

485233

After Recording Return To:
Sullivan, Tabaracci & Rhoades, P.C.
Chris Johnson
1821 South Avenue West, 3rd Floor
Missoula, MT 59801

STATE OF MONTANA, COUNTY OF LAKE
Recorded At 11:37 O'clock A M. DEC 7 2007
Microfilm 485233 RUTH E. HODOES Recorder
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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
RIDGEWATER PHASE 1**

This Declaration is made this 7th day of DEC, 2007, by Northwest Holdings, LLC, (Declarant) a Delaware limited liability company registered and doing business in Montana, of 312 Montana Landing, Polson, MT 59860, and provides as follows:

RECITALS

1. Northwest Holdings, LLC is the developer of certain Real Property, located in Sections 10 and 11 of Township 22N, Range 20W, P.M.M., Lake County, Montana, being the first phase of a platted subdivision, and comprising 30 platted lots, designated as Lots 1 through 23, inclusive, and Lots 1c through 7c inclusive, which lots are designated as being 23 single family residential lots and 7 commercial lots, together with designated Common Areas or Open Space, namely Ridgewater Phase 1.
2. The portions of the Real Property, comprising Ridgewater Phase 1, are subject to certain limitations and restrictions required as a condition of the plat, and may contain certain open areas as designated on the plat. Additional phases of said development are anticipated, and it is the intent of the Declarant that those phases will also be governed by the covenants, conditions, restrictions, and easements identified herein.
3. NOW THEREFORE, Northwest Holdings, LLC hereby declares that all the Real

Property identified in this Declaration shall be held, sold, and conveyed subject to the following restrictions, covenants, conditions, and easements, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Real Property as a desirable residential development with available commercial and retail services. These restrictions, covenants, conditions and easements shall run with the Real Property and shall be binding upon all parties having or acquiring any right, title or interest in the described Real Property, or any part thereof, and shall inure to the benefit of and be binding upon each successor in interest to the Owner thereof.

ARTICLE I: DEFINITIONS

Section 1. Association. "Association" shall mean and refer to the Ridgewater Homeowners Association, Inc., a Montana non-profit corporation, as the same may exist from time to time of record with the office of the Secretary of State, Helena, Montana, and its successors or assigns.

Section 2. DRC. "DRC" shall mean and refer to the Design Review Committee for Ridgewater.

Section 3. Common Area. "Common Area" shall mean all that area as may be shown on the plat of Ridgewater and the various phases thereof and upon the subdivision plats for subsequent phases thereof or as may be shown on any other plat of any subdivision or property coming within the jurisdiction and authority of this Declaration.

Section 4. Declarant. "Declarant" shall mean and refer to Northwest Holdings, LLC, a Delaware limited liability company, its successors and assigns if such successors or assigns should expressly acquire its rights as Declarant.

Section 5. Lot. "Lot" shall mean and refer to any plot of land shown upon the recorded plat map of the Real Property subject to this Declaration with the exception of the Common Areas, Open Space, and all roads dedicated or private. In the event a plot of land other than a Lot as shown on the recorded plat map is utilized as a building site, as hereinafter authorized, such building site shall be considered as a Lot. Declarant reserves the right to have any lot, upon which common buildings and amenities are constructed, to be dedicated as common area or a common area lot.

Section 6. Member. "Member" shall mean and refer to every person or entity who is a Member of the Association as described in Article II.

Section 7. Open Space. "Open Space" shall mean and refer to those portions of common area described as "Open Space" on the face of the plat, which areas may contain trails and walking trails, and may be subject to further restrictions on use and/or conservation easements.

Section 8. Owner. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of any Lot which is a part of the Real Property, including buyers under a contract for deed, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. Real Property. "Real Property" shall mean and refer to that certain Real Property described as Ridgewater Phase 1, and such other Real Property as is now or may hereafter be brought within the jurisdiction of this Declaration and the Association.

ARTICLE II: MEMBERSHIP & VOTING RIGHTS

Section 1. Membership. Every person or entity who is a record Owner of any Lot, including buyers under a contract for deed, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Acceptance of title to any Lot whether by deed or other form of conveyance shall be deemed a consent to membership in the Association. Membership shall be appurtenant to and may not be separated from Ownership of the Lot. Ownership of such Lot shall be the sole qualification for membership, except all members of the Declarant shall be considered as Lot Owners for purposes of Association membership, and shall therefore be Members of the Association, so long as the Declarant owns one or more Lots. The Association if it acquires an interest in a Lot, which would otherwise qualify it for membership, shall not be considered a member either for voting or assessment purposes.

Section 2. Voting Rights. As to this Declaration, the Owners of Lots shall be entitled to one vote for each Lot in which they hold an ownership interest, except for so long as the Declarant is the Owner of two or more Lots it shall be entitled to ten votes for each Lot it owns. When more than one person or entity owns an interest in any Lot, the vote for such Lot shall be exercised as such persons or entities determine, but in no event may more than one vote per Lot be cast, except as previously stated.

ARTICLE III: HOMEOWNERS ASSOCIATION

The Declarant has created a Montana non-profit corporation to act as the

Homeowners Association in conjunction with the administration of this Declaration. The Association shall administer the terms and provisions of this Declaration as they apply to Lots and take such action as may be reasonable or necessary to carry out the functions of a homeowners association.

