

#6132

**PANORAMA TERRACE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

This Declaration is made this 25th day of April, 2008 by LAWYER NURSERY, INC., a Montana corporation with principal offices at 6625 Montana Highway 200, Plains MT 59859, herein referred to as "Declarant."

RECITALS

A. Declarant owns certain real property located in Sanders County, Montana, as set forth on the final plat of "Panorama Terrace" as filed in the office of the Sanders County Clerk and Recorder and described on the attached Exhibit "A."

B. Declarant desires to place beneficial covenants, conditions and restrictions upon the Panorama Terrace real property for the use and benefit of Declarant and for the use, benefit, and protection of the future owners thereof.

NOW, THEREFORE, Declarant hereby declares that all the property described above shall be held, sold, and conveyed subject to the following COVENANTS, CONDITIONS and RESTRICTIONS, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property by providing a reasonably uniform plan for its development as a desirable residential development. These Covenants, Conditions, and Restrictions shall run with the real property and shall be binding upon all owners thereof, and shall inure to the benefit of and be binding upon each successor in interest to the owner thereof.

ARTICLE I: DEFINITIONS

"Architectural Review Committee" means the three-member committee vested by this Declaration with the responsibility to review applications for all construction, building, and development activities as specified herein. (Sometimes referred to as "ARC")

"Association" means Panorama Terrace Homeowners Association, a Montana nonprofit corporation, its successors and assigns, established to administer and enforce the terms and conditions of this declaration in accordance with the duties described herein and in the Association's Articles of Incorporation and Bylaws.

"Board" means the Board of Directors of Panorama Terrace Homeowners Association.

"Common Areas" means the Common Areas as designated on the Final Plat of Panorama Terrace.

"Common Expense" means those expenses described in Article II, Section 7.

“Common Facilities” means those improvements serving the development as a whole which the Association owns and/or maintains in accordance with this Declaration including, but not limited to, the water well and storage tanks for the multiple user water system, Panorama Terrace community access to the river and facilities for roadways and trails, all of which are located on the Common Areas.

“Declaration” means this Declaration of Covenants, Conditions, and Restrictions for Panorama Terrace.

“Design Guidelines” means those guidelines established by the Declarant, the ARC, or the Board to control the development of improvements on all lots within the Subdivision. The Design Guidelines shall contain minimum standards for the construction of all structures within the Subdivision, the landscaping of all lots within the Subdivision, fencing, and such other guidelines as the Declarant, ARC, or Board deems appropriate. Design Guidelines are incorporated into this Declaration by reference as if fully set forth.

“Lot” means any of the single-family residential parcels described on the final plat of Panorama Terrace.

“Member” means every person or entity that is a Member of the Association as defined in Article II.

“Owner” means the record owner, whether one or more persons or entities, of a Lot, including buyers under a contract for deed, but excluding those having an interest in the property merely as security for the performance of an obligation.

“River Access Easement” means that separate written easement between Declarant and the Association providing for access to the Clark Fork River, as further described in Article V, Section 4.

“Roadways” means the roadways within Panorama Terrace shown on the Final Plat of Panorama Terrace.

“Subdivision” means Panorama Terrace as shown on the final plat thereof.

“Turnover Date” means the date on which Declarant delegates the responsibility for administering this Declaration to the Association. It is the Declarant’s intent to delegate such responsibility as soon as practical after the final plat has been filed and all required improvements installed. Said turnover shall be accomplished in writing by notifying the Board.

ARTICLE II: PANORAMA TERRACE HOMEOWNERS ASSOCIATION

Section 1. **Board of Directors.** The Association shall be governed by a Board of Directors in accordance with the Association's Articles of Incorporation, Bylaws, and this Declaration.

Section 2. **Membership.** Every person or entity who is a record owner of any Lot including buyers under a contract for deed, but not those persons or entities who hold an interest merely as security for the performance of an obligation, shall be a Member of the Association. Membership is appurtenant to and not separate from ownership of the Lot. Should the Association acquire an interest in a Lot, the Association shall not be considered a Member either for voting or assessment purposes.

