

Amendment to Declaration of Protective Covenants,
Conditions, Restrictions and Easements for Arrow Hill
Homeowners Association, Inc.

Comes now, Carol Schwan, President of the Arrowhill Homeowners Association, representing 75% of the Lot owners who have voted and signed ballots to approve the following Amendment to the Arrowhill Protective Covenants, Conditions, Restrictions and Easements for Arrow Hill Homeowners Association, Inc., of P.O. Box _____, Hamilton, Montana, 59840 and on this _____ day of _____, 2013, and provides as follows.

1. The real property subject to this Amendment to Protective Covenants is located in Ravalli County, Montana and described as follows:

Arrow Hill Subdivision, Ravalli County, Montana, according to the official recorded plat thereof.

SUBJECT to any restrictions, reservations, exceptions or easements of record or apparent on the premises.

SUBJECT to State of Montana Department of Health and Environmental Sciences Certificate of Subdivision Plat Approval #2933 filed as document # _____, in the office of the Ravalli County Clerk and Recorder of Hamilton (Ravalli County) Montana.

SUBJECT to the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Arrowhill Homeowners Association Inc. as recorded in Book # 213 of Deeds, Page 43, in the office of the Ravalli County Clerk and Recorder of Hamilton (Ravalli County) Montana.

Section IV, paragraph, "Vehicle Parking". The purpose of the amendment is to ensure trailers are not visible from the street or adjacent neighbors' properties. The change provides for temporary placement of trailers to allow homeowners time to ready their trailers for vacations, entertain visitors, etc. but protects against long term accumulation of trailers.

2. The paragraph should be amended to read as follows:

Improvements on each residential lot shall provide for off-street parking and no motor vehicles shall be placed or parked so as to impede or obstruct pedestrians or vehicular traffic along any road easement within the Property. No heavy equipment shall be kept on the Property, except during periods of construction activity thereon, unless the same are kept in an enclosed building. All trailers, including but not limited to camp trailers, utility trailers, horse trailers, recreational vehicles, and boats may not be placed or parked on the Property, except in an enclosed building or screened from view of the street and adjacent neighbors, for a period exceeding two weeks.

Lot 101 Arrowhill
480 Saddle Ridge Rd
Hamilton MT 59840

393376
CLS

Proposed Changes to Arrowhill Protective Covenants

Dear Lot Owner,

In an effort to protect and enhance our Arrowhill property values, a change to the covenants was recently voted on by a 75% majority of lot owners. The following paragraph is a copy of the new amendment.

Section IV, paragraph 3 will be changed as follows:

“Vehicle Parking. Improvements on each residential lot shall provide for off-street parking and no motor vehicles shall be placed or parked so as to impede or obstruct pedestrians or vehicular traffic along any road easement within the Property. No heavy equipment shall be kept on the Property, except during periods of construction activity thereon, unless the same are kept in an enclosed building. All trailers, including but not limited to camp trailers, utility trailers, horse trailers, recreational vehicles, and boats may not be placed or parked on the Property, except in an enclosed building or screened from view of the street and adjacent neighbors, for a period exceeding two weeks.”

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This amendment is to be respected and applies immediately to all lot owners. The AHHA Board recognizes that some lot owners will need to plan for a structure or vegetative screen to house their recreational vehicles and keeps them from the view of the public. Some owners will have to submit plans to the Design Committee if it involves a structural change. Fall is a good time to plant a “vegetation” screen allowing one to take advantage of nursery sales.

The AHHA Board thanks you all for your participation in this process. Please call if you have any question.

Sincerely,

Carol Schwan
President
Arrow Hill Homeowners Association
1-406-363-2776

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Lot Carol Schwan
480 Saddle Ridge Rd
Hamilton MT 59840

C&S 393376

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Carol Schwan
President
Arrow Hill Homeowners Association
1-406-363-2776

STATE OF MONTANA
RECORDED APRIL 18, 1995 9:45AM BOOK 213 DEEDS
CLERK AND RECORDER BY

393376

1 OF 20 PAGES
PAGE 43
DEPUTY \$120.00

DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
ARROWHILL HOMEOWNERS ASSOCIATION, INC.

THIS DECLARATION is made this 11th day of April, 1995, by
HAROLD & MARILYN MILDENBERGER, of P.O. Box 633, Hamilton, Montana
59840, hereinafter called "Declarant".

R E C I T A L S:

Declarant makes this Declaration based upon the following
facts and intentions:

A. Declarant is the owner of the following described real
property located in Ravalli County, Montana:

See Exhibit "A" incorporated herein by this reference.
(specifically excluded from these covenants is the parcel
identified on the plat as "POND")

The above described property is hereinafter referred to as the
"Property".

B. Declarant plans to subdivide and develop the Property for
residential homesites and impose thereon beneficial protective
covenants under a general plan of improvement for the benefit of
such real property, every part thereof and interest therein.

NOW, THEREFORE, Declarant hereby declares that the Property
shall be held, sold, conveyed, encumbered, used, occupied and
improved subject to the following easements, restrictions,
covenants, liens, and conditions, all of which are in furtherance
of a uniform plan of development, improvement and sale of said real
property and are established for the purpose of enhancing the
value, desirability and attractiveness of the real property and
every part thereof. The easements, restrictions, covenants, liens,
and conditions hereof shall run with the real property and shall be
binding on and enforceable by all parties having or acquiring any
possessory right, title or interest in the described properties or
any part thereof, and shall be for the benefit of each owner of any
portion thereof and inure to the benefit of and be binding upon
each heir, successor, or assignee in interest of such owners.

