

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS  
FOR NORTHERN LIGHTS SUBDIVISION

This Declaration, made on the date hereinafter set forth by **POTTER CLINTON DEVELOPMENT, INC.**, a Wyoming corporation, hereinafter referred to as "Declarant".

**W I T N E S S E T H :**

**WHEREAS**, Declarant is the owner of certain property in the County of Park, State of Montana, which is more particularly described as:

Northern Lights Subdivision Phases I, II, III - A tract of land located in the SW ¼ of Section 14, T 2 S, R 9 E, of Livingston, Park County, Montana - City of Livingston.

**NOW, THEREFORE**, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each owner thereof.

**ARTICLE I - DEFINITIONS**

Section 1. "**Association**" shall mean and refer to Northern Lights Homeowners Association, its successors and assigns.

Section 2. "**Owner**" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is part of the properties. Owner shall also include the purchaser under a Contract for Deed.

Section 3. "**Property**" or "**Properties**" shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the Association.



Section 4. "Lot" shall mean and refer to any plat of land shown upon any recorded subdivision of the properties.

Section 5. "Declarant" shall mean and refer to **Potter Clinton Development, Inc.**

**ARTICLE II - MEMBERSHIP AND VOTING RIGHTS**

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The term "Directors" shall mean the Directors of the Association and shall consist of three lot owners who shall be elected at the annual meeting by a simple majority of the members of the Association. That Board of Directors shall be elected for a term set by a simple majority of the membership but not less than one year. Each director shall serve until replaced by his successor. Any vacancy in the Board of Directors occurring before the next annual meeting of the members shall be filled by the remaining directors.

Section 3. The Directors shall have the authority to act on behalf of the Association and its members as shall be reasonably necessary to carry out the purposes of the Association and enforce these Covenants. The Directors shall act by majority vote. The officers of the Association shall follow the directions of the majority vote of the Directors.

Section 4. The Directors shall serve as the Architectural Control Committee until and unless a majority of the members vote to have a separate Architectural Control Committee.

Section 5. Directors shall also serve as officers which shall be designated by a simple majority of the members at the annual meeting unless and until a majority of the members vote to have officers elected separate and apart from the directors.

Section 6. The duties of each of the officers shall be as follows:

a. President. The President shall preside over all meetings of the Association. He shall call the membership together whenever necessary. The President shall be the general administrative and executive officer of the Association. He shall perform such duties as may be specified, and exercise such powers as may be delegated to him by the Association.

b. Vice President. The Vice President shall exercise the powers of the President in the absence of the President.

c. Secretary/Treasurer. The Secretary shall give notice of all meetings of the Association. He shall keep a record of the proceedings of the meetings of the Association. He shall be authorized to sign, on behalf of the Association, all records, documents and instruments when such are authorized to be signed by the Association. He shall exercise such other duties as may be designated by the Association.

The Treasurer shall keep and maintain adequate and correct accounts of the properties and business of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains and losses of the Association. He shall prepare and render such periodic accountings as shall be required of the Association.

Section 7. A vacancy in any office of the Association shall be filled by appointment by the Board of Directors until the next annual meeting or his/her successor is duly appointed or elected.

Section 8. The annual meeting of the Association shall occur on May 1st of each year. Any special meeting may be called by the President, or in his absence, by the Vice President. In addition, a special meeting shall be held upon call of 25% of the owners. Special meetings shall require 48 hours' notice, in writing. Notice of annual and special meetings shall be mailed to owners at the address for each owner which is listed as such on the official plats and records of Park County, as maintained by the Clerk and Recorder, Park County, or at such address as shall be designated, in writing, by any owner. The presence of members representing 60% of the total votes of the membership shall constitute a quorum.

Section 9. If proposed action is favored by a majority of the votes cast at a meeting, but such vote is less than the requisite

sixty percent (60%) of the members, members who were not present in person or by proxy may give their assent to any action in writing, provided the same is received by the appropriate officer of the Association not later than thirty (30) days from the date of such meeting wherein the action was voted on.

