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DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
AND DESIGN GUIDELINES
FOR IRONWOOD



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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
AND DESIGN GUIDELINES
FOR IRONWOOD**

ARTICLE 1 -DECLARATION OF PURPOSE AND BINDING EFFECT

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made this -day of , 2002, by Woodridge LLC., a corporation whose Articles of Organization are on file with the Montana Secretary of State, hereinafter sometimes referred to as "Grantor" and sometimes as "Developer".

(a) Grantor is the present owner of the following described real property located in the City of Billings, Yellowstone County, Montana, hereinafter sometimes referred to as "Property" or as "Ironwood": All lots in Ironwood Estates Subdivision, First Filing, according to the official plat thereof on file and of record in the office of the Clerk and Recorder of Yellowstone county, Montana, under Document No. .

(b) Grantor deems it desirable for preservation of the value, desirability and attractiveness of the Property to create a development of well-implemented land use and high quality design and construction.

(c) Grantor intends by this document to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of the Property and the Owners thereof, to protect the high quality development and to endeavor to assure adequate maintenance of the Project and improvements located thereon. The Grantor emphasizes the importance of enhancing and protecting the value and natural integrity of the Project, without limiting the general benefit to the Project of the development restrictions set forth herein.



(d) Grantor hereby declares that the Property shall be held, conveyed, sold and improved, subject to the herein contained declarations, limitations, covenants, conditions, restrictions and easements, and every part thereof, all in accordance with the plan for the subdivision and sale of the Property as a planned residential community. All of these declarations, limitations, covenants, conditions, restrictions and easements shall constitute covenants and encumbrances which shall run with the land and each estate therein, and shall be perpetually binding upon all Owners and their successors-in-interest and assigns, and all Persons having or acquiring any right, title or interest in or to any part or related appurtenance of the Property or any Lot, parcel or portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon Grantor, its successors in interest and each Grantee and his respective successors in interest, and the Owners Association named below. All Owners by acceptance of a deed to any Lot subject to this Declaration, and all purchasers of lots under a contract of sale, agree to conform to, and be bound by these covenants, conditions and restrictions, and to accept jurisdiction of the Homeowner's Association, its Board of Directors, and the Design Review Committee in all matters so defined by these covenants, conditions and restrictions.

(e) Grantor does hereby make, establish, confirm and impress upon all of said real property the following covenants, conditions and restrictions, limitations, easements, and equitable servitudes, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property, or any lot, parcel or portion thereof, and to sustain the value, desirability and attractiveness of the Property.



ARTICLE 2 -EXPANSION

1. **Addition of Lots to this Declaration.** Developer hereby reserves the right, in its sole discretion, until the tenth anniversary of the recordation of this Declaration, to add any or all lots in subsequent filings of Ironwood Estates Subdivision (hereafter referred to as expansion property,) to the provisions of this Declaration, without the consent of any other owner, mortgagee, or trustee or beneficiary of any trust indenture.

2. **Conditions of Expansion.** Developer may proceed with addition of expansion property without consent of Ironwood Non-Profit Owners Association, or any of the members of that Association, subject to the following conditions:

(a) Developer may add expansion property to the provisions of this Declaration one or more lots at a time, in any order by executing and recording an amendment to this Declaration, adding the expansion lots to the provisions of this Declaration.

(b) From and after the recording date of each such amendment the owners of newly added expansion property shall be members of Ironwood Non-Profit Owners Association, and shall be bound by the provisions of this Declaration and the By-laws of Ironwood Non-Profit Owners Association, as the same may be amended from time to time.



ARTICLE 3 -DEFINITIONS

Unless otherwise expressly provided, the following words and phrases, when used in this Declaration and in the Project documents, shall have the following meanings:

1. Articles. The Articles of Incorporation of the Association, as restated or amended from time to time.
2. Assessment. Fees payable by an Owner to the Association as determined by the Board of Directors pursuant to this Declaration. Assessments may be designated as Regular Assessments, Special Assessments and Extraordinary Assessments as those terms are more specifically defined in this Declaration.
3. Association. Ironwood Non-Profit Owners Association, an Association formed by Grantor in conjunction with the execution and recordation of this Declaration.
4. Board or Board of Directors. The Board of Directors of the Association, as it shall be constituted from time to time as more specifically defined in Article 2 of this Declaration.
5. Bylaws. The Bylaws of the Association as restated or amended from time to time. The initial Bylaws are attached hereto as Exhibit" A".
6. DELETED
7. Declaration. This Declaration of Covenants, Conditions and Restrictions as amended from time to time.



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8. Design Review Committee or DRC. A committee appointed to review all Plans for Improvements within the Project. The Committee shall be established and function according to procedures pursuant to Article -below.

9. Design Standards. Guidelines and standards for Lot and Common Area Improvements as set forth in this Declaration and as amended from time to time.

10. Developer. Woodridge LLC and its successors and assigns; provided, however that no successor or assignee of the Developer shall have any rights or obligations of the Developer hereunder, unless specifically set forth in an instrument of succession or assignment or unless such rights and obligations pass by operation of law.

11. Governing Documents. The Articles of Incorporation of the Association, this Declaration, and the Association Bylaws, all as initially drawn by the Grantor and filed and recorded as the case may be, and all as may be duly amended from time to time.

12. Grantor. Woodridge LLC, its successors-in-interest and assigns, but excluding third parties purchasing Lots.

13. Improvement. Any man-made undertaking including Major Excavations, erection of a Structure(s), establishment of any driveway, parking pad or other surface modification where a vehicle will be parked or driven, or other construction activities which would result in consequences for adjoining Property, Lots and Owners, or which would significantly modify the physical appearance of any Lot.

14. Ironwood. Ironwood Estates Subdivision, First Filing, in the City of Billings, Yellowstone County, Montana, and lots in any subsequent filing of Ironwood Estates, if those lots are later subjected to the provisions of this Declaration by Developer.



15. Lot. Any of the above designated parcels of land intended for improvement with a single family residence as indicated by a lot number on the Plat of Ironwood, First Filing.

16. Major Excavation. Any man-made disturbance of the natural topography of over 200 square foot in area and/or which requires cutting and/or filling activity to a depth and/or height of more than one and a half (1.5) feet from undisturbed natural grade.

17. Member. A member of the Association, as defined in Article -of this Declaration.

18. Owner or Owners. The record holder or holders of title of a Lot or Lots within the Project. This shall include any Person having a fee simple title to any Lot, but shall exclude Persons or entities having any interest merely as a security for the performance of any obligation. Further, if any Lot is sold under a recorded contract for sale to a purchaser, the purchaser, rather than the fee owner, shall be considered the "Owner".

19. Person. Any natural person, corporation, partnership, association, trustee, personal representative of a decedent's estate, or other legal entity.

20. Plans. Includes the site plan, building plan and landscape plan presented for review and approval by the Design Review Committee.

21. Plat. The Subdivision Plat for "Ironwood Estates", recorded in the office of Yellowstone County Clerk and Recorder, records of Yellowstone County, Billings, Montana.

22. Property. The real property described above which is subject to this Declaration, and every easement or right appurtenant thereto, and all improvements on that real property.



23. Project. The Subdivision known as "Ironwood", First Filing, as platted and approved by the City of Billings Montana, and lots in any subsequent filing of Ironwood Estates, if those lots are later subjected to the provisions of this Declaration by Developer.

24. Project Documents. This Declaration and the Articles and Bylaws of the Association, as each exists or may be restated or amended from time to time.

25. Service Charge. Compensation made by an Owner to the Association for specific services provided the Owner by the Association or for a violation of the Conditions, Restrictions and Covenants included in the Project Documents, as found necessary to cover Association costs as determined by the Board.

26. Structure. A man-made edifice including residences, guest houses, garages, shops, sheds, gazebos, platforms, decks and constructed patios in excess of 100 square feet in area and/or four feet in height.

27. Zoning Ordinance. Provisions of The City of Billings, Montana zoning codes and ordinances, as amended from time to time, which are applicable to the Project.



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ARTICLE 4 -USE RESTRICTIONS

1. Residential Use. **Except as provided below**, Lots shall be used only for single family residential purposes. No Structure shall be erected **on any Lot** except one single family residence **with or without an attached garage**, one private detached garage and/or shop for the use of occupants of such residence, and one additional **outbuilding** having no more than 300 square feet of floor area. The term residence as used herein excludes every form of boarding and lodging house, sanitarium, hospital or similar structure or use.

2. Commercial Use. **Except as otherwise provided below**, no Lot shall be used at anytime for business or commercial activity, or other non-residential purposes excepting, however , that a home business may be operated out of a **residence** where the use or activity complies with all of the following criteria; 1) the business is conducted exclusively by Persons residing on the Lot and/or immediate family members of such Persons, and 2) no noticeable increase in traffic over and above normal residential activity is generated by such home business, and 3) no exterior signs or other indications of the home business shall be displayed, and 4) the business activity complies with all requirements of the City of Billings zoning ordinances.

3. Agricultural Use. For so long as Developer continues to own any of the above-described real property , or any real property subsequently subjected to the provisions of this Declaration, the property owned by Developer may be used for any agricultural purpose except that no hog farm or feedlot may be operated on any lot.

4. Buildings must be new. Any building or residence erected on a Lot shall be of new construction; no old or used buildings shall be moved onto any Lot.

5. Temporary Residence. No trailer or other vehicle, temporary structure, garage, accessory building or outbuilding shall be used as living quarters or as a residence.



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6. Roads. Roadways within Ironwood Subdivision shall be traveled upon in a safe manner, with speeds restricted to no more than 25 miles per hour, or less, as conditions warrant for icy, dust and other conditions. Vehicles shall travel within the roadbed, yielding to pedestrian traffic and oncoming traffic as safety requires.

7. Parking. No recreational vehicles, boats, campers, or trucks larger than those having a two-ton manufacturers rating shall be parked or stored on a road or driveway within the Project, excepting due to emergencies or while making deliveries. No utility, boat, travel or other trailer, motor home, recreational vehicle, commercial vehicle, bus, or truck having a manufacturers rating of more than two-tons, inoperable vehicle or equipment, or vehicle which is an extreme state of disrepair, shall be permitted to remain on any Lot, other than temporarily for the purposes of loading or unloading passengers and/or personal property, unless placed or maintained within an enclosed structure. Small utility tractors shall be stored in an enclosed structure. All other motorized vehicles shall be parked or driven only on roadways, driveways, garages and designated parking areas. No heavy machinery, heavy equipment or similar items shall be stored, kept or maintained on a Lot except in the course of active construction.

8. Firearms/Fireworks. The discharge of any type of weapon or firearm within Ironwood is strictly prohibited. No fireworks shall be discharged or ignited within Ironwood, including lawful "safe and sane" types of fireworks.

9. Nuisances. No noxious or illegal activity shall be conducted in Ironwood, nor shall anything be done which may interfere with the quiet enjoyment of the other Owners or occupants of Lots. Excessive emission of fumes, odors, glare, vibration, gases, radiation, dust, liquid waste, smoke or noise is prohibited in Ironwood. No Person shall maintain, allow or establish a private or public nuisance on any Lot.

10. Fires. No outside fires shall be allowed, except in gas or charcoal grills or barbecues.

11. Trails/Pathways. The trails are intended is to provide access throughout the subdivision; pedestrian traffic shall be limited to the trail system as much as possible. No motorized vehicles shall be allowed on pathways or trails in Ironwood.



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12. **Noise.** Residents, their families and guests shall exercise care about making noise which may disturb other residents. No excessive noise of any kind is permitted between the hours of 7:00 a.m. and 11:00 p.m. The Board of Directors, after giving one warning, may fine owners who continue to violate this restriction; such fines will be treated as a Special Assessment.