ARTICLE IV: PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every Member and their guests and invitees, shall have a right and easement of enjoyment in and to the Common Areas and Open Spaces, subject to any further restrictions as may exist in subsequent conservation easements which may attach to said Open Spaces, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- a. The right of the Association to provide reasonable rules relative to use of the Common Areas and Open Spaces for the overall benefit of its members and for the management of Open Spaces and Common Areas. This right extends to the possible formation of a separate Open Space Management Committee, charged with the promulgation of rules, if desired, governing use and Management of the Common Areas and Open Spaces, or ensuring compliance with any conservation easement that may be established. Such rules may not conflict with this Declaration, unless amended. Said Committee may include non-Association members, provided such Committee members represent an interested party such as a representative of the municipality or the tenant of a commercial lot within the development;
- b. The right of the Association to charge reasonable and pro rata fees for the repair, maintenance, dust abatement, and snow removal in the walkways and paths within the plat, and other fees for the use of the Common Areas and common facilities located thereon, and fees associated with the maintenance and management of Open Spaces. Such pro rata fees may take into account the level of use by classes of owners, e.g. making a distinction for assessment purposes between residential and commercial lot owners. The Common Areas and Open Spaces shall not be maintained nor any alteration made to the same by the Owners of any Lot;

- c. The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Real Property, and the rights of such mortgagees in said Real Property shall be subordinate to the rights of the Homeowners hereunder;
- d. To the extent permitted or authorized by the appropriate governing body, the right of the Association or Declarant to dedicate or transfer all or any part of the roadways, Common Areas and Open Spaces to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon under the Bylaws of the Association;
- e. The right of the Association and Declarant to grant easements under any Common Area to any public agency, authority, or utility without charge, and the right to grant conservation easement rights in any designated Open Space;
- f. The right of the Association or Declarant to run utility service lines or connections including a water or sewer system that serves any portion of the Real Property under or through any Common Areas or Open Spaces; and
- g. Certain Lots may be subject to drainage swale easements as depicted on the plats. No Lot shall be developed or landscaped in such a manner as to interfere with the purpose of the drainage swale easement.

Section 2. Assignment of Use. Any Member may assign, in accordance with this Declaration, his right of enjoyment to the Common Areas and common facilities or to Open Spaces to the members of his family or others who reside on the Real Property.

Section 3. Maintenance Easement. An easement is hereby declared, granted, and reserved to the Declarant and the Association for access on to any Lot or Common Area for the purpose of installation, service, maintenance, or replacement of any common utility service. Further, the Declarant and the Association reserve the right to make additional grant of easement to any private or public utility provider over any Lot or Common Area as may be required for the provision of such service.

ARTICLE V: RESPONSIBILITY FOR SERVICES

Section 1. Common Areas. The Association shall mow, water or otherwise maintain the Common Areas (as identified in the plat of Ridgewater Phase 1 subdivision and as subsequently identified or amended in recorded plats of future phases) as is reasonably necessary. It is anticipated that streets within the plat will be public streets, dedicated or otherwise transferred to, accepted, and maintained by the city. However, the Association shall be responsible for the maintenance of any private roads and bike and pedestrian walkways that may exist within the subdivisions subject to the jurisdiction of this Declaration. Neither the City of Polson nor other public agencies are responsible for maintenance of the private roads and bike and pedestrian walkways until such time as the same are designed and constructed to the then existing public road standards and said roads and bike and pedestrian walkways are accepted by the appropriate governmental body as dedicated public streets or walkways. The Association shall maintain and manage any common amenities located on the common areas, inclusive of any common area buildings or improvements, and inclusive of any common or shared utilities, and excepting such facilities and common utilities that may be under the authority of the City of Polson or any water or sewer district that may be established.

Section 2. Exterior/Lawn Maintenance. Individual Lot Owners shall be responsible for all exterior maintenance on their lots, such as painting, repair of walls, roofs, driveways, lawns and shrubs. If landscaping at certain road turns or intersections is required or desired to serve as headlight buffers, such landscaping shall be so designated, and its maintenance will be the responsibility of the Association.

Section 3. Water and Sanitary Sewer.

- a. Each Lot shall be served by sanitary sewer service. Declarant shall be responsible for the initial construction of the sewer or effluent mains, the service line check and shutoff valve(s) at the property line of each Lot, the service line running between the sewer main and these valves, and any off-lot lift or pump station that may be required to move effluent. Each Owner shall install, use, operate, maintain and repair the sewer facilities for which the Owner is responsible in a good and workmanlike manner such that it causes no harm or injury to other property or the overall system, and will be in compliance with all pertinent ordinances, rules and regulations contained herein or properly promulgated by a governmental entity.
- b. On completion, the main or common sewer lines shall be maintained, owned, and operated by the municipal sewer provider.

- c. Each Lot shall be served by a municipal or public water system. Declarant shall be responsible for the initial construction of the water mains, curb stops or shutoff valves located near the Lot line, and service lines between mains and curb stops. Each Lot Owner shall be responsible for the installation of all remaining water system elements located on a Lot, inclusive of any pressure reducing valve desired or required, and inclusive of meters, which are required for all Lots. Each Owner shall install, use, operate, maintain and repair the water provision facilities for which the Owner is responsible in a good and workmanlike manner such that it causes no harm or injury to other property or the overall system, and will be in compliance with all pertinent ordinances, rules and regulations contained herein or properly promulgated by a governmental entity. Water efficient faucets and facilities should be used on all new construction.
- d. On completion, the water mains and other delivery lines shall be dedicated to the municipal or public water provider which shall maintain and operate such facilities.
- e. Assessments for such sewer and water service shall be made by the municipal or public provider of such services.

Section 4. Additional Services. The Association may provide additional services as it sees fit or as may be required as a condition of the plat. The Association may provide such services for all or a portion of the Real Property within its jurisdiction or with which it may contract and levy assessments on such portion of its Members or others as derive benefits from services concerned.

Section 5. Fees. The Association shall establish a fee schedule for providing these services, which fees shall be considered as assessments, as set forth above. Such schedule may include the assessment of:

- a. Charges for availability of a service even though it is not used by the Owner of a Lot.
- b. Charges for use based on a flat rate.
- c. Additional charges for excess use.
- d. Such other charges as may be required to maintain any private roads or trails within the Real Property.

