.

(d) Corrective Action for Parcel Maintenance. If the Association determines after notice and hearing that any Owner has failed to maintain any part of the Parcel (including the yard and any wall, fence, Building, garden structure or other structure) in a clean, attractive and safe manner, in accordance with the provisions of this Declaration, the Hellgate Meadows Design Code and applicable rules and regulations, the Association shall notify the Owner of its findings and may assess fines as provided in paragraph (b). If the violation continues for ten days after notice to the Owner, the Association shall have the right without liability to enter upon such Parcel to correct, repair, restore, paint and maintain any part of such Parcel and to have any objectionable items removed from the Parcel. The Association may reduce or eliminate the time for notice if it believes the condition creates a hazard. All costs related to such action shall be assessed to the Owner as an Individual Parcel Assessment.

(e) Pets. After notice and hearing, the Association may find that a pet causes an unsafe condition or unreasonable disturbance or annoyance and may require the Owner or tenant to take steps to cure or limit the offensive condition. If such steps are ineffective, if the Owner or tenant fails to cooperate or if the pet is considered to create an unsafe condition, the Association may require that an Owner or tenant permanently remove the pet from the Neighborhood.

(f) Covenants' Committee. The Association may appoint a Covenants' Committee, composed of Parcel Owners, to hear violations of the Declaration or Rules and Regulations and to recommend or impose fines or take any other enforcement action under this Section 11.8.

(g) Additional Remedies. All remedies listed in this section are non-exclusive and may be applied cumulatively. The Association shall also have the right to bring suit to enforce the Declaration and Rules and Regulations, as described in Section 14.3 ("Enforcement of the Declaration").



ARTICLE XII:

Insurance

Insurance is essential to protect the interests of the various Owners and to assure that funds will be available for rebuilding after a casualty. However, because insurance costs may increase significantly or new types of coverage made available, this Article gives some flexibility to the Board to select insurance coverage that is reasonable for the conditions that exist at that time.

12.1 Review of Coverage. The Board shall review limits of coverage for each type of insurance at least once each year.

12.2 Casualty Insurance. The Board may obtain and, if additional significant insurable improvements are added to the Commons of the Residential Neighborhood, shall be required to obtain and maintain, casualty insurance on the improved Commons for fire damage. Endorsements for extended coverage, vandalism, malicious mischief, flood and windstorm should be obtained where available at reasonable cost. Coverage shall be in an amount not less than necessary to comply with the co-insurance percentage stipulated in the policy, but in any event not less than 80% of the insurable value (based upon replacement) of the insurable improvements constructed on the Commons.

12.3 Public Liability. The Board may obtain public liability insurance in such limits as the Board may from time to time determine, insuring against any liability arising out of, or incident to, the ownership and use of the Commons and any topographic conditions located on or adjoining the Residential Neighborhood. At the Board's discretion, such coverage may include easements, such as walkways, which benefit the Association. Whenever practicable, such insurance should be issued on a comprehensive liability basis and should contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association, the Board or other Owners.

12.4 Director Liability Insurance. The Board may obtain liability insurance insuring against personal loss for actions taken by members of the Board and advisory members in the performance of their duties. Such insurance shall be of the type and amount determined by the Board in its discretion.

12.5 Other Coverage. The Board shall obtain and maintain workman's compensation insurance if and to the extent necessary to meet the requirements of law, and such other insurance as the Board may determine or as may be requested from time to time by a majority vote of the Members.

12.6 Parcel Coverage. Each Owner shall obtain casualty insurance for all improvements on the Parcel. Coverage shall be in an amount not less than necessary to comply with the co-insurance percentage stipulated in the policy, but in any event not less than 80% of the insurable value (based upon replacement) of the improvements constructed on the Parcel. If



requested by the Association, an Owner shall provide evidence of such insurance to the Association.

12.7 Repair and Reconstruction after Fire or Other Casualty.

(a) Commons. If fire or other casualty damages or destroys any of the improvements on the Commons, the Board shall arrange for and supervise the prompt repair and restoration of the improvements. The Board shall obtain funds for such reconstruction first from the insurance proceeds, if any, then from reserves for the repair and replacement of such improvements, and then from any Special Assessments that may be necessary after exhausting insurance and reserves.

(b) Parcel Improvements. If fire or other casualty damages or destroys a Building or any other improvements on a Parcel, the Owner of that Parcel shall immediately proceed to rebuild and restore the improvements to the condition existing immediately prior to such damage or destruction, unless other plans are approved by Hellgate Meadows Architectural Review Board. If the Owner fails to clean and/or render a Parcel secure from vandalism or unlawful entry within 30 days after a casualty, the Association may, in accordance with the provisions of paragraph 11.8(d) ("Corrective Action for Parcel Maintenance"), remove debris, raze or remove portions of damaged structures and perform any other clean up the Association deems necessary to make the Parcel safe and attractive. The cost of such clean-up shall be assessed to the Parcel Owner as an Individual Parcel Assessment.

ARTICLE XIII: Amendment

Property Owners should be able to rely on the Declaration and the general principles it states. Amendment should not be easy. However, new solutions will be proposed from time to time to make the Association operate more efficiently or to adjust to changing conditions. Where clearly to the community's benefit, these new provisions should be incorporated into the Declaration.

13.1 Amendment.

(a) By Members. This Declaration may be amended at any time by an instrument signed by the president or vice president and secretary of the Association, certifying approval in writing by Parcel Owners representing eighty percent (80%) of the votes in the Association.

(b) By the Founder. To the extent permitted by law, the Founder specifically reserves the absolute and unconditional right to amend this Declaration without the consent or joinder of any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association or any other generally recognized institution involved in the guarantee or purchase and sale of

mortgages, (ii) to conform to the requirements of institutional mortgage lenders or title insurance companies, (iii) to clarify the Declaration's provisions or correct errors, or to modify this Declaration with respect to additional property made subject to its provisions by Founder.

(c) Limitation and Required Concurrence of Missoula City Council. Whenever any action described in this Declaration requires approval of greater than eighty percent (80%) of the Parcel Owners, amendment of that provision shall require the same percentage vote as would be required to accomplish that action directly. Rights reserved to the Founder may not be amended without the specific consent of the Founder. Provided further, that notwithstanding any other provisions of this Article XIII or the Residential Neighborhood Declaration to the contrary, the provisions of Article 11.3(f) and (g) hereof may not be amended, deleted or terminated without the express approval of the City Council of the City of Missoula or its successor.

(d) Recording. Any amendment shall take effect upon recording in the public records.

13.2 Dedication.

(a) Common Roads. If any portion of the Common Roads has not previously been dedicated to the public, the Founder or Association shall have the right to convey title to or dedicate the Common Roads to the appropriate public agency or authority.

(b) Commons. All other Commons may be dedicated to the public by the Board upon consent in writing of Parcel Owners representing eighty percent (80%) of the votes in the Association.

(c) Footpaths and Walkways. At least twenty (20) years from and after the recording of this Declaration, if the Association determines that it no longer wishes to maintain all or some of the footpaths or walkways between Parcels, the ownership of such footpaths or walkways may be divided evenly between the adjacent Parcel Owners, with the consent in writing of Parcel Owners representing eighty percent (80%) of the votes in the Association. The property shall be subject to an easement for any then-existing utilities, and an easement may be reserved for continued use of the footpaths or walkways if required by the approving Owners.

(e) Necessary Approval. Any dedication or conveyance described above is subject to acceptance by the applicable governmental agency

13.3 Condemnation. If all or part of the Commons is taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation affecting such property.

13.4 Duration; Termination. The covenants and restrictions contained in this Declaration shall run with and bind the Neighborhood and shall inure to the benefit of and be enforceable



acknowledgment and agreement by such prospective purchaser on behalf of prospective purchaser, its heirs, personal representatives, successors and assigns, that prospective purchaser fully waives and releases Owner/Declarant, N & E Ventures I, LLC, a Montana limited liability company, and its successors and assigns, as well as the Missoula County Airport Authority and its successors and assigns, of any right or cause of action which prospective purchaser now has or may have in the future as the purchaser and occupant of a Lot or Lots in Hellgate Meadows Subdivision against N & E Ventures I, LLC, a Montana limited liability company, and/or the Missoula County Airport Authority and their respective successors and assigns, on account of or arising out of such noise, vibration, dust, fumes, smoke, vapor or other effects heretofore or hereafter caused by the operation of aircraft in the air space and/or by the operations at the Missoula County Airport within the Missoula County Airport Influence Area. This paragraph may not be revised without the written consent of the Missoula County Airport Authority, which consent shall not be unreasonably withheld.

11.4 Leasing. Residential Parcels or separate Residential Units within a Parcel, such as an outbuilding apartment, may be rented, subject only to applicable law and to reasonable rules and regulations as promulgated by the Association, which may be modified from time to time. The Association may establish a minimum lease term of at least six months. The Association may prohibit the leasing of any Residential Unit while the Owner is in default in the payment of Assessments. If the Residential Unit is leased in violation, the Association may attach rentals and may evict the tenant as if it were a tenant violation under paragraph 11.8 (c).

11.5 Pets. Pets may be kept by an Owner on his Parcel but only if such pets do not cause an unsafe condition or unreasonable disturbance or annoyance within the Residential Neighborhood. Each Owner shall be held strictly responsible to immediately collect and properly dispose of wastes and litter of his pets. The Association reserves the right to regulate the number, type and size of pets (specifically including particular breeds of dogs deemed to create unreasonable danger); to prohibit the keeping of animals other than customary household pets, which it may define, acting reasonably; to designate specific areas within the Commons where pets may be walked and to prohibit pets on other areas; to require pets to be on leash; and to restrict the rights of tenants to keep pets.

11.6 Temporary Structures; Camping. Hellgate Meadows Design Code may prohibit or regulate construction trailers, tents, shacks, barns, sheds or other structures of a temporary character which are visible from outside the Parcel. However, reasonable, occasional use of tents for festive occasions or children's backyard camping is part of life and should be enjoyed. In addition, the Association or Founder may permit the use of tents, trailers and other temporary buildings on the Commons or elsewhere within the Residential Neighborhood during art festivals, craft fairs, block parties and other special events is encouraged, subject to regulation by Hellgate Meadows Design Code. No other camping is



by the Founder, the Association, and all Owners of property within the Neighborhood, their respective legal representatives, heirs, successors or assigns for twenty years, and shall be automatically extended for each succeeding ten year periods unless an instrument signed by Owners representing 90% of the votes in the Association shall have been recorded, agreeing to terminate the Declaration as of a specified date.

This Declaration may also be terminated by the consent in writing of all Owners.

ARTICLE XIV:

General Provisions

14.1 Interpretation.

(a) Construction. The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform and consistent plan for the development and operation of the Neighborhood as a community of the highest quality. Founder shall have exclusive and broad discretion in exercising its judgment regarding determination of matters of "reasonableness" or in the application of any other subjective standard in the interpretation and/or application or enforcement of the provisions of this Declaration. The italicized portions at the beginning of each Article are intended to state the purposes for the provisions that follow and may be used as an aid to interpretation. However, if the italicized portion conflicts with the operative provision, the operative provision shall govern.

(b) Governmental Regulation. All provisions of this Declaration, including without limitation modifications to the Master Plan, shall be subject to applicable government regulation or agreements.

14.2 Invalidity. The invalidity of any part of this Declaration shall not impair or affect the validity or enforceability of the rest of the Declaration, which shall remain in full force and effect.





14.3 Enforcement of Declaration.

(a) Enforcement. Suit may be brought against any person, persons or entity violating or attempting to violate the provisions of this Declaration, either to restrain violation or to recover damages, and against his or its property to enforce any lien created by this Declaration. To enforce this Declaration or the Rules and Regulations, the Association, the Founder or any Owner may bring an action for damages, specific performance, declaratory decree or injunction, or any other remedy at law or in equity. The Board shall be empowered to bring suits on behalf of the Association.

(b) No Waiver. Failure to enforce any provision of this Declaration or the Rules and Regulations shall not be deemed a waiver of the right to do so at any time thereafter.

(c) Association's Legal Fees. Any and all costs, including but not limited to attorneys' fees and court costs, which may be incurred by the Founder or the Association in the enforcement of any of the provisions of this Declaration, whether or not suit is brought, may be assessed as an Individual Parcel Assessment to the Owner against whom such action was taken.

14.4 Assignment of Founder's Rights. Founder may assign all or a portion of its rights or obligations at any time to a successor or assign or to the Residential Neighborhood Association. If Founder conveys all of its property within the Residential Neighborhood Association without assigning its rights, then the Founder's rights shall automatically be assigned to the Residential Neighborhood Association.

14.5 Notices. Any notice required to be sent to the Owner shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the Parcel and, if different, to the last known address of the person who appears as Owner of the Parcel as that address is stated on the records of the Association at the time of the mailing. If the Owner has given approval, notice may be given by electronic means to an address provided by the Owner.

14.6 Gender and Number. The use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

14.7 Consent of Mortgagees.

(a) When Consent Required. This Declaration contains provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions are to be construed as covenants for the protection of the Mortgagees on which they may rely in making loans secured by a mortgage on a Parcel. Accordingly, no amendment or modification of this Declaration specifically impairing such rights, priorities, remedies or interests of a mortgagee shall be adopted without the prior written consent of Mortgagees as provided in subsection (b). This section shall not be construed, however, as a limitation upon the rights of the Founder, the Association or the Members to make amendments which do not adversely affect the Mortgagees.

(b) Percentage Required. Wherever consent of the Mortgagees is required, it shall be sufficient to obtain the written consent of Mortgagees holding a lien on sixty percent (60%) or more of all Parcels encumbered by a mortgage.

(c) Timely Response. Any such required consent shall be given promptly and shall not be unreasonably withheld. Any consent not given or denied within 30 calendar days of receipt of request for consent shall be deemed given.

14.8 Law to Govern. This Declaration shall be construed in accordance with the laws of the State of Montana.

IN WITNESS WHEREOF, the undersigned does hereby make this Declaration of Easements, Covenants and Restrictions for Hellgate Meadows and has caused this Declaration to be executed as of the day and year first above written.

N & E VENTURES I, LLC, a
A Montana limited liability company

By: NEIGHBORHOODS BY DESIGN, LLC
Its Managing Member

By: [Signature]
Robert G. Brugh, Managing Member

STATE OF MONTANA)
: ss.
County of Missoula)

This instrument was acknowledged before me on this 17th day of JUNE, 2002
by ROBERT G. BRUGH, known to me to be the Managing Member of



NEIGHBORHOODS BY DESIGN, LLC, a Managing Member of N & E Ventures I, LLC,
a Montana limited liability company.

(SEAL)

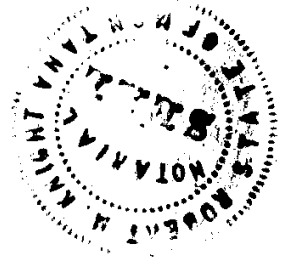


Printed or Typed Name ROBERT M. KNIGHT

Notary Public for the State of Montana

Residing at MISSOULA, MONTANA

My commission expires Jan 27, 2004



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Bk-685 Pg-362

Missoula County Vickie M Zeier COV

SCHEDULE OF EXHIBITS:

Exhibit A:

A-1: Description of That Portion of the 40 Acres to be Developed by Founder Within the Master Plan Area to be Subject to the Residential Neighborhood Declaration:
Phase II, Hellgate Meadows Subdivision

A-2: Description of The Meadow Village Core:
Lots 1– 39, Phase I, Hellgate Meadows Subdivision

Exhibit B: Initial Commons

Exhibit C: Articles of Incorporation of Hellgate Meadows Residential Neighborhood Association, Inc.

Exhibit D: Bylaws of Hellgate Meadows Residential Neighborhood Association, Inc.



SECRETARY OF STATE

STATE OF MONTANA

BOB BROWN

EXHIBIT "C"



Business Services Bureau
Pat Haffey, Deputy

PRIORITY

Montana State Capitol
PO Box 202801
Helena, MT 59620-2801
(406)444-3665
<http://www.state.mt.us/sos/>

ROBERT M KNIGHT
PO BOX 8899
MISSOULA MT 59807 8899

June 4, 2002

Dear Mr. Knight:

RE: HELLGATE MEADOWS
RESIDENTIAL NEIGHBORHOOD
ASSOCIATION, INC.
ARTICLES OF CORRECTION
Date of Filing: June 4, 2002
Filing Number: d116248 428496

I've approved the filing of the documents for the above named entity. The document number and filing date have been recorded on the original document. This letter serves as your certificate of filing and should be maintained in your files for future reference.

Thank you for giving this office the opportunity to serve you. If you have any questions in this regard, or need additional assistance, please do not hesitate to contact the Business Services Bureau professionals at (406) 444-3665.

Sincerely,

Bob Brown

Bob Brown
Secretary of State
Enclosure

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Missoula County Vickie M Zeiler COV
BK-685 Pg-362

Rmj 6/6/02

You can correspond with our office via facsimile. Our fax number is (406) 444-3976. You can now fax in your search, copy, and certificate requests.

**STATEMENT OF INCORPORATOR FOR
PURPOSES OF FILING OF ARTICLES OF CORRECTION FOR
HELLGATE MEADOWS RESIDENTIAL NEIGHBORHOOD ASSOCIATION, INC.
ARTICLES OF INCORPORATION**

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Missoula County Vickie M Zeller COV BK-685 Pg-382

1. Articles of Correction for the Articles of Incorporation of Hellgate Meadows Residential Neighborhood Association, Inc., are submitted by Robert M. Knight, the incorporator, for purposes of correcting errors in the form of incorrect statements contained in the original filed Articles of Incorporation.

2. Attached hereto, marked Exhibit "A" and incorporated herein by reference, is a copy of the Certificate of Incorporation issued for Hellgate Meadows Residential Neighborhood Association, Inc., as well as a copy of the Articles of Incorporation issued effective May 28, 2002.

3. Attached hereto and incorporated herein by reference are the Corrected Articles of Incorporation.

4. The original Articles of Incorporation need to be corrected because they contain the following errors, to-wit:

- a. In the Purpose clause, there is a reference to the Village Core of Hellgate Meadows when the reference should be to the Residential Neighborhood of Hellgate Meadows.
- b. In Article IV there is a reference to the Village Core of Hellgate Meadows Subdivision when the reference should be to the Residential Neighborhood of Hellgate Meadows Subdivision.
- c. The reference to Article 6(b) of Hellgate Meadows Village Core contained in Article VIII should be corrected to reflect Article 6.7 of the Hellgate Meadows Residential Neighborhood Declaration of Easements, Covenants and Restrictions.

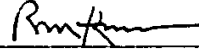
5. The attached Corrected Articles of Incorporation make the foregoing changes and only the foregoing changes.

The undersigned, as incorporator, attests to the fact that there has been no election of officers or directors for Hellgate Meadows Residential Neighborhood Association, Inc., nor are there any members to-date of Hellgate Meadows Residential Neighborhood Association, Inc.