13. **Trespass.** Residents and their families and guests shall take care not to trespass on other Lots while using the trails or the parks in Ironwood.

14. **Preservation of Habitat.** No Lot Owner or other Person shall be allowed to remove or disturb any trees, brush, ground cover, rocks or other natural features on parks and trails, or on other lots without prior consent of the other Lot owner.

15. **Maintenance.** Each Lot and the exterior appearance of improvements thereon shall be maintained in a clean, neat and orderly condition at all times.

- (a) **General Maintenance.** Each Owner shall maintain all **Improvements and landscaping** located on their Lot, and the landscaping on the berm in the right of way in front of their Lot, in good and sufficient repair and shall keep the Improvements thereon painted or stained, lawns cut, shrubbery trimmed, rubbish and debris removed, and otherwise maintain the same in a neat and aesthetically pleasing condition. All damage to any Improvements shall be repaired as promptly as is reasonably possible.
- (b) **Vacant Buildings.** A Structure, which is vacant for any reason, shall be kept locked in order to prevent entrance by vandals. Structures utilized for residential and storage purposes shall be illuminated so as not to invite potential vandalism.
- (c) **Unimproved Lots.** Owners shall plant unimproved Lots with grass or sod within a reasonable time after purchase, and shall keep the grass watered and mowed until construction is commenced on the Lot. A



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reasonable time shall not exceed 12 months. This restriction shall not apply to Lots owned by Developer.

- (d) Unsightliness/Blight. Any event or condition on a Lot which in the sole discretion of the Board, creates an unsightly or blighting influence, shall be corrected or removed, as the case may be, by the Owner, notwithstanding the fact that such event or condition may not be specifically described and/or prohibited in this Declaration.

- (e) Restoration/Removal of Residential Improvements. In the event of any destruction of any portion of any Improvement, it shall be the duty of the Owner to restore and repair the same to its former condition or remove such Improvement as promptly as practical. If an Improvement is removed, the grounds of the affected area shall be restored in topography and vegetation so as to prevent any environmental damage and be aesthetically acceptable. If reconstruction, remodeling or renovation affects the exterior of an Improvement, respective Plans shall be reviewed and approved by the DRC.

- (f) Maintenance by Association. In the event that any Owner shall permit any improvement, including any landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Board shall notify the Owner to take corrective action. If corrective action is not taken by the Owner within such reasonable time, as determined by the Board, after receiving said notification, the Board may cause such corrective action to be taken and shall assess the expense of correction to the Owner as a special assessment.

16. Screening. All **unsightly** facilities, equipment, objects and conditions shall be enclosed within an approved Structure or appropriately screened from public view. All trash, debris, garbage and refuse shall be kept in covered containers that shall be screened from public view. All screening must conform to the standards set forth in the Design Standards.



17. Animals/Pets. Except as otherwise provided herein, no insects, wild animals, cattle, pigs, poultry, goats, horses or livestock of any kind shall be raised, bred or maintained on any lot. Domesticated dogs, cats, birds or other household pets which do not unreasonably bother or constitute a nuisance to others may be kept, provided they are not kept, bred or maintained for any commercial purpose. All Pets must be restricted to the pet owners' lot except when restrained by a leash in the company of the owner. The Board will give owners of pets that create a nuisance or disturbance a single warning. Subsequent occurrences will result in the notification of the local animal control board and/or the levying of a fine or Special Assessment by the Board. Owners shall promptly clean up after their pets and shall be responsible for repair of all damage caused by their pets. If they fail to do so, the Board may pay for having the cleanup or repairs done and bill the cost to the owner as a Special Assessment.

18. Drainage. No Owner, Member or Person shall change or interfere with the designed drainage of any part of the Property except in connection with Plans approved by the Billings City Engineer.

19. Leasing. Homes may be leased or rented for a period of not less than seven {7} days.

Any lease or rental agreement shall be in writing and shall by its terms provide that is subject in all respects to the Project Documents. The Owner shall be liable for any fines or other costs incurred which result from the tenant's actions.

20. No Further Subdivision. No Lot shall be further subdivided, provided however that; 1) A lot may be enlarged by consolidation with an adjacent Lot which shall be evidenced by a recorded instrument, and the resulting larger parcel shall thereafter be deemed to constitute a single Lot for all purposes. This restriction shall not prevent an Owner from transferring or selling any Lot to more than one Person to be held by them as tenants in common or joint tenants.

21. Signs. The only approved signs allowed on any Lot will be the following: "Home for Sale" or "For Rent" (commercial or by-owner), small signs designating home security (supplied by agency), signs temporarily posted for yard sales, and election signs. Election signs may only be displayed on Lots during the thirty day period prior to the election, must be removed the day following the election, must be pertinent to election issues or candidates, and shall not exceed two feet by three feet in size. No more than three election signs shall be permitted on any Lot. No signs shall be permitted in parks,



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on trails or in the public right of way, including the berm along the road, except those installed by or required by the City of Billings and signs placed in these areas by the Board.

22. Noxious Weeds. Each owner shall control noxious weeds on his or her Lot.



ARTICLE 5 -CONSTRUCTION REQUIREMENTS

1. Design Standards. All improvements to any Lot shall comply with the Design Standards as set forth in this Declaration, as they may be amended and adopted from time to time by the DRC.

2. Design Review. No Improvement shall be built, constructed, reconstructed, erected, placed or materially altered on any Lot until applicable Plans therefore have been reviewed and approved by the DRC.

3. Driveways. All driveways and walkways constructed to service an individual lot shall be constructed with an all weather surface of finished concrete or asphalt base.

4. Insurance. All Owners shall maintain or require contractor(s) and subcontractors performing work on their Lot to maintain comprehensive general liability insurance of not less than \$500,000 covering construction activity and personnel involved during any construction of any improvement from start to finish. All such insurance shall name the Association and the Grantor as additional insured.

5. Scheduling. The Owner or the Persons performing the construction activity shall provide the DRC with the tentative construction schedule no later than one (1) week prior to initiating construction.

6. Duration. Construction of Improvements on a Lot shall be commenced within one (1) year from the date of design review approval. Construction shall be diligently performed from its commencement to completion of the exterior of the Structure(s) and any necessary improvements to the grounds surrounding and affected by construction of the Structure(s). In any event, the exterior appearance of the Structure(s) shall be completed within one (1) year after the commencement of construction unless the DRC approves an extension due to extenuating circumstances; the owner of the lot or lots shall, within a period of one year after occupancy of a newly constructed dwelling on the lot, provide grass and/or other appropriate landscape cover over all unimproved or disturbed areas of the lot or lots.

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7. Building Permits. Valid building permits as required for any new construction or alteration pursuant to the requirements of the City of Billings or other governmental bodies shall be maintained on site. Culverts required for drainage under driveways shall be constructed in strict conformance with the storm drain master plan approved by the City engineer and require a permit from the City Engineer's office.

8. Approved Plans. A copy of the Plans and conditions, if any, as approved by the DRC and bearing the signature of the DRC, shall be maintained on site during construction.

9. Compliance with Project Documents. It is the responsibility of the Owner to make sure that any and all contractors, subcontractors, material suppliers and others working on an improvement to the Owner's Lot comply with all Project Documents. Failure to comply with the Project Documents may result in fines being levied against the Owner, and/or a directive from the 7 Board to discontinue construction (stop work order). Fines will be charged to the Owner as a Special Assessment.

10. Grading and Excavation. All site grading shall be done in strict conformance with the storm water master plan approved by the City Engineer and by the appropriate regulating authority, if applicable. Care shall be taken to avoid unnecessary disturbance of any foliage or groundcover. All areas laid bare through excavation or grading which are not resurfaced by other means, shall be reseeded as soon as practicable, and conform to the requirements of the Stormwater Management Plan, if applicable. Scheduling and timing of all excavation activity shall take into due account expected seasonal and daily weather conditions. No excavation, except that which is necessary for the construction of improvements shall be permitted on any lot until such time as the actual construction is to begin; except that the owner may drill and excavate for the purpose of testing the sub-soil conditions prior to construction.

11. Erosion Control. Bare slopes are to be strictly avoided due to potential for erosion. During construction, straw bales and or appropriate filter fabrics shall be placed in drainage ways and mulch or erosion control blankets placed on disturbed areas, as necessary, to prevent any materials from contaminating adjacent Lots, the public park, and streets.



12. Stormwater Management Plan. The City of Billings expects to adopt a Stormwater Management Plan in the future. All construction after the plan is adopted shall comply with the provisions of the Plan.

13. Material Storage and Removal. No building material of any manner or character shall be placed or stored on the property until the owner is ready to commence construction of improvements. All materials stored on-site during construction shall be neatly stacked on the Lot where they will be used. Following completion of construction, all excess materials shall be removed from the Lot, screened from view or stored within an approved Structure.

14. Contractor Parking. Contractors, subcontractors, material suppliers and other Persons involved in the construction of Improvements shall park only on the Lot on which they are working.

No construction parking shall be allowed on neighboring Lots or on the street.

15. Construction Hours/Noise. In an effort to maintain the tranquility of the Project and to minimize inconvenience to neighboring Lots, no exterior construction activity shall commence before 7:00 A.M. or continue after 8:00 P.M. , and no excessively loud playing of radios, tape or CD players, or other amplification devices shall be allowed by construction workers so as to disturb neighboring Lot Owners.

16. Cleanup of Construction Debris. Owners shall require that all construction workers take reasonable measures to contain construction debris, including coffee cups and food wrappers, on that Owner's Lot ; the Owner must arrange for cleanup of debris on the site and on surrounding areas at least twice a week during construction.

17. No Modular or Log Homes. No manufactured home, modular home or log home shall be permitted in Ironwood.

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ARTICLE 6- UTILITIES

1. Utility Services. Each Owner shall make all arrangements for and pay directly for all water, sewer, electrical, telephone, cable television, and other utility services furnished to or used by such Owner.

2. Utility Lines. All utility lines, cables and pipes shall be placed underground; no overhead lines shall be permitted. Installation of all underground services shall be coordinated to minimize the amount of excavation required. Each Owner is responsible for installation of underground service across his or her Lot from the adjacent service pedestal or junction box.

3. Septic Systems. Some lots may be designed with septic systems at the beginning of the build-out of Ironwood. The Grantor shall be responsible for coordinating the permitting and installation of the initial primary septic disposal field for each Lot, according to the specifications set forth by the State of Montana. Each Owner shall be responsible for the maintenance of their respective septic disposal field. Installation of any backup septic disposal field, as necessary, and rerouting of septic effluent lines to service such backup system, shall be the responsibility of the respective Owner. In order to protect adjoining septic disposal fields, such installation shall be fully coordinated with the appropriate regulating agency. No septic systems will be allowed on lots serviced by public sewer.

4. Sewer. As made available by the City of Billings, each lot is required to attach to the city sewer. At such time as sewer services become available to a lot, owner has sixty (60) days to attach their home to such service. Any lot using septic service must disconnect the existing septic system and remove the septic system from the lot within sixty (60) days after connection to the city sewer system. Connection to the city sewer system is the sole responsibility of the lot Owner.

5. Water. Residential Water service will be provided by the City of Billings. Owners shall be responsible for connections to the city water mains, and for paying all costs of connection.