ARTICLE VI: RULES AND REGULATIONS

Section 1. Association to Establish Rules. The Association, inclusive of any design review committee that may be established, may promulgate such rules and regulations as it deems necessary and appropriate for the use of the Common Areas, Common Area improvements, Open Spaces, community facilities, and any private roads as identified on the plat of the Real Property. Rules and regulations may, at Declarant's election be promulgated by Declarant relative to all lots, and otherwise may be promulgated by the Association only upon the Association's receipt of the affirmative vote of 60% of the Members, except as otherwise provided for herein. Such rules promulgated by the Association may not touch or concern commercial lots without the separate consent and approval of a like percentage of commercial lot owners. (See Article II: Membership and Voting Rights). The Association may modify or amend Association rules and regulations promulgated by the Declarant only upon a 60% vote of the Members, inclusive of voting rights granted the Declarant, above, and then may not apply to commercial lots except as provided for above.

Section 2. Rules for Maintenance and Repairs. The Declarant and Association, as provided for above, may also promulgate reasonable rules and regulations for the maintenance, repair or improvement of the Real Property. Such rules must be uniformly and evenly applied.

ARTICLE VII: ASSESSMENTS

Section 1. Assessments. The general assessments levied by the Association shall be used for such purposes as are deemed desirable by the Association including but not limited to expenditures for construction, reconstruction, repair or replacement of any capital improvement; maintenance, repair and upkeep of drainage facilities; maintenance, upkeep, real property taxes, hazard and liability insurance, and related expenses in regard to any Common Area or Open Space or common utility or service, administrative costs of the Association incurred in its day to day activities and any costs or expenses, including attorneys fees, incurred in enforcing the conditions, restrictions or charges set forth in this Declaration. Such assessments for commercial lots shall be as provided for below.

Section 2. Rate of Assessments. Assessments for any services provided by the Association may be based on either a flat rate or on usage. As to charges for any private roads or trails, or other services that directly benefit only certain parcels, the Association may assess those service costs to the Real Property Owners who benefit directly from the services, provided maintenance of such features is not assumed by a

governmental entity. All other assessments, including those for capital improvements on systems utilized to provide services, shall be fixed at a uniform rate per Lot. Undeveloped Lots owned by Declarant shall be subject to assessment at 25% of the amount of assessments fixed for other Lots.

Section 3. Special Assessments. Upon determination by the Board of Directors of the Association, assessments may be levied for special or particular purposes. Such assessments may include related administration costs and such other costs or charges as are reasonably required. The assessments shall be fixed, established and collected in the amount and manner as the Association might determine but in any event they shall be separately treated from other assessments provided for by this Article. Funds used for special assessments shall be accounted for separately.

Section 4. Commencement of Assessments. The Association is authorized to commence initial assessments as herein authorized at such time as it determines appropriate. Written notice of assessments shall be sent to every Lot Owner. The due dates shall be established by the Association. If Assessments are not paid by such due date then interest shall begin to accrue on them at a rate as determined by the Association.

Section 5. Certificate of Payment. The Secretary of the Association shall upon demand furnish a written statement signed by an officer of the Association setting forth the status of any assessments relative to a specific Lot. The statement shall, as applicable, identify any delinquent assessments, the amount owed, the amount of any current assessments or accruing assessments or indicate that all assessments are current and paid. A reasonable charge may be made by the Association for the issuance of the statement. Such statement shall be conclusive evidence of payment of any assessment therein stated to have been paid. In addition, the Secretary of the Association shall maintain a roster of the individual Lots and the assessments due thereon.

Section 6. Nonpayment of Assessments. Any assessments or installment payments on assessments which are not paid when due shall be delinquent. The Association may bring an action at law to collect the amount of the delinquent assessment together with all interest, costs, and reasonable attorney's fees incurred in such action, or may take action to perfect and foreclose the lien for assessments, or may take such other action as provided for herein.

Section 7. Obligation of Payment. All residential Lots are subject to the assessments set forth in this Declaration. Each Lot Owner hereby covenants and agrees to pay to the Association the amount of all assessments, as such assessments are fixed, established and billed. The Association shall bill the Property Owner for the

amount of any assessment and that Property Owner shall be responsible for any accruing assessments until and unless such Property Owner has provided to the Association's secretary a true and correct copy of a recorded deed or other document of conveyance transferring title of a Lot to another Owner.

Section 8. Creation of Lien. All assessments both current and delinquent, together with interest and cost of collection as herein provided for, shall be a charge upon the land and shall constitute a lien upon the Lot against which assessments are made. Such lien shall be deemed perfected upon filing with the County Clerk and Recorder of Lake County an account of the assessments due together with a correct description of the Real Property to be charged with such lien and shall continue until all unpaid assessments, interest and costs of collection shall have been fully paid. The priority of such lien shall be determined as of the time of filing with the Clerk and Recorder, and it shall be deemed subordinate to all previously recorded or filed interests. Conveyance of title to any Lot shall not be effective to avoid the obligation for payment of any sums then due and owing whether or not reduced to the status of a lien. The Association may establish such procedures for collection of obligations and perfecting of liens for payment of assessments as it deems necessary and appropriate.

Section 9. Property Subject to Assessment. All residential Lots shall be subject to assessments by the Association as herein provided except those Lots acquired by the Association.

Section 10. Assessment of Commercial Lots. Declarant may establish a separate assessment for commercial Lots, which shall be administered and applied as assessments for residential Lots, inclusive of enforcement mechanisms. Such assessment shall be limited to a pro rata amount as may be appropriate for such commercial Lots, taking into account the services and amenities provided by the Association for which the commercial Lot and specific commercial use may avail itself. Such assessment may be in the form of a one-time impact assessment. Responsibility for collection and use of continuing assessments may be assigned by Declarant to the Association. Assessments of commercial lots may be handled by a sub-association of commercial lot owners, with the Association setting commercial lot assessments in consultation with the sub-association, and the sub-association making and collecting such assessments, and paying the same over to the Association per separate agreement. Such agreement between the Association and a commercial lot owner sub-association may take into account a different pro rata assessment and different assessment and payment periods. See, Article X, Section 5 relative to sub-association formation.

