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DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS
AND
DECLARATION OF HOMEOWNERS ASSOCIATION AND COMMON AREA

THIS DECLARATION, Made this 12 day of December, 1974,
by G. GEORGE OSTROM, Trustee of Kalispell, Montana, hereinafter called the
"Declarant:"

WITNESSETH:

WHEREAS, Declarant is the owner of the real property hereinafter
described and is desirous of subjecting said real property to the conditions,
covenants and restrictions hereinafter set forth, each and all of which is and are
for the benefit of said property and for each owner thereof which shall inure to
the benefit of and pass with said property and each and every parcel thereof and
shall apply to and bind the successors in interest and any owners thereof;

NOW, THEREFORE, the Declarant being the owner of all of said property
and having established a general plan for the improvement and development of
said property does hereby establish the conditions, covenants and restrictions
upon which and subject to which all lots and portions of lots within said subdivision
shall be improved or sold and conveyed by it as owner and hereby declare that
said property is and shall be held, transferred, sold and conveyed subject to the
conditions, covenants and restrictions hereinafter set forth are to run with the
land and shall be binding upon all successors in interest of the Declarant.

1. Description- The real property which is and shall be held shall be
conveyed, transferred and sold subject to the conditions, covenants and restrictions
of this Declaration is located in the County of Flathead, State of Montana, and is
more particularly described as follows:

Slippery Bill Mountain subdivision Unit No. 1 according to the maps
or plat thereof on file and of record in the office of the County Clerk
and Recorder of Flathead County, Montana.

2. Definitions-

a. "Association" shall mean the Slippery Bill Mountain Homeowners
Association, its successors and assigns.

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b. "Owner" shall mean the record owner of a fee simple title to any lot which is a part of the properties and shall also include contract buyers.

c. "Properties" shall mean that certain real property described hereinabove and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

c. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

3. Purpose- The real property described in paragraph 1 hereof is subjected to the conditions, covenants and restrictions hereby declared to insure the best use and the most appropriate development and improvement of each building site thereof; to protect the owners of building sites against such improper use of surrounding building sites as will depreciate the value of their property; to preserve so far as is practicable the natural beauty of said property, to guard against the erection thereon of structures built of improper or unsuitable material; to insure the highest and best development of said property; to encourage and secure the erection of attractive homes thereon with appropriate locations; to secure and maintain property setbacks from streets and adequate free space between structures, and, in general to provide adequately for a high quality of improvements on said property and thereby to enhance the values of improvements made by purchasers of building sites therein.

4. Use- The premises may be used only for single family residences, except for those exceptions indicated and approved by the Association. No lot shall be subdivided in any manner except as approved by the Association. No waste shall be committed upon any parcel which would materially affect the value of adjoining lands. All timber cutting shall be controlled by the Association.

5. Dwelling Size- No dwelling shall be permitted on any lot ground floor area of which exclusive of basements, porches and garages is less than the minimum square footage which may be established from time to time by the Association.

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6. Dwelling Construction and Location- All dwellings shall be constructed on the site and located with the approval of the Association. Once construction is started, it shall be substantially completed within 12 months.

7. Nuisances- No noxious or offensive activities shall be carried on upon any building site, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

8. Temporary Structures- No structure of a temporary character, trailer, basement, tent, shack, garage or barn shall be located upon building site except as shall be authorized and approved by the Association, except however, that an owner may spend not to exceed one month in a camper or trailer on their lot each year on a temporary basis prior to and without the authorization and approval of the Association.

9. Signs- No signs, billboards or advertising devices of any kind shall be displayed to the public view on any building site except for one sign of not more than five square feet advertising the property for sale or rent or such signs used by a builder to advertise the property during the construction and sales period.

10. Livestock and Poultry- No animals, livestock or poultry of any kind shall be raised, bred or kept on any building site except dogs, cats or other household pets and horses may be kept, provided that they are not kept, bred or maintained for any commercial purposes, or allowed to become a nuisance to wildlife or other property owners.