This Statement of Incorporator for Purposes of Filing Articles of Correction of Hellgate Meadows Residential Neighborhood Association, Inc., as well as the Corrected Articles of

Incorporation of Hellgate Meadows Residential Neighborhood Association, Inc., is submitted in compliance with the requirements of Section 35-2-122, MCA.

DATED this 4th day of June, 2002.



Robert M. Knight
Incorporator



**ARTICLES OF CORRECTION FOR
ARTICLES OF INCORPORATION
OF
HELLGATE MEADOWS RESIDENTIAL NEIGHBORHOOD ASSOCIATION, INC.
(a Montana Non-Profit Corporation)**

Executed by the undersigned incorporator for the purpose of forming a Montana nonprofit corporation under "Montana Nonprofit Corporation Act," Title 35, Chapter 2 of the Montana Code Annotated.

ARTICLE I

Name. The name of the corporation is Hellgate Meadows Residential Neighborhood Association, Inc.

ARTICLE II

Designation. The corporation is a mutual benefit corporation.

ARTICLE III

Purpose. The Association does not contemplate that any pecuniary gains, profits or net earnings will inure to the benefit of any member of the Association. The Association is organized to perform all of the duties and obligations and to exercise all of the rights of the Residential Neighborhood Association which are provided for in the Declaration of Easements, Covenants and Restrictions for the Residential Neighborhood of Hellgate Meadows, as that Declaration may be amended and supplemented from time to time (hereinafter referred to as the "Declaration"). The Declaration will be recorded in the office of the Clerk and Recorder of Missoula County, Montana. The powers, privileges, rights, duties and obligations of the Residential Neighborhood Association include, but are not limited to, the following:

(a) to exercise all of the powers and privileges and to perform all of the duties and obligations of the Residential Neighborhood Association as set forth in the Declaration, which is hereby incorporated by reference in its entirety as if set forth herein in full, as it may be amended or supplemented from time to time, and to assist in the enforcement of the restrictions and covenants contained in the Declaration.

(b) to fix and levy assessments and to collect those assessments in order to obtain funds with which to carry out the duties and obligations of the Residential Neighborhood Association pursuant to the Declaration; and

(c) to exercise all other rights and powers which the corporation now has or may hereafter acquire under the Declaration, or which may be available to a non-profit corporation incorporated under the Montana Non-Profit Corporation Act.



ARTICLE IV

Members. The corporation shall have members. Members shall meet the criteria and satisfy the procedures for admission set forth in the corporation's bylaws and the Declaration of Easements, Covenants and Restrictions for the Residential Neighborhood of Hellgate Meadows Subdivision.

ARTICLE V

Registered Agent and Office. The address of the initial registered office of the corporation is 25685 Nine Mile Road, Huson, Montana 59846, and the name of the initial registered agent at that address is Robert G. Brugh.

ARTICLE VI

Distribution and Dissolution. Upon dissolution of the corporation, all assets remaining after the payment of known creditors shall be distributed according to Mont. Code Ann. § 35-2-721(6), or its successor statute in effect at the time of such dissolution.

ARTICLE VII

Duration. The duration of the corporation shall be perpetual.

ARTICLE VIII

Directors. The initial Board of Directors shall consist of three (3) Members. The number of directors who shall manage the business affairs of the Corporation shall be such as from time to time may be fixed by, or in the manner provided in, the Bylaws and amendments thereto, and shall be consistent with the provisions of Article 6.7 of the Hellgate Meadows Residential Neighborhood Declaration of Easements, Covenants, and Restrictions, and amendments thereto, but the number of directors may not be less than three (3) nor more than nine (9).

ARTICLE IX

Limitation of Directors' Liability. A director of the corporation shall not be liable to the corporation or its members for monetary damages for breach of a director's duties to the corporation or its members, except for (a) breaches of the director's duty of loyalty to the corporation or its members; (b) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law; (c) transactions from which a director derived an improper personal or economic benefit; (d) transactions involving a conflict of interest as defined in Montana Code Annotated, Section 35-2-418; (e) transactions involving a loan or loan guarantee made to or for the benefit of a director by the corporation in violation of Montana Code Annotated, Section 35-2-435; or (f) a director's personal liability for an unlawful distribution under Montana Code Annotated, Section 35-2-436. Any repeal or modification of this article will be prospective only and will not adversely affect any limitation on the personal liability of a director of the corporation with respect to actions taken before the repeal or modification of this article.



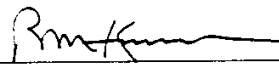
ARTICLE X

Director Indemnification. The corporation will indemnify each director to the full extent permitted by the Montana corporation statutes against all costs and expenses reasonably incurred or imposed upon the director in connection with or rising out of any action, suit or proceeding in which the director is made a party by reason of having been a director or officer of the corporation.

ARTICLE XI

Incorporator. The name of the incorporator is Robert M. Knight and such incorporator's address is 526 East Front Street, P.O. Box 8899, Missoula, MT, 59807-8899.

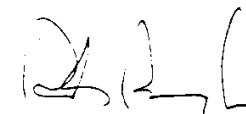
IN WITNESS WHEREOF, these Articles of Incorporation have been executed as of the 30 day of May, 2002, by the incorporator and the registered agent.



Robert M. Knight
Incorporator

Acceptance of Appointment as Registered Agent

Robert G. Brugh hereby accepts the appointment as registered agent of the Residential Neighborhood Association which is provided for herein, as required by Montana Code Annotated §35-2-309.



Robert G. Brugh

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EXHIBIT "D"

BYLAWS
for
HELLGATE MEADOWS RESIDENTIAL NEIGHBORHOOD
ASSOCIATION, INC.,
a Montana Non-Profit Corporation

ARTICLE I
MEMBERS

1.1 **Membership.** The members of the Hellgate Meadows Residential Neighborhood Association, Inc. (the "Association"), a corporation not for profit organized under State of Montana law, shall consist of the owners of separately conveyable real property ("Parcels") in Hellgate Meadows Residential Neighborhood (the "Property") located in the City of Missoula, County of Missoula, State of Montana, as described in the Declaration of Easements, Covenants and Restrictions for the Residential Neighborhood, recorded or to be recorded in the public records of Missoula County, Montana (the "Declaration"). The membership of each Owner shall terminate when he ceases to be an Owner of a Parcel. Upon the sale, transfer or other disposition of his ownership interest in a Parcel, membership in the Association shall automatically be transferred to the new member. The Association may, but is not required to issue certificates evidencing membership.

ARTICLE II
MEETINGS OF MEMBERSHIP

2.1 **Rules.** The meetings of the membership shall be held in accordance with the provisions of the Declaration and, subject to the Declaration, in accordance with these Bylaws. Except where in conflict with the Declaration, Roberts Rules of Order (as amended) shall govern the conduct of all membership meetings.

2.2 **Annual Meeting.** The annual meeting of the Association membership shall be held at such time and place in the City of Missoula, State of Montana, as may be designated by the Board. The annual meeting shall be at a place and time determined by the Board, which shall ordinarily be at least 11 months but no later than 13 months since the previous annual meeting.

2.3 **Special Meetings.** Unless specifically provided otherwise herein or in the Declaration, meetings of the membership shall be held when directed by the President or the Board or when requested in writing by members holding a majority of the votes having the right to vote at such meeting. The call for the meeting shall be issued by the secretary.

2.4 **Notice.** Notice of all members' meetings, regular or special, shall be given by the President, Vice President or Secretary of the Association to each member unless waived in writing. Such notices shall be mailed or personally delivered to each member not less than ten (10) nor more than thirty (30) days prior to the meeting, except in an emergency, in which case



the Board shall give such notice as is reasonable under the circumstances.

In addition, except in an emergency, when such notice requirement shall be waived, written notice shall be posted at a conspicuous place on the Property not less than forty-eight (48) hours prior to any special meeting and not less than fourteen (14) days prior to the annual meeting.

2.5 Waiver. Any Owner may waive notice of a meeting or consent to the holding of a meeting without notice or consent to action taken without a meeting, by execution of a waiver or consent in writing. Such waiver or consent may be executed prior to, at, or subsequent to the meeting or Association action to which the waiver or consent relates.

2.6 Quorum. Voting at an Association meeting requires presence of Members (in person, by proxy or, to the extent allowed by State of Montana law, by telephone conference) representing the percentage of votes established by the Board as necessary to transact business. The Board may revise this percentage from time to time, but in no event shall the required percentage be less than 25% or more than 50% of the membership.

2.7 Proxies. Proxies shall be in writing and are revocable at any time at the pleasure of the member executing it. A proxy shall be valid only for the particular meeting designated and any lawfully adjourned meetings thereof (but in no event shall a proxy be valid for more than 90 days after the date of the first meeting for which it was given). All proxies must be filed with the Secretary before the appointed time of the meeting.

2.8 Action without Meeting. If permitted by the Board, the membership may approve any matter (specifically including the election of Directors) by written ballot. Ballots shall be mailed or hand delivered to all Members. The Board shall establish for each vote the amount of time to be permitted for voting, which shall be no less than 10 days nor more than 60 days, and all ballots returned within the permitted time shall be counted. The Board may also establish a minimum number of ballots which must be returned in order for the vote to be valid, within the limits required for a quorum.

ARTICLE III BOARD OF DIRECTORS

3.1 Initial Composition. The Board shall initially consist of three persons who shall be originally appointed by the Founder.

3.2 Later Composition. The Founder's right to appoint, remove and replace the initial officers and members of the Board shall be in force and effect until sixty days after all of the buildings indicated by or permitted under the Master Plan have been completed and conveyed to owners other than the Founder or the builder. When used in this paragraph, "buildings" shall include both detached buildings and Residential Units, but not outbuildings. The Founder may voluntarily surrender all or a portion of its reserved rights to appoint and remove and replace officers and members of the Board before termination of the control period, in which case the Founder reserves the right to record an instrument specifying that, until the time Founder would have otherwise been required to end control of the Board, certain actions of the Association or



Board must be approved by the Founder before they become effective. Additionally, once the Founder surrenders the reserved right to appoint, remove and replace officers and members of the Board, the Board shall determine, from time to time, the number of directors which shall be permitted, which shall no fewer than three and no more than nine.

3.3 First Election. Within sixty (60) days after the Owners other than the Founder become entitled to elect a member of the Board, the Association shall call a meeting of the Owners to elect a member or members of the Board. Notice shall be given not less than thirty (30) days nor more than forty (40) days before the meeting. The meeting may be called and notice given by any Owner if the Association fails to do so. At the meeting, such Owners shall elect the director or directors which they are then entitled to elect, who shall replace those named by the Founder and who shall serve until the next regularly scheduled annual meeting of the Association, when their successors shall be elected as provided in the Bylaws.

3.4 Number of Directors. Once the Owners other than the Founder become entitled to elect a member or members of the Board, the Board shall consist of at least three directors but not more than nine directors. The number of directors shall be determined from time to time by the Board.

3.5 Term. Directors shall hold office for a term of two years. A director may be elected to a one-year term to permit staggered terms. Directors may be elected for successive terms.

3.6 Qualifications. Directors are not required to be Members.

3.7 Voting Procedure. Each Member shall have one vote for each seat to be filled. No cumulative voting shall be permitted. The candidates receiving the highest number of votes shall be declared elected.

3.8 Removal. Except for directors selected by the Founder, any director may be removed from office, with or without cause, by at least a majority vote of all Members, at any duly called meeting of Members. A special Association meeting to remove a director or directors from office may be called by Members representing 40% of the membership giving notice of the meeting unless a lower percentage is permitted by law. The notice shall state the purpose of the meeting and shall be given to all Members in writing at least one week prior to the Association meeting.

3.9 Vacancy. Any vacancy occurring in the Board may be filled by a majority vote of the remaining Board members, except that a vacancy resulting from removal of a director by the members shall be filled by a vote of the membership. Members shall also vote to fill a vacancy if there are not sufficient remaining Board members to constitute a quorum.

3.10 Meetings. An annual meeting of the Board shall be held immediately following the annual meeting of the membership and at the same place. Special meetings of the Board shall be held upon call by the President or a majority of the Board on not less than forty-eight (48) hours notice in writing to each director, unless the Board determines an emergency to exist, in which event the Board shall give such notice as is reasonable under the circumstances. All meetings of the Board at which official action may take place shall be open to all members and, except in an emergency as provided above, notices of all such meetings shall be posted in a conspicuous place on the



Property at least 48 hours prior to the meeting. However, members shall not be entitled to vote or participate in any other way at the meeting.

3.11 Waiver. Any director may waive notice of a meeting or consent to the holding of a meeting without notice or consent to any action of the Board without a meeting. Such waiver or consent may be executed prior to, at, or subsequent to the meeting or Board action to which the waiver or consent relates.

3.12 Quorum. Voting at a Board meeting requires presence of at least one-half of the directors, in person or telephone conference or, if permitted by law, by proxy or by any other permissible means. Any action required to be taken by vote of the Board may be taken in the absence of a meeting (or in the absence of a quorum at a meeting) by obtaining the written approval of a majority of the Board.

3.13 Compensation. Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by the Owners but may be reimbursed for expenses.

3.14 Powers and Duties. The Board shall have the following powers and duties:

- (a) To elect the officers of the Association as hereinafter provided;
- (b) To administer the affairs of the Association and the Property and formulate policies for such purposes;
- (c) To adopt administrative rules and regulations governing the administration, management, operation and use of the Property and to amend such rules and regulations from time to time;
- (d) To provide for the maintenance, repair and replacement of those parts of the Property stated in the Declaration to be maintained by the Association;
- (e) To provide for the designation, hiring and removal of employees and other personnel or service companies, including a property manager, to engage or contract for the services of others, to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and to delegate any such powers to the employees or agents of the Association;
- (f) To estimate the amount of the annual budget, to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses as hereinafter provided and to assess any supplemental assessment as the Board shall deem necessary;
- (g) Unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Owners as expressed in a resolution duly adopted at any annual or special meeting of the Owners; and
- (h) To exercise all other powers and duties of the Board provided for in the Declaration and the Articles.



ARTICLE IV OFFICERS

4.1 Election. Subject to the provisions of the Declaration and Articles, at each annual meeting of the Board, the Board shall elect the following officers of the Association:

(a) A President, who shall be a director, shall preside over the meetings of the Board and of the Association and shall be the chief executive officer of the Association. In the recess of the Board, the President shall have general control and management of the business and affairs of the Association;

(b) One or more Vice Presidents, who shall also be directors and who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President;

(c) A Secretary, who shall keep the minutes of all meetings of the Board and of the membership and who shall perform all the duties generally incident to the office of Secretary;

(d) A Treasurer, who shall cause to be kept the financial records and books of account of the Association; and

(e) Such additional officers as the Board shall see fit to elect. An individual may hold more than one position.

4.2 Powers. The officers shall have the general powers usually vested in such officers of a not-for-profit corporation, provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may deem necessary.

4.3 Term. Each officer shall hold office for the term of one year and until his successor shall have been elected and qualified.

4.4 Vacancy. Vacancies in any office shall be filled by the Board at special meetings thereof. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board.

4.5 Compensation. Officers shall receive no compensation for their services, unless expressly provided for in a resolution duly adopted by the Owners, but may be reimbursed for expenses.

ARTICLE V RECORDS

5.1 Accounting. The Board shall maintain accounting records according to generally accepted accounting practices, which records shall be open to inspection by Owners at reasonable times and upon reasonable notice. These accounting records shall include a record of receipts and expenditures and a separate account for each Owner showing the assessments charged to and paid by such Owner. Within ninety (90) days after the end of each year covered by an annual budget,



the Board shall cause to be furnished to each Owner a statement for such year showing the receipts and expenditures and such other information as the Board may deem desirable. Upon reasonable notice to the Board, any owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from him.

5.2 Meetings. The Board shall keep a record of all meetings, both of the Board and of the Association. For each action taken, the record shall state the vote and a description of the action approved, and, where applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record shall be available for inspection by any Member.

ARTICLE VI AMENDMENT

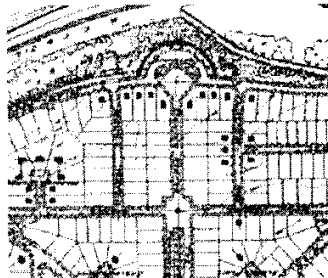
The Bylaws may be altered, amended, modified or repealed by (a) two-thirds of the Directors, or (b) assent in writing of members representing a majority of the voting interests. Any such modification shall be effective upon recording in the public records of Missoula County.

ARTICLE VII SUPREMACY

In the event of a conflict among the Bylaws, Articles or Declaration, the Declaration shall control, followed by the Articles and then Bylaws.

These Bylaws were adopted by the Board on June 17, 2002.





VILLAGE CORE

DECLARATION

of

Easements, Covenants and Restrictions

N & E VENTURES I, LLC, a Montana limited liability company, to be known as the "Founder," makes this Village Core Declaration this 19th day of June, year of 2002.

STATEMENT OF PURPOSE:

A. Hellgate Meadows is a new mixed-use community in Missoula, County of Missoula, State of Montana. The Master Plan for Hellgate Meadows calls for creation of a new community made readily accessible with pedestrian walkways, plazas and greens, and a range of housing types and businesses. The Master Plan comprises both the Residential Neighborhood, which is the primarily residential portion, and the Village Core, which brings together a mixture of commercial and residential uses.

B. *It is the express intention of the Founder that the following Declaration of Easements, Covenants and Restrictions for the Village Core, as well as the Design Code adopted in conjunction therewith to regulate land use, architecture and environment, shall apply only to that portion of Hellgate Special District: Traditional Neighborhood Development (T&D) to be developed by the Founder, that property being described on Exhibit A attached and which will be known as Hellgate Meadows. Consequently, notwithstanding anything to the contrary hereinafter contained, this Declaration of Easements, Covenants and Restrictions and the related Design Code described in the preceding sentences, shall apply only to that portion of the 40 acres described on Exhibit A attached unless other property owned by Founder (or with the express written consent of the Owner and the Founder) is expressly added by the Founder at a later date by the recording of documents reflecting that express intention. Likewise, the name "Hellgate Meadows" shall be used only in conjunction with the development to occur on the*



property described on Exhibit A attached and the adjacent Meadows Residential Neighborhood.

B. The Village Core is designed to combine various uses in dynamic fashion. At street level, The Village Core mixes retail stores, restaurants and service establishments. Pushcarts, kiosks and special events add further variety to the street scene. Offices, artists' workshops and studios and other uses may fill in the outlying portions of the Village Core and the second floor of the core area. Residential units for those who enjoy the stimulation of an urbanized environment top most of the buildings and bring life to the area around the clock.

C. The master plan allows residents of Hellgate Meadows to freely walk or bicycle from their homes to the shops and restaurants without barriers or unnecessary circumlocutions.