ARTICLE VIII: PROTECTIVE COVENANTS

A. Residential Protective Covenants. The following protective covenants are designed to provide a uniform plan for the development of the residential Real Property. They shall constitute a covenant running with the land for each residential Lot within the Real Property.

Section 1. Design Review Committee. The Association shall establish and maintain a Design Review Committee (DRC) to serve the functions as described in this Article and shall establish criteria specifically for the Real Property subject to the jurisdiction of this Declaration. Separate criteria will be established for the construction of residences and commercial buildings (see Section B, below), and such criteria may be separately established for successive phases (e.g. for future multifamily lots as may be established). All such design review criteria shall comply with any zoning that exists at the time of promulgation. Members of the DRC shall be appointed and serve as set forth in the Bylaws of the Association.

The criteria by which the DRC will review any proposed plans for the construction of improvements or exterior modifications on any Lot shall be made available to the purchaser of any Lot, both commercial and residential. It is the obligation of the Owner of any Lot to obtain current versions of the criteria prior to preparation of plans or specifications for construction of improvements or exterior modifications and prior to submission of materials for review by the DRC. The DRC will evaluate proposed plans for construction of improvements or exterior modifications based upon the most recent criteria for review as may be in effect as of the time the plans are submitted for review and is not obligated to use the criteria in effect at the time the Lot was purchased. While the review criteria must be reasonably designed to enhance and protect the nature of the Real Property in the area, purchasers of Lots need to be aware that the DRC may from time to time adopt more stringent criteria than what existed at the time a Lot was purchased.

The DRC may require payment of fees for application for review of proposed plans and review of complaints or protests alleging violation of this Declaration as to matters within the jurisdiction of the DRC. The fees as set by the DRC shall be in an amount sufficient to reasonably compensate the DRC for its administrative costs and expenses likely to be incurred in connection with its activities. The DRC may require payment of the fee in advance as a condition of making its review or determination. Unless waived by the DRC, failure to pay any fee required for DRC review or action shall be interpreted as the matter was not present for review and no action of the DRC is required. Nothing herein shall preclude the DRC from reviewing applications or proposals by potential commercial owners prior to acquisition of a Lot by such applicant.

Section 2. Design Review Committee Approval. Approval or disapproval by the DRC shall be in writing. In the event the Committee fails to act within thirty (30) days, forty five (45) for commercial applications, after the proposed plans and specifications of any structure and required fees are accepted and notice of such acceptance has been delivered to the applicant, no specific approval shall be required for such structure and the pertinent provisions of this Declaration shall be deemed to have been fully complied with. The DRC shall not be required to deem as accepted proposals, plans, and specifications that do not, in the reasonable judgment of the DRC, contain sufficient information or completeness to allow reasonable review of the proposal. Notice of non-acceptance shall be in writing, identifying why the application is deficient or otherwise not accepted. Notice of acceptance or non-acceptance shall be communicated to the applicant within 20 days of receipt of the application by the DRC. All notices required herein shall be deemed given when mailed, postage prepaid, by U.S. mail or by personal delivery.

Section 3. Land Use and Building Type. (a) New dwellings. No designated residential Lot shall be used except for residential purposes, and no business, trade, or manufacture shall be conducted thereon, except as provided for in Section 4, below. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one attached or detached single-family dwelling. Specific height restrictions are to be set forth by the DRC. All domiciles shall have a private garage for no less than two (2) cars and the DRC may establish criteria for additional on-Lot parking and accessory buildings, as permitted herein. No structure such as the residential dwelling, accessory buildings, fences, kennels, garages, antennas, signs, mailboxes and newspaper holders or any other structure may be located upon any Lot unless the plans and specifications for such structures have been reviewed and approved by the DRC. The DRC shall also have jurisdiction to determine and approve proposed grades of lawn, landscaping plans including seeding and planting and all other and similar items relating to the development and improvement of any Lot. All structures shall be constructed of new materials and roofs shall be of class A or B fire rated materials. However, suitable used materials such as used brick or beams may be utilized provided that advance approval has been obtained from the DRC as herein provided. No old structures, whether intended for use in whole or in part as the main dwelling house or as a garage or other structure shall be moved upon any Lot. No mobile homes, either double or single wide, or other pre-manufactured homes constructed primarily away from the Lot on which they would be situated shall be permitted. Provided, Declarant shall not be restricted by this section or this Declaration from manufacturing or assembling components of structures on a site other than the Lot on which the building is to be located. The DRC of the Association is authorized in its discretion to approve exceptions to this section for residential Lots so that structures intended to serve the residents of the adjoining dwelling house may be constructed. No such additional structure shall be utilized as an

additional dwelling house or for purposes other than to serve the residents of the dwelling house.

(b) Remodeling or Alteration. No remodeling or other alteration of any existing structure which alteration or remodeling or the results thereof, will be visible from the exterior of the structure shall be undertaken, commenced or completed without the plans for such remodeling or alteration having first been approved by the DRC.

Section 4. Commercial Usage Prohibited. No store, office, business, manufacture, commercial enterprise, hospital, sanitarium, rest home, theater, or saloon of any kind, or anything of the nature thereof, shall be carried on or conducted on any of the designated residential Lots. However, the Declarant or its designee shall be permitted to maintain a sales office in either a model home or a specially constructed building, to be used to promote the development of and facilitate resale of Lots and homes in the development. Home occupations that do not result in significant increased traffic of either customers/clients or of delivery vehicles are permitted, subject to all applicable zoning and other applicable restrictions imposed by the City of Polson or Lake County, and provided that the primary use of the Lot remains residential.