Section 3. **Consent to Membership.** Acceptance of a deed, notice of purchaser's interest or documentation evidencing an ownership interest in a Lot shall be deemed consent to membership in the Association.

Section 4. **Voting Rights.** The Members of the Association shall be entitled to one vote for each Lot in which they hold a qualifying interest, except for Declarant who shall have five votes for each Lot it owns. If more than one person or entity owns an interest in any Lot, the one vote for such Lot shall be exercised as such persons or entities determine. However, in no event may more than one vote per Lot be cast except for Lots owned by Declarant.

Section 5. **Common Areas.** The Association shall manage, control, and maintain the Common Areas and all improvements thereon including the Common Facilities and Roadways. The Association shall be responsible for all weed control in the Common Areas and along the Roadways.

Section 6. **Personal Property and Real Property for Common Use.** The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property and shall maintain such property at its expense for the benefit of its Members.

Section 7. **Common Expenses.** Except as otherwise specifically provided herein, all costs associated with management, control, maintenance, repair and replacement of the Common Areas, Common Facilities, Roadways, or other personal or real property under the control of the Association shall be a Common Expense to be allocated equally among all the Lots as part of the Base Assessment. Without limiting the generality of the forgoing, the property taxes and assessments on the Common Area designated as Lot 11 on the Final Plat, and including the taxes and assessments on the Multiple User Water System improvements, shall be treated as a

Common Expense and allocated equally among all Lots in addition to the Base Assessment.

ARTICLE III: ASSESSMENTS

Section 1. **Creation of Assessments.** There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be two types of assessments: (a) Base Assessments to fund Common Expenses; and (b) Special Assessments. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

Section 2. **Base Assessments.** The Association shall levy a Base Assessment, which shall be set at a level, which is reasonably expected to produce sufficient income for the Association's Common Expenses, including reserves and administrative expenses.

Section 3. **Water System Assessments.** Included in the base assessment shall be a per lot charge for routine maintenance and expenses for the Multiple User Water Supply System.

Section 4. **Special Assessments.** In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or additional expenses for construction, repair or replacement of any capital improvements, additional services, or other projects and expenses as the Association deems necessary or desirable.

Section 5. **Rate of Assessments.** The base assessments and water system assessments may be based on either a flat rate or on usage, as determined from time to time by the Board of Directors of the Association. Special assessments shall be fixed at a uniform rate per Lot. Undeveloped Lots owned by Declarant shall be subject to assessment at twenty-five percent (25%) of the amount of assessments fixed for other Lots, except that the Declarant shall be responsible for a full share of property taxes and assessments attributable to the Common Areas for all undeveloped Lots owned by the Declarant.

Section 6. **Maximum Rate of Assessment.** Prior to the sale of the first Lot, the Declarant shall establish the maximum annual assessment per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment

may be increased by the Board of Directors each year by not more than five percent above the maximum assessment for the previous year without the affirmative vote of two thirds (2/3) of the Owners who are voting in person or by proxy, at a meeting duly called for this purpose.

(b) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

(c) In the event that costs for the operation and maintenance of the Multiple User Water Supply System increase or decrease, the Board may increase or decrease the annual assessments for the use of the water system as necessary for the payment of the cost of operation and maintenance and for the establishment of any necessary reserves.

Section 7. Liens for Assessments. The Association shall have a lien against each Lot to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of Montana law), and costs of collection (including attorneys fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or non-judicial foreclosure and is a personal obligation of the Owner of such Lot at the time when the assessment became due. All liens created herein shall run with the land.

Section 8. Certificate of Payment. The Association shall upon demand furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 9. Nonpayment of Assessments. Any assessments, which are not paid when due, shall be delinquent.

Section 10. Obligation for Assessment. No Owner may exempt himself from liability for assessments, by non-use of the Common Areas, Common Facilities, or Roadways, abandonment of his or her Lot, dissatisfaction with the Association's actions, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner.