**ARTICLE III - HOMEOWNERS ASSOCIATION**

The Association, acting through its Board of Directors, shall have the power and authority to take such actions as shall be necessary or reasonable to care for, protect and maintain the roads, easements, boundary fences, drainage easements and common areas; to enforce these Covenants; to collect assessments; to set annual and/or special meetings; and to act in any other matters set forth herein or which may serve the development, including the formation of special improvement districts, either public or private, for such improvements as the Association shall approve.

The Association shall hold an annual meeting each year at such date, place and time as shall be set by the Board of Directors. At the annual meeting, the members shall review and approve a budget for the next year, shall elect Directors to fill any expired term or vacant position, and shall conduct such other business as shall be reasonable or necessary to carry out the purpose of the Association. The members shall have the authority to set the number of Directors, which initial number shall be three.

The annual meeting of the Board of Directors shall be held immediately after the annual meeting of the members. At the annual meeting, the Directors shall elect a President, Vice President and Secretary/Treasurer for the Association from among the Directors, except that the Secretary/Treasurer may be a member who is not a Director.

For the purpose of determining membership, at any meeting a person(s) or entity(ies) shall be deemed to be a member upon the recording of a duly executed deed to an owner or upon the recording of a Notice of Purchaser's Interest or an Abstract of Contract for Deed showing a contract purchase by an owner. The legal title retained by the vendor selling under contract shall not qualify such vendor for membership.

Foreclosure of a mortgage, trust indenture or the termination or foreclosure of a contract for deed wherein title is vested in the mortgage, beneficiary or original seller on a contract or repossession for any reason of a lot or unit sold under a contract shall terminate the vendee's membership, whereupon all rights to such membership shall vest in the legal owner.

**ARTICLE IV - COVENANT FOR MAINTENANCE ASSESSMENT**

Section 1. **Creation of the Lien for Personal Obligation of Assessments.** The Owner of any Lot by acceptance of a Contract of Sale or a deed therefore, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association (a) annual assessments or charges and (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time the assessment fell due.

Section 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 in the Properties.

Section 3. **Maximum Annual Assessment.** Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$40.00 per Lot. Notwithstanding any other provision herein, no Lot owned by Declarant shall be subject to annual or other special assessments unless and until such Lot has been sold or transferred to a third party. Thereafter, annual assessments shall be determined by the Board of Directors, provided, however, that from and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may not be increased each year more than ten percent (10%) above the maximum assessment for the previous year without the vote or written assent of sixty percent (60%) of the membership.

Section 4. **Notice of Quorum for any Action Authorized Under Section 3.** Any action authorized under Section 3 shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than ten (10) days in advance of the meeting.

Section 5. **Uniform Rate of Assessment.** Both annual and special assessments must be fixed at a uniform rate for all deeded Lots.

Section 6. **Date of Commencement of Annual Assessments - Due Dates.** The annual assessments provided herein shall be levied on the first day of January following the closing of the sale to an individual Owner. Voting rights attributable to property interest shall not vest until assessments against those interest have been levied by the Association. The first annual assessment for each Lot shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each deeded Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment 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 specific Lot have been paid.

Section 7. **Delinquent Dues and Assessments.** After any dues or assessments have been delinquent for a period of two months or more, the Association may mail to the owner a notice of delinquency. After any dues or assessments have been delinquent for a period of four months or more, the Association shall be entitled to file a lien against the owner's property, provided said Association has given notice of delinquency 30 days in advance which shall be filed in accordance with the provisions of Title 71, Chapter 3, M.C.A. The Association shall have all rights and remedies as provided herein.

The Declarant and each Lot Owner, by entry into an agreement to purchase a Lot and taking title to the same, waive the right to protest any special improvement district created and of public record in existence prior in time to Owner receiving title to any Lot. Additionally, Owners are advised that the right to protest the creation of special improvements districts for a future park

maintenance district and for a district for additional or better vehicular access have been waived. In this regard, Owner, prior to taking title to a Lot, is advised to review or seek advice with respect to the public record in the Park County Clerk and Recorder's Office.