Ret: Harold Mildenberger P.O. Box 633 Hamilton, MT 59840

SECTION I: DEFINITIONS

Association: shall mean the Arrowhill Homeowners Association, Inc., a Montana non-profit corporation, its successors and assigns.

Common Area: shall mean all real property shown on any recorded plat of the premises in which the Association owns an interest for the common use and enjoyment of all of the members. Said interest or interests may include, without limitation: estates in fee, estates for a term of years, or easements. The definition shall not include (1) any platted lot unless the Association is the owner thereof and (2) any property which has been dedicated to and accepted by any public authority or body which has assumed the obligation to maintain the same.

Lot: shall mean and refer to one or more of the separately designated and legally described freehold estates shown, numbered and designated on the recorded plat of Arrowhill Subdivision, and recorded in the office of the Clerk and Recorder of Ravalli County, Montana.

Structure: shall mean any construction erected or placed upon any lot, including but not limited to, parts of and additions to buildings, walls, fences and other enclosures, television and other antennas, walks and driveways.

Member: shall mean any person or entity holding membership in the Association pursuant to its articles of incorporation and its by-laws.

Owner: shall mean the record Owner (including without limitation the Declarant), whether one or more persons or entities, of the fee simple title to any lot or parcel of property except that (1) where a lot or parcel of property has been sold by Declarant on an installment sale basis pursuant to a security instrument, the buyer thereunder (provided he is not in default under said security instrument), and not the Declarant or Grantor, shall be deemed to be the Owner, and (2) the term Owner shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Immediate Family: shall mean husband, wife, son, daughter, father or mother, or brothers or sisters of the foregoing.

SECTION II: MEMBERSHIP & VOTING

1. Every Owner Shall Be a Member of the Association. Membership in the Association shall be appurtenant to and may not be separated from the ownership of any lot or parcel of property subject to assessment. Declarant shall be a member of the

Association so long as they have any voting right under this Article.

2. Voting Rights. The Association shall have two classes of voting memberships:

Class A. Class A members shall be all those members as hereinbefore defined, except the Declarant. Class A members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person or entity is the Owner of a Lot, the vote for such Lot shall be exercised as such persons among themselves determine, but in no event shall more than one (1) Class A vote be cast with respect to any Lot. If the common or joint owners do not unanimously agree on how to cast their vote, the Association, at its option, may refuse to recognize such vote.

Class B. The Declarant shall be the Class B member. The Declarant shall be entitled to three (3) votes for each Lot in which they hold the interest required for membership.

Single Class. The distinction between classes of membership shall terminate on the happening of the following event:

When the total outstanding votes in Class A membership equals the total outstanding votes in Class B membership.

When such distinction of classes shall terminate, all members shall be entitled to one (1) 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 Lot shall be exercised as such persons among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

3. Proxies. At any meeting of the members, a member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution. A proxy may be cancelled by notice executed by the member with like formality and directed to the Secretary. Proxies shall not be binding on purchasers of property from the grantor of the proxy.

SECTION III: ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any lot or parcel of property (including Declarant), by entering into an installment purchase of lot or parcel of property or by acceptance of a deed therefor, is hereby deemed to covenant and agree to pay to the Association: (a) annual assessments or charges, and (b) special assessments

for capital improvements for the benefit of all Owners, 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 such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall be the personal obligation of the person or persons who were the Owner of such property at the time when the assessment fell due.

2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents on the Property including, but not limited to improvement and maintenance of a common irrigation system, road and pathway maintenance and repairs until such time as said roads may be accepted for maintenance by a public authority, and expenses of enforcing the terms of this Declaration against violators. All invoices shall be itemized and funds collected for particular assessments, dues, and/or service charges shall be disbursed only in payment for expenses of such systems.
3. Time of Assessments. The Association Shall Make No Annual Assessments Until After _____, 1995. The amount of the annual assessments shall be fixed by a unanimous vote of the Board of Directors after due consideration of current maintenance costs and future anticipated needs of the Association.
4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purposes of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements for the benefit of all lot or parcel Owners, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of all of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose.
5. Notice and Quorum for Any Action Authorized Under Sections III, 3 and 4. Written notice of any meeting called for the purpose of taking any actions authorized under Section IV, 3 or 4 shall be sent to all members then entitled to voting rights not less than thirty days nor more than sixty day in advance of the meeting. At the first such meeting called, the presence of members or of the proxies entitled to cast fifty (50%) percent of all the votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting

shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

6. Uniform Rate of Assessment. Both annual and special assessments for members must be fixed at a uniform rate for all lots or parcels of property and may be collected on a monthly, quarterly or annual basis at the discretion of the Board of Directors of the Association.
7. Date of Commencement of Annual Assessments: Due Dates. The Board of Directors by unanimous vote shall fix the amount of the annual assessment against each lot or parcel of property at least thirty days in advance of each annual assessment. Written notice of the annual assessment shall be sent to every owner or member subject thereof. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.
8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate of ten (10) per cent per annum and said assessment together with interest thereon, shall become a continuing lien on the lot which shall run with the land. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. As a part of any such proceeding the Association shall be entitled to reimbursement of all costs of collection, including court costs and attorney fees. No owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his lot or parcel of property, or conveyance or transfer of title to the lot or parcel of property. In addition to all other remedies for nonpayment of assessments, the Association may suspend, as to the lots or parcels of property and/or owners in question, all services or use of Association managed facilities, for which assessments are levied. Prompt restoration of such privileges shall resume upon full payment of the delinquent payments, interest, and collection costs.
9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any bona fide agreement for deed from Declarant to the Lot owner, first mortgage, or trust indenture. However, the sale or transfer of any lot or parcel of property pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or

transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION IV: MINIMUM BUILDING AND USE RESTRICTIONS

No structure which fails to meet the following minimum standards shall be erected on any lot or any common area.