Section 11. Property Subject to Assessment. All Lots shall be subject to assessments by the Association as herein provided except those Lots acquired by the Association and the Common Areas, Common Facilities and Roadways.

ARTICLE IV: ARCHITECTURAL REVIEW COMMITTEE

Section 1. Architectural Review Committee ("ARC"). The ARC shall consist of three persons. The ARC shall have exclusive responsibility to administer the Design Guidelines, as defined below, and review all applications for construction and modifications under this Article. The ARC may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review. The ARC may require all applications for approval to be submitted on forms to be provided by the ARC, or in a format, that facilitates its review of any plan, specification, request, or controversy.

Section 2. Membership. Each member of the ARC shall hold office for a three (3) year term. The members need not be Lot Owners. The Declarant retains the right to appoint all members of the ARC until the Turnover Date. After the Turnover Date, the ARC members shall be elected by a majority of the Lot owners in accordance with Article II. Any member of the ARC may be removed by a vote of two-thirds of the Lot owners. Any vacancy created by the removal or resignation of a member shall be filled by a majority of the remaining members, or, if no members remain, by a majority vote of the Lot owners.

Section 3. Prior Approval of Development. No structure shall be placed, erected, or installed upon any Lot, and no improvements (including clearing, excavation, grading and other site work, and exterior alteration of existing improvements), shall take place except in compliance with this Declaration and approval of the ARC. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the ARC for review and approval (or disapproval).

Section 4. Modifications to Existing Improvements. Any Owner may remodel, paint, or redecorate the interior of structures on his or her Lot without approval. Modifications to the exterior of a structure (and the interior of porches, patios, and similar portions of a structure visible from outside the structure on a Lot) shall be subject to ARC review and approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to repair or rebuild in accordance with originally approved plans and specifications.

Section 5. Design Guidelines. The Declarant shall prepare the initial design and development guidelines and application and review procedures (the "Design Guidelines"), which shall apply to all development activities within the Properties. Thereafter, the ARC or the Board may modify or amend the Design Guidelines. The Design Guidelines shall contain provisions regarding the style and design of all structures, the type and color of all exterior materials, and requiring compliance with this

Declaration. The Declarant may add to the Design Guidelines by a separate written document any time prior to the sale of the first Lot, but the initial Design Guidelines are set forth here and in Article VI:

A. Building Codes. All construction will be in conformity with applicable building codes. The Panorama Terrace Homeowners Association assumes no responsibility for inspection or enforcement pertaining to building codes.

B. Roofs. Must be constructed from fire resistant materials and be non-reflective. Wooden roof coverings are prohibited. Metal roofs are permitted if non-reflective and in conformity with the color guidelines set forth in the Design Guidelines.

C. Chimneys. Must be constructed from pumice, concrete block, brick, stone masonry or comparable fire-resistant materials, which must be constructed from ground level and supported by a foundation. Commercial triple wall metal stove pipe is acceptable if it has an approved fireproof rating after construction.

D. Foundations. All buildings must be placed on a permanent continuous foundation consisting of reinforced concrete or concrete block. The foundation of any residence must rest on a reinforced concrete footing at a minimum of thirty-six inches (36") below grade.

E. Materials. All structures shall be constructed of new materials. However, suitable used materials such as used brick or beams may be utilized provided that advance approval has been obtained from the Architectural Review Committee as herein provided.

Section 6. **Review Timeframe.** In the event that the ARC fails to approve or to disapprove any application within thirty (30) days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with this Declaration or the Design Guidelines unless a variance has been granted in writing by the ARC. Any approval, whether expressly granted or deemed granted, shall automatically expire one year after issuance unless construction has commenced or the applicant has applied for and received an extension of time from the ARC.

Section 7. **No Waiver of Future Approvals.** Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to

withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

Section 8. **Variance.** The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with rules and regulations adopted by the ARC. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 9. **Limitation of Liability.** Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the ARC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board, any committee, nor member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to improvements on any of the Lots.