D. The Founder hopes and intends the following with respect to the Village Core:

- That residents of Hellgate Meadows will enjoy the conveniences and activity offered by the Village Core and the vitality it lends the entire community.
- That the occupants of the residential units within the Village Core will enjoy the recreational facilities and community spirit offered by Hellgate Meadows.

E. All of Hellgate Meadows to be developed by the Founder shall be subject to the Master Deed Restrictions which, among other things, establish architectural review.

F. The Residential Neighborhood to be developed by the Founder is to be governed by a separate Declaration of Easements, Covenants and Restrictions (as amended from time to time, the "Residential Neighborhood Declaration").

G. The special circumstances of the Village Core require a new and additional declaration and association to allow both its inclusion as an integral part of Hellgate Meadows and its efficient operation as a busy commercial area. Accordingly, the Founder intends to establish this Village Core Declaration to establish the Village Core Association, to provide for the possible creation of a Merchants' Council, and to regulate the Village Core and to provide for its maintenance.

H. To assure access to recreational facilities, the residential units within the Village Core shall be submitted on a limited basis to the terms of the Residential Neighborhood Declaration, by separate Supplemental Declaration, and are members of the Residential Association, rather than the Village Core Association. However, this Village Core Declaration provides residential unit owners with certain easements for access and use of their property and the Village Core Commons, and regulates the uses of their property.



DECLARATION:

The Founder hereby establishes the Village Core as all of that property in Missoula County, Montana, to be developed by the Founder, described on Exhibit A and submits the Village Core to this Village Core Declaration, which shall run with the land and be binding upon all parties having any right, title or interest in it, and which shall inure to the benefit of every owner of the Village Core or any portion of it and to the benefit of the Founder.

NOTE: The following Articles include a brief summary of the purposes and/or content of the articles. The summary is not meant to alter or amend or to contravene any substantive provision in any of the articles. Consequently, only the provisions which follow each article summary and only those provisions shall be relied upon and referenced in any interpretation of the meaning of the provisions of this Declaration.

ARTICLE I: | Definitions

1.1 Articles. "Articles" are the Articles of Incorporation of the Village Core Association, which are attached as Exhibit C to this Declaration (to accompany the final Declaration for recording to establish a Montana nonprofit corporation as the legal entity creating the Village Core Association).

1.2 Architectural Review Board (Hellgate Meadows). Hellgate Meadows "Architectural Review Board" is the panel established by the Master Deed Restrictions to review building design and modification in the administration of Hellgate Meadows Design Code.

1.3 Assessments. "Assessments" is the collective term for the following charges:

- (a) General Assessment. The "General Assessment" is the amount distributed among all Members to be paid to meet the Village Core Association's annual budgeted expenses, as described in Section 10.2.
- (b) Zone Assessment. A "Zone Assessment" as discussed in Section 10.4 pays for special services or capital improvements approved by a Zone.
- (c) Individual Unit Assessment. An "Individual Unit Assessment" is a charge made to a particular Unit Owner for charges relating only to that Unit, as provided in Section 10.5.
- (d) Special Assessment. A "Special Assessment" may be charged to each Unit for capital improvements or emergency expenses.

1.4 Board. "Board" is the Board of Directors of the Village Core Association.





1.5 Bylaws. "Bylaws" are the Bylaws of the Village Core Association. The form of the initial Bylaws, as proposed, is attached as Exhibit D to this Declaration (to accompany the final Declaration for recording to establish the bylaws for the Montana nonprofit corporation which will be the legal entity creating the Village Core Association)..

1.6 Commercial Unit. A "Commercial Unit" is defined as a permanent, separately leasable, enclosed space which is not intended for residential use. The Village Core Association may designate Commercial Unit boundaries, based on uniform rules consistently applied.

1.7 Commons. "Commons" comprise the real property and nonexclusive easement rights granted by the Founder under this Declaration for the common use and enjoyment of all Owners. "Commons" shall include planter strips which are adjacent to dedicated common roads and lanes and which may be maintained by the Village Core Association. "Commons" shall also include any improvements on that real property or easement areas, all personal property for the Owners' common use, and any other property of any type specifically designated as Commons. The Commons will include sidewalks. The initial Commons are described at Exhibit B to this Declaration. It is anticipated that the Commons shall include streets, walkways, landscaped areas (including boulevards and parks), public restrooms and other facilities.

1.8 Design Code (Hellgate Meadows). "Hellgate Meadows Design Code" establishes the development of Hellgate Meadows through its regulation of land use, architecture and environment. Hellgate Meadows Design Code is originally adopted by the Founder as provided in the Master Deed Restrictions and may be amended from time to time. The provisions of the Master Deed Restrictions which relate to Hellgate Meadows Design Code, including, but not limited to, paragraph 3.1 thereof, are incorporated herein by reference as if set forth herein in full. Hellgate Meadows Design Code does not need to be recorded to be effective but shall be available from Hellgate Meadows Architectural Review Board.

1.9 Founder. The "Founder" is N & E Ventures I, LLC, a Montana limited liability company, its successors and assigns. The Founder may also be an Owner for so long as the Founder is record owner of any Unit.

1.10 Master Plan. The Master Plan is the initial plan for the development of the Master Plan Area. The Master Plan is subject to change based on market conditions, governmental requirements and other modifications which may be made as development progresses if approved by the City of Missoula, and if necessary, with the concurrence of the County of Missoula.

1.11 Master Plan Area. As further defined in the Master Deed Restrictions, the initial Master Plan Area comprises approximately 97 acres, 40 acres of which will be developed by the Founder, N & E Ventures I, LLC. Adjacent land may possibly be added at a later date.

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1.12 Master Deed Restrictions. The Founder, as the grantor of deeds within Hellgate Meadows, has recorded an instrument immediately prior to this Declaration known as the Master Deed Restrictions. The Master Deed Restrictions, which apply to all deeds granted within that portion of Hellgate Meadows being developed by Founder, are intended to ensure the proper application of Hellgate Meadows Design Code during the development stage and to impose other restrictions designed to further the development of the community.

1.13 Merchants' Council. The "Merchants' Council" may be established by Article VIII of this Village Core Declaration as a committee of the Village Core Association to promote business activity. The Merchants' Council, if established, shall be an unincorporated committee of the Village Core Association but may be incorporated at a later time.

1.14 Member. Each owner or lessee of a Commercial Unit is a "Member" of the Village Core Association, as provided in Article VII of this Declaration. Each owner or lessee of a Residential Unit shall also be a Member of the Village Core Association. Temporary Unit Owners and lot owners who pay assessments shall also be considered Members.

1.15 Mortgagee. A "Mortgagee" is any institutional lender which holds a bona fide first mortgage, deed of trust or trust indenture encumbering a Unit as security for the performance of an obligation. The term "institutional lender" specifically includes a bank, savings and loan association, a mortgage lending company, an insurance company, and the Federal National Mortgage Association or similar agency.

1.16 Owner. "Owner" is the record owner, whether one or more persons or entities, of the fee simple title to any Unit. Owners shall not include those having such interest merely as security for the performance of an obligation.

1.17 Residential Neighborhood Association. The Residential Neighborhood Association is Hellgate Meadows Residential Neighborhood Association, Inc., a Montana not-for-profit corporation established by the Residential Neighborhood Declaration.

1.18 Residential Neighborhood Declaration. "Residential Neighborhood Declaration" is the Residential Neighborhood Declaration of Easements, Covenants and Restrictions for The Meadows as recorded at Volume _____, Page _____ of the Public Records of Missoula County, Montana, as amended from time to time.

1.19 Residential Unit. A "Residential Unit" shall be defined as a residential condominium unit or other separately leaseable space intended for residential purposes, whether permanent or transient. A portion of a Commercial Unit which is used primarily for residential purposes (such as residential space within an artist's studio) may, at the request of the Unit Owner and the agreement of the Village Core Association, be considered a Residential Unit even though it does not have a separate entrance.

1.20 Supplemental Declaration. "Supplemental Declaration" is any declaration which may be recorded by the Founder in accordance with Article II to annex Additional Property to the Village Core.

1.21 Temporary Unit. A "Temporary Unit" is a pushcart, kiosk or other easily movable sales, office or information services space. A "Temporary Unit" may also be a separate, enclosed building of up to 125 square feet which is not secured to the ground on a permanent foundation.

1.22 Unit. "Unit" is the collective term for Commercial Units, Residential Units and Temporary Units. The term "Unit" shall also include a lot which does not have a completed building.

1.23 Village Core (Hellgate Meadows). The Village Core (Hellgate Meadows) is all that property to be developed by the Founder which has been made subject to this Declaration. Hellgate Meadows Village Core is also zoned within the Master Plan. Hellgate Meadows Village Core shall also include any additional property owned by the Founder or which is added with the Owner's consent at a later date by Supplemental Declaration of the Founder. The Name "Hellgate Meadows" will only be used by the Founder in conjunction with the 40 acre tract of the Master Plan Area to be developed by the Founder.

1.24 Village Core Association. The Village Core Association is Hellgate Meadows Village Core Association, Inc. a Montana not-for-profit corporation. The articles of incorporation and bylaws for the Village Core Association are referenced in paragraphs 1.1 and 1.5 hereof. The Village Core Association membership comprises owners of commercial property. The Village Core Association is not intended to be deemed a residential homeowners' association under state law.

1.25 Village Core Declaration (Hellgate Meadows). Hellgate Meadows "Village Core Declaration" is this instrument.

1.26 Zone. A "Zone" is a smaller, contiguous area within the Master Plan Area which by virtue of the Village Regulations adopted as a part of the Master Plan defines the type(s) of use permitted within each Zone, including, but limited to, building type(s) and character. The Master Plan is approved by the City of Missoula for the property described on Exhibit A hereof and the Village Regulations therein are incorporated herein by reference as if set forth herein in full. Owners of property within a Zone may be assessed for maintenance of property primarily serving that Zone. The Village Regulations, which are in the form of Ordinance No. 3198 adopted by the City of Missoula on February 4, 2002, are available at the office of the City Clerk, Missoula City Hall, Missoula, Montana, and that ordinance is otherwise available at the office of the Founder and/or Hellgate Meadows Village Architect.



ARTICLE II:

Property Subject to this Declaration; Development Plan

2.1 Initial Property. The real property which shall be held, transferred, conveyed and occupied subject to this Declaration consists initially of that described on Exhibit A to this Village Core Declaration.

2.2 Annexation of Additional Property. The Founder shall have the right, but not the obligation, from time to time in its sole discretion, to annex any contiguous property, property any portion of which is within one-half mile of any portion of the Village Core (including any property separated from the Village Core by a public street, body of water or other property) or any other property with a reasonable relationship to the Village Core. If the property is owned by an entity other than the Founder, the supplemental declaration shall be signed by the owner of the property and by the Founder. The new property may be added to an existing Zone, or a new Zone may be created. A supplemental declaration adding the additional property shall become effective upon being recorded in the county's public records. The supplemental declaration may modify or add to the provisions of this Village Core Declaration if needed to reflect the different character of the additional property.

2.3 Withdrawal of Property. The Founder reserves the right to withdraw property from the Village Core so long as all Owners within the area to be withdrawn consent, and appropriate access to the remaining portions of the Village Core is preserved.

2.4 Right of Way Dedicated for Additional Street Connections. The Master Plan and the plat of Hellgate Meadows Subdivision include two lots which have been dedicated by Founder as right of way for two additional street connections from O'Leary Street to the southerly boundary of Hellgate Meadows Subdivision. The two lots are described as Lot 40, Phase II of Hellgate Meadows Subdivision and Lot 185 of the preliminary plat of Phase III of Hellgate Meadows Subdivision. The final plat approval of Hellgate Meadows Subdivision by the City of Missoula provides that the rights of way dedicated by Founder over these two lots shall not be required to be developed with full street improvements unless the adjacent property to the south dedicates a continued public right of way to the south within two years of the date of filing of the final plat of Phase III of Hellgate Meadows Subdivision. In the interim and pending such dedication, the Founder agrees that it will dedicate and pave a 20 foot right of way being 10 feet on either side of the center line of Lot 40, Phase II of Hellgate Meadows Subdivision in order to provide access to the alleyways behind Lots 41 and 39, Phase II of Hellgate Meadows Subdivision, in an easterly and westerly direction, respectively. The remainder of Lot 40, Phase II, Hellgate Meadows Subdivision, will be landscaped by Founder. A like arrangement will be effected by Founder with respect to Lot 185 of the preliminary plat of Phase III of Hellgate Meadows Subdivision, depending upon the status of the dedication of the continued public right of way to the south at the time of the filing of the final subdivision plat for Phase III, Hellgate Meadows Subdivision.



ARTICLE III:

Relationship to Residential Association

3.1 Relationship to Hellgate Meadows Residential Neighborhood Association. Memberships: Owners of Residential Units located within Hellgate Meadows Village Core shall not be members of the Residential Neighborhood Association, and shall not pay mandatory assessments to the Residential Neighborhood Association. The Residential Neighborhood Association shall have no power to assess or lien the Residential Units within the Village Core. Nevertheless, Owners of Residential Units within the Village Core shall have the right to use the civic facilities of Hellgate Meadows, if constructed. Residential Unit Owners within the Village Core shall be members of the Village Core Association.

3.2 Limitation. The Residential Neighborhood Association shall have no responsibility for maintenance of the Village Core or regulation of its Commons, which shall be the responsibility of the Village Core Association. If in any instance the provisions of this Village Core Declaration are in conflict with the provisions of the Residential Neighborhood Declaration, the provisions of the Village Core Declaration shall apply.

ARTICLE IV:

Master Deed Restrictions; Design Review

Master Deed Restrictions.

4.1 The Master Deed Restrictions establish Hellgate Meadows Design Code as the guide for all construction within Hellgate Meadows, and provides for a Village Architect to administer Hellgate Meadows Design Code and creates Hellgate Meadows Architectural Review Board. All construction or modification of any building or other improvements, any tree removal or any material alteration of the landscaping or topography of any Lot or Commons, must be approved in advance by Hellgate Meadows Architectural Review Board. The Master Deed Restrictions provide for the Founder to appoint the Village Architect and the other members of the Architectural Review Board and to enforce Hellgate Meadows Architectural Standards during the development period.

4.2 The Master Deed Restrictions, which are recorded in the public records, are binding upon all of the property in the Master Plan Area being developed by Founder (see Exhibit A which describes that portion of the 40 acre tract subject to the Village Core Declaration). Unless a notice is recorded specifically to the contrary, the submission of additional property to this Declaration for Hellgate Meadows shall automatically extend the provisions of the Master Deed Restrictions to the additional property.

4.3 The Master Deed Restrictions provide for the Founder's enforcement of Hellgate Meadows Design Code during the entire development period. At the end of the development



period, the Founder shall assign to the Association its rights to enforce Hellgate Meadows Design Code, as provided in the Master Deed Restrictions, which assignment may include a reservation of the right of the Founder to also enforce Hellgate Meadows Design Code as provided in the Master Deed Restrictions. Upon such assignment or if for any reason the Founder is unable or unwilling to perform its powers under Articles I and II of the Master Deed Restrictions, the provisions of Articles I and II of the Master Deed Restrictions shall become part of this Declaration as if originally included. If provided for in the assignment by the Founder, the Village Core Association and the Residential Neighborhood Association shall jointly have and assume the responsibility of appointing Hellgate Meadows Architect and the members of Hellgate Meadows Architectural Review Board and enforcing all violations of Articles I and II of the Master Deed Restrictions with all of its powers under the Master Deed Restrictions and this Declaration.

ARTICLE V:

Commons: Easements, Maintenance and Regulation

5.1 Owners' Easement of Enjoyment.

(a) Generally. All Owners are hereby granted a nonexclusive easement for the appropriate and intended use of the initial Commons, as described at Exhibit B to this Declaration, and any additional Commons which the Founder may add by supplement to this Village Core Declaration or by a Grant of Easement designating the property as Commons under this Declaration. All such easements shall be nonexclusive and freely relocatable by the Founder, unless the grant of easement clearly states otherwise. The Founder may, but is not obligated to, convey to the Village Core Association fee title to the Commons at any time.

(b) Right of Access. Each Owner shall have a right of access over the Commons, planter strips or sidewalks adjacent to the Owner's Unit. However, such access easement may be limited to designated pedestrian access from designated parking areas to the Unit.

(c) Residential Use. Any Owner of a Residential Unit may delegate, subject to the provisions of this Declaration and the Rules and Regulations, his right to enjoyment of the Commons to the Owner's family, his tenants or his guests who reside in the Residential Unit or are accompanied by the Owner.

(d) Commercial Use. All tenants of the Owner of a Commercial Unit and all customers, clients, suppliers and other business invitees of the Owner or tenant shall have a right and easement in the streets, parking, walkways and other portions of the Commons reasonably necessary for access to the Owner's property. The Village Core Association shall establish from time to time the extent to which business invitees shall enjoy a right to use any



parks or other recreational facilities which are included in the Commons. All rights are subject to the provisions of this Declaration and the Rules and Regulations, including without limitation Village Core Association's right to regulate driving and parking.

5.2 Maintenance; Capital Improvements.

(a) Maintenance. The Village Core Association shall be responsible for the construction and management, control and improvement of the Commons (including without limitation, the development of the common central park, common signage, common area lighting and electricity, or other capital improvements which are made with respect to the Commons pursuant to paragraph 5.2(b) which follows) and shall keep the Commons attractive, clean and in good repair.

(b) Capital Improvements. With the consent of the Founder, which is not to be unreasonably withheld, the Village Core Association may make capital improvements to the Commons and may modify the uses of the Commons. If the capital improvement is to be paid by Special Assessment, it must be approved by a majority of the Owners, by assessment interests, other than the Founder. Any repair or replacement of existing improvements shall not be considered a capital improvement.

5.3 Street Regulation; Security.

(a) Responsibility. The Village Core Association may make reasonable rules and regulations concerning driving and parking within the Village Core.

(b) Permitted Regulation. The Village Core Association may charge a fee for parking or limit the length of time a car may be parked, and shall recommend to public policing authority implementation of reasonable measures to discourage excessive speed and to encourage safe driving. The Village Core Association may assign or reserve parking and may require that owners or employees of businesses park at a distance from the business during business hours.

(c) Vehicles. The Village Core Association may regulate or prohibit the parking within the Village Core of trucks, buses or recreational vehicles, oversize vehicles, boats, vehicles which display advertising or the name of a business, and vehicles which are not in good running condition.

(d) Residential Use. Owners of Residential Units shall be assured reasonable parking access. It is acknowledged that there shall be limited numbers of parking spaces and that accommodations will need to be made and revised from time to time to balance the needs of residential owners and commercial users. If necessary to assure reasonable parking access, the Village Core Association shall set aside reserved parking areas for owners of Residential Units; however, such owners are not assured an individual assigned parking



space or that there will be sufficient spaces to guarantee a parking place at all times during periods of unusually high usage. The Village Core Association may issue decals or other identification to residential owners and shall take reasonable steps to assure appropriate use of reserved spaces.