Section 5. Setback Requirements. No structure shall be placed within the described setback area on said Lots. Any setback requirement may be waived or altered by the DRC on a case by case basis, provided that all setbacks will minimally be controlled by Lake County or City of Polson regulations. Any waiver or alteration of a setback requirement as to any Lot shall not be deemed to have waived the setback requirement set forth herein, nor shall it set a precedent that in any way obligates the DRC to make subsequent waivers or make adjustments to setback requirements for other Lots. Given the above provisions, the setbacks for improvements on the Lots shall be as identified on the face of the plat for Ridgewater, Phase 1.

Section 6. Exterior Maintenance. The Owner of each Lot upon which a structure, residential or commercial, may be or is located shall provide exterior maintenance upon such Lot and structures, if any, to include painting and repairing the structures; maintaining the lawn and grounds to preclude weeds, underbrush, and other unsightly growths; and not permitting refuse piles or other unsightly objects to accumulate or remain on the grounds. All areas disturbed during development shall be restored and re-vegetated in accordance with any existing DRC rule or plan, and in accordance with any revegetation plan approved and/or required by the a local governmental entity or weed district. In providing such exterior maintenance, the Owner shall maintain the exterior color, design and appearance, including landscaping, as originally approved by the DRC. In the event any Owner shall fail or neglect to provide such exterior maintenance, the Association shall notify such Owner in writing

specifying the failure and demanding that it be remedied within thirty (30) days. If the Owner shall fail or refuse to provide such exterior maintenance within the thirty (30) day period, the Association may then enter such Lot and provide required maintenance at the expense of the Owner. The full amount shall be due and payable within thirty (30) days after the Owner is billed therefor and shall become a special assessment upon that Lot. The Association may exercise all rights to collect that assessment. Such entry on the Lot by the Association shall not be deemed a trespass.

Section 7. Utilities. All utility lines shall be underground. The Owner of each Lot shall pay all initial connecting costs for cable television and telephone service, together with all subsequent charges for all utilities.

Section 8. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. No permanent building of any kind shall be erected, placed, or permitted to remain on such easements.

Section 9. Boundary Control Monuments, Subdivision. The Declarant has caused survey monuments to be placed on the corners of each Lot. It shall be the responsibility of the Owner of each Lot to provide for immediate professional replacement of any survey monuments that are removed or become lost or obliterated from his or her Lot. No Lot may be further subdivided.

Section 10. Garbage. No Lot shall be used or maintained as a dumping ground, nor shall any rubbish, trash, garbage or other waste be allowed to accumulate except in sanitary containers which shall be emptied on at least a weekly basis by a local garbage collection firm. This provision does not prohibit temporary storage of gravel, topsoil or building materials on Lots if such items are to be used in further construction. No such materials or receptacles shall be placed outside the boundary of the Lot for which they are being used, or within a roadway, provided that upon approval of the DRC commercial Lots may agree to share a garbage collection facility. Large commercial garbage collection units shall have lids, which shall not be left open. On garbage collection days, residential garbage cans may be placed in a location convenient for collection and shall otherwise be stored indoors. All residential garbage shall be stored in tight sealing 'animal proof' containers of metal, plastic, or other suitable material which also have sufficiently tight-fitting covers to prevent the escape of noxious odors and to prevent entrance by pets and wild animals.

Section 11. Burning of Trash. There shall be no burning of household trash. 'Open burning' (leaves, branches, and yard waste) may be permitted only in accordance with City of Polson and Lake County regulations.

Section 12. Animals and Pets. No animals or fowl, domestic or wild, except for a total of up to three (3) dogs and/or cats, in any combination, shall be permitted on any residential Lot. No watch dogs or security animals may be used kept on commercial lots. Other small domestic animals that are kept solely indoors in cages or terrariums may be kept. These animals will be kept within the Lot of their Owner unless leashed and under the immediate control of their Owner. Such animals shall not be allowed at large or permitted to become a nuisance or annoyance to the neighborhood. All animals kept on any Lot shall be properly fed, watered, and sheltered from the elements in such a manner as shall be consistent with their good health. Pets should be fed indoors or within approved kennel areas only, and food dishes not be allowed to remain outdoors. This will reduce the conflicts with wild animals. Each Owner or person responsible shall treat and care for such animals in a humane and merciful fashion, so that other persons in the area shall not be required to tolerate or condone inhumane treatment of the animals. All animals kept on the Real Property must be kept within an approved fenced enclosure, approved kennel or within the dwelling house, except when accompanied by their Owner, as provided above. No kennels are permitted, other than kennels approved by the DRC as to construction, materials and location. All animals shall be kept in a humane manner but not chained. Animal manure shall be removed from the Real Property, immediately following deposit, so as not to become obnoxious, offensive, or a nuisance to surrounding residents. All carcasses of dead animals shall be removed immediately. No commercial breeding or sales of any animals shall be permitted, inclusive on commercial Lots. Violations of these requirements regarding animals shall be considered a complete breach of these protective and restrictive covenants, giving rise to such remedies as are allowed by law for the breach of any other covenants contained herein.

Residential Lot Owners are advised of and alerted to the presence of large and potentially dangerous wildlife in the area and are on notice that feeding big game is illegal, with not only negative impacts on the animals themselves, but the possibility of increasing the presence of dangerous predatory animals. Owners are encouraged to contact the Montana Department of Fish, Wildlife, and Parks to obtain information on safely living near wildlife and minimizing habitat impact.

Section 13. Firearms. There shall be no discharge of firearms, nor shall there be any hunting by any means carried out on the Lots or common areas.