Section 10. **Remedies.** The Declarant, the Association, or any Lot owner shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

ARTICLE V: COMMON AREAS AND PROPERTY RIGHTS

Section 1. **Member's Rights to Common Areas and Roadways.** Every Member shall have a right and easement of enjoyment in and to the Common Areas and Roadways, subject to the limitations provided in this Declaration and the Association's right to adopt reasonable rules and restrictions for its use.

Section 2. **Delegation of Property Rights.** Any Owner may delegate, in accordance with the Association's rules and bylaws, the Owner's right of enjoyment to the Common Areas and Roadways to the Owner's family members, tenants, or contract purchasers who reside on the Lot.

Section 3. **Title to the Common Area.** Declarant hereby covenants and declares that it will convey title to the Common Areas to the Association, free and clear of all encumbrances and liens, except those rights-of-way, easements, covenants or restrictions as might appear of record at the time of such conveyance.

Section 4. **Easement for River Access.** Declarant further covenants and agrees to convey to the Association an easement for access to the river (hereafter referred to as the River Access Easement, or "RAE"). Said easement is approximately fifty feet (50') wide and is bounded by Mahonia Road on the north, the Clark Fork River on the south, and Lot 6 of Panorama Terrace on the east. It is shown on the Final Plat as a 50' private access easement. The RAE is intended for the exclusive benefit of the owners and residents of Panorama Terrace, and the future owners and residents of Declarant's property lying to the west and north of the easement area, to allow access to the river on foot or with permitted watercraft, all as set forth in more detail in the separate River Access Easement. The RAE is not available for the general public, except as the accompanied guests of the owners/residents.

ARTICLE VI: PROTECTIVE COVENANTS

Section 1. **Land Use.** All Lots shall be used solely for single-family residential purposes. Only one single-family dwelling, not to exceed two stories in height, shall be permitted on each lot, together with auxiliary structures as herein permitted. All dwellings must be constructed in place and no mobile or other pre-manufactured homes, constructed primarily away from the Lot on which they are situated, shall be permitted. All dwellings must include a garage, which, at a minimum, must accommodate two passenger cars. Lots smaller than three (3) acres, and Lots with river frontage, shall have an attached garage for two or three cars only. Lots larger than three (3) acres, without river frontage, shall have a garage for two (2), three (3), or four (4) cars only.

Section 2. **Dwelling Size.** The floor area of dwellings on the Lots with river frontage shall not be less than 1400 square feet on the ground floor. The floor area of dwellings without river frontage shall not be less than 1800 square feet on the ground floor. Garages, porches, overhangs, outside steps, and eaves shall not be included in the calculation of floor area. Basement or cellar areas shall not be included in the calculation.

Section 3. **Auxiliary Structures.** On Lots exceeding four (4) acres in size, Owners may construct one additional outbuilding for storage of personal property, as a workshop, garage, greenhouse, or combination thereof. It must not be designed for, nor used for any commercial or residential purpose. The foundation size of the structure shall not exceed the area of the ground floor of the residence, as determined by the foundation of the dwelling and shall not in any case exceed 2500 square feet. The maximum height of any such Auxiliary Structure is to be no greater than eighteen (18) feet at the highest point. All auxiliary buildings shall conform to the architectural style of the dwelling and must be approved by the ARC. No Auxiliary Structures shall be permitted on any Lots that are less than four (4) acres in size. If a detached garage is built separate from the dwelling, it shall count as the one permitted Auxiliary Structure.

All Auxiliary Structures must be placed behind the dwelling and not closer to the road than one hundred (100) feet

Owners of all Lots may construct one (1) small garden shed, wood shed, or storage shed not to exceed 100 square feet of floor area, with a maximum height not to exceed ten (10) feet at the highest point. All such structures must be approved by the ARC as provided herein.

Section 4. **Setback Lines.** No building shall be located on any Lot closer than twenty (20) feet to the road line, nor closer than twenty (20) feet to either side Lot line, nor closer than twenty (20) feet to the rear Lot line, nor closer than sixty (60) feet horizontal from the apparent high water line of the river, nor closer than thirty (30) feet from the crest of the river bank. Where other than a single Lot as dedicated is utilized as a single building site, the side Lot lines shall refer only to Lot lines bordering the adjoining property owners.