1. Structures.

- a. Dwelling and Out Buildings. None of the Lots in the subdivision or parcels of property may be used or improved for other than private residential purposes, and no more than one single family dwelling & garage housing up to six motor vehicles, and usual and necessary out buildings shall be erected, placed or maintained on any lots. All newly constructed single family dwellings shall have a minimum floor area, exclusive of basements, open porches, or garages, as follows:

Lot numbers 1, 2, 3, 4, 5, 6, 7, 8, 43, 44, 45, 46 and 47, 48, 49, 50, 51, 52, shall have a minimum floor area, exclusive of basements, open porches, or garages of Fifteen Hundred Square Feet (1,500 sq.ft.).

Lot numbers 15, 16, 17, 21, 26, 27, 34, 35, 36 37, 41 and 42, shall have a minimum floor area, exclusive of basements, open porches, or garages of Two Thousand Square Feet (1,750 sq.ft.).

Lot numbers 9, 10, 11, 12, 13, 14, 18, 19, 20, 22, 23, 24, 25, 28, 29, 30, 31, 32, 33, 39 and 40, shall have a minimum floor area, exclusive of basements, open porches, or garages, of Two Thousand Five Hundred Square Feet (2,000 sq.ft.).

No residential structures over 26 feet shall be allowed without prior written approval of the Board of Directors and the Design or Architectural Committee, and such approval shall be based on the site location of the proposed structure, aesthetics, and compliance with covenants.

There shall be no more than four (4) out-buildings. Each such outbuilding shall conform in appearance with said dwelling house. Both dwelling house and out-buildings are subject to approval of the Design Committee. No building shall be constructed less than one hundred and twenty (120) feet from the front line of any lot, or fifty (50) feet from the side, or one hundred (100) feet from the rear of any Lot, and no building

shall exceed a height of twenty five (25) feet, unless otherwise approved by the Board of Directors or the design committee. All structures shall be completed within one year from start of construction.

Building materials on new construction shall be compatible with other housing in the area. Use of unpainted metal siding or roofing is prohibited on any structure which is newly constructed.

2. Business and Industries. No lot in the subdivision or building or improvement erected thereon shall at any time be used for the purpose of conducting any industry, trade, profession, manufacturing or business of any description, or for hospitals, duplexes, apartment houses or any other multiple dwelling houses except that nothing herein shall preclude an owner from maintaining and operating a home occupation out of the residence for example, but not limited to, computer business, sales, or professional business.
3. Vehicle Parking. Improvements on each residential lot shall provide for off-street parking and no motor vehicles shall be placed or parked so as to impede or obstruct pedestrians or vehicular traffic along any road easement within the Property. No heavy equipment shall be kept on the Property, except during periods of construction activity thereon, unless the same are kept in an enclosed building.
4. Sign Control. No signs, billboards, posters or other advertising devices of any kind or character may be erected or displayed upon any of the residential lots or the Common Areas except for Declarant's subdivision promotion signs and small signs not over 10 feet square in area displayed to identify the occupants of a dwelling or professional office or offering a property for sale.
5. Fencing. Fences must be well constructed, neat in appearance and meet all requirements of Montana law. All perimeter fencing shall be of treated posts, five (5) inches minimum in diameter, with five (5) barbed or barbles wires and spaced twelve (12) feet between posts, with appropriate wire spacing. All privacy fencing around the homes shall be constructed in accordance with the design of the home and shall be pre-approved by the Design Committee and be no more than six (6) feet in height on the back and sides and no more than four (4) feet in height in the front of the house. Wire mesh to contain wall animals must be attractively incorporated with the privacy fence.

It is agreed between the Declarant herein named and the Developer that a fence three (3) foot in height shall be constructed along the East bank of the ditch which lies on the

Western edge of the subdivision. Once constructed it shall be incumbent and the burden of the lot owners owning property along said ditch to repair, mend, replace or otherwise maintain this fence.

6. Temporary Structures. No structure of a temporary character, including but not limited to trailers, mobile homes (single wide or double wide), set together or expanding trailer houses, modular homes, tents, shacks, barns, or outbuildings other than as above described, shall be constructed, placed or occupied on any Lot at any time as a residence except for one consecutive six (6) month period during the construction of a permanent home. Residential structures shall not be occupied until the exterior is completed, painted or stained and the water supply and sewer systems completed with the written approval of the local health authority. No building or structure of any type may be moved onto the above property, except for modular homes described below.
7. Trash and Debris. No uncovered trash, debris, organic or inorganic wastes shall be permitted to accumulate so as to offend the senses on any Lot or Common Area or in any easement adjacent thereto, but shall be promptly and efficiently disposed of. No dump ground or burial pit shall be used on any part of the Property.