Section 14. Vehicles. There shall be no repairing of vehicles in the street. Each Lot shall contain a sufficient area for two off-street parking spaces, excluding the garage. There shall be no parking of vehicles on the street fronting any Lot except on a temporary basis, which is defined for these purposes and less than 24 hours and being an irregular occurrence. Guest parking is otherwise permitted only on driveways. No motor homes, trailers, trucks exceeding one ton capacity, pickups carrying campers,

campers, boats, boat trailers, or unsightly vehicles shall be parked or allowed to remain on any of the Lots or the adjoining streets. However, an exception is allowed if they are stored in a garage or Accessory Building. Vehicle parking restrictions provided by this Declaration will be strictly enforced, including but not limited to ticketing and towing of vehicles in violation. Snowmobiles, trail bikes, ATVs, chainsaws and other noisy vehicles and equipment may not be used on any of the Real Property within the subdivisions without permission of the Association. This provision is not intended to preclude the entry of construction, maintenance, delivery, moving, or other such service vehicles while they are being used in connection with services for the Real Property.

Section 15. Signs. No advertising signs, billboards, or unsightly objects shall be erected, placed, or permitted to remain on any Lot with the following exceptions:

- a. Signs specifically permitted in any Ridgewater Design Guidelines Manual, inclusive of guidelines for commercial Lots, which shall generally comport with any governmental regulation of signage;
- b. Signs erected within the subdivision(s) by the Declarant promoting the development of the Property and other phases;
- c. Such other signs as may be permitted or approved by the DRC.
- d. All improved Lots shall have the address of such Lot installed on the property, either at the entrance or on the house or building in the instance of a commercial Lot, which address shall be visible from the road and at the driveway entrance.

Section 16. Damaged Property. Any dwelling or building damaged by fire or other casualty must be removed from the premises and repairs commenced within one hundred twenty (120) days unless an extension of time for such removal and repair is granted by the DRC. Any damaged dwelling not so removed and repaired may be removed at the Owner's expense and the DRC may pursue any and all legal and equitable remedies to enforce compliance and to recover any expenses incurred in connection herewith. Any cost incurred by the Association under this section shall become a special assessment upon the Lot of the Owner. The Association may exercise all rights to collect that assessment.

Section 17. Access and Roadways. Except for Declarant or specific shared driveway easements shown on the plat or otherwise created in conjunction with development of the commercial Lots, no Owner shall use part of any Lot to provide access to any adjacent land. No roadway shall be used or constructed on any Lot for any purpose except one driveway for access to the dwelling facilities, and such

driveways shall be paved in accordance with the Ridgewater Design Guideline Manual. No Owner of any Lot nor their guests or invitees shall use any access designated as emergency access, except in the case of an emergency.

Section 18. Sanitary Restrictions. The Owners of every Lot shall comply with all governing laws and regulations relating to water supply, sanitation, sewage and garbage disposal, and air pollution.

Section 19. Accessory Buildings. No accessory buildings or outbuildings shall be permitted unless specifically approved in writing by the DRC, which approval may include review of the location, design, color, materials, size and appearance of the proposed outbuilding.

Section 20. Imperiling of Insurance. Nothing shall be done within the plat, Common Areas or Open Spaces, or on any individual Lot, that would result in an increase in the premiums for insurance maintained by the Association or which might cause cancellation of such insurance. Business that regularly maintain, possess or deal with hazardous substances as defined by federal or state law, excepting small amounts that may be used for cleaning or sanitary purposes, or may be used in the provision of medical care, are not permitted.

Section 21. Construction Liens. No labor performed or materials furnished with the consent or at the request of an Owner, his agent, contractor or subcontractor shall create any right to file a construction lien against the Real Property of the Association or any other Owner, who does not request or consent to the same. Each contracting or consenting Owner shall indemnify, defend and hold harmless the Association and each of the other Owners from and against liability arising from the claim of any lien holder for labor performed or materials furnished at the request of the contracting or consenting Owner. At the written request of any Owner, the Association shall enforce such indemnity by collecting from the contracting or consenting Owner the amount necessary to discharge any such lien and all costs incidental thereto including attorney's fees and expenses. Said expenses may be added to such Owner's regular assessments.

Section 22. Alteration. As stated above, no alteration of the exterior of an improvement or visible portion of a Lot may be made without advance approval of the DRC.

Section 23. Insurance. Each Owner shall maintain insurance as to the improvements constructed on that Owner's Lot. Additional insurance requirements may be promulgated by the DRC in the instance of specific proposed uses of Commercial Lots.

Section 24. Rentals. No residence, nor any portion thereof may be rented for less than a thirty day minimum period. This restriction is intended to prohibit overnight, daily and weekly rentals.

B. Commercial Protective Covenants. The following protective covenants are designed to provide a uniform plan for the development of the commercial Real Property. They shall constitute a covenant running with the land for each commercial Lot within the Real Property. As provided for in the above Section A. 1., the DRC may establish commercial use criteria, regulating the type of business that may be maintained on any commercial Lot. Said criteria may include standards to prevent duplication of commercial services available in the area, to encourage commercial services desirable to the residents of the development, to preclude commercial services that are inharmonious with or inappropriate to proximity to residential dwellings, and to foster a sense of community for the development. Such criteria shall be made available upon request to any purchaser interested in acquiring a Lot within Ridgewater Phase 1, commercial or residential.

Section 1. Land Use and Building Type. All commercial building shall comply with promulgated DRC standards, and applicably city or county building codes, height restrictions, set backs and parking standards.

Section 2. Design Review Committee Approval. The procedure for DRC submissions and approval shall be as identified in Section A. 2., above, and no building or structure may be erected or placed on a Commercial Lot without DRC review and approval, inclusive of any exterior remodeling or alteration.

Section 3. Setback Requirements. Separate setback requirements may be established by the DRC for commercial Lots, including on a case by case basis and depending on the proposed use of the Lot or Lots, and it is specifically anticipated that commercial buildings may cover more than one Lot or may be constructed so that building/business divisions lie on a Lot line. All such setbacks or waiver of setback shall comport with governmental regulation for commercial parcels and/or applicable zoning.

