

STATE OF MONTANA MADISON COUNTY

RECORDED: 07/11/2005 4:00 BOOK: 536 RECORDS PAGE: 336

DOC #: 107290

Peggy Kaatz CLERK AND RECORDER BY:

FEE: \$132.00

AMERICAN LAND TITLE CO PO BOX 396, BOZEMAN MT 59715

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BOOK 536, PAGE 336

DECLARATION OF PROTECTIVE COVENANTS

of

**Pronghorn Meadows
Ennis, Montana**

The herein Declaration of Protective Covenants are entered into this 11 day of July, 2005 by Jeriko Development Inc., an Oregon corporation. This Declaration of Protective Covenants is designed to provide lot owners and the surrounding community with the benefits of these lot requirements therefore creating an atmosphere that is consistent throughout the entire Pronghorn Meadows subdivision. The property affected by this declaration is specified in Exhibit A, which is included as part of this Covenant. Each lot owner is expected to abide by the following guidelines and requirements. Upholding these requirements protects the interests and investments of all lot owners. The following restrictions are promulgated to accomplish this goal. The Pronghorn Meadows Homeowners Association (PMHA) will own the common areas including the parks, the equine facility, subdivision roads, and will manage and maintain the open spaces, trail corridors and oversee the management of the wildlife corridors. The PMHA will be the governing affiliation. Each lot owner will automatically become a member with the purchase of any Pronghorn Meadows lot(s) and will be a permanent member until the lot is sold or transferred to a different owner.

I. DESIGN**A. DESIGN COMMITTEE**

Pronghorn Meadows Homeowners Association will appoint a Design Committee to review and approve all buildings, building improvements, the locations and plans of fencing, and other design criteria contained within this document. The Design Committee will be responsible for preserving the outlined criteria. Requests, applications, and all correspondence should be addressed to Jeriko Development Inc. at 63020 NE Lower Meadow Drive, Suite #1, Bend, OR 97701. The phone number is 1-800-380-0070. Association members will be notified of an address change. Jeriko Development Inc. officer Kevin Spencer will be, at the time of the final plat approval, appointed as Chairman of the Design Committee until the year 2010. This term can be extended by Jeriko Development Inc. Or, at such time that Pronghorn Meadows has sold 35 lots, the Committee Chairman can be replaced by vote of the Pronghorn Meadows Homeowners Association. The Design Committee will provide lot owners with structure applications upon request. The Design Committee will have 45 days to respond to any application. There will be no building of any structure or fence without an approved application. The Design Committee will send notice of Covenant breaches. After

this notice, the PMHA and the Design Committee will obtain trespassing rights for the purpose of instituting compliance of the Covenants.

B. GENERAL DESIGN

Each owner is required to design his or her structure(s) reflecting a Western-Ranch style. Materials, colors, and shapes are most important in the design of these structures. Covered porches in view of roads are advised but not required. Every building must have at least a 2-foot overhang, and all roofs must have a minimum of a 4/12 pitch.

C. EXTERIOR MATERIALS

Exterior materials will consist of natural wood, natural wood replacements, peeled log, stone, or similar looking natural or manufactured materials. If a metal roof is considered, there must be prior approval by the Design Committee for both color and style. Paint and/or stains for the exterior of any structure must be of earth tones (blues are not always considered earth tone colors). The Design Committee must approve all changes to the exterior of a structure before the change is executed. For example, to repaint or stain existing homes, garages, fences or other structures, the Design Committee must approve the proposed colors.

D. ROOFS, SATELLITE DISHES AND PROPANE TANKS

All roofs must be of a Class A fire rating for fire hazard protection. Rooftop equipment, such as TV and radio antennas, is not allowed unless concealed from view of all other lot owners and road easements. Satellite dishes would preferably be an earth tone color. Propane tanks must be buried.

E. EXPOSED FOUNDATIONS

Exposed foundations of concrete or masonry construction shall not have a surface that exceeds the height of 18 inches above finished grade, unless faced with rock, brick, or other suitable veneer. Approval by the Design Committee is required.

F. SOLAR COLLECTORS

Solar collectors may be of any construction or material necessary for efficient operation, but they shall not be placed on any structure in a manner that causes glare for other neighboring residences or road easements. Solar collectors must be attached to the structure of a residence, garage, carport, or accessory building and shall not be freestanding. Approval by the Design Committee is required. Other alternative power devices must be approved by the Design Committee and will be approved based on how they affect the other lot owners and adjoining property owners around Pronghorn Meadows subdivision.

G. SIZE AND HEIGHT REQUIREMENTS/LOT LINE REQUIREMENTS

The primary residence shall contain a minimum of 1400 square feet of living space. No building structure shall exceed 31 feet in height. Building height should be measured from the average grade of the foundation to the highest part of the roof peak. All structures must be at least 20 feet from the side property lines and a combination of 50 feet or greater in total. The front of any structures must be at least 40 feet from front property line. (front being the bordering side of the lot next to the county road) No structures can be built in the areas designated for open space, trails, and wildlife corridors. Hangars can be built up against the wildlife corridor on the east side of the property only on lots 131-134.

H. EXTERIOR LIGHTING

Exterior lighting shall not cause glare to any lot. Mercury vapor lamps (or similar lamps) will not be permitted. All exterior lighting shall be subdued and shrouded so as to project light downward and not horizontally. The Design Committee must approve landscape/exterior lighting.