11. Garbage and Refuse Disposal- No building site shall be used or maintained as a dumping ground for rubbish, trash, garbage or waste, and shall not be kept except in sanitary containers. All incinerators or other such equipment storage disposal for such material shall be kept in clean and sanitary condition. Garbage receptacles shall not be visible from any roads.

12. Sewage Disposal- No individual sewage disposal system shall be permitted on any lot unless such system is designed, located and constructed in accordance with the requirements, standards and recommendations of the Montana State Board of Health, and the Flathead County Sanitarian and other local authorities.

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13. Property Rights- Every owner shall have a right and easement of enjoyment in and to the Common Area; which shall be appurtenant to and shall pass with the title to every lot subject to the following provisions:

a. The right of the Association to charge reasonable admission and annual maintenance fees for the use of any recreational facility situated upon the Common Area and for the care, maintenance and improvement of the Common Area;

b. The right of the Association to suspend the voting rights and the right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of its published Rules and Regulations;

c. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes, and subject to such conditions as may be agreed to;

d. Any owner may delegate his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

14. Membership and Organization- Every owner of a lot which is subject to assessment for the care and maintenance of the Common Area shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

15. Homeowners Association- In order to effectively administrate and operate the Common Area, there is hereby established the Homeowners Association of Slippery Hill Mountain Unit No. 1.

All members shall be entitled to one vote for each lot in which they hold the interest required for membership. When more than one person holds such interest in any lot, the vote for such lots shall be exercised as such persons among themselves determine, but in no event shall more than one vote be cast with respect to any lot. The Declarants shall be entitled to one vote for each lot in which they hold the interest required for membership.

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The applicable rules and regulations of the Homeowners Association of Slippery Hill Mountain Unit No. 1 and the administration of the Homeowners Association shall be promulgated and vested in officers of the Homeowners Association which shall consist of a President, Vice President and Secretary-Treasurer, all of whom shall be individually elected by a majority vote of the members of the Association. In addition to promulgating and establishing operating rules and regulations to effectuate the purposes of the Homeowners Association and to administer the Common Area, the officers of the Homeowners Association shall have the following duties:

President: The president shall have the duty to collect promptly all monies agreed to be paid by the parties of this agreement, and any other levies and charges that may hereinafter be decided upon by a majority of the parties. He shall have the duty to pay from such proceeds all proper obligations in connection with the maintenance and operation of the Common Area and all subsequent operation expenses. He shall render annually a record of all monies received and all monies paid out, and shall be ready and willing to answer any and all inquiries of any party regarding the same. The president shall oversee the construction of the Common Area, its future expansion and maintenance and any and all repairs. Matters involving major expenditures of monies shall be decided by a majority vote of the owners.

Vice President: The vice president shall assume the duties of the president in event the president is absent, refuses to act or is unable to act. In such case, a special election may be held to elect a new president.

Secretary-Treasurer: The secretary-treasurer shall have the responsibility of keeping minutes of meetings of the members of the Homeowners Association, to handle the correspondence of the association, and to keep records and accounts of the income and expenses of the association.

Collectively the officers shall act as a Board of Directors to carry out all other duties and responsibilities of the Homeowners Association enumerated herein.

The first officers of the association shall be:

President	<u>G. George Ostrom</u>
Vice President	<u>David Miller</u>
Secretary-Treasurer	<u>Dean K. Marquardt</u>

and these officers shall hold office until their successors have been duly elected by a majority vote of the parties hereto. Meetings shall be held at least annually

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on a five-day written notice to all members of the association and the first meeting shall be held on the 20 day of December, 19 74.