For purposes of this section, the building location shall be considered to be the building foundation lines; eaves, steps, and open porches, patios and decks shall not be considered as part of the building. Notwithstanding anything to the contrary the ARC shall have the right to permit reasonable modifications of the setback requirements when in its discretion such action is considered in the best interests of the Owners of the Lots.

Section 5. **Temporary Structures.** No temporary or mobile structure including, but not limited to, trailers, mobile homes, recreational vehicles, motor homes, campers, boats, basements, tents, shacks, garages, barns, or auxiliary buildings may be used at any time as a residence, either temporarily or permanently. The ARC shall define what constitutes a "mobile home" and shall include all types of manufactured housing in such definition. The ARC may, in its discretion, grant a variance for a specified time to allow a trailer or recreational vehicle to be placed on the Lot to be occupied by the Owner during the construction of a dwelling.

Section 6. **Time Limit on Construction.** A period not to exceed eighteen (18) months is allowed to complete the dwelling and twenty-four (24) months to complete any permitted Auxiliary Structure. The period is measured from the start of construction to completion.

Section 7. **Home Occupations.** A home occupation is permitted so long as it is conducted entirely within the dwelling by its inhabitants and is clearly incidental and secondary to the use of the dwelling as living quarters and there is no on-site employment of persons other than the residents of the dwelling or their immediate family, no generation of vehicular traffic beyond that customarily and incidental to the residential use of the dwelling, and no signs or structures advertising the occupation or other visible

evidence of the business from outside the dwelling. No other commercial activities shall be permitted.

Section 8. **Landscaping.** A landscaping plan shall be submitted to the ARC prior to commencement of landscaping and no later than 90 days after initial occupancy of any dwelling. All native trees and vegetation should be preserved to the extent reasonable to allow development of a Lot in harmony with the natural surroundings. Native plants are strongly encouraged for use in landscaping. Species deemed invasive and potentially harmful to the ecology of the surrounding area are prohibited. All approved landscaping must be completed within 12 months of initial occupancy of the dwelling and incidental additional landscaping may continue indefinitely to augment the plan as approved.

Section 9. **Fencing.** All fencing must be approved by the ARC prior to beginning work on the fencing and must be designed in accordance with the design guidelines.

Section 10. **Lighting.** No high-output exterior lighting, including, but not limited to, mercury vapor and halide lights, shall be permitted without prior approval of the ARC. All exterior lighting shall be shielded to direct light downward and to eliminate glare onto adjacent properties or roadways.

Section 11. **Living with Wildlife.** Homeowners must accept the responsibility of living with wildlife and are responsible for protecting their vegetation from damage, confining their pets, and properly storing garbage, pet food and other potential attractants. Homeowners must be aware of potential problems associated with the presence of wildlife such as deer, elk, bear, mountain lion, coyote, skunk, raccoon and magpie. Intentional feeding of wildlife is prohibited.

Section 12. **Weed Control.** Lot Owners shall revegetate any soil disturbances created by construction or maintenance activities, with beneficial species at the earliest appropriate opportunity after construction or maintenance is completed. Owners shall maintain their Lots and the Association shall maintain the Common Areas in compliance with the Montana Noxious Weed Control Act.

Section 13. **Subdivision.** No property within the Subdivision may be further subdivided and no lot boundaries may be amended without the written consent of the Declarant and full compliance with all applicable local and state regulations. Upon written notice, Declarant may delegate this right to the ARC or the Association.

Section 14. **Utilities.** All utilities shall be installed underground. The Owner of each Lot shall be responsible for payment of all connection costs.

Section 15. **Signs.** No advertising signs, billboards, or other similar objects shall be erected, placed, or permitted to remain on any lot. However, exceptions shall be

allowed for one sign, not to exceed eight (8) square feet identifying the contractor of a building while such building is under construction; one sign, not to exceed eight (8) square feet, advertising a dwelling for sale or rent; and one (1) sign, not to exceed four (4) square feet, advertising a garage sale; and up to five (5) signs, not to exceed four (4) square feet each for political campaigns for a period not to exceed three (3) months prior to the election date. This section notwithstanding, the Declarant may place signs within the Subdivision to promote the Subdivision or the sale of Lots.