No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except building materials during the course of construction, or materials or substance used in reasonable agricultural activities and kept in a reasonable and orderly manner. No machinery or equipment shall be placed or operated upon any Lot except such machinery as is used in the maintenance of a private residence or in agricultural or small farming operations and is enclosed by a fence or other enclosure which precludes visibility of such machinery or equipment. At no time shall abandoned equipment or machinery, junk vehicles, or other trash or debris of any description be allowed to accumulate.
8. Excavations. Mining, quarrying, oil drilling, or excavation developments of any kind shall not be allowed on any Lot except for such excavation as may be necessary in connection with the construction or placement of improvements thereon in accordance with this Declaration.
9. Septic Systems. No cesspool, septic tank or other sewage disposal system or device shall be installed, maintained or used upon a Lot without prior approval of the Ravalli County Sanitarian or any other governmental bodies having jurisdiction.

10. Noxious Weeds. No noxious weeds shall be allowed to accumulate on the premises.
11. Maintenance of Lots and Improvements. All Lots and all improvements thereon shall be kept and maintained by the owner hereof, in a clean, safe, attractive and slightly condition and in good repair. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done or placed on any Lot which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. Only normal family living shall be allowed, and communal living in any form or to any extent is expressly forbidden.
12. Hazardous Activities. No activities shall be conducted on any Lot and no improvements constructed thereon which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Lot, except while under the direct supervision, control and surveillance of the Lot owner and only in conjunction with normal ranching or farming operations.
13. Safety or Security Lighting. No light shall be emitted from any Lot which is unreasonably bright. No dusk to dawn security/mercury lights on tall poles will be allowed. No sound shall be emitted from any Lot which is unreasonably loud or annoying. No odor shall be emitted from any Lot which is noxious or offensive to others. No snowmobiles, motor bikes and other off road vehicles may be used on the property, except as required to access or exit the site.
14. Subdividing of Lots. No Lot, or other property area created under any Supplemental Declaration may be divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership.
15. Adjoining Lot Ownership. Two or more adjoining Lots, or other parcels of property of the same land classification which are under the same ownership may be combined and developed as one parcel. Setback lines along the common boundary line of the combined parcels may be removed with the written consent of the Design Committee, if the Design Committee finds and determines that any improvements to the structures within these setback lines will not cause unreasonable diminution of the view from other property. If setback lines are removed or easements changed along the common boundary lines of combined parcels, the combined parcels shall be deemed one parcel and may not thereafter be split and developed as two parcels.
16. Farm Animals. There may be no more than two (2) farm animals per lot (swine and goats prohibited) up to three (3) acres, then one (1) additional farm animal per acre up to five (5)

acres, without permission of the Land Owners Association.

17. Household Pets. Household pets such as dogs and cats are restricted to their owner's property and will be subject to expulsion from the property upon complaint by two (2) or more land owners, and upon a finding by the majority of land owners that said animal creates a continuing nuisance.
18. Utility Lines. All utilities upon any Lot for the transmission of utilities, telephone service, the reception of audio or visual signals or electricity, and all pipes for water, gas, sewer, drainage, or other purposes, shall be installed and maintained below the surface of the ground. Satellite T.V. dishes are acceptable. Location must be approved by the Architectural or Design Committee.
19. Irrigation of Lot. Irrigation must be done on each Lot so that a green appearance is maintained throughout the subdivision. If a land owner fails to irrigate the Land the Homeowners Association has the right to hire someone to do the irrigation the cost of which will be borne by the land owner.
20. Driveways. All access easements and driveways shall be paved within one (1) year from the time the exterior of the residence is completed and shall thereafter be maintained as originally improved.

SECTION V: DESIGN COMMITTEE

1. Design Committee. The Design Committee shall be appointed by the Board of Directors at the first annual meeting. The design committee shall be comprised of odd numbers in total (three or five or seven) beginning with three and increasing to five as land owners increase in number, but such committee shall not be greater than seven members.
2. Review. The design committee shall review all structures, for aesthetics, code compliance, location on Lot, and compliance with covenants.
3. Submission of Preliminary Drawings. The owner shall submit preliminary drawings for review and comment. An estimated two weeks review should be expected. Preliminary drawings must include location of structures on site, well and septic system locations, exterior elevations of intended structures with approximate height of ridges and peaks, building foot print profile and square feet. Exterior deck locations, and landscaping.
4. Final Drawings. The owner shall provide final drawings for committee review. The goal for the committee is to verify

correlation with the preliminary review and verify codes noncompliance, as well as help reduce sub-standard construction methods.

5. Purpose of Committee. The purpose of the Design Committee is not to be intentionally restrictive. The Design Committee's intent is to aid the land owners in the following areas:
 - A. Secure the most desirable location on each lot for taking advantage of the surrounding views while securing privacy from adjacent neighbors.
 - B. Provide continuity between residence and supporting out buildings.
 - C. Provide down the road harmony between all residences while maintaining individuality.
 - D. Avoid sub-standard construction which could be aesthetically displeasing, generate costly corrective measures, as well as influence future resale options.

ARTICLE VI. GENERAL PROVISIONS

1. Lots and Parcels Of Property Benefited. The lots and parcels of property benefited and subject to this Declaration of Protective Covenants are as described on the plat recorded with the Ravalli County Clerk & Recorder.
2. Enforcement. The Association, or any Owner, including Declarant, 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 the Declaration. Failure by the Association or by any Owner, including Declarant, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do thereafter.
3. Severability. Invalidity of any of these covenants or restrictions by judgement or court order shall in no way affect any other provisions hereof which shall remain in full force and effect.
4. Amendment. The covenants and restrictions of the Declaration shall run with and bind the land for a term of ten years from the date this Declaration is recorded, after which time such covenants shall automatically be extended for successive ten year periods, unless an instrument is recorded in the Ravalli County Clerk and Recorder's Office, signed by the Owners of seventy-five per cent (75%) of all lots within this

subdivision, agreeing to revoke or amend these covenants in whole or in part.