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ARTICLE 7 -DESIGN REVIEW

1. Design Review. For the purposes of assuring the development of the Project as an area of high standards, the Grantor reserves the right to assure that any Improvement that is constructed on individual Lots and the Property meet standards and guidelines as set forth in this Declaration, including the Design Standards described below. Grantor reserves the right to make exceptions to the Design Standards as it shall deem necessary and proper. Grantor shall have the authority to augment, amend, or otherwise modify such Design Standards from time to time, without consent of any other owners; provided that they shall at all times, be consistent with the remaining Project Documents and building restrictions imposed by law. The DRC, without consent of any other owners may modify the Design Standards or adopt additional ones as it sees fit, and may authorize exceptions to the Design Standards as it sees fit. At least 4 of the 5 members of the DRC must consent, in writing, to the new or modified standards.

New or modified Design Standards shall not be effective until they are recorded with the Yellowstone County Clerk and Recorder, and a copy given or sent to each Owner.

2. Design Review Committee. So long as Grantor owns any of the above-described lots, and any Lots in Ironwood which are hereafter subjected to the provisions of this Declaration, Grantor shall have the sole authority to appoint a Design Review Committee (DRC), to consider and review any and all Plans submitted for approval based on Design Standards set forth in this Declaration.

Woodridge LLC, in its sole discretion, may elect to turn over its power to appoint the Design Review Committee members to the Association at any time prior to sale of all lots which are subject to the Declaration.

3. Required Plan Review. Subject to the exemption of the Grantor, no Improvement shall be erected, constructed, placed, continue to be constructed, or maintained upon any lot, nor shall any major remodeling, reconstruction or alteration of a Structure's exterior be made or continue to be made, nor shall any Major Excavation occur on the Property, unless and until the same has been approved in writing by the DRC.

4. Review Fees. The DRC shall have the right to require an Owner submitting an application for approval of Plans, or for preliminary review, to pay a review fee to compensate the DRC for reasonable expenses incurred in reviewing and



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processing the application. All applications shall be accompanied by the required review fee. The DRC shall not be obligated to initiate review of an application until such fees are paid. In addition, if the DRC determines that it is necessary or advisable to employ an architect or engineer to assist with review, it may do so. Fees paid to the architect or engineer shall be billed to the owner of the lot under review as a special assessment by the Board, upon notification of the amount of those fees by the DRC, or in its discretion the DRC may require the Owner to pay those fees to the DRC before conclusion of the review process.

The DRC shall determine the amount of the application fee, and the preliminary review fee to be paid, and mail all owners a schedule of the amounts of the fees. The fees shall equal the estimated average amount of the costs which will be incurred by the DRC during the review process. The DRC may modify the fee schedule from time to time, as review costs increase or decrease.

5. Preliminary Plan Review. Preliminary plan review shall be an optional informal advisory process intended to be an open dialogue process between an Owner and/or a prospective buyer of an owner's Lot and a member of the DRC. At an Owner's request a preliminary plan review may be held to review proposed building and landscaping concepts and to discuss site considerations with a designated representative of the DRC. Request for a preliminary review shall be arranged by contacting a member of the DRC by phone or by mail. The DRC shall use good faith efforts to initiate the preliminary plan review process within ten (10) working days of receipt of any request for such review. The Owner requesting such review shall be liable for a non-refundable preliminary review fee, payable at the time the general plan is submitted. The Person, or Persons, proposing the construction of an Improvement, should provide the designated DRC representative(s) with a general plan relating the following information for preliminary review; a) layout of driveways and parking areas, b) location, design and size of Structures, c) Major Excavations and effect on existing topographical features, and d) drainage patterns and stormwater system.

These general plans can consist of sketches, drawings and photos, and be related verbally to the DRC representative. It is the responsibility of the owner or purchaser to relate enough information to allow the DRC representative to make an informed review and finding. The following information shall be discussed at the preliminary review; setbacks, natural screening, architectural concept, exterior finishes and materials, building heights, view corridors, site drainage and stormwater management, access drives, on-site parking, proposed outbuildings, utilities, preservation of existing trees, compatibility with surroundings and the requirements necessary for the final application. The designated DRC member(s) providing the review shall document their findings in



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writing. The Board shall be bound to this written record of findings in processing the final application.

6. Review Application. Before beginning the construction of any Improvement, any alteration of a Structure's exterior, or any landscaping changes, the Person desiring to erect, 10 construct, or modify the same shall submit to the Board two sets of Plans for the proposed Improvements. These Plans shall be signed by the Owner, contain all information requested and be accompanied by all other material to be submitted, as hereinafter provided, and by the review fee.

All review applications shall contain, or have submitted therewith, the following material as deemed appropriate for the proposed Improvement, collectively called Plans, prepared in accordance with acceptable standards and submitted with an application form, if any, as approved by the Board:

- (a) Site Plan: A site plan showing: 1) the location of all Improvements including Structures, fences, walls, driveways, parking areas, utilities, outbuildings, decks; and 2) existing topography and contour in relation to the proposed Improvement and cut and fill excavation requirements; and 3) other pertinent information relating to the Improvements. General or typical cross-sections and profile plans shall be submitted where Major Excavation is proposed.
- (b) Building Plan: A building plan which shall consist of: 1) the Structures dimensions; and 2) elevation drawings or sketches of the exterior of the Structure(s) ; and 3) information concerning the exterior of the Structure(s) which shall indicate all exterior colors, materials and finishes, including roof, to be used.
- (c) Landscape Plan: A general landscape plan and/or drawings of proposed landscape features including planting areas, location of existing trees and proposed removal of such, proposed plant types, drainage plans and a Stormwater Management Plan when required by the City of Billings, Montana Ordinance. The landscape plan can be incorporated into the site plan.



- (d) Other Information: The Board may, in its discretion, require the Owner to furnish additional specifications, drawings, material samples or such other information as the DRC in its sole discretion reasonably exercised, shall deem necessary or convenient for the purpose of assisting the DRC, in reviewing and processing the application.

7. Basis of Approval. In reviewing the application and the materials submitted and in reaching a decision thereon, the DRC shall use its best efforts and judgment to assure that all Improvements shall produce and contribute to an orderly and aesthetically complimentary design and appearance, of a quality required to maintain the Project as a first class residential development.

Approval by the DRC shall be based, among other things, on; a) the Design Standards, b) the adequacy of the Lot dimensions in relation to the Plans, c) conformity and harmony of external design with neighboring Improvements, d) the effects of location and use of proposed Improvements on neighboring Lots and Common Area, e) relation of Improvements and finished ground elevations to existing topography and grades, f) natural landscaping of the Lot in relation to that of neighboring Lots, g) proper facing of the main elevation with respect to adjacent Lots and Common Area; h) the overall aesthetics of subdivision; and i) the conformity of Plans to the purpose and general plan and intent of this Declaration.

Because the review does include judgments about aesthetics by the DRC and because the aesthetic consideration cannot be clearly defined in this Declaration, the decisions of the DRC will be subjective in nature. Each Owner, by acceptance of a deed to any lot subject to this Declaration, including expansion Lots, agrees to accept the aesthetic decisions of the DRC as final and binding, and waives any right to challenge those decisions through legal action.

8. Decision. Unless extended by mutual consent of the Owner and the DRC, the DRC shall render its decision with respect to the application within thirty (30) days after the receipt of a complete application. If additional information is requested of the Owner to complete the review, a reasonable amount of additional time shall be allowed for the DRC to consider this information prior to rendering a decision. The decision of the DRC can be in the form of an approval, a conditional approval, or denial and shall be in writing, dated and signed by two members of the DRC. A copy thereof shall be mailed to the Owner at the address shown on the application.



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Approval of Plans shall be evidenced by a written endorsement on such Plans, a copy of which shall be delivered to the Owners of the Lot upon which the proposed Improvements are to be located. A copy of such approved Plans shall be kept on the respective Lot during the entire course of the work to which said Plans relate. No significant changes or deviations in and from such Plans, as approved, shall be made without the prior written consent of the Board.

A denial of an application shall state the reasons for such denial. Conditional approval of proposed Plans as submitted and reviewed may be granted by the DRC outlining specific changes, alterations and amendment to such Plans that shall be required in construction of the proposed Improvement. Owner shall acknowledge acceptance of any conditional approval in writing prior to the start of construction.

Review and approval by the Design Review Committee does not relieve the owner from obtaining approval of site plans from the City of Billings.

9. Variances. The DRC may waive or grant variances to any conditions and restrictions contained in this Declaration, or to any prior approval, when, in the sole discretion of the DRC, circumstances such as topography, natural obstructions, aesthetics or environmental considerations, or hardship may so require, or when the proposed Improvement is not in strict conformance with the Design Standards, but meets the aesthetic intent of the Design Standards.

10. Changes to Approved Plans. Owners must obtain approval of the DRC to any changes to approved plans if those changes affect the exterior of the building or the landscaping or other exterior improvements. A copy of approved revisions must be attached to the approved Plans, and be available at all times on the respective Lot during the course of construction.

11. Inspections. The Owner shall be responsible for constructing Improvements in accord with approved Plans whether or not the members of the DRC perform any inspections. The DRC is empowered to inspect all work in progress on any Lot at any time but is not obligated to do so. Such inspection shall be for the purpose of



determining whether the Owner is proceeding in accordance with the approved application.

Should the DRC determine that there has been a deviation or a violation, it shall promptly issue a notice in writing thereof to the Owner, and to the Board, which notice shall specify the particulars of the deviation or violation and shall demand that the Owner conform to either or both of the following directives; a) the Owner shall immediately cease the activity which constitutes a deviation or violation, and/or b) the Owner shall adhere to the corrective measures set forth in the written notice.

12. Non Liability. Neither the DRC nor any member thereof, or the Grantor or any partner, officer, employee, agent, successor or assign thereof, shall be liable to the Association, any Owner or other Person for any loss, damage or injury arising out of or connected with the performance by the DRC members of their duties and responsibilities by reason of a mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve an application. The aforementioned parties assume no responsibility for; a) the structural capacity, safety features, or building code compliance of any Improvement, or b) whether or not the location of a proposed Improvement is free from possible geologic or natural hazards, or other possible hazards caused by conditions occurring either on or off the subject property, or c) the internal operation or functional integrity of any Improvement, or d) any City of Billings, Montana zoning ordinance or building code violations.

Every Person who submits an application to the DRC for approval of Plans agrees, by submission of such an application, and every Owner agrees, by acquiring title thereto or an interest therein, not to bring any action or suit against the Association, the Board, members of the DRC, or the Grantor or its officers, partners, employees, agents, successors or assigns to recover damages as a consequence of the design review process set forth herein.

13. Enforcement. The decisions of the DRC and the requirement to obtain approval of the DRC may be enforced by the Board or by any Owner by bringing an action for specific performance, or for an injunction, prohibitory or mandatory. Such actions shall be timely if brought within four months after the DRC issues a written notice of the violation or within four months after it becomes apparent that an owner has not obtained the required approval or has deviated from the approval plans, whichever occurs later. In any such action, the prevailing party shall be entitled to recover all costs and attorney fees incurred from the losing party.



ARTICLE 8- DESIGN STANDARDS

1. Landscaping. Landscaping for the grounds affected by construction of, and in the immediate area of an improvement shall be completed within twelve (12) months after occupancy.

2. Setbacks.

- (a) No in-ground swimming pool or like facility shall be constructed on any Lot within 10 feet of any Lot line and only as permitted under then applicable zoning laws.
- (b) No residence or other building shall be located on any lot so that any part of the building, other than awnings or minor decorative fixtures, is nearer than 25 feet from the front line of the lot on which the building is located (front setback).
- (c) No building shall be located less than ten (10) feet from either side lot line of the lot on which the building is located, measured from the lot line to the nearest wall of the building, (the side setback).
- (d) Setbacks from any street for a building situated on a corner lot shall comply with the City of Billings Zoning Ordinances, and with the front and side setbacks set forth in this section.