Section 16. Access and Roadways. The Roadways (Mahonia Road and Mahonia Lane) are located as shown on the Subdivision Plat. Lot Owners are permitted to connect one driveway to the Roadways and bear the sole responsibility to construct and maintain these portions of their driveway. All driveways must be paved and all driveways shall be sufficient to provide for two (2) off street parking spaces located outside of the road right-of-way. The grade of any driveway shall not exceed ten percent (10 %).

No Lot Owner shall use part of any Lot to provide access to any adjacent land without the approval of the Declarant. If approved by the ARC, adjoining Lots under one ownership may access across the common Lot line and driveways may be shared. No roadway shall be constructed on any Lot except one (1) driveway for access to the dwelling and auxiliary building.

Section 17. Easements. Easements for installation and maintenance of utilities are reserved as shown on the final plat. No building or structure shall be erected, placed, or permitted to remain on such easements.

Section 18. Animals. Only domestic pets such as dogs and cats shall be permitted on the Lots. No more than two (2) dogs and two (2) cats shall be allowed per Lot. All dogs shall be kept within the Owner's Lot unless leashed or otherwise under the immediate control of the Owner. No horses, cows, pigs, chickens, sheep, goats, or other livestock shall be permitted on the Lots. To help reduce conflicts with wildlife, all food for animals shall be kept indoors and all animals must be fed indoors. Dogs shall be kenneled in rear yards only and shall be kept in a humane manner. Vicious, barking or howling dogs shall not be kept or maintained on any Lot at any time. Neither the housing nor boarding of animals for compensation, nor commercial sales of any animals, shall be permitted.

Section 19. Garbage. No Lot shall be used as a dumping ground, nor shall any rubbish, trash, garbage, or other waste be allowed to accumulate except in sanitary containers, which shall be emptied on a weekly basis. To help prevent conflicts with wildlife, all garbage shall be stored indoors in containers with sufficiently tight fitting covers to prevent the escape of noxious odors and to prevent entrance by wildlife. If curbside garbage collection is provided, garbage containers may be placed outside on collection days in a location convenient for collection. No open burning of trash or

leaves, tree needles, grass, brush, weeds or other vegetation or other materials of any kind is permitted.

Section 20. **Hazardous Material.** No hazardous material may be kept or used on any Lot at any time.

Section 21. **Antennas.** A maximum of four (4) receiving antennas for radio and television, including satellite dish antennas, may be installed on any Lot. Satellite dish antennas must be 32 inches or less in diameter and subject to approval of the ARC as to location and coloring.

Section 22. **Exterior Maintenance.** Each Owner shall provide exterior Lot and structure maintenance. Maintenance shall include painting, repairing the structures, caring for the Lot, and landscaping to preclude noxious weeds and reduce fire danger.

Section 23. **Damaged Property.** Any dwelling damaged by fire or other casualty must be removed from the premises or commence repairs within one hundred twenty (120) days unless an extension of time is granted by the Association. Any dwelling not so removed or repaired may be removed by the Association at the Owner's expense. The Association may pursue any and all legal and equitable remedies to enforce compliance and recover any expenses so incurred.

Section 24. **Inoperable Vehicles.** Motor vehicles unable to move under their own power, including vehicle bodies or large parts, shall not be left outside on any Lot, driveway or roadway for more than seventy-two hours. Work, other than incidental repairs, on all vehicles must be done inside the Lot owner's garage or Auxiliary Structure.

Section 25. **Discharge of Firearms.** The discharge of firearms within the boundaries of the subdivision is prohibited.

Section 26. **Hunting.** No hunting shall be allowed within the boundaries of the subdivision.

Section 27. **Sanitary Restrictions.** The Owner of each Lot shall comply with all governing laws and regulations relating to water supply, sanitation, sewage disposal, and air pollution.