**ARTICLE V - SIDEWALKS**

Sidewalks (5' wide), constructed to city standards, shall be installed on both sides of the streets at the time houses are constructed on individual lots. Upon the third anniversary (3 years) of each final plat phase recordation, any Lot Owners who have not constructed their sidewalks shall be required to install sidewalks on their lots, regardless of whether a home is constructed on the Lot or not. In the event that said Lot Owner shall fail to do so, the Association may do so and the cost shall be added to and become a part of the assessment to which such Lot is subject.

**ARTICLE VI - MAINTENANCE**

Owners are required to establish lawn or other suitable landscaping for their Lot. They shall also mow, irrigate, control noxious weeds and otherwise maintain their Lot so that the landscaping does not detract from the general appearance of the subdivision in the opinion of the Architectural Control Committee. To prevent the potential for groundwater contamination, the amount and type of chemicals applied to yards shall be restricted to acceptable standards.

In the event that the need for maintenance or repair or weed control is caused through the willful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject. For purposes of this Article, maintenance and repair caused by willful acts of the Owners shall include maintenance and repairs required as a result of utility repairs or other actions or contractors or agents of the Owner performed outside the boundary of his Lot.

The covenants and restrictions of this Declaration on exterior maintenance shall run with and bind the land and shall inure to the

benefit of and be enforceable by the Association and the Owner of any Lot subject to this Declaration.

**ARTICLE VII - UTILITIES**

Section 1. **Refuse Disposal.** No part of the above described property shall be used or maintained as a dumping ground for rubbish, trash or garbage. All waste shall be kept in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and shall comply with all applicable laws and regulations. No trash, garbage, or other waste shall be disposed of by burning on any building site or adjacent lands, except for construction debris which may be burned upon obtaining the proper permits from the City of Livingston.

Section 2. **Easements.** At no time will patios, barbecues or other permanent structures be erected upon any utility easement within the exterior boundary of a Lot. Fencing of a permanent nature shall be permitted only if it is of a type that is easily and quickly removed in the form of panels, gates or other similar units of construction.

Section 3. **Reservations of Utility Easements.** Each Lot in the above-described property shall be subject to an easement for the purposes of constructing, operating, maintaining, enlarging, reducing, removing, laying or relaying lines and related facilities and equipment for utilities including but not limited to those providing heat, communication, electrical power, water, sewer, gas and television.

**ARTICLE VIII - ARCHITECTURAL CONTROLS**

Section 1. **Land Use and Building Type.** Any structure constructed on Lots in Blocks 9; 10; 11; 12; 13; 16; inclusive, shall be built and used for single-family residential, non-commercial dwellings only. All dwellings constructed on Lots in Blocks 14, 15, 17, 18, inclusive, shall be constructed as single-family residential, duplex or townhouse structures to be used for residential, non-commercial purposes.

Section 2. **Architectural Control.** No buildings, construction, landscaping, parking, fence, wall or other

improvements shall be placed, constructed, erected, repaired, restored, reconstructed, altered, remodeled, added to or maintained on any lot or area until building and site plans and specifications, and such other information as the Committee may reasonably require, including, without being limited to colors, building materials and models, have been submitted to, and approved by a majority of the Architectural Control Committee in writing; nor may the same be commenced until the Architectural Control Committee shall have issued a permit allowing such improvements.

**Section 3. Architectural Control Committee.** The Architectural Control Committee may make such reasonable rules and bylaws and adopt such procedures as it deems necessary to carry out its functions, which rules, bylaws and procedures may not be inconsistent with the provisions of these covenants.

The Architectural Control Committee shall require that all construction complies with the provisions of the following standard codes or their amendments:

- (1) Uniform Building Code;
- (2) International Conference of Building Officials;
- (3) National Plumbing Code;
- (4) National Electric Code;
- (5) National Fire Protective Association;
- (6) Livingston Building Code.