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- (e) Owners must comply with these setback requirements, and with the setback requirements imposed by the City of Billings in its zoning ordinances in effect at the time of construction.
3. Design of Structures.
- (a) Traditional Design. As the design of all structures shall be traditional in attitude, the use of traditional forms and design elements (e.g. pitched roofs, columns, arches, trellises, dormers, etc.) is encouraged. There is no requirement for a literal interpretation of a traditional style, but the design of all structures should address the environment and homes customary to the community.
 - (b) Exterior Walls. Exterior walls of all structures shall be sheathed with brick, stone, clapboard, stucco, although the DRC shall have the right to approve or disapprove the appropriateness of the material choice for each particular situation, and may expand the list of allowable materials, as new materials become available.
 - (c) Roof. All roofs of all structures shall be pitched at an angle not less than 6: 12 , and shall be clad in composite shingles or slate or a slate-composite material, provided that another roof employing other materials will be permitted if architecturally harmonious. Lots having an area of 40,000 thousand square feet and roofs that are over eighty percent of the maximum height must be stepped in design. This means that the highest ridge length must be less than half the widest parallel width of the foundation. For lots of less than 40,000 square feet, roofs that are over 80% of the maximum height must be stepped in design. This means that the highest ridge length must be less than half the widest parallel width of the foundation.

Ironwood Subdivisor

Approved Roof Lines Unapproved Roof Lines



- (d) Accessory Buildings. The construction materials for all accessory buildings and other structures shall be compatible with the Home and the other requirements of this Declaration.
- (e) Minimum house Sizes. The minimum sizes for homes in Ironwood are as follows: Lots with total square footage less than 20,000 feet: Ranchers 1,650 square feet Multi-level 2,000 square feet. Lots with total square



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footage between 20,000 and 30,000 square feet: Ranchers 2,000 square feet Multi-level 2,250 square feet. Lots with total square footage between 30,000 and 40,000 square feet: Ranchers 2,200 square feet Multi-level 2,750 square feet. Lots in phase I with total square footage over 40,000 square feet: Ranchers 2,600 square feet Multi-level 3,200 square feet. For purposes of this subsection, square footage shall equal the interior square footage of each floor or level of a home excluding full or daylight basements, garages and porches.

- (f) Height. For lots that have 40,000 square feet or more of area, the maximum height of any structure is 48 feet. This height will be determined by taking the average of the lowest and the highest grade point at the foundation; this average will establish the base elevation from which the highest part of the structure may not exceed 48 feet.

For lots with footage between 30,000 and 40,000 square feet of area, the maximum height of any structure will be 40 feet. This height will be determined by taking the average of the lowest and the highest grade point at the foundation; this will establish the base elevation from which the highest part of the structure may not exceed 40 feet.

For lots which footage between 20,000 and 30,000 square feet of area, the maximum height of any structure will be 38 feet. This height will be determined by taking the average of the lowest and the highest grade point at the foundation; this will establish the base elevation from which the highest part of the structure may not exceed 38 feet. This means that the highest ridge length must be less than half the widest parallel width of the foundation.

For lots with footage between 15,000 and 20,000 square feet of area, the maximum height of any structure will be 36 feet. This height will be determined by taking the average of the lowest and the highest grade point. This will establish the base elevation from which the highest part of the structure may not exceed 36 feet.



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For lots with footage less than 15,000 square feet of area, the maximum height of any structure will be 34 feet. This height will be determined by taking the average of the lowest and the highest grade point at the foundation. This will establish the base elevation from which the highest part of the structure may not exceed 34 feet.

4. Fences. No fence or hedge or landscaping or similar enclosure (hereafter fences) shall unreasonably restrict or block the view of **nearby Lots**. For this purpose, fences shall be maintained at a height not greater than six (6) feet (**except surrounding pool enclosures**). No fence shall be constructed on any Lot until after the height, type, design and location thereof shall have been approved in writing by the DRC. Backyard fences may be approved providing they extend only to the rear line of the property.

- (a) The finished side of the fence must be erected so as to face the public view.
- (b) No chain link or wire fence will be approved.
- (c) No solid fence on or near a property line which exceeds four feet in height will be approved. Taller fences along property lines must be constructed so that they do not block the view from other Lots.
- (d) Any partial decorative fencing unit can be painted stained, or weathered naturally providing there is a consistent finish.
- (e) No swimming pools will be approved without a closed fence around the pool that can be entered only through the residence or through a locked gate. The fence constituting the enclosure must have a six (6) foot minimum height.



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- (f) Privacy fences around hot tubs and utility areas may be approved providing they are reasonable in size and appearance.
- (g) If a submission is made to the DRC for any structure upon a residential property that is deemed hazardous, the DRC reserves the right to require fencing of a designated height and type as a condition of approval.
- (h) **None of these fencing restrictions shall apply to land owned by Developer which is being used for agricultural purposes and Developer shall not be obligated to obtain review by the DRC of fences on its agricultural land.**

5. Yard Lights. Each home shall have a "yard" light. The yard light will be placed on a post in the front yard so as to provide lighting to the front yard, walkways and the front of the home.

The design of the yard light will be in keeping with the design of the home and the neighborhood. No high intensity lighting will be allowed.

6. Removal of Soil. Except as required for permitted construction, there shall be no removal of topsoil, sand, gravel, minerals or other materials, dredging or filling or change in topography except as approved by the DRC.

7. Color.

- (a) After initial construction, no Home exterior or other structure shall be painted or stained until the color thereof has been approved by the DRC. The DRC shall have the right to refuse to approve the color of any paint or stain which, in its sole discretion, is inconsistent with the color scheme, or may detract from the value, of the other Homes located in the Subdivision or which color is not suitable or desirable for aesthetic or other reasons.



- (b) Each Home must be painted or stained in a consistent fashion, and no Home shall be painted or stained in more than one Color, except that window and door trim, shutters, eaves, porches and similar design elements may be another color if approved by the DRC.
- (c) The exterior color palette of all structures should be subdued in intensity, with color tones tending toward the neutral end of the value scale.

8. Energy Saving Standards.

- (a) Owners are encouraged to make use of current energy-saving technologies so long as those technologies comply with these design standards and the other provisions of this Declaration, and so long as their appearance is in keeping with the aesthetic standards within Ironwood. The DRC reserves the right to approve or disapprove energy-saving features for aesthetic or overall building design reasons.
- (b) All heated structures erected on any Lot shall be constructed with insulation with an R-value of at least R-19 in the exterior walls, at least R-38 in the roof or cap, at least R-10 around the foundation or slab, and with double-glazed windows and insulated hot water tanks.
- (c) Solar panels, either roof-mounted or otherwise, may or may not be permitted by DRC, depending on the design.
- (d) Berms may or may not be approved by the DRC, depending on their height and the overall design.

9. Pools and Hot Tubs. Above ground swimming pools are not permitted. Exterior hot tubs must be screened from adjacent properties and streets. All pumps, filters and equipment for spas must be located so as not to cause a nuisance to neighbors and must be screened from view.



ARTICLE 9 -OWNERS ASSOCIATION

1. Organization of Association. The Association is or shall be created under the name of IRONWOOD NON-PROFIT OWNERS ASSOCIATION, a non-profit corporation organized and existing under the laws of the State of Montana , charged with the duties and vested with the powers prescribed by law and as set forth in the Governing Documents, as such may be amended from time to time. In the event of inconsistencies between the Articles of Incorporation and Bylaws of the Association and this Declaration, this Declaration shall prevail.

2. Duties and Powers. The duties and powers of the Association are those set forth in this Declaration, the Articles of Incorporation of the Association and its Bylaws, and the laws of the State of Montana. The duties and powers of the Association may be expanded only upon affirmative vote of 90% of the members of each membership class.

3. Membership. The Owner of a Lot shall automatically be a member of the Association, and shall remain a Member thereof until such time as his or her ownership ceases for any reason, at which time his or her membership in the Association shall automatically cease. No membership shall be accorded to a Person not an owner of record.

4. Bylaws. The affairs of the Association shall be governed by its Bylaws, a copy of which is attached hereto as Exhibit A.



ARTICLE 10 -CLUBHOUSE

1. Construction of Clubhouse. Developer plans to build a clubhouse, to be known as The Club at Ironwood, with a swimming pool and other recreational facilities on land to be included in a future filing of Ironwood Estates Subdivision [but reserves the right not to build the clubhouse and does not guaranty that the clubhouse will be built]. The clubhouse will serve owners of improved lots subject to this Declaration, and others who purchase a membership. Construction of The Club at Ironwood is contingent on obtaining appropriate zoning approval for the land.

2. Membership. One membership in the Club at Ironwood shall attach to each improved lot subject to this Declaration. The membership shall entitle each occupant of an improved lot to use the clubhouse facility. As used in this Article 10 and Article 11 below, an "improved" lot is a lot on which an occupiable home is located.

3. Membership Fees. Fees for the membership attached to each improved lot shall be collected from the owners of improved lots by the Association and paid by the Association to the Clubhouse owner. The Association shall be liable to the Clubhouse owner for the membership fees even if the lot owner has failed to pay the owners Clubhouse assessment to the Association. Membership fees shall commence at the time the clubhouse first opens for use. Fees will be established by the clubhouse owner and shall be similar to those charged by comparable private recreational facilities in Montana, but in no event shall they be less than the cost of operating the facility, plus fifteen (15%) percent. It is anticipated that the initial fees will be \$55.00 per month, payable in advance, for each lot having an occupiable home, but this initial amount may increase if construction costs increase significantly, or if additional recreational facilities are built. The clubhouse owner shall be entitled to change the fees from time to time, to provide a reasonable return on its investment.

4. Ownership and sale of the Club at Ironwood. The club will be privately owned by Woodridge LLC or its assigns. In the event the owner of the clubhouse to an unrelated third party after the clubhouse opens for use by members, the Association will have a right of first refusal to purchase the clubhouse; the right of first refusal will be detailed in a separate document filed with the Yellowstone County Clerk and Recorder.



ARTICLE 11 -ASSESSMENTS

1. Purpose. The Assessments levied by the Association shall be used exclusively for the purposes set forth in the Declaration, and for the necessary expenses of operating the Association. Assessments shall be collected and enforced as provided in this Declaration.

2. Creation of Lien, Personal Obligation and Non-Waiver. Each Owner of any Lot, except Grantor, by acceptance of a deed, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association periodic Regular Assessments, Extraordinary Assessments and Special Assessments, which shall be established and collected as provided herein. Each owner of any improved lot by acceptance of a deed for the lot, is also deemed to covenant and agree to pay to the Association all periodic Clubhouse Assessments imposed by the Association. All Assessments, together with interest, costs), penalties and actual attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each Assessment is made. The Lien will become effective upon recordation of a Notice of Assessment Lien by the Board. Each Assessment, together with interest, costs, penalties and actual attorneys' fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessment fell due. No Owner may exempt himself from liability for payment of assessments for any reason, or by the abandonment of his or her Lot.

3. Regular Assessments. The Board shall determine and fix the amount of the Regular Assessment against each Lot at least thirty (30) days in advance of the start of each calendar year; provided, however, that except as otherwise provided herein, the Regular Assessment may not be increased by more than twenty (20) percent per member above the Regular Assessment for a member the immediately preceding year, without the vote or written assent of a majority of the members in each class of membership. The Regular Assessments shall fund an adequate reserve to cover administrative costs incurred by the Board and their agents in the performance of their duties, and for such other purposes as may be deemed appropriate by the Board. Regular Assessments shall be paid in one annual payment until the clubhouse is built and ready for use. Thereafter, Regular Assessments may be collected monthly or quarterly or semiannually, in the discretion of the Board. Regular assessments may increase more than 20% per member without approval of a majority of the members in each membership class when clubhouse membership dues are payable by the Association for the first time.