ARTICLE VII: OTHER SUBDIVISIONS

1. Other Subdivisions. It is anticipated that the twenty-five (25 acres) directly to the south of the Arrowhill Subdivision will be subdivided in the future. In the event that this property is subdivided, under a controlled subdivision, and a Homeowners Association is formed, then the owners of those lots in connection with their own Homeowners Association shall negotiate with the Arrowhill Subdivision Homeowners Association for the right to participate in all aspects of these covenants and restrictions, including any and all rights, duties and obligations which are made a part of these covenants. The right to use all roadways and streets in the Arrowhill Subdivision shall accrue to the owners of all lots to the South of Arrowhill, PROVIDED THAT ARROWHILL HOMEOWNERS ASSOCIATION SHALL HAVE THE RIGHT TO ASSESS NECESSARY FEES FOR ROAD MAINTENANCE TO THE OWNERS OF LOTS IN THAT SUBDIVISION OR ANY OTHER ASSESSMENTS AS NECESSARY. It is understood and agreed there shall be no more than five (5) additional lots which shall benefit from the Covenants of Arrowhill Subdivision.

All persons, corporations, partnerships or other entities which shall purchase lots in Arrowhill Subdivision shall be deemed to accept and be bound by this Article as well as all Articles in these covenants, and further, it is understood that all roadways, streets, etc. shall be open for the use of the public forever, and the right to use such roadways, streets, etc. may be granted to others by the Declarant herein named, for the use and benefit of other lands owned by the Declarant.

ARTICLE VIII: SEPTIC SYSTEMS

1. The term of the Association as it pertains to this Section shall be in perpetuity or until the properties are included in a permitted public sewer district, and thereafter the owners shall be subject to all other covenants set out herein and to the restrictions imposed by the public sewer district.
2. Annual maintenance of the septic systems must be provided in accordance with Ravalli County Health Regulations, Addendum 93-01, as may be amended from time to time.
3. Operations and maintenance of each on-site septic system installed in Arrow Hill shall be in accordance with the

approved "On-Site Wastewater Treatment and Disposal Systems Operations and Maintenance Plan" attached as Exhibit "B" and by this reference and made a part of these covenants. Each lot owner shall be responsible for installing a septic system as described in the attached Exhibit "B" known as the "Singulair Individual Aerobic Home Wastewater Treatment Plants with Bio-Kinetic™ System", as manufactured by Norweco, Inc., or other equal system as approved by NSF Standard 40 and the Ravalli County Health Department under Addendum 93-01. The Association shall require an annual fee to include the cost of the semi-annual maintenance of the septic systems, the costs of monitoring and reporting, and other costs of system operation in accordance with the approved "Plan".

ARTICLE IX: WATER RIGHTS AND IRRIGATION

1. Irrigation water for the property (each lot) is appurtenant to the property and the right to membership in the Daly Ditches Irrigation District is transferred with title to the real property.
2. The Owner/Developer shall make available to each lot, one (1) irrigation riser suitable for irrigation of each lot. The riser will be placed in such a manner as to make it as convenient as possible and each riser may service multiple lots. Any irrigation pipe placed on the lot shall be of suitable aluminum main-line pipe. It is the intention of the Owner/Developer to place portions of said pipe underground and portions of the said pipe above ground for distribution of the irrigation water to each lot. Thereafter, each lot owner shall be responsible for the maintenance and/or replacement of the mainline pipe and riser.
3. There shall be an express easement across each and every lot for the placement, maintenance, removal and replacement, repair or operation of the irrigation system.
4. All owners shall pool the use of their irrigation water to obtain the most beneficial use of said water in any given area, subject to the rules and regulation of Daly Ditches Irrigation District and all rules promulgated by the Arrowhill Homeowners Association.
5. The times and frequency of such irrigation by the owner's shall be established by the Arrowhill Homeowner's Association and each owner agrees to abide by these rules.
6. Every owner shall timely pay for any irrigation charges or assessments made by Daly Ditches Irrigation District.

ARTICLE X: ROAD MAINTENANCE AGREEMENT

1. All parcels shown on the plat as Arrowhill Subdivision and filed with the Ravalli County Clerk & Recorder shall be subject to these restrictive covenants and this road maintenance agreement.
2. All roads and streets shown on the plat of Arrowhill Subdivision and filed with the Ravalli County Clerk & Recorder shall be subject to this road maintenance agreement.
3. This road maintenance section and these restrictive covenants shall be binding on any person or entity having an interest in a parcel or lot which is subject to this road maintenance agreement and restrictive covenants.
4. The decision to undertake any road maintenance, subsequent to the filing of these restrictive covenants, shall be the responsibility of the lot owners and shall be placed before the lot owners and shall require a majority (over 50%) vote of the lots (by their owners) in the subdivision. Any decision to undertake minimal maintenance or repairs of less than \$2,500.00 shall be left with the Board of Directors of the Homeowners Association. Any amount greater than the \$2,500.00 shall be placed before a vote of the general members, and shall comply with other sections of these restrictive covenants and this road maintenance agreement particularly.
5. Each lot shall entitle the owner to one (1) vote regarding the decision to undertake road maintenance. Multiple owners of one lot shall only be entitled to one (1) vote. Persons owning multiple lots shall be entitled to one (1) vote per lot.
6. Maintenance and repair or replacement costs assessed according to this section shall be assessed each lot according to the following formula. Each lot shall be assessed according to the relationship which the size of that lot (in acres or square feet) relate to the total of all lots (in acres or square feet) of the full subdivision. Example follows:
Lot 1 = 3 acres, Total lot acres in subdivision = 150 acres
 $3 \text{ divided by } 150 = 2\%$ Lot 1 would be assessed 2% of the total costs of maintenance, repairs and/or replacement of the roadways and streets.
7. All lot owners agree that no lot as described on the plat of Arrowhill Subdivision shall be allowed to be split into smaller separate lots, unless the division has been approved by a majority of the then owners of all lots in the subdivision.
8. In the event an assessment becomes delinquent, the assessment