Section 28. **Off Street Parking.** No automobiles, trucks, tractors, or motor vehicle of any kind shall be parked, stored, or maintained on the roadways identified on the recorded plat as Mahonia Road and Mahonia Lane. For periods exceeding one month, a maximum of one recreational vehicle or motor home and one motor-sport vehicle or boat trailer may be parked out-of-doors on any Lot. No commercial or industrial, logging or

construction equipment may be stored, parked, or kept on any Lot except during the period that such equipment is actively used in the improvement of the Lot.

Section 29. River Bank and River Access. No public access to the river is provided nor is the Owner of any Lot permitted to provide public access. The integrity of the river bank above the high water mark must not be disturbed through excavation, construction or otherwise. No roads may be constructed, nor is motorized vehicular access to the river or launching of motorized boat or watercraft over the riverbank on any Lot permitted. Stairs constructed of wood with wood or concrete footings, or foot trails with a maximum width of three (3) feet may be constructed. All such construction must comply with all governing laws and regulations of the U. S. Army Corp of Engineers or other governmental agency with jurisdiction over the river and riverbank. All construction must meet applicable building codes for safety. The design and appearance of any such stairs must be approved by the ARC.

Section 30. Domestic Water Supplies.

a. **Multiple User Water Supply System.** The well, water storage tank, water lines and related facilities serve as a multiple user water supply system in accordance with the Montana Department of Environmental Quality (DEQ) requirements for such systems. The purpose of this Section 30 is to comply with Section 17.36.334 of the Administrative Rules of Montana to provide for the long-term operation and maintenance of the multiple user water supply system in accordance with State of Montana requirements. In accordance with State approvals, the Association shall comply with the Operation and Maintenance Plan for the multifamily water system, a copy of which is on file with the DEQ. The Operation and Maintenance Plan is incorporated herein and made a part of this Declaration.

b. **Right to Draw Water.** The owners of all Lots in the subdivision, for their exclusive domestic use thereon, shall have the right in common with the other lot owners identified in this section to draw water from and to use the well and related facilities to provide domestic water supplies in accordance with all local and state regulations.

c. **Operating Costs and Maintenance.** Operating costs and costs for the maintenance, repair, and replacement of the common elements of the water system shall be assessed pursuant to Article III, Section 3. Each lot owner entitled to draw water as described herein, shall be responsible for the costs of the maintenance, repair and replacement of the individual water line serving his or her property, including the portion of the individual lines located in common with other lots or on common areas. The initial formula for sharing the costs of the water system shall be to divide such costs among the lots connected thereto, in the proportion of one third (1/3) equally among all the Lots, one third (1/3) on the basis of the area of each Lot, and one third (1/3) on the basis of the

living area of each residence, exclusive of open porches and garages. The Board of Directors may modify this cost sharing formula from time to time.

d. **Limitation on Irrigation Use.** Lawn and garden areas requiring frequent irrigation from the system shall be limited to 16,000 square feet. Such use and the timing of the diversion thereof, shall not adversely affect the availability of water for normal household use on the other Lots.

e. **Private Wells.** Additional water wells on any of the Lots may not be drilled, or waterworks constructed, unless first approved by a two-thirds (2/3) vote of the Owners.

f. **Possible Upgrade to Public Water System.** Declarant may upgrade the water system to a public water system upon future development of additional property with approval of the DEQ. In such event, assessment for operating costs shall be reevaluated and fairly apportioned among users at that time.

Section 31. Fire Protection. The Owners and Association agree to be included in the Thompson Falls Rural Fire District or other Rural Fire District organized under the laws of the State of Montana and approved by a majority of the Owners, and shall comply with all assessments, rules, and regulations of such Fire District.

Section 32. Control of Fire Hazards. There shall not be stored or maintained on any Lot more than fifty (50) gallons of any flammable or volatile liquid except for the storage of heating fuel oil, propane for residential and heating purposes and motor fuel contained in tanks which are a permanent part of motor vehicles. Woodpiles shall be cleanly stacked and located to minimize any fire hazard. All wood intended for burning must be cut, and stacked within thirty (30) days after placement on any Lot. No other material of any kind constituting a fire hazard shall be store or allowed to accumulate on any Lot.