Section 4. Exterior Maintenance. The Owner of each commercial Lot upon which a structure may be or is located shall provide exterior maintenance upon such Lot and structures, if any, to include painting and repairing the structures; maintaining the lawn and grounds to preclude weeds, underbrush, and other unsightly growths; and not permitting refuse piles or other unsightly objects to accumulate or remain on the grounds. All areas disturbed during development shall be restored and re-vegetated in accordance with any existing DRC rule or plan, and in accordance with any revegetation plan approved and/or required by the a local governmental entity or weed district. In

providing such exterior maintenance, the Owner shall maintain the exterior color, design and appearance, including landscaping, as originally approved by the DRC.

Section 5. Vehicles. No guest, customer, invitee or employee of a commercial Lot may park on the roadways within the plat, other than those as may be specifically designated for on street parking. No vehicles are permitted to remain on commercial Lots for more than a 48 hour period, without being moved or removed from the Lot. No Lot owner may allow its parking area to be used for the parking and advertising of cars for sale, even on a temporary basis.

Section 6. Additional Restrictions. The restrictions and regulations in the above Sections A. 7., 8., 9., 10., 13., 15., 16., 17., 18., 20., 21., 22., 23. shall apply to Commercial Lots.

ARTICLE IX: OPEN SPACES

Section 1. Open Spaces/Common Areas. Neither the Owners of any Lot nor their guests or invitees shall:

- a. Construct improvements or landscaping on Open Spaces;
- b. Use any motorized vehicle on Open Spaces or walking trails, unless such use is specifically approved by the Ridgewater Homeowners Association;
- c. Voting by Association. Only those members of the Association who are owners of Lots and properties entitled to use the community improvements or facilities per this Section (whether by specific reference or by subsequent declaration) shall be entitled to vote as an Association member, director or officer on any issue affecting such facilities thereon.
- d. Storm Water Drainage. The Association shall be responsible for maintenance of any storm water drainage system as may be installed.

ARTICLE X: ANNEXATION OF ADDITIONAL PROPERTY

Section 1. By Declarant. Declarant, at Declarant's sole discretion, may deem it desirable to annex additional real property to the Property covered by this Declaration. Additional real property may be annexed to the Property and brought within the provisions of this Declaration as provided herein by Declarant, its successors or assigns,

at any time, and from time to time, without the approval of any Owner or the Association. This right shall also include bringing in additional properties to the provision of services by existing water and sewer systems, even though management of such systems may have been transferred to a public entity. The use and development of such additional real property shall conform to all applicable land use regulations, as such regulations are modified by variances.

Section 2. By the Association. In addition to the provisions concerning annexations by Declarant specified in Section 1 above, additional real property may be annexed to the Property, subject to the same conditions by the Association upon the exercise by Members of at least seventy five percent (75%) of the votes of the Association.

Section 3. Rights and Obligations of Owners of Annexed Property. Subject to the provisions hereof, upon recording of a Supplemental Declaration as to any additional real property, all provisions contained in this Declaration shall, to the extent practicable and allowed by law, apply to the additional real property in the same manner as if it were originally covered by this Declaration.

Section 4. Method of Annexation. The addition of additional real property to the Property authorized under Sections 1 and 2 shall be made by filing of record a Supplemental Declaration or other similar instrument with respect to the annexed property, which shall be executed by Declarant or the Owner thereof and which shall annex such property to the Property.

Section 5. Sub-Association. Declarant may, so long as Declarant owns one (1) commercial lot, form a sub-association of commercial lot owners. Such sub-association may then exempt itself from direct Association assessments, provided such sub-association enters into a separate agreement with the Association to assess and pay the Association for its maintenance of, and commercial lot use and enjoyment of, common areas, common amenities, etc., within the development. Said sub-association may also be formed as above upon the unanimous consent of all commercial lot owners. Additional commercial lots in future phases may be annexed into such sub-association as provided for above.

ARTICLE XI: GENERAL PROVISIONS

Section 1. Duration. The covenants, conditions, charges and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, the Declarant or the Owner of any Lot subject to this

Declaration, their respective legal representatives, heirs, successors, or assigns in perpetuity.

Section 2. Enforcement. Any Owner of a Lot , the Declarant or the Association shall have the option and right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, and charges now or hereafter imposed by the provisions of this Declaration, inclusive of rules such as design guidelines promulgated by the DRC or other properly constituted committee of the Association. Provided that, covenants, restrictions, rules, regulations and guidelines affecting commercial Lots may only be enforced by the Declarant, or an Owner of another commercial Lot, or by the Association through the DRC. And provided that the Owners of commercial Lots may not enforce restrictions on residential Lots. Each Owner may submit to the Association any complaint regarding alleged violation of this Declaration by any other Owner. Upon receipt of such complaint to Association shall conduct a reasonable investigation of the alleged violation. If the Association, in its sole discretion, deems that the complaint has merit it may elect to seek enforcement of this Declaration pursuant to this section. In any event the decision of the Association as to the merit of the complaint or its decision to pursue or not pursue enforcement of this Declaration, shall not limit or restrict in any way any individual Owner’s pursuit of enforcement of this Declaration, except as provided for above. The method of enforcement may include legal action seeking an injunction or prohibit any violation, to recover damages, or both. Failure by the Association, any Owner, or by the Declarant, to enforce any such provisions shall in no event be deemed a waiver of the right to do so thereafter. Should any law suit or other legal proceeding be instituted against an Owner who is alleged to have violated one or more of the provisions of this Declaration, or a rule promulgated by the DRC, the prevailing party in such proceeding shall be entitled to reimbursement for the costs of such proceeding, including reasonable attorney’s fees.