together with interest thereon, and cost of collection, shall become a continuing lien on the lot.

9. This road maintenance agreement portion of the restrictive covenants is perpetual and cannot be rescinded or revoked by the lot owners or the homeowners association, unless the county or the state agrees to maintain the roadway described by this agreement.
10. Road maintenance shall include dust control, snow removal, ordinary maintenance and reconstruction if necessary.
11. The road maintenance portion of these restrictive covenants may be amended, except those provision of #'s 1 through 11 may not be amended so as to less restrictive or less inclusive.
12. All users of the roads as shown in the plat of Arrowhill Subdivision, shall use the roads at their own risk and hazard. The Developer, Owner, or any lot owner shall not be liable for any damage, loss or responsibility of any kind which may be suffered by any person using the roads, which loss results from the roads construction or maintenance. Accordingly, all persons using the roadway for any reason are deemed to have consented to the provisions of this paragraph, and waive any claim they may have for any such liability, and agree to release and hold harmless the Developer, Owner or any lot owner.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has executed this Declaration this 10 day of April, 1995.


Harold Mildenberger


Marilyn Mildenberger

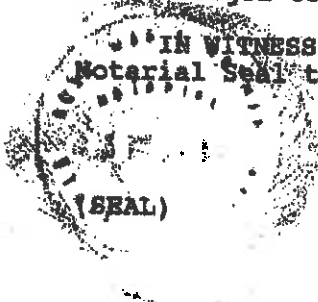
STATE OF MONTANA

County of Ravalli

ss.

On this 10 day of April, 1995, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Harold & Marilyn Mildemberger, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that she executed the same.

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



Rose Marie Netman
Notary Public for the State of Montana
Residing at Hamilton MT
My Commission expires 11/25/98

Book 213 - 43

17720

EXHIBIT "A"

ARROW HILL

PERIMETER LEGAL DESCRIPTION

(Two Tracts)

A tract of land located in and being a portion of the Southwest one-quarter (SW1/4) of Section 4 and the North one-half (N1/2) of Section 9, Township 5 North, Range 20 West, Principal Meridian, Ravalli County, Montana, and being more particularly described as follows:

Commencing at the one-quarter corner common to said Sections 4 and 9, said corner being the TRUE POINT OF BEGINNING; thence along the section line common to said Sections 4 and 9, N.89°42'02"E., 1383.80 feet to the northwesterly corner of Pheasant Run Estates, a subdivision of Ravalli County; thence the following three courses along the westerly boundary of said Pheasant Run Estates: S.00°17'31"E., 58.87 feet; thence S.08°42'31"W., 70.79 feet; thence S.00°17'31"E., 1859.83 feet to the southwest corner of said Pheasant Run Estates, on the north boundary of Certificate of Survey No. 4374; thence along said north boundary, N.89°21'44"W., 33.65 feet; thence along the west boundary of said Certificate of Survey No. 4374, S.00°08'28"W., 635.70 feet to the southwest corner of said Certificate of Survey No. 4374, on the north boundary of Certificate of Survey No. 4340; thence along the north boundary of said Certificate of Survey No. 4340, N.89°39'13"W., 1084.37 feet to the northwest corner of said Certificate of Survey No. 4340, and a point on the easterly (right) right-of-way of the Bitterroot Irrigation District Canal; thence the following thirty six (36) courses along said easterly (right) right-of-way of the Bitterroot Irrigation District Canal: N.33°00'13"W., 144.98 feet; thence N.34°01'41"W., 117.55 feet; thence N.36°05'48"W., 214.08 feet; thence N.32°52'55"W., 134.00 feet to a tangent point of curve; thence an arc distance of 962.22 feet along said tangent curve to the right, of radius 1153.88 feet and delta 32°52'55" to a point of compound curvature, said point having a radial bearing of S.90°00'00"E.; thence an arc distance of 170.78 feet along said compound curve to the right, of radius 131.83 feet and delta 74°13'08" to a point on a tangent line; thence along said tangent line, N.74°13'08"E., 76.52 feet to a tangent point of curve; thence an arc distance of 387.74 feet along said tangent curve to the left, of radius 128.92 feet and delta 158°59'22" to a point on a tangent line; thence along said tangent line, N.84°46'13"W., 53.60 feet to a tangent point of curve; thence an arc distance of 98.81 feet along said tangent curve to the left, of radius 340.00 feet and delta 16°37'05" to a point on a tangent line; thence along said tangent line, S.79°38'43"W., 117.59 feet to a tangent point of curve; thence an arc distance of 124.08 feet along said tangent curve to the left, of radius 1186.92 feet and delta 5°59'40" to a point on a tangent line; thence along said tangent line, S.72°37'03"W., 198.20 feet to a tangent point of curve; thence an arc distance of 108.48 feet along said tangent curve to the right, of radius 98.20 feet and delta 63°17'58" to a point on a tangent line; thence along said tangent line, N.44°05'00"W., 134.01 feet to a tangent point of curve; thence an arc distance of 198.38 feet along said tangent curve to the right, of radius 388.50 feet and delta 28°44'25" to a point on a tangent line; thence along said tangent line, N.15°20'38"W., 338.85 feet; thence N.05°16'20"E., 185.66 feet to a tangent point of curve; thence an arc distance of 111.52 feet along said tangent curve to the left, of radius 148.00 feet and delta 48°38'21" to a point on a tangent line; thence along said tangent line, N.40°23'01"W., 117.44 feet; thence N.14°55'53"W., 189.80 feet; thence N.08°48'02"W., 192.80 feet to a tangent point of curve; thence an arc distance of 81.14 feet along said tangent curve to the left, of radius 849.00 feet and delta 8°35'31" to a point on a tangent line; thence along said tangent line, N.14°24'38"W., 374.04 feet to a tangent point of curve; thence an arc distance of 282.11 feet along said tangent curve to the right, of radius 160.00 feet and delta 83°30'37" to a point on a tangent line; thence along said tangent line, N.79°06'32"E., 148.67 feet to a tangent point of curve; thence an arc distance of 113.80 feet along said tangent curve to the right, of radius 280.00 feet and delta 28°00'41" to a point on a tangent line; thence along said tangent line, S.75°53'47"E., 281.28 feet to a tangent point of curve; thence an arc distance of 304.84 feet along said tangent curve to the left, of radius 130.00 feet and delta 134°21'11" to a point on a tangent line; thence along said tangent line,