The Architectural Control Committee shall have the authority to reject materials, designs submitted with plans, or the plans themselves if they are not compatible with, or are inappropriate for the rest of the subdivision.

The Architectural Control Committee shall have the power, authority, standing and right to enforce these covenants in any court of law or equity when it reasonably believes the same have been violated, and shall have the authority to revoke or suspend building permits and/or order suspension or cessation of any construction or work in violation of these covenants or of any permit issued by the Committee.

The Architectural Control Committee may require reasonable fees to be paid with the filing of plans and specifications and the issuance of building permits.

The Architectural Control Committee or the individual members thereof may not be held liable by any person for any damages which may result from Committee action taken pursuant to these covenants, including but not by way of limitation, damages which may result from correction, amendment, change or rejection of plans, the issuance of building permits, or any delays associated with such action on the part of the Committee.

Section 4. **Temporary Structures, Trailers Forbidden.** No structure of a temporary character, mobile home, trailer, basement, tent, shack, garage or any other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently. All structures must be maintained in a reasonable manner to present a neat and attractive exterior appearance.

Section 5. **Type of Construction.** No mobile homes shall be allowed and all construction shall be new on the site, e.g., previously built homes may not be moved into the subdivision and placed on a new foundation. Modular construction which complies with the Architectural Covenants may be approved by the Architectural Control Committee. Such approval will be on a case-by-case basis and shall be at the full discretion of the Committee.

Section 6. **Minimum Residence Requirements.** All single family dwellings shall have a minimum of 1,000 square feet of floor space together with at least a single-car attached garage or a two car garage which may be detached. The 1,000 square feet must be at or above grade and is excluding basements, garages, carports, porches, etc. All duplexes and townhouses shall have a minimum of 1,000 square feet and at least a single-car attached garage for each unit. It is the intention of this covenant to insure that all dwellings shall be of a quality workmanship and materials substantially the same as, or better than, other dwellings in the development. All plans must be approved by the Board of Directors or their assigned representatives.

Section 7. **Exterior Siding.** The exterior siding of the structure shall consist of wood, wood look-alikes or wood products, brick, stone, stucco or other manufactured exterior good quality materials, including insulated metal or vinyl siding. However, no sheet or panel metal siding nor cement block siding is allowed. No panel siding similar to T1-11 siding or plywood sheet siding is allowed.

Section 8. **Roofs of Structures.** The roofs shall be covered with shakes, tiles or shingles and no rolled roofing shall be allowed. Exposed aluminum or silver flashing around the chimneys or roof valleys shall not be allowed unless colored, textured or painted to match the roof design and color. Rain gutters are allowed, provided the same are colored to match the trim or color of the roof. Steel galvanized gutters are not allowed. The roofs shall have a minimum pitch of 4/12. Further, all structures shall be constructed so that the roof overhang and gable end are a minimum of 12 inches.

Section 9. **Foundation of Structures.** All foundations for living structures constructed on the real property which is the subject of this Declaration shall be constructed from masonry materials, foundations constructed from wood or other materials are expressly prohibited.

Section 10. **Colors of Structures.** The exterior colors of the structures shall be earth tones, pastels, white or wood colors. No bright or shiny colors on exterior siding shall be allowed. For example, bright oranges, royal blues, pinks, purples and like bright colors are not allowed. Colors are to be compatible with the balance of the neighborhood.

Section 11. **Exterior of Structures.** The exterior design, style and colors of each of the outbuilding and structures on a Lot shall conform to the design, style and colors of the residence. Roof fascia trim on any structure constructed on the real property which is the subject of this Declaration shall extend downward on the roof and be visible for at least 4 inches. The building should be a visual combination of forms that does not give a "box" appearance. Breaks in the roof lines and wall lines that add interest to the form and help define the design of the building are encouraged.

Section 12. **Entrances.** The main entrance to the living structures constructed on the real property which is the subject of this Declaration shall be architecturally defined and enhanced by incorporating an entry porch or gable extending over the entrance denoting a clear sense of arrival. It shall provide weather protection and visual definition.