The Board shall determine the amount of the initial Regular Assessment reflecting the projected expenses of the Association for the term remaining in the calendar year this Declaration is filed. The Board shall provide notification to all Owners getting forth the amount of the Regular Assessment for the following year thirty (30) days prior to the end of the prior year. If the Board fails to notify owner's of the amount of the Regular



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Assessment for the coming year, the regular assessment for that year shall equal the regular assessment for the prior year.

4. Clubhouse Assessments. In addition to the Regular Assessments authorized above, the Board must levy periodic Clubhouse Assessments against the owners of each improved lot. The Clubhouse Assessments will not be due and payable by owners until the Clubhouse described in Article 10 above is built and open for use. Such Assessments may be payable monthly, quarterly, semiannually, or annually, and must be used by the Board to pay the Clubhouse membership fees for each improved lot. Membership fees will be determined by the Clubhouse owner and must be an equal amount for each improved lot.

5. Extraordinary Assessments. In addition to the Regular Assessments authorized above, the Board may levy, in any year, an Extraordinary Assessment, applicable to that year only, to defray any unanticipated or underestimated Regular Assessment; provided however, that the aggregate Extraordinary Assessments for any year shall not exceed fifteen (15) percent of the budgeted gross expenses of the Association (excluding reserves) for that year, without approval by a majority of the total voting power of the Association

6. Special Assessments. In addition to the Regular and Extraordinary Assessments authorized above, the Board may levy Special Assessments, without limitation as to the amount or frequency, against a Lot and its Owner to reimburse the Association for costs incurred in bringing that Owner and his or her Lot into compliance with the Project Documents, including interest, penalties, actual attorneys' fees and costs.

7. Due Date of Assessments. All Regular assessments shall be due and payable on February 1st of each year, unless the Board approves payment in monthly, quarterly, or semiannual installments. Extraordinary assessments shall be due and payable when specified by the Board, or sixty (60) days after the Board gives notice of the amount of the assessment to owners, whichever is later. Special assessments shall be due and payable when specified by the Board, or ten (10) days after the Board gives notice of the amount of the assessment to owners, whichever is later. The Board may authorize a reasonable schedule of installment payments for extraordinary or special assessments.

8. Allocation of Assessments. Each Lot, excluding Lots owned by Grantor, shall bear an equal share of each aggregate Regular and Extraordinary Assessment. Lots owned by Grantor shall not be subject to assessments.

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9. Interest and Late Charges. If any part of any Assessment of any type is not paid within thirty (30) days of the due date, an automatic late charge equal to five (5) percent of the Assessment, but not less than ten (10) dollars, shall be added to and collected with the Assessment. This late charge is a penalty and shall not be deemed to be payment of interest. Additionally, if any part of the Assessment is not paid and received by the Association or its designated agent within thirty (30) days after the due date, the total unpaid Assessment, including the late charge, shall thereafter bear interest at the rate of fifteen (15) percent per annum until paid.

10. Transfer of Lot by Sale or Foreclosure. The sale or transfer of any Lot shall not affect any Assessment or Lien, or relieve the Lot from any liability therefore, whether the Lien pertains to payments becoming due prior or subsequent to such sale or transfer. Notwithstanding the foregoing, the sale or transfer of any Lot pursuant to foreclosure or by deed in lieu of foreclosure of a first mortgage given in good faith for value and recorded prior to filing or recordation of a notice of assessment lien shall extinguish the Lien of all such Assessments as to payments that become due prior to sale or transfer. Sale or transfer pursuant to mortgage foreclosure shall not, however, affect the personal liability of the Owner for unpaid Assessments.

11. Voluntary Transfer of lot. In a voluntary conveyance of a lot, the grantee of the same shall be jointly and severally liable with the grantor for all unpaid Assessments due prior to the time of the grant or conveyance, without prejudice to the grantee's right to recover such amounts from the grantor. Prior to purchase, any purchaser, upon written request, shall be entitled to a written statement from the Board, setting forth the amount of the unpaid Assessments due the Association on the date of the statement.

12. Enforcement of Assessment Obligation. The obligation to pay assessments shall be enforced by the Board on behalf of the Association. Individual owners who are not members of the Board may not enforce the assessment obligation of other owners, but may bring an action to compel the Board to do so.

13. Covenant to pay Maintenance Assessments. Each owner of a lot subject to this Declaration, except Grantor, by acceptance of a deed, whether or not it shall be expressed in said deed, is deemed to covenant and agree to pay to the Association all assessments made by the Association and to waive any right said owner may have, under



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the laws of the United States or the State of Montana, to claim a homestead exemption for said assessments. Owners and their grantees shall be jointly and severally liable for all unpaid assessments due and payable at the time of conveyance of any lot, but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor. The Secretary- Treasurer of the Association shall notify third parties, upon their request, of the amount of unpaid assessments on any lot.

14. Remedies for Non-payment of Assessments. All unpaid sums assessed by the Association to any lot, together with interest, collection costs, costs of suit, and reasonable attorney fees, shall constitute a lien on such lot, and if filed of record, may be foreclosed in the same manner as a construction lien. Such lien shall not take priority over any sums unpaid on a first mortgage or trust indenture of record prior to the recording of the lien for assessments. Each assessment, together with interest, collection, costs and costs of suit, and reasonable attorney fees, shall also be the personal obligation of the owner of the lot against which the assessment was made at the time the assessment fell due and suit to recover a money judgment for unpaid assessments shall be maintainable by the Association against said owner without foreclosing or waiving the lien securing the same. All costs of collection of delinquent assessments, including but not limited to, court costs, costs of filing liens, and attorney fees, shall be the obligation of the non-paying lot owner, and may be added to the next regular assessment for that lot. No sale or transfer of a lot shall relieve the acquirer from liability for past due assessments or from the lien thereof.



ARTICLE 12 -ENFORCEMENT OF THIS DECLARATION

1. Enforcement. The Association, acting through the Board, shall have the right to enforce, by any proceedings at law or in equity, all conditions, covenants and restrictions, reservations, liens, and charges now or hereafter imposed by this Declaration. In addition, the Board shall also have the additional enforcement rights set forth below.

- (a) Except as otherwise provided herein, any Owner, or any of them severally, shall have the right to proceed at law or in equity to compel compliance with the terms of this Declaration, to prevent the violation or breach of any of its restrictions, and/or to collect actual damages for breach of any provisions of this Declaration.

2. Complaints. Owners may express concerns and/or complaints in writing to the Board involving violations of this Declaration. The Owner shall address the issue with all affected parties prior to initiating a request for Board action concerning the violation. When a violation is brought to the attention of the Board, the Board shall review the concern and/or complaint and take appropriate action as deemed necessary in the sole discretion of the Board.

3. Special Assessments. Prior to imposing a special assessment against any lot owner, alleged violations will be investigated by a member of the Board. The Board member shall attempt to resolve the matter with the Owner or other Person responsible for the violation. If an appropriate and immediate resolution is not forthcoming, the Board shall provide written notification of the violation to the Owner. If the matter is not resolved within thirty (30) days from delivery of the written notice, the Board shall have the authority to levy appropriate Special Assessments according to the findings of the Board. Violations which damage or pose a significant threat of damage to the environment (water quality, vegetation, habitat, etc.) shall be subject to strong penalties. In the discretion of the Board, Special Assessments may be levied monthly (or at otherwise appropriate intervals) until such violation is corrected and/or acceptable mitigation measures are put in effect.

4. Request for Reconsideration. An Owner may request the Board reconsider a decision that is adverse to the Owner concerning a general violation. The

Owner shall address the issue with all affected parties prior to initiating a request for Board reconsideration. The Board shall reconsider its original decision and take appropriate action as deemed necessary. Such decision and recommended action shall be final and shall not be subject to reconsideration or further appeal.

5. Costs: Reconsideration. If the Board incurs any costs in reconsidering an original decision, including the costs of retaining a consultant or attorney to advise the Board, such costs shall be paid by the party(s) making the request unless the Board's decision constitutes a substantial reversal of the original decision, in which event such costs shall be paid by the Association. If the Owner requesting the reconsideration is obligated to pay such costs, payment of same, shall be enforceable as a Special Assessment.

6. Restoration of Lot. In the event an Owner fails to plant or to maintain his or her Lot or the improvements thereon, as provided herein, in a manner which the Board deems necessary to preserve the appearance and value of the Project, and/or to prevent a fire hazard or other dangerous condition, the Board may notify the Owner of the work required and demand it be done as soon as necessary, as determined by the Board. In the event the Owner fails to carry out such maintenance within such period, the Board may cause such work to be done and may assess the cost thereof to such Owner as a Special Assessment.

7. Structural Violations. The Board shall have the right, whenever there shall have been built or placed on any Lot any structure, building, erection or construction which is in violation of the covenants, conditions and restrictions set forth in the Articles, to enter upon the Lot where such violation exists and summarily abate or remove the same at the expense of the Owner of the Lot, as soon as found necessary by the Board after written notice of such proposed action is provided the Owner, and any such entry and abatement or removal shall not be deemed to be trespass. All costs or expenses incurred in abating or removing such violation shall be paid by the Owner of such Lot as a special assessment.

8. Costs: Compliance. All costs, expenses and damages determined by the Board to be proximately caused by a deviation or violation, or costs and expenses incurred by the Association to correct the same, shall be assessed as a Special Assessment against the Owner of the Lot, which Special Assessment shall be due and payable at such time or in such installments as determined by the Board, in its sole discretion.



9. Legal Proceedings. The Board shall be authorized on behalf of and in the name of the Association to commence such legal or equitable proceedings as are determined to be necessary or proper to correct or enjoin any activity or condition existing within the Project, the continuation of which violates the provisions of this Declaration. The Board shall not commence such legal or equitable proceedings until a written notice of the deviation of violation has been appropriately prepared and given to the Owner, but thereafter the Board shall have the sole discretion to commence such proceedings.

10. Payment of Costs and Attorney Fees. In the event the Board and/or Association or any owner shall prevail in any legal or equitable proceedings to enforce this Declaration, all costs and attorney fees incurred in connection therewith shall be reimbursed to the prevailing party by the losing party. If the Association is the prevailing party, upon the failure of said Owner to reimburse the Association within ten (10) days after written demand therefore is mailed to the Owner, the Association shall have the right to levy a Special Assessment against the Owner which Special Assessment shall be equal to said costs and expenses incurred plus any additional costs and expenses incurred by levying the Assessment. The Board shall also be entitled to collect from any owner violating the provisions of this Declaration all costs and attorney fees incurred by the Board in enforcing this Declaration without filing a legal action for enforcement, for filing a lien for past due assessments, and for foreclosure of an assessment lien; such costs and attorney fees may be assessed to the violating owner as a Special Assessment, or may be collected in any other manner permitted by law.

11. Enforcement Costs. Costs, as herein provided, shall include expert witness fees, filing fees, deposition costs, witness fees and all other ordinary and necessary expenses incurred in commencing and carrying out legal or equitable proceedings.

12. Non-Exclusive Remedy. The enforcement rights of the Association, as described herein shall not be deemed to be exclusive remedies of the Association. The Association may, in its sole discretion, without waiver of other legal or equitable remedies, pursue enforcement of its assessment Liens, proceed to collect any past due amounts directly from an Owner, and/or pursue any other remedies available at law or in equity, as set forth in this Declaration.



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13. Failure to Enforce. Failure, delay or omission by any owner or the Association to enforce any such provision shall in no event be deemed a waiver of the right to do so thereafter. No action shall be brought or maintained by any Owner, against the Grantor, the Association, the Board, the DRC or any of their officers, directors, members, agents or representatives for or on account of their failure to bring or take any action to enforce any of the Project Documents or for imposing restrictions which may be unenforceable.