(e) Enforcement. The Village Core Association may enforce any violation under this section in accordance with Section 11.13 and may tow or bar admittance to offenders. Any fees or fines collected under this section shall be contributed to the general fund of the Village Core Association to offset expenses.

(f) Additional Services. The Village Core Association may, but is not required to, provide roving patrols, an information station or other visitor assistance.

(g) Limitation of Liability. The Village Core Association shall use reasonable judgment in providing services, maintaining the Commons, and in exercising its rights and powers with respect to the use of the Commons, but the Village Core Association and Founder do not make any representation concerning security or safety or assume any liability for any loss or injury.

5.4 Damage or Destruction of Commons by Owner. If any Owner or any of his guests, tenants, licensees, agents, employees or Owners of his family damages any of the Commons, the Owner hereby authorizes the Village Core Association to repair the damage. The cost of repair shall be the responsibility of that Owner and shall become an Individual Unit Assessment payable by the responsible Owner. The Village Core Association may, but is not required to, seek compensation for damage from the guest, tenant or other party who caused the damage, in which case the Owner shall be jointly and severally liable. Owner shall not be liable for damage caused by a customer or client unless Owner contributed to the cause of the damage.

5.5 Open-Air Market and Festivals. The Founder reserves, for itself or its various assigns, the right to use portions of the Commons as designated in Hellgate Meadows Design Code as an open-air market for the rental of space for pushcarts, kiosks, stands or similar temporary sales structures. Such uses may be for special events or on a recurring or daily basis. Founder also reserves, for itself or its various assigns, the right to use portions of the Commons as designated in Hellgate Meadows Design Code for festivals or other events intended to enrich and enliven the community. Founder further reserves a right of access through the Commons for all such purposes. Founder may, but is not obligated to, assign all or a portion of such rights to the Village Core Association at any time or times.

5.6 Modification of Commons.

(a) Further Improvements. The Founder reserves the right to modify the design of the Commons and to make further improvements.



(b) No Commercial Use. Except as specifically permitted by this Declaration, there shall be no commercial use of the Commons, nor shall the Commons be subdivided or sold.

ARTICLE VI: Relationship Between Units; Other Easements

6.1 Relationship between Units.

(a) Structural Party Walls. Each Owner grants to the Owner of each adjacent Unit the right and easement to maintain and to utilize any exterior or interior wall of a building which forms a party wall between them. A wall will be considered a party wall only if it provides structural support for more than one building. Maintenance of the surface of the party wall shall be the sole responsibility of the Owner whose building faces such wall surface. Each Owner shall be liable and responsible if, in connection with that Owner's use and maintenance of the party wall, the Owner damages the adjacent Owner's Unit or the wall itself. The cost of any other repairs to the party wall shall be shared by the adjacent Owners.

(b) Exterior Walls along a Lot Line. An exterior wall which supports a single building along a property line, or which encloses a courtyard, shall not be considered a party wall, and the Owner of the building or courtyard which includes the wall shall be responsible for maintenance of the wall. The Owner shall have an easement over the adjoining property as reasonably necessary to maintain the wall. The Owner of the adjoining property may make reasonable use of the portion of the wall facing his property, so long as such use does not weaken, deface, obstruct or structurally damage the wall and so long as the use, if visible from outside the property, has been approved by the Architectural Review Board.

6.2 Boundaries. Units may not be subdivided or separated into smaller Units, or any portion of a Unit separately conveyed, except by the Founder or with the specific consent of the Architectural Review Board. However, this shall not prohibit corrective deeds or similar corrective instruments. This provision is not intended to prohibit leasing, although leasing may be subject to other regulation. The Founder shall have the right to modify subdivision plats to make adjustments to boundary lines with consent only of those Owners whose boundaries are to be changed.

6.3 Easements in Favor of the Village Core Association. The Founder hereby grants to the Village Core Association the following easements:

(a) Streets. A nonexclusive easement for use of the streets, parking lots and driveways.

(b) Utility Easements. A blanket easement upon, across, over, through, and under the Village Core for ingress, egress, installation, replacement, repair and maintenance of all



public and private utility and service systems. These systems include, but are not limited to, water, sewer, irrigation systems, drainage, telephone, electricity, television, cable or communication lines and other equipment. By virtue of this easement the Village Core Association, and its successors or assigns, may install and maintain facilities and equipment, excavate for such purposes and affix and maintain wires, circuits and conduits. However, the exercise of this easement must not unreasonably disturb each Owner's right of quiet enjoyment of his Lot.

(c) Police Powers. A blanket easement throughout the Village Core for private patrol services, and for police powers and services supplied by the local, state and federal governments.

(d) Drainage. A blanket easement and right on, over, under and through the ground within the Village Core to maintain and to correct drainage of surface water and other erosion controls. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health, safety or appearance or to comply with governmental requirements. The Village Core Association shall notify affected Owners (except in an emergency) and shall restore the affected property to its original condition as nearly as practicable.

(e) Encroachment. An easement for any improvements constructed on the Commons which encroach on any Unit, whether due to any minor deviation from the subdivision plat of the Village Core or the settling or shifting of any land or improvements.

(f) Maintenance of Commons. To the extent reasonably necessary, an easement over any Unit for maintenance of the Commons.

ARTICLE VII: | The Village Core Association

7.1 Duties. The Village Core Association shall maintain, repair, and if necessary, replace the Commons, shall perform all other duties required by this Declaration, and shall enforce the terms of this Declaration. The Village Core Association may also maintain public rights of way located within reasonable proximity to the Village Core if deterioration of the public right of way would affect the appearance of or access to the Village Core..

7.2 Additional Powers. Within the Village Core, the Village Core Association may provide any service allowed by law to be provided by a commercial property owners' association organized as a not-for-profit corporation. If requested by at least 10% of the Members, the offering of the additional service under this Section 7.2 shall be repealed by majority vote of the Members.

7.3 Membership. Each owner or lessee of a Commercial Unit shall be a Member of the



Village Core Association. Temporary Unit Owners and lot owners who pay assessments shall also be considered Members. Membership shall be appurtenant to and may not be separated from title to any Unit. As provided in Article III, Owners of Residential Units within the Village Core shall be members of the Village Core Association but shall not be members of the Residential Neighborhood Association.

7.4 Voting Rights. Commercial Units shall be assigned one vote for each assessment paid, which may be a fractional vote.

7.5 (a) Calculation and Exercise of Vote. When more than one person holds an interest in any Unit, all such persons shall be Members. However, the number of votes for that Unit shall not be increased, and the Members must determine among themselves how the Unit's vote may be exercised. Corporations, partnerships and other entities shall notify the Village Core Association of the natural person who shall be considered a Member of the Village Core Association and exercise its vote. An Owner may by written agreement appoint a tenant to exercise the Unit's voting rights which, in the case of a Commercial Unit, shall be either the business owner or the manager of the business conducted in the Commercial Unit. Such assignment may expire after a specified term and in any case may be revoked by the Owner by delivery to the Village Core Association of a signed revocation.

(b) Voting with Respect to Commercial Use. Notwithstanding any other provision of this Declaration, only the Owners of parcels dedicated to commercial use located within the Village Core (including the commercial portion of a parcel dedicated to mixed residential and commercial use) shall have the right to vote on any matters relating to the future use of such parcels for commercial purposes, including, but not limited to, hours of use and the nature of business enterprises permitted thereon. Provided, however, that commercial units may not by their vote amend this Declaration or the Master Plan or Master Deed Restrictions in any manner which abrogates any restriction contained therein which limits the size of the facility housing the commercial enterprise or which prohibits or restricts the establishment of certain kinds of business enterprises to be conducted thereon or therein.

7.6 Board of Directors.

(a) Initial Composition. The Board shall initially consist of at least three persons who shall be originally appointed by the Founder. When at least five (5) Units have been conveyed to Owners other than the Founder, such Unit Owners shall be entitled to vote separately for one member of the Board of Directors, and the remaining positions shall be selected by the Founder.

(b) Later Composition. When Units representing two-thirds of the voting interests have been conveyed to owners other than the Founder or its designated related entities (but no sooner than 10 years from the recording of this Village Core Declaration except with the express agreement of the Founder), the Board shall determine from time to time the number



of directors, which shall be no fewer than three or more than nine.

(c) No Compensation for Directors. Directors shall receive no compensation for their services unless expressly provided for in resolutions adopted by the Members, but may be reimbursed for expenses.

7.7 Contracts. The Village Core Association may contract with any party for the performance of all or any portion of the management of the Village Core Association and its maintenance and repair obligations. The cost of the contract shall be included within the General Assessment, Zone Assessment, Special Assessment or Individual Unit Assessment as applicable. The Village Core Association may require that Owners contract for certain routine exterior maintenance, in order to provide a uniform level of care. The Village Core Association also may, but is not obligated to, act as agent for an Owner, if so requested by that Owner, to contract for routine maintenance and other services not required to be provided by the Village Core Association, the cost of which would be assessed to that Owner as an Individual Unit Assessment. The terms and conditions of all such contracts shall be at the absolute discretion of the Board.

7.8 Additional Provisions. Additional provisions concerning the operation of the Village Core Association and the Board are contained in the Articles and Bylaws.

ARTICLE VIII: Merchants' Council

8.1 Purpose. The Village Core Association shall be permitted to establish a Merchants' Council as a committee of the Village Core Association. The Merchants' Council shall promote the Village Core for the mutual benefit of all businesses. Its responsibilities shall include advertising, special event programming and other promotional activities and all commercial signage for the Village Core other than signs on individual businesses.

8.2 Organization. Members of the Merchants' Council do not need to be Members of the Village Core Association and shall include Commercial Unit Owners, business owners and managers conducting businesses within the Village Core. The Merchants' Council shall originally operate as a committee of the Village Core Association. However, the Commercial Unit Owners may, by majority vote, choose to separately incorporate the Merchants' Council and operate it as a separate entity.

8.3 Membership; Board of Directors. The Merchants' Council's Board of Directors shall be selected by the Board of Directors of the Village Core Association from among the Merchants' Council membership. The Commercial Unit Owners may, by majority vote, adopt bylaws for the Merchants' Council's operation, which may include a different method of selecting a board of directors.



8.4 Funding. The Merchants' Council Board of Directors shall propose an annual budget to the Village Core Association, which shall fund the Merchants' Council activities. At the sole discretion of the Village Core Association, the Merchants' Council may be entitled to a portion of the assessments (both General Assessments and Percentage Assessments) contributed by Commercial Units. The Merchants' Council may also receive revenue from special events and services.

8.5 Consent of Founder. So long as the Founder selects a majority of the board of directors of the Village Core Association, all actions of the Merchants' Council shall be expressly subject to the Founder's review and approval.

ARTICLE IX: Village Core Association Budget

9.1 Fiscal Year. The fiscal year of the Village Core Association shall begin January 1 of each year, unless the Board selects a different fiscal year.

9.2 Budget Items. The budget shall estimate total expenses to be incurred by the Village Core Association in carrying out its responsibilities. These expenses shall include, without limitation, the cost of wages, materials, insurance premiums, services, supplies and other expenses for the rendering of all services required by this Declaration or properly approved in accordance with this Declaration. The budget may also include reasonable amounts, as determined by the Board, for working capital for the Village Core Association and for reserves. If the Commons are taxed separately from the Units, the Village Core Association shall include such taxes as part of the budget. Fees for professional management of the Village Core Association, accounting services, legal counsel and other professional services may also be included in the budget.

9.3 Reserves. The Village Core Association may build up and maintain reserves for working capital, contingencies and replacement of the Commons, which shall be included in the budget and collected as part of the annual General Assessment. Extraordinary expenses not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a majority vote of the Members. If the reserves are inadequate for any reason, including nonpayment of any Member's assessment, the Board may at any time levy an emergency Special Assessment. If there is an excess of reserves at the end of the fiscal year and the Board so determines, the excess may be returned on a prorata basis to all Members who are current in payment of all assessments due the Village Core Association, or may be used to reduce the following year's assessments.



9.4 Preparation and Approval of Annual Budget.

(a) Initial Budget. The Founder shall determine the budget for the fiscal year in which a Unit is first conveyed to an Owner other than the Founder.

(b) Subsequent Years. Beginning with the year in which a Unit is first conveyed to an Owner other than the Founder and each year thereafter, at least one month before the end of the fiscal year, the Board shall, by majority vote, adopt a budget for the coming year and set the annual General Assessments at a level sufficient to meet the budget. At least two weeks before the fiscal year to which the budget applies, the Board shall send to each Member a copy of the budget in reasonably itemized form, which shall include the amount of General Assessments payable by each Member.

(c) Approval. If General Assessments are to be increased to greater than 125% of the previous year's General Assessment which previous year was not a year in which General Assessments were paid or guaranteed in whole or in part by Founder, and at least 10% of the Members request review within thirty (30) days after the budget is delivered to Members, the Board shall call a meeting of the Members to present the budget and to answer any questions. After presentation, the budget shall be deemed approved unless the percentage required to transact business is present and the budget is rejected by a majority of the Members present. If the budget is rejected, the Board shall approve a new budget within ten (10) days and send a copy to each Member.

9.5 Effect of Failure to Prepare or Adopt Budget. The Board's failure or delay in preparing or adopting the annual budget for any fiscal year, or review of the budget under Section 9.4 (c), shall not waive or release a Member's obligation to pay General Assessments whenever the amount of such assessments is finally determined. In the absence of an annual Association budget each Member shall continue to pay the assessment at the rate established for the previous fiscal period until notified otherwise.

9.6 Capital Improvements. Any substantial capital improvement to the Commons approved by the Board must be ratified by a majority of the Members. If the substantial capital improvement is approved by the Members, the Board shall determine whether it shall be paid from General Assessments or by Special Assessment. A capital improvement shall be considered substantial if the cost to the Village Core Association of the improvement is more than six percent (6%) of the Village Core Association's annual budget, or if, when added to other capital improvements for the fiscal year, totals more than ten percent (10%) of the Village Core Association's annual budget. Approval of the Design Review Board is required for all capital improvements. This paragraph shall not limit the right of the Founder to make improvements to the Commons.

9.7 Zone Improvement. Any Zone or Zones may, by two-thirds (2/3) vote of the Members within that Zone or Zones and approval of the Board, vote to assess themselves for

capital improvements to Commons which will primarily benefit that Zone or Zones. Any assessment so approved shall be assessed to all Owners within that Zone or Zones as an Individual Unit Assessment. If more than one Zone is to vote, the Board shall determine whether approval and assessment is to be by Zone or by the combined group of Zones. If a group smaller than a Zone wishes to be assessed for capital improvements, all of those being assessed must agree to the assessment.

9.8 Accounts. Reserves shall be kept separate from other Association funds, either in a single account for all reserves or separated by purpose. All other sums collected by the Board with respect to Assessments and charges of all types may be commingled in a single fund.

ARTICLE X: | Expenses; Assessments

10.1 Obligation for Assessments. Except as specifically exempted by this Declaration, each Owner of property within the Village Core, by acceptance of a deed or other transfer instrument, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the following (collectively, "Assessments"):

- (a) General Assessments for expenses included in the budget,
- (b) Special Assessments for the purposes provided in this Declaration,
- (c) Zone Assessments if applicable and

(d) Individual Unit Assessments for any charges particular to that Unit, together with a late fee and interest, as established by the Village Core Association, and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought. Upon default in the payment of any one or more installments, the Village Core Association may accelerate the entire balance of such Assessment, which shall be declared due and payable in full.

10.2 Amount of General Assessments. Owners shall pay General Assessments based on the following formulas:

(a) Residential Units. Owners of Residential Units located within the Village Core shall pay assessments to the Village Core Association and not to the Residential Neighborhood Association. Residential uses shall be assigned a value equal to 0.1 for each 100 square feet of gross occupied square footage as defined in paragraph 10.7 hereof. Any garage or permitted non-occupied outbuilding on the parcel shall be excluded in making a calculation.

(b) Commercial Use. Any parcel which has commercial use shall be assigned a value equal to 0.2 for each 100 square feet of gross occupied square footage as defined in

paragraph 10.7 hereof.

(c) Mixed Use. A single parcel may have both a residential use and a commercial use and be assessed for both uses. The actual net assessment in circumstances of dual use shall be determined by the Association in accordance with the rules established pursuant to paragraph 10.7 hereof. A home-based occupation which is not advertised to the general public or have signage on any street, other than an alley, shall be subject to the residential and not to the commercial use value.

(d) Temporary Units. Each Temporary Unit shall pay an amount determined by the Village Core Association, not to exceed one General Assessment per year, which shall be prorated to reflect the number of days per year the Temporary Unit is in use. Temporary Units which are used for information or other non-revenue-producing purposes shall not pay assessments.

(e) Unimproved Lots. Lots which have been conveyed to an entity other than the Founder and which do not have a building which is substantially complete shall pay a reasonable amount as determined by the Village Core Association, but not to exceed one General Assessment per year.

(f) Exempt Units. Units which are used by non-profit or governmental entities primarily for the benefit of Village Core residents or guests may be exempt from Assessments or pay reduced Assessments as determined on an annual basis by the Village Core Association. The Commons are not subject to assessment.

10.3 Capital Contributions; Transfer Fee.

(a) Initial Closing. At the closing and transfer of title of each parcel to the first owner other than the Founder or the builder, the Owner shall contribute an amount equal to three months general assessments. This contribution shall be deposited in the general funds of the Village Core Association for start-up expenses of the Village Core Association and for working capital for the Association and shall not be considered a prepayment of assessments.

(b) Subsequent Closings. With respect to each subsequent closing and transfer of title to a parcel which is inclusive of a Residential Unit, the new owner shall pay Five Hundred Dollars (\$500.00), which amount shall be increased in accordance with cost of living increases, which shall be collected by the Village Core Association in a separate fund for the benefit of the Village Core Commons, and if it chooses enhancement of the Common Area(s). The transfer fee shall not be paid by a mortgagee who assumes title as the result of a foreclosure or deed in lieu, but shall be paid upon the conveyance by the mortgagee to a subsequent owner.



10.4 Zone Expenses.

(a) Capital Improvements. Any Zone may, by majority vote of the Owners within that Zone and approval of the Village Core Association, vote to assess all of its Owners for capital improvements to Commons which will primarily benefit that Zone. If appropriate to all of the buildings within the Zone and if approved by the Design Review Board, the Zone may vote to assess its Owners for improvements to portions of the Units or buildings visible to the public.

(b) Additional Services. Any Zone may, by majority vote of the Owners within that Zone and approval of the Village Core Association, vote to assess themselves for maintenance or services in addition to those normally provided by the Village Core Association. Such maintenance or services may be to portions of the Units or buildings visible to the public as well as the Commons.

(c) Combined Zones; Smaller Groups. Zones may be combined or join together for such assessments. If more than one Zone is to vote, the Village Core Association shall determine whether approval and assessment is to be by Zone or by the combined group of Zones. If a group smaller than a Zone wishes to be assessed for capital improvements or services, all of those being assessed must agree to the assessment.