Section 13. **Architectural Enhancement.** Any residential structure constructed on the real property which is the subject of this Declaration shall contain an offset or set back in its architectural design and construction of a minimum of 2 feet between the residence and attached garage or, in the alternative, a 2 foot offset or set back of at least 30% of the total linear distance of the front facade of the residence.

Section 14. **Building Height.** The height of all structures erected within the confines of the real property which is the subject of this Declaration shall be controlled by the zoning and other appurtenant regulations enacted by the City of Livingston, except as herein described. Structure on Lots 1, 2, 3 Block 9, Lots 1, 11 Block 10, and Lots 1, 17 Block 11 shall be limited to one and one-half stories (18' max.).

Section 15. **Set Backs, Building Locations.** Set backs shall be controlled by the zoning and other appurtenant regulations enacted by the City of Livingston. The front yard set back for any dwelling shall be a minimum of 25 feet. The setbacks from the side street for any dwelling shall be a minimum of 10 feet. No building shall be located nearer than 15 feet from any rear lot line, nor nearer than 5 feet from the side lot line. For purposes of this Covenant, eaves and open porches shall be considered as part of a building.

Section 16. **Accessory Buildings.** All necessary buildings, such as garages and storage buildings, shall be architecturally compatible with the residence on or being constructed on the Lot.

Section 17. **Fencing.** Backyards and sideyards may be fenced with wood or materials that look like wood. The front yard toward the public road shall not be fenced. Chain link fences acceptable to the Architectural Committee may be approved on a case by case basis. Fences shall be maintained in good condition and according to the provisions Article VII, Section 2.

Section 18. **Antennas and Satellite Dishes.** No resident shall have visible from outside the confines of the Lot any antennae or satellite dish. In no case shall a satellite dish exceed 24" in diameter.

Section 19. **Dog Kennels.** Dog kennels are allowed provided they do not exceed 10 feet by 20 feet in size and are located in the rear yards and screened or fenced from the neighbors' view. Such kennels are to be kept in a clean and odor free condition at all times.

Section 20. **Entry/Drive Lighting.** Upon construction of each home, a standard light of a design prescribed by the Architectural Control Committee shall be installed by the Owner where the driveway intersects the front property line. The Owner shall be required to provide power and maintenance for the light.

Section 21. **Street Lighting.** A street lighting district for Northern Lights will be responsible for street lighting requirements.

Section 22. **Landscaping.** Landscaping shall be completed within twelve (12) months after the Owners' first occupancy of the residence. As part of the landscape plan the requirement for 3 street trees per single family lot and 4 street trees per duplex lot (2 per living unit) are required. Trees prohibited by the City of Livingston (Sec 23-2) that are not to be used as street trees include: Carolina Poplar, Canadian Poplar, Lombardi Poplar, Silver Leaf Poplar, Box Elder, Native Cottonwood trees or any other variety deemed undesirable by the City shall not be planted in the boulevards or within twenty (20) feet of a sidewalk.

Section 23. **Sight Distance at Intersections.** For elimination of traffic hazards and to promote traffic safety, no fence, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 5 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of street lines or, in the case of rounded property corner, from the intersection of property lines extended. The sight line limitations shall apply on any Lot within 10 feet from the intersection of a street property line with the edge of the driveway. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained a sufficient height to prevent obstruction of sight lines.

Section 24. **Stormwater Detention Ponds.** The Northern Lights Property Owner's Association is responsible for annual maintenance of the detention ponds including noxious weed control, periodic mowing, litter control, and general maintenance to assure proper operation.

Section 25. **Construction Completion.** All improvements, construction, reconstruction, alterations, or remodeling requiring the approval of the Architectural Control Committee must be completed in substantial compliance with the plans and specifications initially approved by the Committee. All such construction must be completed within one (1) year from the date construction is commenced.