ARTICLE 13 -MISCELLANEOUS PROVISIONS

1. Prescriptive or Implied Easements. Owners, by acceptance of a deed to any lot, waive all rights to claim Prescriptive or Implied Easements as allowed by the laws of the State of Montana. No prescriptive or implied easement shall be created by the use of property belonging to other Owners.

2. Grantor's Rights and Reservations. Grantor is undertaking the work of constructing the infrastructure and incidental improvements upon the Property to support the development of single family residences on individual Lots included in the Property or Project. The completion of that work is essential to the welfare of said Property as a residential community. In order that said work may be completed and said Property be established as a fully occupied residential community as rapidly as possible and in a prudent manner, nothing in this Declaration shall be understood or construed to; a) prevent Grantor, its contractors, or sub- contractors from doing on the Property or any Lot thereof, whatever is reasonable, necessary, or advisable in connection with the completion of said work, and from conducting on any part of the Property its business of completing said work, or b) prevent Grantor or its representatives from erecting, constructing and maintaining on any part or parts of the Property, such structures as may be reasonable and necessary for the conduct of its business of completing said work, and establishing said Property as a residential community, and disposing of said Property in parcels of Lots by sale or otherwise, or c) prevent Grantor from maintaining such signs, stakes, flags or advertising devices on any of the properties as may be necessary for the sale or disposition thereof.

3. Existing Improvements. Existing Improvements located on the Property are exempt from design review and design standards as set forth in this Declaration. The design review process and enforcement mechanisms shall apply to any additions, exterior remodeling or renovation of these existing Improvements. The above exemption will apply to existing improvements on any property that is subjected to the provisions of this Declaration in the future, if any.

4. Nonwaiver. The various restrictions, measures and provisions of this Declaration are declared to constitute mutual equitable covenants and servitudes for the protection and benefit of each Lot in Ironwood, and failure by the Grantor or any other Person or the Association to enforce any measure or provisions upon violation thereof shall not stop or prevent enforcement thereafter or be deemed a waiver of the right to do so in the future.



5. Severability. Each and every of the covenants, conditions and restrictions contained herein shall be considered to be an independent and separate covenant and agreement, and in the event anyone or more of such Covenants, Conditions or Restrictions shall be held to be invalid, unenforceable or in conflict with any law of the jurisdiction in which the Project is situated, all remaining Covenants, Conditions or Restrictions shall nevertheless remain unaffected and in full force and effect.

6. Conflict of Project Documents. If there is any conflict among or between the Project Documents, the provisions of this Declaration shall prevail with subordinate authority given to the Articles and Bylaws of the Association.

7. No Warranty of Enforceability. While Grantor has no reason to believe that any of the restrictive covenants contained in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Grantor makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Lot in the Project in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Grantor harmless therefrom.

8. Waiver of Claim against Association. As to all policies of insurance maintained by or for the benefit of the Association and its Members, the Association and the Members hereby waive and release all claims against one another, the Board of Directors and Grantor, to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by negligence of or breach of any agreement by any of such Persons.

NOTWITHSTANDING THE FOREGOING, NO PROVISION OF THIS DECLARATION SHALL BE CONSTRUED AS TO PREVENT OR LIMIT GRANTOR'S RIGHT TO COMPLETE DEVELOPMENT OF THE PROPERTY AND TO CONSTRUCT IMPROVEMENTS THEREON NOR GRANTOR'S RIGHT TO POST SIGNS INCIDENTAL TO CONSTRUCTION OR SALES.



ARTICLE 14- AMENDMENT AND TERMINATION OF THIS DECLARATION

1. Duration. This Declaration shall run with the land and shall continue in force for a term of thirty (30) years from the date hereof, after which time the same shall be automatically extended for successive periods of ten (10) years, unless a Notice of Termination is recorded meeting the requirements set forth in subsection 3 Additions or Deletions, below.

2. Amendment. The Board, or an Owner, through the Board, may propose an amendment to this Declaration. The text of a proposed amendment shall be included in a notice to all Owners. The resolution shall be adopted by the vote, in person or by proxy, or written consent of Owners representing not less than sixty-seven (67) percent of the total voting power of each membership class of the Association.

3. Additions or Deletions. Additions to or deletions from this Declaration shall be proposed and adopted in the same manner as an amendment, but shall require approval of owners representing not less than ninety (90) percent of the total voting power of each membership class of the Association.

5. Recordation of Changes. A certificate, signed and sworn to by two (2) members of the Board of Directors, stating that the record Owners of the required number of Lots have either voted for or consented in writing to any amendment addition, deletion or termination adopted as provided above, when recorded, shall be conclusive evidence of that fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years. Any changes to this Declaration shall be promptly recorded in the office of the Yellowstone County Clerk and Recorder.



DATED THIS 18TH DAY OF SEPTEMBER, 2002.

BY: *L. Shane Gundlach*
L. Shane Gundlach

Managing Partner, Woodridge LLC

STATE OF MONTANA)

: ss.

County of Yellowstone)

On this 18th day of September 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared L. SHANE GUNDLACH known or identified to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.



Nancy Johnson
NANCY JOHNSON

Notary Public, for the State of Montana
Residing at Dillon MT

My Commission expires: 5 Sep, 2004



**FIRST AMENDMENT TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
AND DESIGN GUIDELINES
FOR IRONWOOD**

REGAL LAND DEVELOPMENT, INC. and GUNDRIDGE LLC, successors in interest to WOODRIDGE LLC, as Developer, do hereby amend the Declaration of Covenants, Conditions and Restrictions and Design Guidelines for Ironwood, recorded October 17, 2002, as Document No. 3196399, records of the Clerk and Recorder of Yellowstone County, Montana, (The Declaration), to add the following described real property to the provisions of said Declaration:

All lots in Ironwood Estates Subdivision, Second Filing, except Lot 14, Block 6, according to the official plat thereof on file and of record in the office of the Clerk and Recorder of Yellowstone County, Montana.

Upon recordation of this Amendment in the office of the Clerk and Recorder of Yellowstone County, Montana, all of the real property described above, except Lot 14, Block 6, shall be subject to the provisions of the Declaration, which provisions shall run with the land and be binding upon the owners of each of said lots, their heirs, successors and assigns, as provided in the Declaration. Lot 14, Block 6 of Ironwood Estates Subdivision, Second Filing, is not subject to the provisions of the Declaration, identified above.

In all other respects the Declaration of Covenants, Conditions and Restrictions and Design Guidelines for Ironwood shall remain as written.

This Amendment is recorded pursuant to the provisions of Article 2 of the Declaration.

DATED this 28 day of October, 2004.

REGAL LAND DEVELOPMENT, INC.

By: [Signature]
Its: Daniel Wells, President

GUNDRIDGE LLC

By: [Signature]
Its: _____



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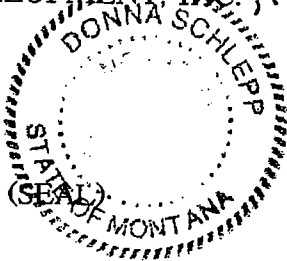
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STATE OF MONTANA

County of Yellowstone

)
: ss.
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This instrument was acknowledged before me on Oct 22, 2004, by
Daniel J. Schlep, as Owner of REGAL LAND
DEVELOPMENT, INC., PRESIDENT



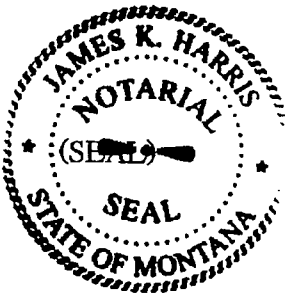
Donna Schlep
Donna Schlep
(print or type name of notary)
Notary Public for the State of Montana
Residing at Billings, Montana
My Commission Expires March 3, 2008

STATE OF MONTANA

County of Yellowstone

)
: ss.
)

This instrument was acknowledged before me on OCT 28, 2004, by
Shane Gundlach, as _____ of GUNDRIDGE LLC.



James K. Harris
JAMES K. Harris
(print or type name of notary)
Notary Public for the State of Montana
Residing at Billings, Montana
My Commission Expires 10/28, 2004



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SUBDIVISION IMPROVEMENTS AGREEMENT IRONWOOD ESTATES SUBDIVISION, SECOND FILING

THIS AGREEMENT is made and entered into this 25th day of October, 2004, by and between **REGAL LAND DEVELOPMENT, INC.**, P.O. Box 80445, Billings, Montana 59108, hereinafter referred to as "Subdivider," and the **CITY OF BILLINGS, MONTANA**, a municipal corporation, c/o City Hall, Billings, Montana 59101, hereinafter referred to as "City."

WITNESSETH:

THAT WHEREAS, a Preliminary Plat of an area known as Ironwood Estates Subdivision, Second Filing, hereinafter referred to as the "Subdivision," was submitted to the Yellowstone County Board of Planning, which recommended its approval to the City Council of the City of Billings, subject to certain recommendations; and

WHEREAS, at a regular meeting held on 12th day of April, 2004, the City Council approved, subject to certain conditions of the Yellowstone County Board of Planning and City Council, a Preliminary Plat of an area to be known as Ironwood Estates Subdivision, Second Filing; and

WHEREAS, a Subdivision Improvements Agreement is required between the City and the Subdivider prior to the approval of the Final Plat by the City.

NOW, THEREFORE, the parties to this Agreement, for and in consideration of the mutual promises herein contained and for other good and valuable consideration, do hereby agree as follows:

1. The provisions of this Agreement shall be effective and applicable to Ironwood Estates Subdivision, Second Filing, upon the filing of the Final Plat thereof in the office of the Clerk and Recorder of Yellowstone County, Montana.
2. Subdivider has requested and the City hereby grants the following variances by the City Council from the strict interpretation of the City Subdivision Regulations as listed in Billings, Montana, City Code, BMCC:

BMCC CODE SECTION

- 23-601(k) requiring a collector street right-of-way width of 80 feet, to provide a 60-foot width.
- 23-601(k) requiring a collector street width of 49 feet from back of curb to back of curb, to provide a 28-foot asphalt concrete surface, plus 2-foot concrete ribbons each side.



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- 23-601(k) requiring a local residential street width of 37 feet from back of curb to back of curb, to provide a 28-foot asphalt concrete surface, plus 2-foot concrete ribbons each side with an 8-inch wide white shoulder stripe to separate two 11-foot travel lanes from shoulders.
 - 23-601(k) requiring a cul-de-sac, serving less than 10 living units and of limited length; width of 29 feet from back of curb to back of curb, to provide a 24-foot asphalt concrete surface, plus 2-foot concrete ribbons.
 - 23-702(e) requiring standard integral curb and gutter to be placed on collector streets, and standard or drive-over curb to be placed on residential streets, to provide a 2-foot concrete edge ribbon.
 - 23-703(a) requiring sidewalks on both sides of all streets, to provide on and off street corridors, (for bicycle and pedestrian usage), accessing all parks and on street sections herein listed above. All pedestrian facilities shall be designed to be compliant with applicable ADA Standards
3. Subdividers hereby agree to construct the following improvements as required and in conformance with the City of Billings Subdivision Regulations:
- A. STREETS
- (1) All streets shall be built to grade with a satisfactory sub-base, base coarse, and asphalt surface. The design cross-sections of said streets shall be submitted to, and approved by, the City of Billings Public Works Department.
 - (2) *Interior Sidewalks.* Standard sidewalks, curbs, and gutters within the Subdivision will not be installed except for the length of Ironwood Drive, which shall include 5-foot curvilinear sidewalk, to be separated from the road surfacing and running along the north side of the road right-of-way. Pedestrian/bike paths as well as hard and rural surface trails shall be constructed in the linear park area in lieu of sidewalks throughout the remainder of the Subdivision. All trails shall be designed to support vehicle loads as may be anticipated. In areas where City utility maintenance vehicles are anticipated, the trail shall be a minimum of ten feet wide.
 - (3) *Street Name Signs.* Street name signs for streets within the Subdivision, or located immediately adjacent thereto, shall be



furnished and installed in accordance with the specifications of the City of Billings Public Works Department.