16. Assessments- The Declarant for each lot owned within the properties by the Declarant hereby covenants and each owner of any lot by acceptance of the deed therefor whether or not it shall be so expressed in such deed is deemed to covenant and agree to pay to the Association annual assessments or charges and special assessments for capital improvements; such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the properties and for the improvement and maintenance of the Common Areas. No special assessments for capital improvements in the Common Areas shall be levied unless two-thirds (2/3) of the members of the Association shall vote for such special assessment. The maximum amount of annual assessments shall be as fixed by the Association. The Board of Directors shall fix the amount of the annual assessment against each lot not later than May 31 each year. Written notice of the annual assessments shall be sent to every owner subject thereto; and any assessment not paid by July 1 of each year shall bear interest from that date at the rate of six percent (6%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of his lots.

17. Architectural Control- No building, fence, wall, or other structure shall be commenced, erected or maintained upon the properties, nor shall any addition to or change or alteration therein be made, nor shall any of the native vegetative growth be destroyed or removed until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to the harmony of external design and location in relation to surrounding structures and topography and native

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vegetation by the Association. In the event said Association fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this article will be deemed to have been fully complied with. All improvements, construction, reconstruction, alterations, remodeling, or any activity requiring the approval of said Association must be completed in substantial compliance with the plans and specifications initially approved by the Association.

18. Conveyance of Common Area- Declarants intend that the Association shall be the legal and equitable owner of the Common Area. All development and improvements of and to the Common Area shall be made in consonance with the natural setting and existing conditions to the extent possible.

19. Enforcement- The Association, or any owner shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

20. Severability- Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any of the provisions which shall remain in full force and effect.

21. Amendment- The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive ten (10) year periods. This Declaration may be amended at any time by an instrument signed by not less than sixty percent (60%) of the lot owners, except that the Common Area cannot be put to other use except with the consent of the Flathead County Board of Commissioners.

22. Annexation- Additional residential property and Common Area may be annexed to the properties when such annexation has been approved by a majority of the Board of Directors of the Association.

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IN WITNESS WHEREOF, the undersigned, being the Declarant herein has hereunto set its hand and seal this 12th day of December, 1974.

G. George Ostrom
G. George Ostrom, Trustee
Trustee

STATE OF MONTANA
County of Flathead

Subscribed and sworn to before me this 12th day of December, 1974.



Larry O. Lee
Notary Public for the State of Montana
Residing at Helena
My Commission expires June 6, 1977

STATE OF MONTANA
County of Flathead
Filed for record at the request of _____
this 12 day of December, 1974, at 1:53 o'clock P. M. and
Recorded in Vol. 576 Records of Flathead County, State of
Montana, on page 509
11923 *Murdyn Taborsky*
By *Donna* Clerk & Recorder
Returns to *Donna* Deputy

INDEXED	/
COPIED	/
COMPARED

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order to promote and enhance the value of all property within Slippery Bill Mountain Units No. 1 and 2 hereby affirms and acknowledges that the conditions, covenants and restrictions set forth in the December 12, 1974 Declaration as amended are renewed and continue to run with the land as provided by Paragraph 21 as amended.

IN WITNESS WHEREOF, Slippery Bill Homeowners Association execute this document the day and year first hereinabove written.

SLIPPERY BILL MOUNTAIN HOMEOWNERS ASSOCIATION

Gus Sand
By: AKA Gus Sand
Gus Sand, President

STATE OF MONTANA
County of Great Falls ss

On this 9th day of December, 1994, before me, the undersigned, a Notary Public for the State of Montana, personally appeared GUS SAND, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

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

(NOTARIAL SEAL)

Susan M. Hader
Notary Public for the State of Montana
Residing at Great Falls
My commission expires: 7-27-95

STATE OF MONTANA
County of Flathead ss

Recorded at the request of H.G. Guo Sand + Assoc.
this 15 day of December, 1994 at 2:05 o'clock AM and recorded in
the records of Flathead County, State of Montana.

Fee \$ 12 Pd. 94349 10050

RECEPTION NO. AKA
RETURN TO H.G. Guo Sand + Assoc
P.O. Box 6787 - Great Falls, Mt 59406
Susan M. Hader
Flathead County Clerk and Recorder
AKA
Deputy