Section 33. Removal of Trees. Not more than fifty percent (50%) of the living trees now standing on any Lot which are six inches (6") or more in diameter at breast height (dbh) shall be cut, severed, or removed, and any tree which is ten inches (10") or more in dbh may not be removed without the written approval of the Association. An exception is granted for the removal of any trees diseased or severely damaged by the elements of wind, snow, fire, lightning or otherwise and posing a risk to human safety or to any permanent structure.

Section 34. Propane and Heating Oil Tanks. Storage tanks for propane or heating fuel oil must be buried.

Section 35. **Address Signage.** Lot owners shall post County-issued addresses at the intersection of each Lot's driveway leading to the primary residence and Mahonia Road or Mahonia Lane as applicable as soon as construction on the residence begins.

ARTICLE VII: GENERAL PROVISIONS

Section 1. **Duration.** The covenants, conditions, and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of Declarant and each Owner, their respective legal representatives, heirs, successors, or assigns, subject to the right of amendment provided in this Article, for a term of twenty (20) years, after which time they shall be automatically extended for successive periods of twenty (20) years.

Section 2. **Additional Rights of Declarant.** The Declarant owns property adjacent to or in close proximity to the Panorama Terrace Subdivision. The Declarant shall have the right to continue to farm such property without restriction, liability or undue complaint as to its management practices, farming operations, use of agricultural chemicals, creation of dust, noise, odor or other disturbance, all of which are normal to the continued agricultural use of such property.

The Declarant may in the future subdivide and develop additional property adjacent to or in close proximity to the Panorama Terrace Subdivision and shall have without restriction, the right to use Mahonia Road to access said future subdivision. The Declarant shall also have the right to allow owners and residents of said future subdivision to use the River Access Easement. Further, the Declarant may expand and upgrade the Multiple User Water Supply System to a public water system in order to provide domestic water to said future subdivisions, all in accordance with the regulations of and subject to the approval of the Montana Department of Environmental Quality. In the event of such additional use of Mahonia Road, the River Access Easement or the expansion of the water system, the costs of operation and maintenance of Mahonia Road, the River Access Easement, and the water system shall be spread equitably among all the Lot owners of Panorama Terrace and any new subdivision served. The capital costs of expanding the water system to a public water system shall not be the responsibility of the Owners of Panorama Terrace.

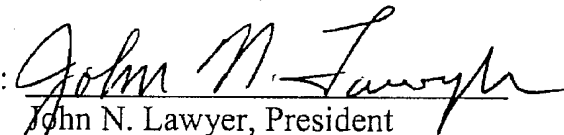
Section 3. **Amendment.** Declarant reserves the right in Declarant's sole discretion to amend, modify, make additions to or subtractions from this Declaration by written instrument, signed and recorded by Declarant until the Turnover Date. Thereafter, this Declaration may be amended or repealed upon the written approval of the property Owners comprising seventy-five (75) percent of the Lots. Any amendment or repeal shall become effective only upon the filing of such amendment or repeal in the records of the Clerk and Recorder of Sanders County, Montana.

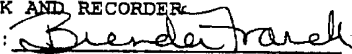
Section 4. **Enforcement.** The Declarant, Association, or any Owner within Panorama Terrace may take action to enforce the provisions of this Declaration. Enforcement may be by injunction, declaratory judgment, action for damages, or any other legal claims, all of which shall be cumulative and non-exclusive. The prevailing party in any action shall be entitled to recover, in addition to other damages, its reasonable litigation expenses, including attorney's fees, as may be awarded in the judgment of the court.

Section 5. **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the DECLARANT has signed this instrument and arranged for its recordation in the real property records of Sanders County, Montana.

LAWYER NURSERY, INC.

By: 
John N. Lawyer, President

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STATE OF MONTANA SANDERS COUNTY
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