- (4) *Traffic Signals.* No traffic signals are anticipated for this Subdivision.
- (5) *Traffic Control Devices.* The Subdivider shall furnish and install all necessary traffic control devices in accordance with the Manual of Uniform Traffic Control Devices and approved by the City of Billings Public Works Department.
- (6) Improvement Maintenance Districts shall be created by the Developer which shall include, but not be limited, to the maintenance of all common areas including signage, trail surfacing, weed control, drainage detention, snow removal for trails and appurtenances throughout all Public Parks.
- (7) A Traffic Accessibility Study has been completed for the Subdivision. All required improvements and permits identified therein shall be completed by the Developer at Developer's expense. These are more specifically identified as follows:
 - a. Ironwood Estates Subdivision will compose 13.8 percent of the total projected traffic at the Rimrock Road – Shiloh Road intersection. Based on this the Developer shall make a mitigation contribution not to exceed \$23,000.00 for the improvements at this location. Said contribution to be paid in installments with each phase. The installment percentage shall be determined by taking the ratio of the total lots in the filing to the total lots in the Master Plan. The total contribution for this item for Second Filing is $(111 \div 326) 23,000.00 = \$7,831.29$.
 - b. Ironwood Estates Subdivision will impact the Rimrock Road – Zimmerman Trail intersection. As the 32nd Street Extension Project is proceeding, the Developer shall make a mitigation contribution, not to exceed \$10,000.00 for the improvements at this location. Based on the above calculations methods, the total contribution for Second Filing is \$3,404.91.
 - c. Ironwood Estates Subdivision will compose 38 percent of the impact to the Rimrock Road – 54th Street West intersection. The Developer shall make a mitigation



contribution, not to exceed \$24,700.00 for the improvements at this location. Based on the above calculation methods, the total contribution for Second Filing is \$8,410.13.

- (8) Street light installation is not anticipated at this time. Street lights shall be included in the Waiver for construction of same in the future. Said Waiver shall include also a Maintenance District for street light energy, and the maintenance of future street lights.
- (9) No construction in or alteration of the drainage swales throughout the Subdivision shall be allowed, unless by specific right-of-way permit issued by the City of Billings. This shall include but not be limited to landscaping, irrigation systems, and drive approaches.
- (10) Mailboxes shall be located individually at each residence at a location which places the front opening of the mailbox a distance of 6 inches behind the 2-foot concrete ribbon.
- (11) An emergency access road along Bushwood Drive crosses the Cove Creek drainage to the south of the Subdivision. The emergency access road shall be designed to a minimum unobstructed surface width of not less than 20 feet and shall be constructed to adequately support a 40-ton vehicle with a surface so as to provide all weather driving capabilities. Gates or other approved barricades shall be required at either end of the road to restrict through traffic. A sign shall be fixed to each gate in a conspicuous manner. The sign shall read "EMERGENCY ACCESS ONLY" using red letters not less than 2 inches wide and 6 inches high on a white reflective background.

A cross-sectional design of the road including location, section, surfacing, and drainage, and design of gates or barriers shall be submitted to and approved by the Billings Fire Department and the City Engineer's office prior to actual construction. The storm drainage design shall account for a 10 year storm event with no encroachment of the travel way.

The emergency access improvements will be financially secured in Phase I of the Ironwood Estates Second Filing. Twenty-two (22) lots will be secured in Phase I, however the City of Billings will not approve more than twenty (20) building permits in Ironwood Estates Second Filing until the emergency access road



improvements have been completed and accepted by the City of Billings Engineering Division.

B. UTILITIES

- (1) *Water and Sewer Service.* Subdivider will install, at its expense, water and sanitary sewer mains or services within and/or adjacent to the Subdivision to serve the lots therein. Said mains or services will be connected to existing mains at appropriate places, sizes, locations, and standards as approved by the City Engineer and shall be installed in conformance with the design standards, specifications, rules and regulations of the City of Billings and the Montana State Department of Environmental Quality.

Improvements noted herein shall include but not be limited to any and all interim improvements that may be deemed necessary due to phased or partial construction.

- (2) *System Development Fees.* The Subdivider acknowledges that the Subdivision shall be subject to applicable System Development Fees in effect at the time new water and/or sewer service connections are made.
- (3) *Other Facilities.* All telephone, gas, electrical power, and cable television lines shall be placed or in designated easements outside of the right-of-way and shall be installed underground prior to surface improvements. The location of all such facilities shall be subject to approval of the City Engineer.
- (4) *Wastewater – Interior and Local Mains Construction Fee.* It is acknowledged that the properties subject to this Subdivision Improvements Agreement shall be subject to wastewater - interior and local mains construction fee in effect at the time service extension is requested. All fees paid to the Utilities Division are subject to a franchise fee.
- (5) *Water – Interior and Local Mains Construction Fee.* It is acknowledged that the properties subject to this Subdivision Improvements Agreement shall be subject to water – interior and local mains construction fees in effect at the time service extension is requested. All fees paid to the Utilities Division are subject to a franchise fee.



- (6) The Subdivision Improvements Agreement does not constitute an approval of extension of or connection to water mains and sanitary sewers. The property owner shall make application for extension/connection of water and sanitary sewer to the Public Works Department. The extension/connection to water and sanitary sewer is subject to the approval of the applications and the conditions of approval. Applications will need to be submitted for processing prior to review and approval of project plans and specifications and the start of construction. Water and wastewater – interior and local mains construction fees, in effect are due at the time of submittal of the extension applications.
- (7) The boundaries of pressure zones #4 and #4½ run through the Ironwood Estates Subdivision. Until a mutually agreeable site for new water reservoirs are identified and agreements are in place for its construction, all future phases of construction within the Subdivision are subject to approval by the City Engineer's office.
- (8) Purchasers of lots should note that because of the change in pressure zones and until the new storage facilities are constructed (design in 2005 and construction in 2006), water pressures may be low and require individual booster pumps, which would be installed at the homeowner's expense.
- (9) Water line shall be installed in Molt Road adjacent to Lot 14, Block 6, at the time of development of said lot.

C. STORM DRAIN SYSTEM

Storm drainage and surface flow shall be provided by a combination of surface drainage, storm piping, swales to natural drainageways and detention created in drainways within the park. The sizing and location of swales and drainage paths will be subject to review and approval by the Engineering Department and in conformance with the *Stormwater Management Manual*. A storm drainage master plan report has been developed for this Subdivision.

The Storm Drainage Master Plan has been approved by the City Engineer's office and includes driveway culvert sizes.

Should at such time in the future, the storm detention/retention basin located along and to the south of Autumnwood Drive no longer be required for such purposes, the property shall revert to the ownership of the developer, his heirs, or assigns.



D. SURVEY MONUMENTS

Survey monuments shall be installed as required by the City of Billings and the Montana Subdivision and Platting Act.

E. PARKS

There are platted several large public parks both aggregate and linear throughout the Subdivision that shall remain in a natural or improved state. A park development plan detailing level, type, and timing of improvements contemplated in this filing has been prepared and submitted to the City Council for approval.

Maintenance of the common public park improvements will be accomplished by the establishment of a maintenance district for such purposes. The improvements shall be installed as approved by the City of Billings Public Works Department and Parks Department.

Installation of walkways, trails, landscaping, irrigation, and signage in the public park areas designated in Ironwood Estates Subdivision, First Filing, shall be completed or monetarily secured prior to filing of the final plat for Ironwood Estates Subdivision, Second Filing.

4. Owners of lots within this Subdivision shall be advised that in accordance with the 1972 Yellowstone County Soil Survey, there exists the potential for variable soils conditions within this Subdivision area. Assessment and mitigation of these conditions, if necessary, shall be the responsibility of the lot owner.
5. Owners of lots within this Subdivision shall be advised that in accordance with FEMA Panels 865 and 845 of 1,400, there exists floodplain data for the Cove Creek drainage. There is the potential for flooding within this Subdivision and any assessment or mitigation of these conditions, shall be the responsibility of the Owner.
6. The City of Billings Public Works Department will issue permits for approaches to all rights-of-way, and building permits prior to completion of all improvements in the dedicated rights-of-way, if the required public improvements outlined herein are secured by an irrevocable Letter of Credit or a Letter of Commitment to lend funds from a commercial lender or an acceptable escrow account and agreement has been established, the private contract documents have been submitted and approved and the Final Plat has been submitted.
7. Improvements may be installed by the Subdivider in the future in one or more phases. The Subdivider agrees not to sell or convey any lots in the Subdivision until such time as a special improvement district is created and the bonds sold or a



private contract has been executed and necessary funding guarantees have been provided for the construction and installation of the public improvements to serve said lots. The Subdivider acknowledges that no building permits will be issued in a phase until the special improvement district has been created and the bonds sold or the private contract has been executed and the funding guarantee is in place. Occupancy permits will not be issued for any lots until the improvements have been accepted and approved by the City of Billings. As used herein, a phase of construction shall mean that amount and extent of required improvements to serve each lot intended to be developed and sold within the said phase boundary.

8. As described, the improvements referred to herein shall be installed by utilizing the mechanics of special improvement districts and/or by private contracts, which shall be secured by cash in escrow, letter of credit, or a letter of commitment to lend funds from a commercial lender in accordance with the City of Billings Subdivision Regulations. In the event the Subdivider fails to install or construct such improvements or fails to finance in another satisfactory manner at the time performance is due, the City may initiate the creation of special improvement district or districts, and shall be entitled to rely on the waiver in connection with creation of said districts.

As used herein, the Phase I lots to be served by the initial private contract are more particularly described as follows:

Lots 20 through 30, inclusive, in Block 5; Lot 1 in Block 8; Lots 1 through 5, inclusive, in Block 9; and Lots 14 through 18, inclusive, in Block 10; all in Ironwood Estates Subdivision, Second Filing, in the City of Billings, according to the official plat on file in the office of the Clerk and Recorder of Yellowstone County, Montana (22 lots total).

As used herein, the Phase II lots to be served by a private contract are more particularly described as follows:

Lots 2 through 18, inclusive, in Block 8; Lots 6 through 17, inclusive, in Block 9; Lots 9 through 13, inclusive, in Block 10; and Lots 2 through 3, inclusive, in Block 12, all in Ironwood Estates Subdivision, Second Filing, in the City of Billings, according to the official plat on file in the office of the Clerk and Recorder of Yellowstone County, Montana (36 lots total).

As used herein, the Phase III lots to be served by a private contract are more particularly described as follows:

Lots 77 in Block 1; Lots 1 through 8, inclusive, in Block 10; Lots 1 through 19, inclusive, in Block 11; and Lots 4 through 30, inclusive, in Block 12; all in Ironwood Estates Subdivision, Second Filing, in the City

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of Billings, according to the official plat on file in the office of the Clerk and Recorder of Yellowstone County, Montana (53 lots total).