N.30°14'58"W., 268.10 feet; thence N.40°14'58"W., 826.70 feet to a tangent point of curve; thence an arc distance of 185.43 feet along said tangent curve to the right, of radius 110.00 feet and delta 58°10'00" to a point on a tangent line; thence along said tangent line, N.45°58'02"E., 249.80 feet to a tangent point of curve; thence an arc distance of 184.76 feet along said tangent curve to the right, of radius 180.00 feet and delta 58°00'00" to a point on a tangent line; thence along said tangent line, S.75°04'58"E., 445.78 feet; thence S.67°18'10"E., 271.80 feet to a point on the north-south mid-section line of said Section 4; thence departing said easterly (right) right-of-way of the Bitterroot Irrigation District Canal, and along said mid-section line and the west boundary of Certificate of Survey No. 4927, S.02°02'23"E., 1762.25 feet to the TRUE POINT OF BEGINNING.

Containing 184.10 acres more or less, and being subject to all easements or rights-of-way, existing, of record, or apparent.

TOGETHER WITH

A tract of land located in and being a portion of the Southwest one-quarter (SW1/4) of Section 4, Township 5 North, Range 20 West, Principal Meridian, Ravalli County, Montana, and being more particularly described as follows:

Commencing at the one-quarter corner common to Sections 4 and 9, T5N, R20W, P.M.M., thence along the north-south mid-section line of said Section 4, N.02°02'23"W., 1872.38 feet to a point on the westerly (left) right-of-way of the Bitterroot Irrigation District Canal, and the TRUE POINT OF BEGINNING; thence departing said mid-section line, and along the following five (5) courses along said westerly (left) right-of-way of the Bitterroot Irrigation District Canal: N.67°18'18"W., 232.49 feet; thence N.75°04'58"W., 452.81 feet to a tangent point of curve; thence an arc distance of 267.73 feet along said tangent curve to the left, of radius 260.00 feet and delta 58°00'00" to a point on a tangent line; thence along said tangent line, S.45°58'02"W., 249.80 feet to a tangent point of curve; thence an arc distance of 67.60 feet along said tangent curve to the left, of radius 210.00 feet and delta 18°26'37" to a point of non-tangent compound curve, said point having a radial bearing of said non-tangent curve of N.20°41'54"E.; thence an arc distance of 273.65 feet along said non-tangent curve to the right, of radius 381.70 feet and delta 41°04'34" to a point of reverse curve, said point having a radial bearing of S.81°41'26"W.; thence an arc distance of 401.01 feet along said reverse curve to the left, of radius 820.98 feet and delta 37°00'00" to a point of reverse curve, said point having a radial bearing of N.24°48'28"E.; thence an arc distance of 538.92 feet along said reverse curve to the right, of radius 670.00 feet and delta 45°49'47" to a point on a tangent line; thence along said tangent line, N.19°23'45"W., 16.38 feet to a point on the east-west mid-section line of said Section 4; thence along said mid-section line, N.89°45'41"E., 1938.52 feet to the center one-quarter corner of said Section 4; thence along the north-south mid-section line of said Section 4, S.02°02'23"E., 770.64 feet to the TRUE POINT OF BEGINNING.

Containing 25.67 acres more or less, and being subject to all easements or rights-of-way, existing, of record, or apparent.