**ARTICLE IX - USE RESTRICTIONS**

Section 1. **No Commercial Use.** No residence or other structure erected on the real property which is the subject of this Declaration shall be used for any commercial endeavor or activity including cottage industry type business, day care, or other business type activity. It is the express intent of the Declarant that the real property which is the subject of this Declaration be devoted to creating a neighborhood consisting of residential units and preserving within the community so created a quiet, peaceful, harmonious existence between the neighbors.

Section 2. **Animals.** Dogs, cats or other household pets may be kept in reasonable numbers provided they are confined to the Lot of their Owner. Household pets may not be kept, bred or maintained for any commercial purposes. Pets cannot be allowed to become a nuisance or annoyance to neighboring property Owners nor can they be allowed to wander at large or bark uncontrolled. No livestock or poultry shall be allowed.

Section 3. **Storage of Equipment.** No Lot shall be used for the storage of any inoperable vehicle, machinery or equipment. No Lot shall be used for storage of any articles, vehicles, equipment or other personal property of any quantity in excess of the immediate needs and personal use of the Owner of a Lot or the occupants thereof as the case may be.

Section 4. **Commercial Vehicles.** No Lot shall be used for the parking or storage of any commercial trucks, large commercial

vehicles or other heavy equipment, except as may be necessary during reasonable periods of construction.

Section 5. **Recreational Equipment.** All campers, trailers, motor homes, boats, and all other recreational equipment and the like shall only be parked on the Lot in compliance with the applicable zoning code for RII Zone, but subject, nevertheless, to the limitations of Section 2 and 3 above. In no event shall such equipment be parked on roads. Such equipment and vehicles must be enclosed in garage or otherwise screened areas. Screening design must be approved by the Board of Directors.

Section 6. **Parking.** The owner of each Lot shall provide off-street parking for their own vehicles. Walkways and sidewalks shall not be used by motorized vehicles.

Section 7. **Offensive Activity.**

- a. No noxious or offensive activity shall be carried on upon any portion of the above described property, nor shall anything be done thereon which may be, or may become, an annoyance to the neighborhood.
- b. No fireworks of any kind may be bought, brought into, discharged or stored on the above-described property.
- c. No firearms shall be discharged on the above-described property.

Any violation of city ordinances, zoning or other regulations shall be a violation of these covenants and can be enforced by the Association or individual Lot Owners.

Section 8. **Irrigation Ditch (Voyich Ditch).** The Owner or Occupant of any Lot shall at all times conduct its use and activities in a manner that will preserve the integrity of waterways within the Common Area including the prevention of any degradation of water quality, any reduction or increase in the flow of said waterways, any damage to the stream bed or banks of said waterways. The Owner or Occupant of any Lot shall not conduct or permit the conduct of the following activities:

- a. The discharge of any liquid, solid, or gas into waterways;
- b. The use of any fertilizers or herbicides other than those specifically approved by Declarant; or the polluting of waterways;  
or
- c. Any refuse encouraging activities.
- d. Routine maintenance of the Voyich Ditch may involve removal of sediments and placement along the Ditch bank on Comet Blvd. which if occurs, said sediment pile removal will be the responsibility of the Northern Lights Property Owner's Association.

Section 10. **Signs.** No sign of any kind shall be displayed to the public view on any Lot except one sign of not more than five square feet advertising the property for sale or rent or such signs used by a builder to advertise the property during the construction and sales period. Developer shall be allowed to maintain subdivision information signs until all lots are sold.

Section 11. **Mining Operations.** No oil or gas drilling, development operations, oil refining, quarrying or mining operations shall be permitted on any Lot.

#### **ARTICLE X - GENERAL PROVISIONS**

##### **Section 1. Lot Splitting; Consolidation.**

- a. Two or more Lots within Northern Lights may be combined provided that notice of intention to consolidate such Lots is filed with the Architectural Control Committee. Such consolidated Lots may thereafter be treated as one building site, and such site may be subjected to these restrictions the same as a single Lot except for the purpose of levying and collecting assessments. The Architectural Control Committee will consider the authorization of guest houses on two or more consolidated lots.
- b. No residential Lot within Northern Lights shall be split or divided or subdivided, unless such Lot as split is then consolidated with a contiguous Lot, and unless the resulting area to be built upon shall be larger than one Lot.

c. Any change in Lot configuration shall be approved by the Architectural Control Committee and appropriate governmental authorities (City of Livingston, Park County, State of Montana).