Included herewith is a Declaration of Restriction on Transfers and Conveyances which notifies all third parties that said lots may not be legally sold, conveyed, or transferred until a Release executed by the City of Billings and substantially in the form in Exhibit A attached hereto has been recorded in the office of the Clerk and Recorder of Yellowstone County, Montana. No lots shall be released until a Certificate completed in the form of Exhibit B attached hereto has been executed by the Department of Public Works stating that above conditions have been met, which Certificate must accompany any request for a release. By the acceptance and recording of the agreement, the City of Billings does hereby authorize the Department of Public Works, the Mayor, and the City Clerk of the City of Billings to review any request for release and to execute such Certificates and Releases as may be necessary to evidence a release from the restriction against sale, conveyance, and transfer of lots in the subdivision.

The foregoing provisions shall not restrict the Subdivider's right to sell and convey, as one unit, all lots in the subdivision, nor shall the requirements for installation of improvements become effective as a result thereof, provided, however that such sale shall be subject to the restrictions herein provided against the transfer of individual lots until the conditions set forth above have been met.

9. Subdivider agrees to notify the City of Billings Public Works Department of the date and hour construction is anticipated to begin on the required improvements and to keep same informed of the progress of construction. If the construction is stopped for any other reason than overnight, holidays and weekends, the Subdivider agrees to notify the City of Billings Public Works Department of stoppage. Further, Subdivider agrees to notify the City of Billings Public Works Department not less than four (4) hours before construction is scheduled to resume.
10. While the improvements are being constructed hereunder, the construction site shall be kept free and clear of all unsightly accumulation of rubbish and debris, and the public shall be protected by the use and maintenance of sufficient and proper barricades, lights, and related construction items as specified in the Manual of Uniform Traffic Control Devices during the course of construction.
11. Subdivider agrees to guarantee all improvements for a period of one year from the date of final acceptance by the City of Billings Public Works Department.



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12. The Subdivider agrees to provide for any necessary adjustments or alterations to existing improvements caused by the installation of required improvements, without cost to the governing body.
13. The Covenants, Agreements, and all statements in this Agreement shall run with the land and shall be binding on the heirs, personal representatives, successors, and assigns of the respective parties.
14. In the event it becomes necessary for either party to this Agreement to retain an attorney to enforce any of the terms or conditions of this Agreement or to give any notice required herein, then the prevailing party or the party giving notice shall be entitled to reasonable attorney fees and costs.
15. Any amendments or modifications of this Agreement or any provisions herein shall be made in writing and executed in the same manner as this original document, and shall after execution become a part of this Agreement.
16. The owners of the properties involved in this proposed Subdivision by signature subscribed herein below agree, consent, and shall be bound by the provisions of this Agreement.
17. Subdivider shall comply with all applicable federal, state and local statutes, ordinances and administrative regulations during the performance and discharge of its obligations. Subdivider acknowledges and agrees that nothing contained herein shall relieve or exempt it from such compliance.

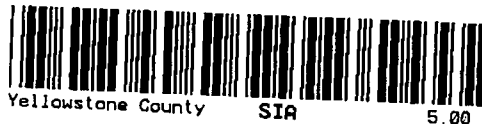
IN WITNESS WHEREOF, the parties have set their hands and seal the day and year first above written.

"SUBDIVIDER"

REGAL LAND DEVELOPMENT, LLC

By: *David L. Bell*

Its: *President*

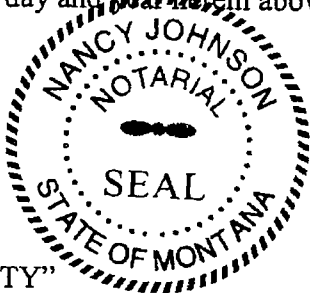


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STATE OF MONTANA)
: SS
County of Yellowstone)

On this 1st day of October, 2004, before me, a Notary Public in and for the State of Montana, personally appeared Nancy Johnson, known to me to be the President of REGAL LAND DEVELOPMENT, LLC, the person who signed the foregoing instrument and acknowledged to me that he/she executed the same. Witness my hand and seal the day and year herein above written.



"CITY"
THE CITY OF BILLINGS
MONTANA



Nancy Johnson
Notary Public in and for the State of Montana
Printed name: NANCY JOHNSON
Residing at: Billings MT
My commission expires: 5 Sep 2008

By: Charles F. Truett
Mayor

Attest: Marita Nessel
City Clerk

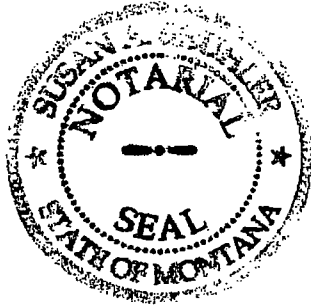


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STATE OF MONTANA)
 : ss
County of Yellowstone)

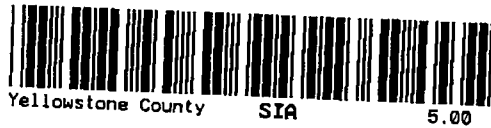
On this 25th day of October, 2004, before me, a Notary Public in and for the State of Montana, personally appeared Charles F. Tooley, and Marita Herold, known to me to be the Mayor and City Clerk, respectively, of the City of Billings, Montana, whose names are subscribed to the foregoing instrument in such capacity and acknowledged to me that they executed the same on behalf of the City of Billings, Montana.



Susan A. Shuhler
Notary Public in and for the State of Montana
Printed name: Susan A. Shuhler
Residing at: Bridger
My commission expires: 3/28/2005

Approved as to form:

Brent Brooks
City Attorney



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WAIVER OF RIGHTS TO PROTEST

FOR VALUABLE CONSIDERATION, the undersigned, Owner of the hereinafter described real property, does hereby waive the right to protest the formation of one or more Rural Special Improvement District (RSID), or Special Improvement District (SID), for the construction, and/or maintenance of streets, concrete ribbons, walkways, driveways, park improvements, survey monuments, street name signs, street lights, street light energy and maintenance, traffic control devices on-site and off-site as determined by an overall traffic accessibility study, sanitary sewer lines, water lines, valley gutters, culverts, storm sewer lines, if any, either within or without the area hereinafter described and other incidental improvements which the City of Billings may require.

The Waiver and Agreement shall run with the land and shall be binding upon the undersigned, its successors and assigns, and shall be recorded in the office of County Clerk and Recorder of Yellowstone County, Montana.

The real property hereinabove mentioned is more particularly described as follows, to-wit:

All of Ironwood Estates Subdivision, Second Filing, according to the plat thereof on file and of record in the office of Clerk and Recorder of Yellowstone County, Montana

WAIVER signed and dated this 1st day of October, 2004.

"SUBDIVIDER"

~~REGAL LAND DEVELOPMENT, INC.~~

By:

Its:

STATE OF MONTANA)
 : ss
County of Yellowstone)

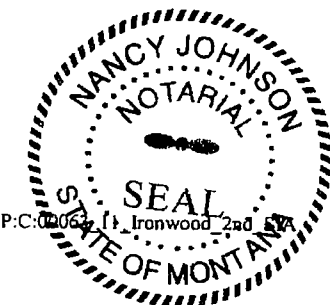
On this 15th day of October, 2004, before me, a Notary Public in and for the State of Montana, personally appeared Wesley Woods, known to me to be the President of REGAL LAND DEVELOPMENT, LLC, the person who signed the foregoing instrument and acknowledged to me that he/she executed the same. Witness my hand and seal the day and year herein above written.

Notary Public in and for the State of Montana

Printed name: NANCY JOHANSEN

Residing at: Bellingham MT

My commission expires: 5 Dec 2008



WAIWER - 1

(08-20-04) jnp



**SUPPLEMENTAL RESTRICTIVE COVENANTS
IRONWOOD ESTATES SUBDIVISION, SECOND FILING**

REGAL LAND DEVELOPMENT, INC., a Montana corporation (the "Developer"), being the owner of that certain real property located in Yellowstone County, Montana, more particularly described as follows, to wit:

Lots 14 through 21 and Lot 30, Block 12, and Lot 77, Block 1, Ironwood Subdivision, Second Filing, Billings, Yellowstone County, Montana, according to the official plat thereof, on file and of record in the office of the Clerk and Recorder of Yellowstone County, Montana, under Document No. 3309802;

(the "Subdivision"), declares as follows:

WHEREAS, the Developer intends that the lots and common elements of the Subdivision be developed, sold, and improved pursuant to a common plan of development, and Developer desires to place covenants and restrictions upon the Subdivision for the benefit of the respective lot owners of the Subdivision and for the benefit of the owners of the other lots and parcels located in the various phases and filings of Ironwood Estates Subdivision, including all of the lots identified in Ironwood Estates Subdivision, First Filing, Yellowstone County, Montana according to the official plat thereof on file and or record in the office of the Clerk and Recorder of Yellowstone County, Montana, under Document No. 3196396 (the "First Filing"), and all of the lots identified in Ironwood Estates Subdivision, Second Filing, Yellowstone County, Montana, according to the official plat thereof on file and or record in the office of the Clerk and



Recorder of Yellowstone County, Montana, under Document No.
3309802, (the "Second Filing"); and

WHEREAS, Developer desires to protect the Subdivision and other phases of the Ironwood Estates Subdivision, including the First Filing and Second Filing from unplanned ingress and egress caused by the use of any lot of the Subdivision as an access-way for vehicular traffic.

NOW, THEREFORE, the undersigned hereby declares that the Subdivision shall be held, sold, and conveyed subject to the following restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of the Subdivision, and for the purposes described above.

The covenants, restrictions, and conditions herein contained shall run with the land and shall be binding on the present Developer and on all parties and persons claiming under Developer, including the owner of any Lot located in the Subdivision.

The Grantees of any Lot, by acceptance of a conveyance, covenant, and agree faithfully to observe and abide by all of said conditions, covenants, and restrictions.

DEFINITIONS

The definitions set forth in the Declaration of Covenants, Conditions and Restrictions and Design Guidelines of Ironwood, filed for record in the office of the Clerk and Recorder in and

for Yellowstone County, Montana, under Document 3196399 ("Ironwood Restrictions"), together with any subsequent amendments to the Ironwood Restrictions shall apply to these Supplemental Restrictive Covenants of Ironwood Estates Subdivision, Second Filing (the "Supplemental Restrictions").

USE RESTRICTIONS

These Supplemental Restrictions supplement and are in addition to the conditions, declarations and restrictions imposed on each Lot of the Subdivision by virtue of the Ironwood Restrictions or any subsequent amendment to these Supplemental Restrictions.

Each Lot shall be utilized as a residential lot for the construction of a Structure, in compliance with the provisions of the Ironwood Restrictions. No Lot in the Subdivision shall be utilized for the purpose of providing an access way or roadway for motorized vehicular traffic ingress or egress to, from, or across the First Filing or, to, from, or across the Second Filing. No Lot, or any portion of a Lot, may be used for construction of a road to neighboring property without the express written consent of the Developer.

RIGHT TO ENFORCE

The restrictions herein set forth shall run with the land and bind the present owners, their heirs, devisees, trustees, and assigns; and any and all parties claiming by, through or under



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them, shall be taken to hold, agree, and covenant to conform to and observe the Supplemental Restrictions imposed herein. The provisions of these Supplemental Restrictions shall be enforced by the Developer, or his assigns.

AMENDMENT

These Supplemental Restrictions shall be amended only by the Developer.

DATED this 8th day of February, 2006.

DEVELOPER

Regal Land Development, Inc.
a Montana corporation

By: [Signature]
Daniel W. Wells, President

STATE OF MONTANA)
 : ss.
County of Yellowstone)

This instrument was acknowledged before me on the 8th day of February, 2006, by Daniel W. Wells, President of Regal Land Development, Inc., a Montana corporation.



[Signature]
Printed Name: STEWART KIRKPATRICK
Notary Public for the State of Montana
Residing at Billings, MT
My Commission Expires: May 29, 2008
(month, day, and four-digit year)