

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

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the development of the community, Founder wis 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.



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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 n 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 slot(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.



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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

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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.

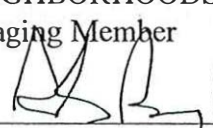
(d) Recording. Any amendment shall take effect upon recording in the public records.

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. Knight
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.



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MT 47192
ID# 3582405

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
Huson MT 59846



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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