**Section 2. Effects of Covenants on Mortgage.** A breach of any of the foregoing provisions, conditions, restrictions or covenants shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value on any Lot, or portion of any Lot, and any improvements thereon, but said provisions, conditions, restrictions and covenants shall be binding upon and effective against any Owner thereof whose title thereto was acquired by foreclosure, trustee sale or otherwise.

**Section 3. Incorporation by Reference.** In any conveyance of the lands covered hereby, it shall be sufficient to insert a provision therein to the effect that the conveyance is subject to the restrictions and covenants contained in this document, without setting forth such restrictions and covenants verbatim or in substance in such conveyance.

**Section 4. Enforcement.** Enforcement of these covenants shall be by procedure of law or in equity against any person or persons violating or attempting to violate any covenants, and the legal proceedings may be either to restrain the violation of the covenants or to recover damages, or both. Each person who has been found by a court of competent jurisdiction to have violated one or more of these covenants shall be liable for all attorney's fees and costs incurred in connection with the litigation. The failure of any Owner or Owners of any Lot to enforce any of the restrictions set forth herein shall be personally binding upon any person, persons or corporation, only with respect to breaches committed during its, his or their ownership of or title to any of said tracts and any part thereof.

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

**Section 6. Amendment.** The covenants and restrictions of this Declaration shall run with an bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive

periods of ten (10) years. This Declaration may be amended by an instrument signed by the Owners of not less than sixty percent (60%) of the Lots, each Lot being entitled to one (1) vote. Notwithstanding the above, until 75% of the lots are sold or five years from the date hereof, the Declarant may amend the covenants in their sole discretion.

**Section 7. No Waiver.** The failure of the Board or its agents to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment, for the future, of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Board or its agent of the payment of any assessment from an Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and duly signed by or on behalf of the Board.

**Section 8. Variances.** The Architectural Control Committee may allow reasonable variances and adjustments of the foregoing covenants, conditions and restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the covenants contained herein, or to grant variances for the purpose of enhancing or protecting views, utilizing a lot to better advantage, preventing the removal of trees, and enhancing the placement of improvements on the property, provided this may be done in conformity with the intent and purpose thereof, and also provided in every instance that such grants or adjustments shall not be materially detrimental or injurious to other property or improvements in the neighborhood. Notwithstanding the foregoing provision, no variance shall be allowed which has the effect of creating additional lots.

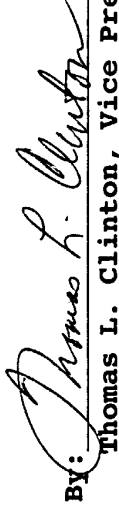
Any variances or adjustments of these conditions, covenants and restrictions granted by the Architectural Control Committee, or any acquiescence or failure to enforce any violation of the conditions and restrictions herein, shall not be deemed to be a waiver of any of the conditions and restrictions in any other instance.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal the 2 day of October, 1996.

POTTER CLINTON DEVELOPMENT, INC.

By: 


Michael E. Potter, President

By:   
Thomas L. Clinton, Vice President

STATE OF MONTANA )  
                          ) :ss  
County of Gallatin )

On this 2 day of October, 1996, before me, a Notary Public for the State of Montana, personally appeared **MICHAEL E. POTTER** and **THOMAS L. CLINTON**, known to me to be the President and Vice President, respectively, of **POTTER CLINTON DEVELOPMENT, INC.**, a Wyoming Corporation, and acknowledged to me they executed the same pursuant to the power and authority vested in them.

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

  
Connie Thompson  
Notary Public for the State of Montana  
Residing at Bozeman, Montana  
My Commission Expires 9/19/98

THIS DOCUMENT PREPARED BY:

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County of Park, }  
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