Section 3. Severability. Invalidation of any of the terms, covenants, conditions or restrictions as established by this Declaration or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4. Amendment. The Declarant reserves the sole right to amend, modify, make additions to or deletions from this Declaration it alone deems appropriate. This right of the Declarant to make such amendments shall continue for so long as Declarant is a Member in the Association (relative to residential Lots) or owns a commercial lot (relative to commercial Lots). After that time the right to amend shall pass to the Association to be exercised relative to the residential Lots only upon a concurrence of seventy-five (75%) percent, or more, of the Lot owners of Real Property in Ridgewater Phase 1, or with the concurrence of the same percentage of Lot Owners of this and

subsequent phases that may be brought under the jurisdiction of this Declaration. An amendment by the Association of the covenants and restrictions herein affecting residential Lots does not amend the covenants and restrictions pertaining to commercial Lots, including those provisions as incorporated by reference in Section VIII B. 6. Covenants and restrictions pertaining to commercial Lots may be amended by Declarant, as provided for above, or by the agreement of seventy-five (75%) percent, or more, of the commercial Lot owners. In no event may those provisions of this Declaration required by a preliminary plat approval letter from Lake County and/or the City of Polson to Declarant be amended or deleted except with the express written consent of that governmental body, its successors or assigns.

Section 5. Waiver of Protest: Participation in Special Improvement District. Declarant hereby waives any and all right to protest which it may have in regard to any attempt to be made by a local governmental entity, to initiate a Special Improvement District which includes Ridgewater Phase 1 subdivision, shown on the plat therefor, for any of the purposes related to roads, water facilities and systems, and sewer facilities and systems, set forth in Sections 7-12-2102 and 7-12-4102, M.C.A.; provided that Declarant understands that it retains the ability to object to the amount of assessment imposed as a result of the formation of a Special Improvement District, including the right to object on the basis that the property is not benefitted by the Special Improvement District. Declarant agrees that this covenant shall run with and be binding on the Real Property described herein, and shall be binding on all Owners, successors, and assigns, and any subsequent holders or Owners of the Real Property shown on the plat for Ridgewater Phase 1.

Section 6. Liability of Declarant. The Declarant shall have no liability for any of its actions or failures to act, or for any action or failure to act of any Owner of any Lot.

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

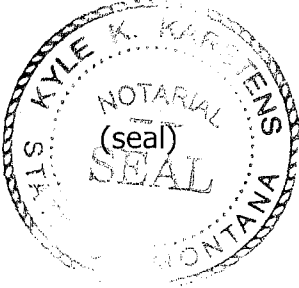
Northwest Holdings, LLC,
a limited liability company

By: D. R. D. A

_____, Managing Member

STATE OF MT)
 : ss.
County of Lake)

This instrument was acknowledged before on the 7th day of DEC. 2007, by Dennis R. Denny, as Managing Member of Northwest Holdings, LLC, a Delaware limited liability company.



Kyle K. Karstens
Notary Public for the State of MT
Printed Name: Kyle K. Karstens
Residing at: Polsa
My Commission expires: 11-21, 2011

After Recording Return To:
Sullivan, Tabaracci, & Rhoades, P.C.
Chris Johnson
1821 South Ave. West, 3rd Floor
Missoula, MT 59801

493856

STATE OF MONTANA, COUNTY OF LAKE

Recorded At 9:07 O'clock A M NOV 21 2008

Microfilm 493856 RUTH E. HODGES Recorder

Fees \$ 2100 By Judith Muniz Deputy

**AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR RIDGEWATER PHASE 1**

COMES NOW the undersigned Declarant, as owner of real property within Ridgewater, Phase 1, and member of the Ridgewater Homeowners Association, Inc., and provides as follows:

RECITALS

1. The Real Property subject to this Amendment to Declaration of Covenants, Conditions and Restrictions is identified as Ridgewater Phase 1, a platted subdivision located in Lake County, Montana, being Lots 1 through 23, inclusive, and Lots 1c through 7c, inclusive, together with Common Areas or Open Space, as per plat recorded and of record in Lake County, Montana (the "Real Property").
2. The Real Property was subjected to certain covenants, conditions and restrictions in a document entitled "Declaration of Covenants, Condition and Restrictions for Ridgewater Phase 1", which was dated December 7, 2007, and recorded upon the records of the office of the Lake County Clerk & Recorder on that same day, as Microfilm No. 485233. The Declarant under that recorded instrument is the same as the undersigned Declarant.
3. Article XI Section 4 of the said Declaration, provides, in pertinent part as follows:

The Declarant reserves the sole right to amend, modify, make additions to or deletions from this Declaration it alone deems appropriate. This right of the Declarant to make such amendments shall continue for so long as

Declarant is a Member in the Association (relative to residential Lots) or owns a commercial lot (relative to commercial Lots).

4. The undersigned is therefore authorized to make the following amendment to the original Declaration.

Amendment

NOW THEREFORE the undersigned provides as follows:

1. A new section shall be added to Article VIII: Protective Covenants, part A. Residential Protective Covenants, as follows:

Section 25. Engineering. As is now or may be required by the City of Polson Development Code, certain homesites may be required to have a structural or geotechnical engineer approve the structure for slope stability and stormwater management.

2. Other than as set forth above, the Declaration shall remain in full force and effect as originally written.
3. Now therefore the undersigned hereby amends the Declaration which amendment shall be binding upon all present owners of the Real Property and upon all parties having or acquiring any right, title or interest in the Real Property or any part thereof, and shall inure to the benefit of and be binding upon each successor and interest to the owners thereof.

IN WITNESS WHEREOF, the Declarant has executed the foregoing Amendment to Declaration on the 5th day of NOVEMBER, 2008.

Northwest Holdings, LLC

By: D. R. Duty
Dennis R. Duty, Managing Member

493856

STATE OF Montana)
: ss.
County of Lake)

This instrument was acknowledged before on the 5 day of November 2008,
by Dennis R. Duty, as Managing Member of Northwest Holdings, LLC, a Delaware limited
liability company.

Renée Zubowicz
Notary Public for the State of _____
Printed Name: _____
Residing at: _____
My Commission expires: _____, 20__

(seal)



RENEE ZUBOWICZ
NOTARY PUBLIC for the
State of Montana
Residing at Polson, Montana
My Commission Expires
10/19/2011