(d) Assessment Levy. Any assessment so approved shall be assessed to all Owners within that Zone or designated group as an Individual Unit Assessment.

10.5 Individual Unit Assessments. The Village Core Association may levy at any time an Individual Unit Assessment against a particular Unit for the purpose of defraying, in whole or in part, the cost of any special services to that Unit, for expenses approved by that Zone in accordance with Section 10.4, or any other charges designated in this Declaration as an Individual Unit Assessment.

10.6 Allocation of Special Assessments. Special Assessments, and Individual Unit Assessments for Zone charges, shall be allocated among Units as a uniform percentage of the General Assessment for that Unit.

10.7 Definition of Gross Occupied Square Footage.

(a) Space to be Included. For purposes of calculating the allocation of expenses, residential gross occupied square footage shall include all heated or air-conditioned space, measured to the center of the exterior walls, but for Parcels used solely for residential purposes shall exclude garages and permitted non-occupied outbuildings. Residential facilities constructed above garages or which otherwise exist as accessory dwelling units, shall include all heated or air conditioned space used for residential purposes in determining residential gross occupied square footage, but shall exclude that portion of the structure used

for vehicle storage, etc. Commercial gross occupied square footage shall include all space which may be used for commerce, office, storage and other support areas for the commercial use, but shall not include any space occupied for residential use or any stairwells or walkways used primarily to access residential space. At the discretion of the Association, decks and other un-airconditioned space which are used on a regular basis for commerce may also be considered as part of the square footage and assessed at a reduced rate, depending on use. Space occupied within a commercial building for residential use or access shall be calculated utilizing the residential standards set forth above.

(b) Determination by Association. The amount and category of assessed gross occupied square footage for a particular Parcel shall be as determined by the Association in its reasonable discretion. The Association may establish further rules for the definition and calculation of gross occupied square footage, the rounding of square footage to the nearest 100 square feet, assessment of unimproved lots other than those owned by the Founder which shall never be assessed for more than the value set forth in paragraph 9.4 above, determination of residential and commercial use or combinations thereof, and other matters relating to assessment. The Association's agent may enter and examine Buildings at reasonable times for assessment purposes. An Owner shall have the right to a hearing before the Association to appeal an assessment evaluation; however, the decision of the Association after appeal is final.

10.8 Payment of General Assessments. The Village Core Association shall set the date or dates such assessments become due and may provide for collection of assessments annually or in monthly, quarterly or semiannual installments. The annual General Assessments shall begin on the day of conveyance of the first Unit to an Owner other than the Founder, prorated to the month of closing.

10.9 Effect of Nonpayment of Assessment; Remedies

(a) Personal Obligation. All Assessments, together with any late fee, interest and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought (collectively, the "Assessment Charge") shall be the personal obligation of the person or entity who was the Owner of the Unit at the time when the assessment was levied, and of each subsequent Owner. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of the Unit.

(b) Creation of Lien. The Assessment Charge shall also be charged on the land and shall be a continuing lien upon the Unit against which the Assessment Charge is made, which may be enforced upon recording of a claim of lien. This lien, in favor of the Village Core Association, shall secure the Assessment Charge which is then due and which may accrue subsequent to the recording of the claim of lien and prior to entry of final judgment



of foreclosure. Any subsequent owner of the Unit shall be deemed to have notice of the Assessment Charge on the land, whether or not a lien has been filed.

(c) Suit for Payment; Foreclosure of Lien. The Village Core Association may bring an action at law against the Owner personally obligated to pay the Assessment Charge, or may foreclose the lien in a manner similar to foreclosure of a mortgage lien, or both. The Village Core Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Unit foreclosed at such foreclosure sale and to acquire, hold, lease, mortgage and convey the Unit.

(d) Subordination of the Lien to Mortgages. The lien of the Assessment Charge shall be inferior to the first mortgage lien of any Mortgagee. Sale or transfer of any Unit pursuant to foreclosure of such a mortgage (or, if approved by the Village Core Association, acceptance of a deed in lieu of foreclosure) shall extinguish the lien as to payments which became due prior to the sale or transfer. The transferees of such Unit shall be liable for any assessments coming due after the sale or transfer.

(e) Other Remedies. The Village Core Association shall have the right to assess fines and suspend the voting rights and right to use of the Commons by an Owner for any period during which any Assessment against his Unit remains unpaid.

10.10 Certificate of Payment. The Village Core Association, upon request of any Owner, shall furnish a certificate stating whether any assessments are owed by that Owner. Such certificate, when signed by an officer of the Village Core Association's corporate entity, may be relied upon by a good faith purchaser or mortgagee as conclusive evidence of payment of any assessment therein stated to have been paid.

10.11 Bookkeeping; Use of Funds. The Village Core Association shall maintain a general fund and shall keep books and records of its expenses in performing its duties under this Declaration. All assessments, fines and other moneys collected under this Declaration shall be used only for maintenance, repair and replacement of the Commons, reserves, capital improvements and other uses authorized by this Declaration, including legal and professional fees and a reasonable administrative fee to the Village Core Association.

10.12 Founder's Assessments. The Founder shall be excused from payment of assessments if the Founder guarantees to Parcel owners that their Assessments during the "Guarantee Period," as defined below, shall not exceed the amounts shown in the then-current estimated operating budget. If the Founder offers such a guarantee, the Founder agrees to pay any Common Expenses incurred during the Guarantee Period which exceed the amount produced by Assessments during that time. The "Guarantee Period" may begin at Founder's discretion at any time within the first three years after the recording of this Declaration in the public records of Missoula County, Montana, and shall end at the beginning of the next fiscal year. The Guarantee Period shall then be automatically extended for successive six-month periods



up to an additional five years unless terminated upon written notice by the Founder to the Association at least 30 days before the end of the then-current Guarantee Period. During the Guarantee Period, the General Assessments may be increased by up to 15% per year.

ARTICLE XI:

Regulation of Residential and Commercial Use

11.1 Permitted Uses. Permitted uses for Units, which may include residential use or retail, office, restaurant or other commercial use, shall be determined by the Founder based on the size, shape and location of the parcel within the overall design for the Zone and for the Village Core. At the Founder's discretion, the Founder shall make the determination of record at the time of the parcel's addition to the Village Core, or at any time up to and including the time of conveyance of the parcel to someone other than the Founder. If the Founder fails to make such a determination of record, the approval of the building or modification under the design review procedures of the Master Deed Restrictions may describe permitted uses.

11.2 Generally. Each Owner, by acceptance of a deed to property within the Village Core, recognizes that Owner's property is part of the Village Core and the larger community of Hellgate Meadows. Within the Village Core, the proper balance of types of retail stores and other businesses, as well as the quality of those businesses, is critical to the success of the Village Core and the entire community of Hellgate Meadows. The conditions of this Declaration regarding operation of the business upon an Owner's Unit within the Village Core are part of the consideration for the granting of easements for use of the Commons to Owners and the granting of a deed from the Founder to Owners other than the Founder. These restrictions shall run with the land and be binding upon Owner, successors and assigns and any tenants.

11.3 Types of Business.

(a) Review. The Village Core Association shall have the right to approve all prospective businesses for financial stability, experience and ability to comply with the requirements of this Declaration.

(b) Standards. To assure an appropriate mix of varied, quality establishments, the type of business to be operated from the Parcel must be approved in advance by the Village Core Association, whose review shall include, without limitation, types, quality and style of merchandise. Any change in the type of business must be approved by the Village Core Association, and the business shall be subject to the Village Core Association's review whenever there is a change in the ownership of the business, whether through sale or lease of the Parcel or portion of the Parcel or sale of the business. However, no business that meets the approved standards may be required to conform to new standards so long as the



business continues to operate under the same name and ownership.

(c) Exclusives. The Village Core Association's efforts to assure varied, quality businesses within Hellgate Meadows may include the restriction or prohibition of types of merchandise which may be offered and the granting of exclusive rights to certain merchandise. Such exclusive rights may be granted on an individual basis at the Village Core Association's discretion, based on its own evaluation of the quality of merchandise, potential for success and other factors.

(d) Real Estate Offices. The Founder reserves the right to exclusive operation of real estate sales, rental or management offices within the Village Core, which may be considered a deed restriction for the entire Village Core property and shall be part of the consideration for the sale of property within the Village Core. No real estate sales, rental or management offices, whether for residential, vacation or commercial properties, may operate within the Village Core without the express, written consent of the Founder, which may be arbitrarily withheld.

11.4 Name of Business; Advertising.

(a) Use of Name "Hellgate Meadows". The name "Hellgate Meadows" is a trade name owned by the Founder to be used in conjunction with the 40 acre tract of the Master Plan Area which it is developing. An Owner may use the name "Hellgate Meadows" to describe the location of the business, and may advertise a business as being located "in Hellgate Meadows". If requested by the Founder, Owner shall accompany such use with a symbol or explanation concerning trademark or service mark registration of the name "Hellgate Meadows". Owner may not use the name "Hellgate Meadows" in any other manner without the express permission of the Founder, which may be arbitrarily denied.

(b) Restriction on Use of Handbills. The Village Core Association may prohibit or regulate the distribution of handbills within the Village Core.

(c) Signage. A business shall display on the exterior of the building or upon any exterior glass surfaces or within 24 inches of any window only those signs, advertising placards, names, insignia, trademarks, descriptive material or other identification which are specifically approved by the Village Core Association and, as applicable, Hellgate Meadows Design Review Board. No hand-lettered signs may be displayed unless professionally prepared.

11.5 Appearance, Hours of Operation. The Village Core Association may regulate store displays and general decor, days and hours of operation. The entrance and interior of the business shall be kept immaculately clean and inviting in appearance at all times. Wall and floor coverings, displays and all other furnishings shall be maintained in first-class condition.



11.6 Staff. All personnel who may be viewed by patrons shall be appropriately dressed, well groomed, courteous and knowledgeable concerning the stock and store policies. In addition, the Village Core Association may require personnel to attend classes concerning the history and philosophy of Hellgate Meadows, the location of other commercial and public facilities within Hellgate Meadows and other information which might reasonably be asked by retail store patrons. Personnel may be required to demonstrate proficiency from time to time in such information.

11.7 Leases.

(a) Commercial Units. The provisions of this Village Core Declaration, including but not limited to this Article XI, shall be deemed included in any lease of commercial space within the Village Core. The Village Core Association shall have the right to review all Commercial Unit leases in advance and may promulgate a standard form lease to simplify its review. If any tenant is in violation of these provisions the Village Core Association may enforce these provisions against the Owner, the tenant or both, and is granted the right as Owner's agent and attorney in fact in accordance with Section 11.13 to evict any tenant in violation of these provisions.

(b) Residential Units. Residential Units may be rented, subject only to reasonable rules and regulations as promulgated by the Village Core Association, which may be modified from time to time. Rules and regulations may establish a minimum lease term. The Village Core Association shall have the right to review leases to assure compliance with this Declaration.

(c) Generally. The Village Core Association may prohibit the leasing of any Unit while the Owner is in default in the payment of Assessments; if the Unit is leased in violation, the Village Core Association may attach rentals and may evict the tenant as if it were a tenant violation under paragraph 11.13 (c).



11.9 Prohibited Uses. Notwithstanding any other provision of this Declaration to the contrary, Founder expressly declares that the following businesses shall not be permitted on any of the property subject to this Declaration, to-wit: tattoo parlors, pawn shops, title creditor check cashing facilities, adult bookstores, or establishments which derive revenue from gambling or gaming devices or as a result of the conduct of gambling or gaming activities. The foregoing list of prohibited uses is not intended to be exhaustive and may be amended from time to time to include other prohibited uses which are found to be inconsistent with the implementation of the philosophy of the development of Hellgate Meadows as a traditional neighborhood development.

(a) Nuisances, Unlawful Use. No nuisance or immoral, improper, offensive or unlawful use shall be permitted to exist or operate on any Unit. The Village Core Association may from time to time define and determine unacceptable uses. All laws, building codes, orders, rules, regulations or requirements of any governmental agency having jurisdiction shall be complied with, by and at the sole expense of the Owner.

(b) Insurance. Nothing shall be done or kept on any Unit or the Commons which will increase the rate of, or result in cancellation of, insurance for the Commons or any other Unit or its content, without the prior written consent of the Village Core Association. Consent of the Village Core Association may be conditioned upon the payment by the Owner of any insurance rate increase attributable to the Owner's use.

(c) Soliciting. The Village Core Association may regulate or prohibit soliciting within the Village Core.

(d) Time Sharing. No time-share ownership of Units is permitted without the Village Core Association's approval. For this purpose, the term "time-share ownership" shall mean a method of ownership of an interest in a Unit under which the exclusive right of use, possession or occupancy of the Unit circulates among the various owners on a periodically reoccurring basis over a scheduled period of time. Leasing a building or ownership of a Unit by a corporation, partnership or other entity or by not more than four individuals or married couples will not normally be considered time-share ownership.

(e) Camping. Camping shall be prohibited within Village Core.

11.10 Attractiveness and Safety of Units-- Compliance with Regulatory Authority Regulations.

(a) Generally. Each Owner shall keep all parts of his Unit in good order and repair and free from debris. The Village Core Association may regulate placement and maintenance of garbage and trash containers, and fuel or gas storage tanks, and other matters affecting the attractiveness or safety of Units. In addition to the provisions of paragraph 11.4 (c) concerning business signage, no sign, advertisement or notice of any type or nature

whatsoever (including "For Sale" or "For Rent" signs) shall be erected or displayed on any Unit or portion of the Commons unless specifically permitted by the Village Core Association. Garage doors shall be kept closed except when automobiles are entering or leaving the garage. No obstruction to visibility at street intersections shall be permitted.

(b) Vehicles. Hellgate Meadows Design Code or the Association may regulate or prohibit the parking of trailers, recreational vehicles, non-functioning or excessive numbers of vehicles, sports equipment, or any other item visible on the parcel, and may require that garage or service access doors be kept closed except when automobiles are entering or leaving the garage or deliveries are being made to the premises.

(c) Installation of Fire Sprinklers. Any building constructed in the Village Core shall be equipped with structural fire sprinklers installed for fire suppression purposes. The sprinklers shall be of sufficient capacity and design for the building and shall be installed in a manner approved by the City of Missoula Fire Marshal.

(d) Regulation of Wood Burning Stoves or Fireplaces. The Missoula City-County Air Pollution Control Regulation prohibits the installation of wood burning stoves or fireplaces. Pellet stoves that need emission requirements or natural gas or propane fireplaces may be installed. Pellet stoves require an installation permit from the Health Department.

(e) Airport Influence Area Regulations and Owner/Declarant's Disclosure. A portion of the Real Property is located within the Missoula County Airport Influence Area and is subject to the requirements of the Missoula County Airport Influence Area Resolutions. The resolutions that created the Airport Influence Area were adopted by the Board of County Commissioners for Missoula County pursuant to Resolution No. 78-96 and amended by Resolution No. 78-187 dated July 5, 1978 and December 6, 1978, respectively, and recorded in Book 121 of Micro Records, page 1319 (Resolution 78-96) and Book 135 of Micro Records, page 474 (Amendment by Resolution 78-187). A portion of the real property is further subject to an Avigation Easement entered between the Declarant and the Missoula County Airport Authority, dated the 10th day of June, 2002 and recorded on the records of the Missoula County Clerk and Recorder in Book 683, Micro Records at Page 647, all of which limit and restrict the rights of the Owners of Lots within Hellgate Meadows Subdivision, now and into the future. The limitations and restrictions set out in these documents should be reviewed carefully prior to purchase by all prospective purchasers of Lots. The Avigation Easement includes a map attachment Exhibit "B" which depicts a portion of Phases 1 and 2 of Hellgate Meadows Subdivision subject to the Avigation Easement, and a legal description Exhibit "C" which describes the portion of Phases 1 and 2 of Hellgate Meadows Subdivision subject to the Avigation Easement. Prospective purchasers and Owners are advised that the operations at the airport may change and/or expand in the future, thereby changing and/or expanding the impacts felt on the portion of the Real Property subject to the Avigation Easement. Prospective purchasers and Owners



are advised and should consider before purchasing a Lot that noise, vibration, dust, fumes, smoke, vapor and other effects from aircraft may occur, which may cause inconvenience or annoyance that may vary from Lot to Lot and that may affect people in different ways or extent. Federal funding for soundproofing, other mitigation of these impacts, or for acquisition of these properties is not available at present, nor in the future. The provisions of paragraph 3 of the above-described Avigation Easement executed by the Owner/Declarant provides for a full waiver and release by Owner/Declarant of any right or cause of action which it now has or may have in the future against the Missoula County Airport Authority, its successors and assigns, on account of or arising out of such noise, vibration, dust, fumes, smoke, vapor or other effects heretofore or hereafter caused by the operation of aircraft in said air space and/or by operations at the Missoula County Airport. The acquisition of a Lot or Lots in Hellgate Meadows Subdivision subject to the Avigation Easement and the aforementioned Resolutions by a prospective purchaser shall constitute an express acknowledgment and agreement by such prospective purchaser on behalf of prospective purchaser, its heirs, personal representatives, successors and assigns, that prospective purchaser fully waives and releases Owner/Declarant, N & E Ventures I, LLC, a Montana limited liability company, and its successors and assigns, as well as the Missoula County Airport Authority and its successors and assigns, of any right or cause of action which prospective purchaser now has or may have in the future as the purchaser and occupant of a Lot or Lots in Hellgate Meadows Subdivision against N & E Ventures I, LLC, a Montana limited liability company, and/or the Missoula County Airport Authority and their respective successors and assigns, on account of or arising out of such noise, vibration, dust, fumes, smoke, vapor or other effects heretofore or hereafter caused by the operation of aircraft in the air space and/or by the operations at the Missoula County Airport within the Missoula County Airport Influence Area. This paragraph may not be revised without the written consent of the Missoula County Airport Authority, which consent shall not be unreasonably withheld.

(f) Common Parking Regulations (Including Maintenance Obligations). Lots 1-12 within Hellgate Meadows, Phase 1, a recorded subdivision of Missoula County, share parking on the parcel designated and labeled "Common Parking Area" on the recorded subdivision plat. Ownership of the Common Parking Area has been apportioned between the owners of lot(s) 1-12 Phase I, as tenants in common. The percentage of ownership interest in the Common Parking Area for each lot(s) owner has been derived, in each instance, based upon a quantification of projected parking use as a function of the projected use of each owner's lot(s), taking into consideration frequency and timing of use, coupled with the size (square footage) encompassed within each owner's lot. The respective percentage interest of each lot(s) owner, based upon application of the foregoing factors, has been determined preliminarily by Owner/Declarant and is set forth on Exhibit "E", attached hereto and incorporated herein by reference. At any time until the final sale of lots which share parking in the Common Parking Area has been completed, Owner/Declarant reserves the express right to unilaterally reapportion the respective percentage interests of each remaining unsold lot(s) based upon actual parking usage, which shall be predicated upon the

results of a parking study to be prepared at the instance of the Office of Planning and Grants of the City of Missoula. The respective percentage interests of the remaining unsold lot(s) may be adjusted and reapportioned accordingly. Additionally, in the event any lot owner contemplates the need to revise their allocated share of parking to increase that share based upon a change in existing use or to accommodate a use not originally contemplated by the lot owner, no such change in allocated share shall be permitted unless and until the lot owner commissions and pays for a parking study prepared to the standards acceptable to the Office of Planning and Grants of the City of Missoula. Furthermore, whether the results of the study justify the change in the allocated share of common parking spaces shall require the written concurrence and approval of the Owner/Declarant and the Office of Planning and Grants of the City of Missoula.