(net acreage, both tracts: 179.67 acres)

213-113
19 of 20

EXHIBIT "B"

ARROWHILL

**ON-SITE WASTEWATER TREATMENT AND DISPOSAL SYSTEMS
OPERATIONS AND MAINTENANCE PLAN**

Revised
June 8, 1994

PERMITS: The on-site wastewater treatment and disposal systems at ARROWHILL shall be in accordance with the Department of Health & Environmental Sciences (DHE) Approval No. E-141-94-2A-49. The disposal units shall be "Singleph" individual aerobic house wastewater treatment plants with Bio-Kinetic™ system as manufactured by MOW/VECO, INC., 220 Republic Blvd., Norwalk, Ohio, 44857-1195, or equal, as approved by NSF Standard 40 and the Ravalli County Health Department under Addendum 93-01. The effluent from the treatment plants shall be discharged to a conventional sub-surface drainfield. The individual systems shall be sized by the developer to serve the specified number of bedrooms.

OWNERSHIP: Each property owner shall have sole responsibility for installation, operation, repair, replacement and improvements as necessary to the system, or any part thereof. Each system shall obtain a permit for installation and operation from the Ravalli County Health Department and shall be subject to all conditions of the permit, and regulations of Ravalli County and the State of Montana as may be adopted from time to time.

MAINTENANCE AND MONITORING: In order to provide for assured and consistent maintenance and monitoring, the developer shall incorporate the ARROWHILL HOMEOWNERS ASSOCIATION (HOA). The HOA shall be incorporated for, among other responsibilities, the purpose of assuring continued maintenance and monitoring and for assuring replacement or modifications to all installed systems, should such replacement or modifications be directed by the Ravalli County Board of Health upon mandate from the Montana State Department of Health and Environmental Sciences. The HOA shall be created, incorporated, operated and funded under Articles of Incorporation filed with the Attorney General of the State of Montana. The HOA shall collect annual fees for operations and maintenance of the individual systems. The fees may be prorated to the capacity of the installed sewer system. The HOA shall contract with qualified individuals or firms for maintenance, monitoring, and reporting of the individual systems. The requirements for maintenance, monitoring, and reporting are specified below.

A. The HOA shall contract with a qualified, approved distributor or supplier to supply the following services:

1. A continuing Homeowner Protection Service Program for each individual on-site wastewater treatment plant.

Lot numbers 9, 10, 11, 12, 13, 14, 18, 19, 20, 22, 23, 24, 25, 28, 29, 30, 31, 32, 33, 39 and 40, shall have a minimum floor area, exclusive of basements, open porches, or garages, of Two Thousand Square Feet (2,000 sq.-ft.)

4. Section IV, paragraph 1(a) sixth paragraph, makes reference to maximum number of out-buildings, conformance of appearance of outbuildings, approval of buildings by a Design Committee and minimum setback requirements for construction of buildings. It appearing that the minimum setback requirements are incapable of being adhered to on all lots, this paragraph is hereby amended to read as follows:

There shall be no more than four (4) out-buildings. Each such outbuilding shall conform in appearance with said dwelling house. Both dwelling house and out-buildings are subject to approval of the Design Committee. No building shall be constructed outside of the setback boundaries as shown on the Setback & Drainfield Plan identified as Sheet 3 of 3 of the Arrowhill Subdivision Plat as filed and recorded with the Ravalli County Clerk and Recorder of Ravalli County, Montana. All front setbacks not otherwise labeled are 100 feet. All side and rear setbacks not otherwise labeled are 50 feet. No building shall be built closer to the property lines than the setbacks indicated on this plan. No building shall exceed a height of twenty six (26) feet, unless otherwise approved by the Board of Directors or the design committee. All structures shall be completed within one year from start of construction.

5. Section IV, paragraph 13, makes reference to safety or security lighting and emission of odors from any lots and use of snowmobiles or other off road vehicles. This paragraph is hereby amended to read as follows:

No light shall be emitted from any Lot which is unreasonably bright. No dusk to day security/mercury lights on tall poles will be allowed. Ordinary seasonal (Christmas, etc.) lights are permitted; decorative and yard lights will be permitted. No lights shall exceed 26 feet in height above the ground. All outside lighting or light fixtures shall be directly shielded from the view of adjoining Lot Owners so that no direct lighting shall be visible from adjacent lots.

STATE OF MONTANA
RECORDED

MAY 1, 1995


COUNTY OF RAVALLI
3:27PM BOOK 213 DEEDS

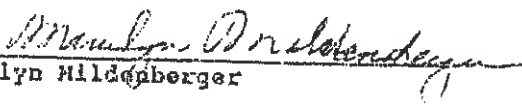
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3 OF 3 PAGES
PAGE 202

All lights shall be down lighting with no fluorescent lights to be pointed in any direction other than down and shall not be of the type considered radius lighting nor shall the glow be able to be observed from adjoining Owner's Lots. No sound shall be emitted from any Lot which is unreasonably loud or annoying. No odor shall be emitted from any Lot which is noxious or offensive to others. No snowmobiles, motor bikes and other off road vehicles may be used on the property, except as required to access or exit the site.

IN WITNESS WHEREOF, the undersigned have signed this Amendment to Protective Covenants the 28th day of April, 1995.


Harold Mildemberger


Marilyn Mildemberger

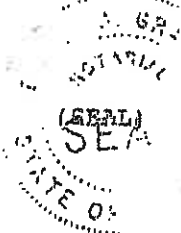
STATE OF MONTANA)

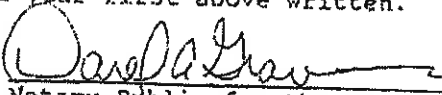
County of Ravalli)

ss.

On this 28th day of April, 1995, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Harold & Marilyn Mildemberger, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that she executed the same.

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




Notary Public for the State of Montana
Residing at Hamilton, MT 59840
My Commission expires 9-1-96