Owner/Declarant will be responsible for the initial construction of the Common Parking Area, including, but not limited to, grading, surfacing, striping, landscaping and irrigation. Purchaser shall reimburse Owner/Declarant at closing for its share of the initial cost of construction based upon Purchaser's percent of ownership interest in the Common Parking Area.

The owners of the Common Parking Area, and their successors and assigns, shall have the sole responsibility for the ongoing upkeep and maintenance and/or improvement of the Common Parking Area. Annually, during the period March 1– March 31 each year, representatives of the owners of the Common Parking Area shall meet to determine the scope of general maintenance and/or improvement to be undertaken during the next calendar year (i.e., April 1– March 31) for the general benefit and well-being of the Common Parking Area users, and to agree upon the maintenance and/or improvement plan that fairly and adequately addresses maintenance or improvement needs. The decision of a majority of the owners, based upon their percentage of ownership of the Common Parking Area, shall be determinative. The maintenance and or improvement to be undertaken shall be pursuant to a bid(s) obtained from one or more business entities capable of undertaking and discharging the general maintenance and or improvement. The cost of such maintenance and/or improvement shall be shared and apportioned based on the percentage ownership in the Common Parking Area of each owner. Each owner shall pay its respective share of such costs within fifteen (15) days of the completion and billing for each element of the maintenance and or improvement undertaken in fulfillment of the maintenance and/or improvement plan. Each owner's share of the cost shall be deemed a zone assessment and a zone expense pursuant to paragraph 10.4 of this Village Core Declaration. Failure of an owner to pay its respective share of the cost shall subject it to the remedies available pursuant to section 10.9 of this Village Core Declaration.

In the event of the need to repair any portion of the Common Parking Area by virtue of damage caused by acts of God or other circumstances beyond the control of the owners, owners or their representatives, shall determine a proper course of action to implement repair on an expedited basis. The principles set forth in the preceding paragraph regarding payment



responsibility shall apply.

Notwithstanding the foregoing provisions, each owner shall be solely responsible for the repair of damage which occurs as a result of the owner's actions. The owner's actions shall include but not be limited to actions attributable to the owner's agents, servants, contractors, employees or invitees.

The owners of the Common Parking Area shall have the right to form a common, separate legal entity for purposes of ease of administration of the Common Parking Area, or to reasonably limit their individual liability for the use thereof. Provided, however, that the creation of such a legal entity shall in no manner limit or restrict the transferability of each party's respective ownership interest as an incident of or appurtenance to each owner's lot(s), nor shall it relieve any owner from responsibility for the discharge of its respective share of costs of maintenance and/or improvement. Provided further, that ownership and use of the Common Parking Area shall always be in common and shall not be capable of segregation or division in any manner or by any means, including, but not limited to, agreement of the owners, by partition, the exercise of any other proceedings in law or in equity, or by the exercise of any legal remedy, including, but not limited to, remedies which would otherwise be available in proceedings in foreclosure.

Any owner of an interest in the Common Parking Area may develop private parking on its lots which will be maintained and used exclusively by and for that owner. In the event ingress and egress through the Common Parking Area is required to accommodate private parking, such ingress and egress shall be allowed, provided that any loss of parking within the Common Parking Area arising by virtue of such ingress and egress shall be attributed to that owner. Under such circumstance, the owner's use of the Common Parking Area shall be reduced accordingly without adjustment to the owner's payment obligation.

11.11 Pets. Pets may be kept by an Owner on his Unit but only if such pets do not cause an unsafe condition or unreasonable disturbance or annoyance within the Village Core. Each Owner shall be held strictly responsible to immediately collect and properly dispose of wastes and litter of his pets on and off private or public property within Hellgate Meadows. The Village Core Association reserves the right to establish rules and regulations regarding the care, keeping and maintenance of pets, including, but not limited to, rules and regulations to regulate the number and size of pets; to prohibit the keeping of animals other than customary household pets, which it may define, acting reasonably; to designate specific areas within the Commons where pets may be walked and to prohibit pets on other areas; to require pets to be on leash; and to restrict the rights of tenants to keep pets. The Village Core Association shall also have the right to impose fines for failure to comply with the Association's rules and regulations which may be enforced by the Village Core Association pursuant to the terms of paragraph 11.13 hereof. The Village Founder intends that the Village Core Association will have exclusive and broad discretion in exercising its judgment regarding determination of



matters of "reasonableness" or in the application of any other subjective standard and the interpretation and/or application or enforcement of the foregoing provisions.

11.12 Rules and Regulations. The Village Core Association may from time to time adopt rules or amend previously adopted rules and regulations governing the details of the operation, use, maintenance and control of the Units, Commons and any facilities or services made available to the Owners. This right shall include without limitation the right to approve rental agents, contractors and sub-contractors who do business within Hellgate Meadows. Rules and Regulations shall take effect immediately upon approval by the Board, or at a later date selected by the Board. If requested by at least 40% of the Members, a meeting of Members may be called and any Rule or Regulation may be repealed by two-thirds vote of the Members. A copy of the Rules and Regulations adopted from time to time shall be posted in a conspicuous place within the Village Core or furnished to each Owner.

11.13 Enforcement.

(a) Owner's Responsibility. Each Owner and Owners' family members, guests and tenants shall conform and abide by the covenants contained in this Declaration and any Rules and Regulations which may be adopted from time to time by the Village Core Association. Each Owner shall be responsible for assuring such compliance, and any violation by family members, guests or tenants may be considered to be a violation by the Owner.

(b) Notice, Hearing and Fines. Any Owner who is believed to be in violation of this Declaration or the Rules and Regulations shall be given notice and an opportunity to be heard. After such hearing, the Village Core Association shall have the right to assess fines, up to the maximum allowed by law, and may restrict the Owner's use of the Commons for up to sixty (60) days or until remedied, whichever is longer. However, the primary goal of this provision is not to punish but to conciliate and resolve problems. The Village Core Association may suggest or approve agreements and withhold the requirement of paying a fine if the agreement is honored. Fines shall be charged against the Unit as an Individual Unit Assessment. Any fines collected shall be contributed to the general fund of the Village Core Association.

(c) Tenant Violations. If a tenant is believed to be in violation of the Declaration or Rules and Regulations, the Village Core Association shall notify the Owner and tenant and provide an opportunity for hearing. If the Village Core Association determines after notice and opportunity for hearing that a tenant has violated this Declaration or Rules and Regulations, the Village Core Association may assess fines against the Owner as provided in paragraph (c). In addition, if the violation continues for ten days after notice to the Owner of the findings, or if the tenant materially violates either Declaration or Rules and Regulations more than once in any one-year period, the



Village Core Association shall have the right to evict the tenant. Each Owner by acceptance of a deed irrevocably appoints the Village Core Association as its agent and attorney-in-fact in such an eviction action. All costs related to such action shall be charged to the Owner as an Individual Unit Assessment.

(d) Corrective Action for Unit Maintenance. If the Village Core Association determines after notice and hearing that any Owner has failed to maintain any part of the Unit (including the yard and any wall, fence, building, garden structure or other structure) in a clean, attractive and safe manner, in accordance with the provisions of this Declaration and applicable rules and regulations, the Village Core Association shall notify the Owner of its findings and may assess fines as provided in paragraph (c). If the violation continues for ten days after notice to the Owner, the Village Core Association shall have the right without liability to enter upon such Unit to correct, repair, restore, paint and maintain any part of such Unit and to have any objectionable items removed from the Unit. The Village Core Association may reduce or eliminate the time for notice if it believes the condition creates a hazard. All costs related to such action shall be assessed to the Owner as an Individual Unit Assessment.

(e) Pets. After notice and hearing, the Village Core Association may find that a pet causes an unsafe condition or unreasonable disturbance or annoyance and may require the Owner or tenant to take steps to cure or limit the offensive condition. If such steps are ineffective, if the Owner or tenant fails to cooperate or if the pet is considered to create an unsafe condition, the Village Core Association may require that an Owner or tenant permanently remove the pet from the Village Core.

(f) Additional Remedies. All remedies listed in this section are non-exclusive and may be applied cumulatively. The Village Core Association shall also have the right to bring suit to enforce the Declaration and Rules and Regulations, as described in Section 14.3.

ARTICLE XII: Insurance; Casualty

12.1 Review of Coverage. The Board shall review limits of coverage for each type of insurance at least once each year.

12.2 Casualty Insurance. If significant insurable improvements are added to the Village Core Commons, the Board shall be required to obtain and maintain, casualty insurance on the Commons for fire damage. Endorsements for extended coverage, vandalism, malicious mischief, flood and windstorm should be obtained where available at reasonable cost. Coverage shall be in an amount not less than necessary to comply with the co-insurance percentage stipulated in the policy, but in any event not less than 80% of the insurable value (based upon replacement) of the improvements constructed on the Commons.

12.3 Public Liability. The Board may obtain public liability insurance in such limits as the Board may from time to time determine, insuring against any liability arising out of, or incident to, the ownership and use of the Commons. At the Board's discretion, such coverage may include easements, such as walkways, which benefit the Association. Whenever practicable, such insurance should be issued on a comprehensive liability basis and should contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association, the Board or other Owners.

12.4 Director Liability Insurance. The Board may obtain liability insurance insuring against personal loss for actions taken by members of the Board and advisory members in the performance of their duties. Such insurance shall be of the type and amount determined by the Board in its discretion.

12.5 Other Coverage. The Board shall obtain and maintain workman's compensation insurance if and to the extent necessary to meet the requirements of law, and such other insurance as the Board may determine or as may be requested from time to time by a majority vote of the Members.

12.6 Unit Coverage.

(a) Generally. Each Owner shall obtain casualty insurance for all improvements on the Unit. Coverage shall be in an amount not less than necessary to comply with the co-insurance percentage stipulated in the policy, but in any event not less than 80% of the insurable value (based upon replacement) of the improvements. If requested, Owners shall provide evidence of such insurance to the Village Core Association.

(b) Commercial Units. The Village Core Association may require Commercial Units to carry additional insurance, including but not limited to comprehensive general liability and, where applicable, liquor liability and special coverage for machinery and equipment.

(c) Leased Units. Residential Units which are leased to the public may also be required to carry liability insurance.

12.7 Repair and Reconstruction after Fire or Other Casualty.

(a) Commons. If fire or other casualty damages or destroys any of the improvements on the Commons, the Board shall arrange for and supervise the prompt repair and restoration of the improvements, unless other plans are approved by the Design Review Board. The Board shall obtain funds for such reconstruction first from the insurance proceeds, then from reserves for the repair and replacement of such improvements, and then from any Special Assessments that may be necessary after exhausting insurance and reserves.

(b) Units. If fire or other casualty damages or destroys a building or any other

improvements on a Unit, the Owner of that Unit shall immediately proceed to rebuild and restore the improvements to the condition existing immediately prior to such damage or destruction, unless other plans are approved by the Design Review Board. If the Owner fails to clean and secure a Unit within 30 days after a casualty, the Village Core Association may, in accordance with the provisions of Section 11.13 (d), remove debris, raze or remove portions of damaged structures and perform any other clean up the Village Core Association deems necessary to make the Unit safe and attractive. The cost of such clean-up shall be assessed to the Unit Owner as an Individual Unit Assessment.

ARTICLE XIII: | Amendment, Dedication, Condemnation and Termination

13.1 Amendment.

(a) By Members. This Declaration may be amended at any time by an instrument signed by the president or vice president and secretary of the Village Core Association, certifying approval in writing by eighty percent (80%) of the total votes. Rights reserved to the Founder may not be amended without the specific consent of the Founder.

(b) By the Founder. The Founder specifically reserves the absolute and unconditional right to amend this Declaration without the consent or joinder of any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association or any other generally recognized institution involved in the guarantee or purchase and sale of home loan mortgages, (ii) to conform to the requirements of institutional mortgage lenders or title insurance companies, or (iii) to clarify the Declaration's provisions or correct errors, or to modify this Declaration with respect to additional property made subject to its provisions..

(c) Limitation and Required Concurrence of Missoula City Council. Whenever any action described in this Declaration requires approval of greater than eighty percent (80%) of the total votes, amendment of that provision shall require the same percentage vote as would be required to accomplish that action directly. Rights reserved to the Founder may not be amended without the specific consent of the Founder. Provided further, that notwithstanding any other provisions of this Article XIII or the Village Core Declaration to the contrary, the provisions of Article 11.10(c)(d) and (e) hereof may not be amended, deleted or terminated without the express approval of the City Council of the City of Missoula or its successor.

(d) Recording. Any amendment shall take effect upon recording in the public records.

13.2 Dedication. The Founder or the Village Core Association shall have the right to convey title to or dedicate the streets and any other Commons to the appropriate public agency or authority.

13.3 Condemnation. If all or part of the Commons is taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Village Core Association.

13.4 Duration: Termination. The covenants and restrictions contained in this Declaration shall run with and bind the Neighborhood and shall inure to the benefit of and be enforceable by the Founder, the Association, and all Owners of property within the Neighborhood, their respective legal representatives, heirs, successors or assigns for twenty years, and shall be automatically extended for each succeeding ten year periods unless an instrument signed by Owners representing 90% of the votes in the Association shall have been recorded, agreeing to terminate the Declaration as of a specified date.

This Declaration may also be terminated at any time by the consent in writing of all Owners.

ARTICLE XIV: | General Provisions

14.1 Interpretation.

(a) Construction. The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform and consistent plan for the development and operation of the Village Core as an integral part of Hellgate Meadows but with separate needs as an area of primarily commercial character. If necessary in the event of a conflict, the provisions shall be interpreted in the manner which gives the Village Core the greatest autonomy. Founder shall have exclusive and broad discretion in exercising its judgment regarding the determination of matters of "reasonableness" or in the application of any other subjective standard in the interpretation and/or application or enforcement of the provisions of this Declaration. The italicized portions at the beginning of each Article are intended to state the purposes for the provisions that follow and may be used as an aid in interpretation. However, if the italicized portion conflicts with the operative provision, the operative provision shall govern.

(b) Governmental Regulation. All provisions of this Declaration, including, without limitation, modification to the Master Plan, shall be subject to applicable governmental regulation or agreements.

14.2 Invalidity. The invalidity of any part of this Declaration shall not impair or affect the validity or enforceability of the rest of the Declaration, which shall remain in full force and effect.



14.3 Enforcement of Declaration.

(a) Enforcement. Suit may be brought against any person, persons or entity violating or attempting to violate the provisions of this Declaration, either to restrain violation or to recover damages, and against his or its property to enforce any lien created by this Declaration. To enforce this Declaration or the Rules and Regulations, the Founder, the Village Core Association, the Merchants' Council or any Owner may bring an action for damages, specific performance, declaratory decree or injunction, or any other remedy at law or in equity.

(b) No Waiver. Failure to enforce any provision of this Declaration or the Rules and Regulations shall not be deemed a waiver of the right to do so at any time thereafter.

(c) Legal Fees. Any and all costs, including but not limited to attorneys' fees and court costs, which may be incurred by the Founder, the Village Core Association or the Merchants' Council in the enforcement of any of the provisions of this Declaration, whether or not suit is brought, may be assessed as an Individual Unit Assessment to the Owner against whom such action was taken.

14.4 Assignment of Founder Rights. Founder may assign all or any portion of its rights or obligations at any time to a successor or assign, or to the Village Core Association. If Founder conveys all of its property within the Village Core without assigning its rights, then the Founder's rights shall be automatically assigned to the Village Core Association.

14.5 Notices. Any notice required to be sent to the Owner shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the Unit and, if different, to the last known address of the person who appears as Owner of the Unit as that address is stated on the records of the Village Core Association at the time of the mailing.

14.6 Gender and Number. The use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

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14.7 Consent of Mortgagees.

(a) When Consent Required. This Declaration contains provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions are to be construed as covenants for the protection of the Mortgagees on which they may rely in making loans secured by a mortgage on a Unit. Accordingly, no amendment or modification of this Declaration specifically impairing such rights, priorities, remedies or interests of a mortgagee shall be adopted without the prior written consent of Mortgagees as provided in paragraph (b). This section shall not be construed, however, as a limitation upon the rights of the Founder or the Owners to make amendments which do not adversely affect the Mortgagees.

(b) Percentage Required. Wherever consent of the Mortgagees is required, it shall be sufficient to obtain the written consent of Mortgagees holding a lien on sixty percent (60%) or more of all Units encumbered by a mortgage, unless a smaller percentage is specified.

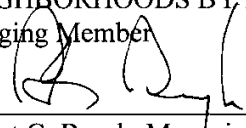
(c) Timely Response. Any such required consent shall be given promptly and shall not be unreasonably withheld. Any consent not given or denied within 30 calendar days of receipt of request for consent shall be deemed given.

14.8 Law to Govern. This Declaration shall be construed in accordance with the laws of the State of Montana.

IN WITNESS WHEREOF, the undersigned does hereby make this Village Core Declaration and has caused this Village Core Declaration to be executed as of the day and year first above written.

N & E VENTURES I, LLC, a
A Montana limited liability company

By: NEIGHBORHOODS BY DESIGN, LLC
Its Managing Member

By 
Robert G. Brugh, Managing Member

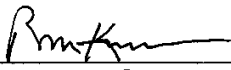
STATE OF MONTANA)

: ss.

County of Missoula)

This instrument was acknowledged before me on this 17th day of JUNE, 2002 by ROBERT G. BRUGH, known to me to be the Managing Member of NEIGHBORHOODS BY DESIGN, LLC, a Managing Member of N & E Ventures I, LLC, a Montana limited liability company.

(SEAL)


Printed or Typed Name Robert M. Knight
Notary Public for the State of Montana
Residing at MISSOULA, MONTANA
My commission expires Jan 27, 2004



SCHEDULE OF EXHIBITS:

Exhibit A: Description of That Portion of the 40 Acres to be Developed by the Founder
Within the Master Plan Area to be Subject to the Village Core Declaration:
Lots 1 through 39, Phase I, Hellgate Meadows Subdivision

Exhibit B: For Description of Initial Commons: For description of Commons and
Common Easements detail see Sheet 2 of the plat of Hellgate Meadows, Phases I and II

Exhibit C: Articles of Incorporation of Hellgate Meadows Village Core Association, Inc.

Exhibit D: Bylaws of Hellgate Meadows Village Core Association, Inc.

Exhibit E: Percentage Interest of Owners of Common Parking Area



STATE OF MONTANA
BOB BROWN

EXHIBIT "C"



Business Services Bureau
Pat Haffey, Deputy

Montana State Capitol
PO Box 202801
Helena, MT 59620-2801
(406)444-3665
<http://www.state.mt.us/sos/>

ROBERT M KNIGHT
PO BOX 8899
MISSOULA MT 59807 8899

May 24, 2002

Dear Mr. Knight:

RE: HELLGATE MEADOWS
VILLAGE CORE ASSOCIATION,
INC.
ARTICLES OF INCORPORATION
Date of Filing: May 24, 2002
Filing Number: d1 16220 426975

I've approved the filing of the documents for the above named entity. The document number and filing date have been recorded on the original document. This letter serves as your certificate of filing and should be maintained in your files for future reference.

Thank you for giving this office the opportunity to serve you. If you have any questions in this regard, or need additional assistance, please do not hesitate to contact the Business Services Bureau professionals at (406) 444-3665.

Sincerely,

Bob Brown

Bob Brown
Secretary of State
Enclosure

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You can correspond with our office via facsimile. Our fax number is (406) 444-3976. You can now fax in your search, copy, and certificate requests.



STATE OF MONTANA

FILED

MAY 24 2002

SECRETARY OF STATE

**ARTICLES OF INCORPORATION
OF
HELLGATE MEADOWS VILLAGE CORE ASSOCIATION, INC.**
(a Montana Non-Profit Corporation)

Executed by the undersigned incorporator for the purpose of forming a Montana nonprofit corporation under "Montana Nonprofit Corporation Act," Title 35, Chapter 2 of the Montana Code Annotated.

ARTICLE I

Name. The name of the corporation is Hellgate Meadows Village Core Association, Inc.

ARTICLE II

Designation. The corporation is a mutual benefit corporation.

ARTICLE III

Purpose. The Association does not contemplate that any pecuniary gains, profits or net earnings will inure to the benefit of any member of the Association. The Association is organized to perform all of the duties and obligations and to exercise all of the rights of the Village Core Association which are provided for in the Declaration of Easements, Covenants and Restrictions for the Village Core of Hellgate Meadows, as that Declaration may be amended and supplemented from time to time (hereinafter referred to as the "Declaration"). The Declaration will be recorded in the office of the Clerk and Recorder of Missoula County, Montana. The powers, privileges, rights, duties and obligations of the Village Core Association include, but are not limited to, the following:

(a) to exercise all of the powers and privileges and to perform all of the duties and obligations of the Village Core Association as set forth in the Declaration, which is hereby incorporated by reference in its entirety as if set forth herein in full, as it may be amended or supplemented from time to time, and to assist in the enforcement of the restrictions and covenants contained in the Declaration.

(b) to fix and levy assessments and to collect those assessments in order to obtain funds with which to carry out the duties and obligations of the Village Core Association pursuant to the Declaration; and

(c) to exercise all other rights and powers which the corporation now has or may hereafter acquire under the Declaration, or which may be available to a non-profit corporation incorporated under the Montana Non-Profit Corporation Act.



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ARTICLE IV

Members. The corporation shall have members. Members shall meet the criteria and satisfy the procedures for admission set forth in the corporation's bylaws and the Declaration of Easements, Covenants and Restrictions for the Village Core of Hellgate Meadows Subdivision.

ARTICLE V

Registered Agent and Office. The address of the initial registered office of the corporation is 25685 Nine Mile Road, Huson, Montana 59846, and the name of the initial registered agent at that address is Robert G. Brugh.

ARTICLE VI

Distribution and Dissolution. Upon dissolution of the corporation, all assets remaining after the payment of known creditors shall be distributed according to Mont. Code Ann. § 35-2-721(6), or its successor statute in effect at the time of such dissolution.

ARTICLE VII

Duration. The duration of the corporation shall be perpetual.

ARTICLE VIII

Directors. The initial Board of Directors shall consist of three (3) Members. The number of directors who shall manage the business affairs of the Corporation shall be such as from time to time may be fixed by, or in the manner provided in, the Bylaws and amendments thereto, and shall be consistent with the provisions of Article 7.6 of the Hellgate Meadows Village Core Declaration of Easements, Covenants, and Restrictions, and amendments thereto, but the number of directors may not be less than three (3) nor more than nine (9).

ARTICLE IX

Limitation of Directors' Liability. A director of the corporation shall not be liable to the corporation or its members for monetary damages for breach of a director's duties to the corporation or its members, except for (a) breaches of the director's duty of loyalty to the corporation or its members; (b) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law; (c) transactions from which a director derived an improper personal or economic benefit; (d) transactions involving a conflict of interest as defined in Montana Code Annotated, Section 35-2-418; (e) transactions involving a loan or loan guarantee made to or for the benefit of a director by the corporation in violation of Montana Code Annotated, Section 35-2-435; or (f) a director's personal liability for an unlawful distribution under Montana Code Annotated, Section 35-2-436. Any repeal or modification of this article will be prospective only and will not adversely affect any limitation on the personal liability of a director of the corporation with respect to actions taken before the repeal or modification of this article.



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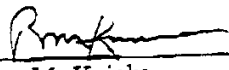
ARTICLE X

Director Indemnification. The corporation will indemnify each director to the full extent permitted by the Montana corporation statutes against all costs and expenses reasonably incurred or imposed upon the director in connection with or rising out of any action, suit or proceeding in which the director is made a party by reason of having been a director or officer of the corporation.

ARTICLE XI


Incorporator. The name of the incorporator is Robert M. Knight and such incorporator's address is 526 East Front Street, P.O. Box 8899, Missoula, MT, 59807-8899.

IN WITNESS WHEREOF, these Articles of Incorporation have been executed as of the 29th day of May, 2002, by the incorporator and the registered agent.


Robert M. Knight
Incorporator

Acceptance of Appointment as Registered Agent

Robert G. Brugh hereby accepts the appointment as registered agent of the Village Core Association which is provided for herein, as required by Montana Code Annotated §35-2-309.


Robert G. Brugh



Missoula County Vickie M Zeier COV

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EXHIBIT "D"

BYLAWS
for
HELLGATE MEADOWS VILLAGE CORE
ASSOCIATION, INC.,
a Montana Non-Profit Corporation

ARTICLE I
MEMBERS

1.1 **Membership.** The members of the Hellgate Meadows Village Core Association, Inc. (the "Association"), a corporation not for profit organized under State of Montana law, shall consist of the owners of separately conveyable real property ("Parcels") in Hellgate Meadows Village Core (the "Property") located in the City of Missoula, County of Missoula, State of Montana, as described in the Declaration of Easements, Covenants and Restrictions for the Village Core, recorded or to be recorded in the public records of Missoula County, Montana (the "Declaration"). The membership of each Owner shall terminate when he ceases to be an Owner of a Parcel. Upon the sale, transfer or other disposition of his ownership interest in a Parcel, membership in the Association shall automatically be transferred to the new member. The Association may, but is not required to issue certificates evidencing membership.

ARTICLE II
MEETINGS OF MEMBERSHIP

2.1 **Rules.** The meetings of the membership shall be held in accordance with the provisions of the Declaration and, subject to the Declaration, in accordance with these Bylaws. Except where in conflict with the Declaration, Roberts Rules of Order (as amended) shall govern the conduct of all membership meetings.

2.2 **Annual Meeting.** The annual meeting of the Association membership shall be held at such time and place in the City of Missoula, State of Montana, as may be designated by the Board. The annual meeting shall be at a place and time determined by the Board, which shall ordinarily be at least 11 months but no later than 13 months since the previous annual meeting.

2.3 **Special Meetings.** Unless specifically provided otherwise herein or in the Declaration, meetings of the membership shall be held when directed by the President or the Board or when requested in writing by members holding a majority of the votes having the right to vote at such meeting. The call for the meeting shall be issued by the secretary.

2.4 **Notice.** Notice of all members' meetings, regular or special, shall be given by the President, Vice President or Secretary of the Association to each member unless waived in writing. Such notices shall be mailed or personally delivered to each member not less than ten (10) nor more than thirty (30) days prior to the meeting, except in an emergency, in which case the Board shall give such notice as is reasonable under the circumstances.

In addition, except in an emergency, when such notice requirement shall be waived, written notice shall be posted at a conspicuous place on the Property not less than forty-eight (48) hours prior to any special meeting and not less than fourteen (14) days prior to the annual meeting.

2.5 Waiver. Any Owner may waive notice of a meeting or consent to the holding of a meeting without notice or consent to action taken without a meeting, by execution of a waiver or consent in writing. Such waiver or consent may be executed prior to, at, or subsequent to the meeting or Association action to which the waiver or consent relates.

2.6 Quorum. Voting at an Association meeting requires presence of Members (in person, by proxy or, to the extent allowed by State of Montana law, by telephone conference) representing the percentage of votes established by the Board as necessary to transact business. The Board may revise this percentage from time to time, but in no event shall the required percentage be less than 25% or more than 50% of the membership.

2.7 Proxies. Proxies shall be in writing and are revocable at any time at the pleasure of the member executing it. A proxy shall be valid only for the particular meeting designated and any lawfully adjourned meetings thereof (but in no event shall a proxy be valid for more than 90 days after the date of the first meeting for which it was given). All proxies must be filed with the Secretary before the appointed time of the meeting.

2.8 Action without Meeting. If permitted by the Board, the membership may approve any matter (specifically including the election of Directors) by written ballot. Ballots shall be mailed or hand delivered to all Members. The Board shall establish for each vote the amount of time to be permitted for voting, which shall be no less than 10 days nor more than 60 days, and all ballots returned within the permitted time shall be counted. The Board may also establish a minimum number of ballots which must be returned in order for the vote to be valid, within the limits required for a quorum.

ARTICLE III BOARD OF DIRECTORS

3.1 Initial Composition. The Board shall initially consist of three persons who shall be originally appointed by the Founder.

3.2 Later Composition. The Founder's right to appoint, remove and replace the initial officers and members of the Board shall be in force and effect until sixty days after all of the buildings indicated by or permitted under the Master Plan have been completed and conveyed to owners other than the Founder or the builder. When used in this paragraph, "buildings" shall include both detached buildings and Residential Units, but not outbuildings. The Founder may voluntarily surrender all or a portion of its reserved rights to appoint and remove and replace officers and members of the Board before termination of the control period, in which case the Founder reserves the right to record an instrument specifying that, until the time Founder would have otherwise been required to end control of the Board, certain actions of the Association or Board must be approved by the Founder before they become effective. Additionally, once the

Founder surrenders the reserved right to appoint, remove and replace officers and members of the Board, the Board shall determine, from time to time, the number of directors which shall be permitted, which shall no fewer than three and no more than nine.

3.3 First Election. Within sixty (60) days after the Owners other than the Founder become entitled to elect a member of the Board, the Association shall call a meeting of the Owners to elect a member or members of the Board. Notice shall be given not less than thirty (30) days nor more than forty (40) days before the meeting. The meeting may be called and notice given by any Owner if the Association fails to do so. At the meeting, such Owners shall elect the director or directors which they are then entitled to elect, who shall replace those named by the Founder and who shall serve until the next regularly scheduled annual meeting of the Association, when their successors shall be elected as provided in the Bylaws.

3.4 Number of Directors. Once the Owners other than the Founder become entitled to elect a member or members of the Board, the Board shall consist of at least three directors but not more than nine directors. The number of directors shall be determined from time to time by the Board.

3.5 Term. Directors shall hold office for a term of two years. A director may be elected to a one-year term to permit staggered terms. Directors may be elected for successive terms.

3.6 Qualifications. Directors are not required to be Members.

3.7 Voting Procedure. Each Member shall have one vote for each seat to be filled. No cumulative voting shall be permitted. The candidates receiving the highest number of votes shall be declared elected.

3.8 Removal. Except for directors selected by the Founder, any director may be removed from office, with or without cause, by at least a majority vote of all Members, at any duly called meeting of Members. A special Association meeting to remove a director or directors from office may be called by Members representing 40% of the membership giving notice of the meeting unless a lower percentage is permitted by law. The notice shall state the purpose of the meeting and shall be given to all Members in writing at least one week prior to the Association meeting.

3.9 Vacancy. Any vacancy occurring in the Board may be filled by a majority vote of the remaining Board members, except that a vacancy resulting from removal of a director by the members shall be filled by a vote of the membership. Members shall also vote to fill a vacancy if there are not sufficient remaining Board members to constitute a quorum.

3.10 Meetings. An annual meeting of the Board shall be held immediately following the annual meeting of the membership and at the same place. Special meetings of the Board shall be held upon call by the President or a majority of the Board on not less than forty-eight (48) hours notice in writing to each director, unless the Board determines an emergency to exist, in which event the Board shall give such notice as is reasonable under the circumstances. All meetings of the Board at which official action may take place shall be open to all members and, except in an emergency as provided above, notices of all such meetings shall be posted in a conspicuous place on the Property at least 48 hours prior to the meeting. However, members shall not be entitled to vote

or participate in any other way at the meeting.

3.11 Waiver. Any director may waive notice of a meeting or consent to the holding of a meeting without notice or consent to any action of the Board without a meeting. Such waiver or consent may be executed prior to, at, or subsequent to the meeting or Board action to which the waiver or consent relates.

3.12 Quorum. Voting at a Board meeting requires presence of at least one-half of the directors, in person or telephone conference or, if permitted by law, by proxy or by any other permissible means. Any action required to be taken by vote of the Board may be taken in the absence of a meeting (or in the absence of a quorum at a meeting) by obtaining the written approval of a majority of the Board.

3.13 Compensation. Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by the Owners but may be reimbursed for expenses.

3.14 Powers and Duties. The Board shall have the following powers and duties:

- (a) To elect the officers of the Association as hereinafter provided;
- (b) To administer the affairs of the Association and the Property and formulate policies for such purposes;
- (c) To adopt administrative rules and regulations governing the administration, management, operation and use of the Property and to amend such rules and regulations from time to time;
- (d) To provide for the maintenance, repair and replacement of those parts of the Property stated in the Declaration to be maintained by the Association;
- (e) To provide for the designation, hiring and removal of employees and other personnel or service companies, including a property manager, to engage or contract for the services of others, to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and to delegate any such powers to the employees or agents of the Association;
- (f) To estimate the amount of the annual budget, to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses as hereinafter provided and to assess any supplemental assessment as the Board shall deem necessary;
- (g) Unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Owners as expressed in a resolution duly adopted at any annual or special meeting of the Owners; and
- (h) To exercise all other powers and duties of the Board provided for in the Declaration and the Articles.

ARTICLE IV OFFICERS

4.1 Election. Subject to the provisions of the Declaration and Articles, at each annual meeting of the Board, the Board shall elect the following officers of the Association:

(a) A President, who shall be a director, shall preside over the meetings of the Board and of the Association and shall be the chief executive officer of the Association. In the recess of the Board, the President shall have general control and management of the business and affairs of the Association;

(b) One or more Vice Presidents, who shall also be directors and who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President;

(c) A Secretary, who shall keep the minutes of all meetings of the Board and of the membership and who shall perform all the duties generally incident to the office of Secretary;

(d) A Treasurer, who shall cause to be kept the financial records and books of account of the Association; and

(e) Such additional officers as the Board shall see fit to elect. An individual may hold more than one position.

4.2 Powers. The officers shall have the general powers usually vested in such officers of a not-for-profit corporation, provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may deem necessary.

4.3 Term. Each officer shall hold office for the term of one year and until his successor shall have been elected and qualified.

4.4 Vacancy. Vacancies in any office shall be filled by the Board at special meetings thereof. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board.

4.5 Compensation. Officers shall receive no compensation for their services, unless expressly provided for in a resolution duly adopted by the Owners, but may be reimbursed for expenses.

ARTICLE V RECORDS

5.1 Accounting. The Board shall maintain accounting records according to generally accepted accounting practices, which records shall be open to inspection by Owners at reasonable times and upon reasonable notice. These accounting records shall include a record of receipts and expenditures and a separate account for each Owner showing the assessments charged to and paid by such Owner. Within ninety (90) days after the end of each year covered by an annual budget,

the Board shall cause to be furnished to each Owner a statement for such year showing the receipts and expenditures and such other information as the Board may deem desirable. Upon reasonable notice to the Board, any owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from him.

5.2 Meetings. The Board shall keep a record of all meetings, both of the Board and of the Association. For each action taken, the record shall state the vote and a description of the action approved, and, where applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record shall be available for inspection by any Member.

ARTICLE VI AMENDMENT

The Bylaws may be altered, amended, modified or repealed by (a) two-thirds of the Directors, or (b) assent in writing of members representing a majority of the voting interests. Any such modification shall be effective upon recording in the public records of Missoula County.

ARTICLE VII SUPREMACY

In the event of a conflict among the Bylaws, Articles or Declaration, the Declaration shall control, followed by the Articles and then Bylaws.

These Bylaws were adopted by the Board on June 17, 2002.



EXHIBIT "E"

VILLAGE CORE LOT OWNERS ADJACENT TO THE COMMON PARKING LOT percent ownership as tenants in common of the parking lot

LOT #	AREA	ACREA	% PARKI	MBINE TOTAL
Parking	58,648	1.35		
1	36,849	0.85	7.77%	41,406
2	11,783	0.27	12.84%	19,313
3	15,571	0.36	16.96%	25,518
4	10,621	0.24	33.18%	30,080
5	8,760	0.20	3.59%	10,865
6	10,720	0.25	4.42%	13,312
7	10,161	0.23	4.17%	12,607
8	10,916	0.25	4.48%	13,543
9	16,500	0.38	3.46%	18,529
10	16,500	0.38	3.46%	18,529
11	16,500	0.38	3.46%	18,529
12	10,560	0.24	2.21%	11,856
	234,089	5.37	100.00%	234,089

STATE OF MONTANA)
 : SS.
County of Missoula)



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**AFFIDAVIT OF FOUNDER AND DECLARANT TO CLARIFY AND CORRECT
EXHIBIT "A" OF MASTER DEED RESTRICTIONS FOR
HELLGATE MEADOWS SUBDIVISION,
MISSOULA COUNTY, MONTANA**

COMES NOW N & E VENTURES I, LLC, a Montana limited liability company, as Founder and Declarant with respect to the Master Deed Restrictions for Hellgate Meadows Subdivision, a platted subdivision of the City of Missoula, Missoula County, Montana, of record in Book 25 of Plats, page 56, and deposes and says:

1. On June 17, 2002, N & E Ventures I, LLC, a Montana limited liability company, executed a document entitled "Master Deed Restrictions" which it caused to be filed of record in the office of the Missoula County Clerk and Recorder, Missoula County, Montana, on July 17, 2002, and which was duly recorded on that date in Book 685 of Micro Records at page 361.

2. The foregoing Master Deed Restrictions are hereby incorporated by reference as if set forth herein in full.

3. An Exhibit "A" is attached to and made a part of the Master Deed Restrictions at page 30 thereof.

4. Exhibit "A" is intended to describe that portion of Hellgate Meadows Subdivision developed by the Founder and Declarant which is within the Master Plan Area and which is subject to the Master Deed Restrictions.

5. The correct legal description of that portion of Hellgate Meadows Subdivision developed by Founder and Declarant which is within the Master Plan Area and which is subject to the Master Deed Restrictions is as follows, to-wit:

All of the lots contained within Phases 1 and 2, Hellgate Meadows Subdivision, reflected on the plat of said Subdivision of record in the office of the Missoula County Clerk and Recorder in Book 25 of Plats, page 56. Additional Phases of Hellgate Meadows Subdivision, inclusive of the remainder of the 40 acre tract being developed by Founder and Declarant, will be added to these Master Deed Restrictions upon final plat approval of those Phases.


RT, N+E Ventures I, LLC
25685 Nine Mile Rd
Hudson MT 59846

Founder and Declarant hereby amends Exhibit "A" as it appears at page 30 of the Master Deed Restrictions recorded July 17, 2002 at Book 685 of Micro Records, page 361, to reflect the legal description set forth in this paragraph.

FURTHER AFFIANT SAYETH NOT.

N & E VENTURES I, LLC, a
Montana limited liability company

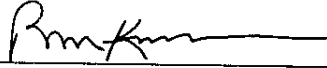
By NEIGHBORHOODS BY DESIGN, LLC
Member

By 
Robert G. Brugh, Managing Member

STATE OF MONTANA)
 : ss.
County of Missoula)

This instrument was acknowledged before me on this 23rd day of July, 2002 by ROBERT G. BRUGH, known to me to be the Managing Member of Neighborhoods by Design, LLC, a Managing Member of N & E Ventures I, LLC, a Montana limited liability company.




Printed Name: Robert M. Knight
Notary Public for the State of Montana
Residing at Missoula, Montana
My commission expires January 27, 2004

STATE OF MONTANA)
 : ss.
County of Missoula)



**AFFIDAVIT OF FOUNDER AND DECLARANT TO CONFIRM
FOUNDER'S EXERCISE OF RESERVED EASEMENT RIGHTS
WITH RESPECT TO INSTALLATION OF STREET LIGHTS AND
TO AMEND MASTER DEED RESTRICTIONS ACCORDINGLY**

COMES NOW N & E VENTURES I, LLC, a Montana limited liability company, as Founder and Declarant with respect to the Master Deed Restrictions for Hellgate Meadows Subdivision, a platted subdivision of the City of Missoula, Missoula County, Montana, of record in Book 25 of Plats, page 56, and deposes and says:

1. On June 17, 2002, N & E Ventures I, LLC, a Montana limited liability company, executed a document entitled "Master Deed Restrictions" which it caused to be filed of record in the office of the Missoula County Clerk and Recorder, Missoula County, Montana, on July 17, 2002, and which was duly recorded on that date in Book 685 of Micro Records at page 361. The foregoing Master Deed Restrictions were amended on July 23, 2002 by virtue of the document recorded at Book 685 of Micro Records, page 930, records of Missoula County, Montana.

2. The foregoing Master Deed Restrictions, as amended, are hereby incorporated by reference as if set forth herein in full.

3. Pursuant to Article VI of the Master Deed Restrictions, Founder reserved for itself and for its successors and assigns, which expressly included providers of public or private utility service, an easement to provide all utility service to the property subject to the Master Deed Restrictions as more particularly set forth in Article 6.1 and 6.1(b).

4. As a condition of approval by the City of Missoula for the installation of surface street lighting fixtures on the property subject to these Master Deed Restrictions in order to provide appropriate siting for illumination of streets and sidewalks, Founder has acknowledged and agreed with the City of Missoula that in the event any such street light is installed over the location of sewer lines owned, operated and maintained by the City of Missoula or any successor(s) in interest, that the Association, as that term is defined in Article 1.6 hereof, will bear the sole cost and responsibility for removal and reinstallation of any street light required to be removed in order to accommodate maintenance, repair and/or replacement of the sewer line by the City of Missoula or any successor(s) in interest. Consequently, Article 6.1(b) of the Master Deed Restrictions shall be deemed amended by the Founder, for the sake of clarity and in the exercise of its reserved rights, to provide the following additional statement to be added to Article 6.1(b), to-wit:

"In the event any surface street lighting fixture is installed by Founder over the location of sewer lines owned, operated and maintained by the City of Missoula,

Montana or any successor(s) in interest, the Association will bear the sole cost and responsibility for removal and reinstallation of any street light required to be removed in order to accommodate maintenance, repair or replacement of the sewer line by the City of Missoula or any successor(s) in interest. The Association shall respond with due and deliberate diligence to any request by the City of Missoula or any successor(s) in interest to remove a surface street lighting fixture for the foregoing reason, and shall effect reinstallation as soon as is practical once the work of the City of Missoula or any successor(s) in interest is accomplished."

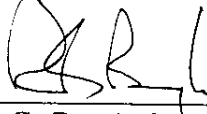
The Master Deed Restrictions are deemed amended accordingly upon the recording of this Affidavit at the office of the Missoula County Clerk and Recorder. Founder and Declarant further acknowledges and agrees that the above-described provision may not be altered, revised or amended absent the express prior written consent of the City of Missoula or its successor(s) in interest.

FURTHER AFFIANT SAYETH NOT.

FOUNDER AND DECLARANT:

N & E VENTURES I, LLC, a
Montana limited liability company

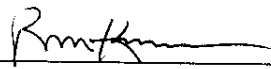
By NEIGHBORHOODS BY DESIGN, LLC
Member

By 
Robert G. Brugh, Managing Member

STATE OF MONTANA)
 : ss.
County of Missoula)

This instrument was acknowledged before me on this 25th day of October, 2002 by ROBERT G. BRUGH, known to me to be the Managing Member of Neighborhoods by Design, LLC, a Managing Member of N & E Ventures I, LLC, a Montana limited liability company.




Printed Name: Robert M. Knight
Notary Public for the State of Montana
Residing at Missoula, Montana
My commission expires January 27, 2004

Return to:
Alan F. McCormick
Garlington, Lohn and Robinson, PLLP
199 West Pine
P.O. Box 7909
Missoula, MT 59807

200929998 B: 852 P: 1049 Pages: 3
12/22/2009 11:13:57 AM Covenants
Vickie M Zeier, Missoula County Clerk & Recorder



**AMENDMENT TO EXHIBIT E OF VILLAGE CORE DECLARATION OF
EASEMENTS, COVENANTS AND RESTRICTIONS OF HELLGATE MEADOWS**

This Amendment to Exhibit E of Village Core Declarations of Easements, Covenants and Restrictions of Hellgate Meadows is made this 14 day of December, 2009 by N & E VENTURES I, LLC, a Montana limited liability company, of 25685 Nine Mile Road, Huson, MT, 59846, MEADOW VIEW COMMUNITY CHURCH, a Montana corporation, of 3821 Stephens Ave., Missoula, MT, 59801, and GABOTA, LLC, a Montana limited liability company, of 2620 Connery Way, Missoula, MT 59808.

RECITALS

- A. The Parties are all the owners of the Lots subject to the Village Core Declaration of Easements, Covenants and Restrictions for Hellgate Meadows, recorded as Document No. 200220235 at Book 685, Page 363 in the records of Missoula County Montana ("Declaration");
- B. Article XIII of the Declaration allows it to be amended at any time by an instrument signed by the president or vice president and secretary of the Village Core Association, certifying approval in writing by eighty percent (80%) of the total votes attributed to the owners of the Lots subject to the Declaration;
- C. The Parties have consented to an amendment to the Common Parking Area which is now designated as the Common Parking Area Lot-B as shown on the Amended Plat of Hellgate Meadows, Phase 1, Lots 1, 6 and 8, according to the official plat thereof in the records of Missoula County, Montana; and
- D. The Parties stated above represent 100% of the total votes and desire to amend Exhibit E to the declaration in order to change the allocation of each Lot owner's percent ownership as tenants in common in the Common Parking Area Lot-B.

NOW, THEREFORE, the parties hereby amend Exhibit E to the Declaration to read as follows:

CONTINUE TO NEXT PAGE

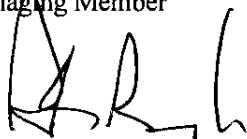
Exhibit E: Village Core Lot Owners' Percentage Ownership as Tenants in Common of the Common Parking Area Lot B-1.

Lot No.	Sq. Ft of Lot Area	% Ownership in Common Parking Area Lot B-1
Parking Lot Area:	67,082	
1A	31,591	18.99%
2A	10,420	6.26%
3A	9,712	5.84%
4	10,621	6.39%
5	8,760	5.27%
6A	9,642	5.80%
7A	7,222	4.34%
8A	33,315	20.03%
9A	11,055	6.65%
10A	11,055	6.65%
11A	11,385	6.84%
12A	11,550	6.94%
Net Lotted Area	166,328	100.00%

IN WITNESS WHEREOF the Parties have signed this instrument and arranged for its recordation in the real property records of Missoula County, Montana.

N & E Ventures I, LLC

By: Neighborhoods By Design, LLC,
Managing Member



By Robert G. Brugh, Managing Member

Village Core Association, Inc.

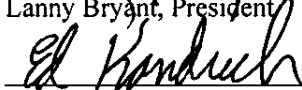


By Robert G. Brugh, President

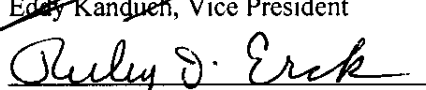
Meadow View Community Church

By:


Lanny Bryant, President


Ed Kanduch, Secretary


Eddy Kanduch, Vice President


Ruby Erck, Treasurer

Gabota, LLC

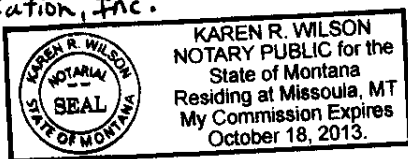
By James V. Galipeau
James V. Galipeau

STATE OF MONTANA)

: ss.

County of Missoula)

This instrument was acknowledged before me on this 14th day of December, 2009 by Robert G. Brugh as Authorized Member of Neighborhoods By Design, LLC. and as President of Village Core Association, Inc.



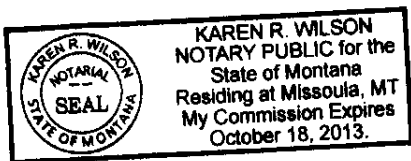
Karen R Wilson
Printed Name: _____
NOTARY PUBLIC FOR THE STATE OF MONTANA
Residing at _____
My Commission expires: _____

STATE OF MONTANA)

: ss.

County of Missoula)

This instrument was acknowledged before me on this 16th day of December, 2009 by Lanny Bryant, Eddy Kanduch, Ed Kanduch and Ruby Erck as officers of Meadowview Community Church.



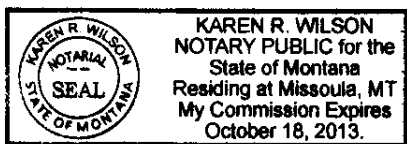
Karen R Wilson
Printed Name: _____
NOTARY PUBLIC FOR THE STATE OF MONTANA
Residing at _____
My Commission expires: _____

STATE OF MONTANA)

: ss.

County of Missoula)

This instrument was acknowledged before me on this 14th day of December, 2009 by James V. Galipeau as Managing Member of Gabota, LLC.



Karen R Wilson
Printed Name: _____
NOTARY PUBLIC FOR THE STATE OF MONTANA
Residing at _____
My Commission expires: _____

After Recording Return to:
Alan F. McCormick
Garlington, Lohn & Robinson PLLP
P O Box 7909
Missoula, MT 59807-7909

201010968 B: 861 P: 57 Pages: 3
06/09/2010 04:17:54 PM Miscellaneous
Vickie M Zeier, Missoula County Clerk & Recorder



FOUNDER'S RESOLUTION

PERTAINING to the MASTER DEED RESTRICTIONS and
DECLARATION OF EASEMENTS, COVENANTS and RESTRICTIONS
for the RESIDENTIAL NEIGHBORHOOD of

HELLGATE MEADOWS PHASES 1, 2, and 3

THIS FOUNDER'S RESOLUTION is made this 20th day of May, 2010 by N & E Ventures I, LLC, a Montana limited liability company, known as the "Founder" for purposes of the Governing Documents of the Hellgate Meadows Phases 1 and 2, and Hellgate Meadows Phase 3, recorded subdivision plats of Missoula County, Montana.

RECITALS

WHEREAS, the Master Deed Restrictions and the Declaration of Easements, Covenants and Restrictions for the Residential Neighborhood for Hellgate Meadows are recorded in Book 685, Page 361, Document No. 200220233 and Book 685, Page 363, Document No. 200220234, records of Missoula County, respectively (collectively referenced for purposes of this document as the "Governing Documents");

WHEREAS, during the Development Period as defined by the Governing Document, the Founder is granted certain rights with respect to the administration of the Hellgate Meadows Residential Neighborhood Association, including the authority to appoint the members of the Board of Directors for the Hellgate Meadows Residential Neighborhood Association, Inc., a Montana nonprofit corporation;

WHEREAS, because Founder continues to own more than five lots within Hellgate Meadows Phases 1, 2, and 3 the Development Period remains in effect;

WHEREAS, Section 6.7(c) and Section 14.4 of the Declaration of Easements, Covenants and Restrictions for the Residential Neighborhood provides that the Founder may voluntarily surrender all or a portion of its reserved rights to appoint and remove officers and members of the Board of Directors before the end of the Development Period and Section 7.1 of the Master Deed Restrictions authorizes the Founder to assign any portion of its rights at any time to the Residential Neighborhood Association; and

WHEREAS, the Founder desires to surrender its rights to appoint the officers and members of the Board of Directors for the Residential Neighborhood Association, but retain all other rights reserved to the Founder in the Governing Documents;

NOW THEREFORE, the Founder declares as follows:

1. Pursuant to Section 6.7(c) and 14.4 of the Declaration of Easements, Covenants and Restrictions for the Residential Neighborhood and Section 7.1 of the Master Deed Restrictions, the Founder surrenders all rights and authority to appoint the members and officers of the Board of Directors of the Hellgate Meadows Residential Neighborhood Association, Inc.
2. By this Resolution, the Board of Directors of the Hellgate Meadows Residential Neighborhood Association, Inc. is granted all the duties, powers and obligations set forth in Articles VI through XII of the Declaration of Easements, Covenants and Restrictions for the Residential Neighborhood, but not the authority and duty to administer the Design Code and the Hellgate Meadows Architectural Review Board as provided in Article V or any other rights which are specifically reserved to the Founder (such as the rights pertaining to adding additional property in Section 2.2 and others). Included in the Association's duties shall be the sole responsibility of maintain the Mail House located in the Village Core park as depicted on the subdivision plat for Hellgate Meadows Phases 1 and 2.
3. By this resolution, Founder grants the Hellgate Meadows Residential Neighborhood Association, Inc. the right to administer the Association's current banking account at First Security Bank (Account No. 9063171) and to replace the former officers' authority and signatures with the officers of their choosing.
4. It is the Founder's intent to permit the Hellgate Meadows Residential Neighborhood Association, Inc. to make decisions with respect to the Design Code pertaining to those portions of the Residential Neighborhood which have already been built (Lots 40-145). To that end, Founder intends to create and appoint a committee of the Hellgate Meadows Architectural Review Board comprised of members of the Hellgate Meadows Residential Neighborhood Association, Inc. and the Village Architect to administer certain aspects of the architectural review for the completed portions (Lots 40-145) of the Residential Neighborhood. The purpose of such action is to permit the Hellgate Meadows Residential Neighborhood Association Inc. to be involved as much as possible in administering the completed portion of the Residential Neighborhood while reserving to the Founder the ability to appoint the members of the Hellgate Meadows Architectural Review Board and govern the architectural review responsibilities for all portions of the Residential Neighborhood which have not been built or lands which may be added to the Residential Neighborhood in the future pursuant to Section 2.2 of the Master Deed Restrictions. The purpose of this Section 3 is informational only and is not intended to relinquish or surrender any rights reserved to the Founder with respect to the Hellgate Meadows Design Code and the Hellgate Meadows Architectural Review Board.
5. Nothing in this Resolution should be interpreted to affect any of the Founder's rights pertaining to the Master Deed Restrictions or the Village Core Declaration of Easements,

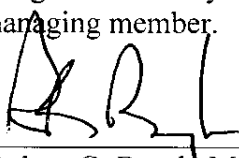
Covenants and Restrictions (Recorded in Book 685, Page 363, Document 200220235, records of Missoula County) and all matters pertaining thereto.

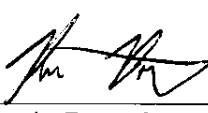
6. Other than the rights pertaining to appointment and removal of the officers and members of the Board of Directors for the Hellgate Meadows Residential Neighborhood Association, Inc., any dispute or interpretation regarding the rights surrendered by the Founder under this Resolution shall be resolved in favor of such rights being retained by the Founder.

IN WITNESS THEREOF, the Founder and Hellgate Meadows Residential Neighborhood Association, Inc. affirm this Resolution as of the date first stated above.

FOUNDER:
N & E Ventures I, LLC
By Neighborhoods By Design, LLC,
its managing member.

HELLGATE MEADOWS RESIDENTIAL
NEIGHBORHOOD ASSOCIATION, INC


By Robert G. Brugh, Managing Member

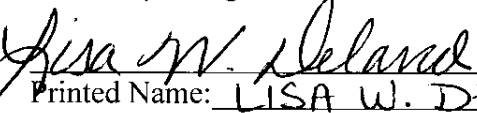

By Kevin Broughton, President

STATE OF MONTANA)
 : SS.
County of Missoula)

This instrument was acknowledged before me on this 21st day of May, 2010 by Robert G. Brugh as Authorized Member of Neighborhoods By Design, LLC.

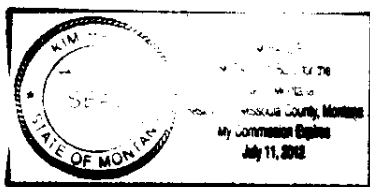


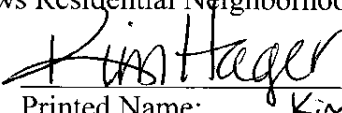
LISA W. DELANO
NOTARY PUBLIC-MONTANA
Residing at Missoula, Montana
My Comm. Expires Jul. 23, 2011


Printed Name: LISA W. DELANO
Notary Public for the State of Montana
Residing at _____
My Commission expires: 7/23/2011

STATE OF MONTANA)
 : SS.
County of Missoula)

This instrument was acknowledged before me on this 20 day of May, 2010 by Kevin Broughton as President of Hellgate Meadows Residential Neighborhood Association, Inc..




Printed Name: Kim Hager
Notary Public for the State of Montana
Residing at Missoula, CO.
My Commission expires: July 11, 2012