II. SITE DESIGN, PREPARATION AND LOCATION

A. SITE PREPARATION

Grading for all improvements shall be contoured to existing ground lines to avoid unnaturally sharp edges. Existing natural features should be incorporated into the plan and preserved whenever possible. Home site development shall accommodate proper drainage using natural channels. Drainage and topographical transitions should blend with the natural topography of the home site. The land outside the building envelope should be left as natural as possible.

B. REVEGETATION

Revegetation shall be required for all disturbed areas. Revegetation, to the greatest extent possible, shall restore the lot to the conditions that existed prior to any construction so that the lot will retain harmony with the surrounding undeveloped property. The owner must complete the restoration within a reasonable time period as dictated by weather conditions and other such uncontrollable factors. If the septic systems are installed in an area that is for the benefit of a wildlife or trail corridor, then the area of the septic installation must be restored to as natural a state as possible within the time of the completion of the house or improvement.

C. TEMPORARY STRUCTURES

Temporary structures are forbidden without the construction of the permanent dwelling. RV trailers may be used only during the construction of a permanent dwelling. All temporary structures must be removed within 30 days after the building of the home site. Completion of the home site must be accomplished within one year of groundbreaking. It will be possible to obtain a time extension only if the construction of the home has been delayed or postponed because of unusual weather or emergency.

D. SITE CLEANUP

BOOK 536, PAGE 339

During all construction, the construction site must be cleaned up weekly and maintained free of trash. The owner shall be responsible for cleaning up wind-blown debris, both on and off their personal premises. If the lot owner is not abiding by this agreement, the Pronghorn Meadows Homeowners Association will send a notice. After the deliverance of such notice, the PMHA has the right to trespass on the lot and clean the debris in question or correct the covenant infraction and bill the lot owner for the cost of such rectification.

E. BUILDING ENVELOPES AND RESTRICTIONS

There will be two lots (100-128) with building envelopes for the purpose of the view shed for the 66 Ranch. These building envelopes will not be changed and there will be no variances for the relocation except for the purpose of combining an adjoining lot. This building envelope must be approved by the Madison County Planning Department and the Design Committee.

Owners of lots that are on a bluff will need to design all structures 30 feet from the edge. These lots will also need a site-specific geotechnical investigation to insure ground stability. On bluff lots, all structures must be staked out for the purpose of the Design Committee review.

III. RESIDENTIAL USE

A. PRIMARY AND GUEST RESIDENCES AND/OR UNATTACHED GARAGES/HANGARS

The individual lots that make up Pronghorn Meadows subdivision are available to accommodate private, single family structures only. Guest homes may be permitted with discretion so long as such homes conform to the same standards and guidelines provided for by these Covenants for the primary structure as well as all codes and building guidelines of Madison County. All structures must be within the designated building envelope or outside of the area designated as stream/trail/wildlife corridor. The Design Committee must review and approve all structures, primary or otherwise. Mobile homes or manufactured homes shall not be allowed. Log homes that are constructed off site and conventional homes with crane application construction may be approved by rule of the Design Committee. Hangars can only be constructed on lots 131-134 in Phase 3. Hangar buildings must be approved by the Design Committee. Hangars must use the same building guidelines as all other buildings and must be master-planned with the residence and the residence must be built within 4 years of the hangar. No metal structures can be constructed for a hangar. All hangar applications must be accompanied by a contract with the 66 Ranch for the use of their runway. This contract must be submitted with the application for the Design Committee application review. All hangar doors must be on the east side of the property and facing the runway. There will be no exceptions with hangar applications.

B. SUBDIVISION

BOOK 536, PAGE 340

There will be no division of land within the Pronghorn Meadows subdivision. Lots can be combined for the purpose of changing the size and location of the building area, but absolutely no other lot line adjustments can be made. The Design Committee must approve all changes to the original subdivision plat. Commercial lots are exempt from this subdivision ruling.

C. HOME OCCUPATIONS

Home occupations are permitted in Pronghorn Meadows so long as such use complies with the requirements of this paragraph and does not otherwise conflict with the Covenants. A home occupation is conducted entirely within a dwelling by the inhabitants thereof which is clearly incidental and secondary to the use of that dwelling as living quarters, and in connection with which there are no on-premise sales of products, no generation of pedestrian or vehicular traffic beyond that customary or incidental to residential use of the dwelling, no employees who do not reside on the premises, no signs or structures advertising the occupation, and no excessive or unsightly storage of materials and/or supplies. For guidance, the following uses are examples of home occupations that are permitted on the premises, given the above stipulations and restrictions: the making of clothing, the giving of music lessons, a sole practitioner/professional practice who maintains a telephone and office within the residence but the services and products are provided and sold off of the premises, the pursuit of artistic endeavors such as the making of pottery, ceramics, paintings, or bronzes and the like, provided that the products are marketed and sold off of the premises.

IV. GENERAL PROVISIONS

A. UTILITIES

There are utility easements for electricity, telephone, and all other public utilities that may be offered in the future within the Pronghorn Meadows subdivision. All owners shall have the right to enter upon and excavate in such easements for the purpose of installing, repairing, removing, and otherwise servicing the facilities installed in such easements. Each owner shall be responsible for utility installation and maintenance in accordance with local and state regulations. All new utility lines, cables or pipelines will be underground. Each residential building shall be connected to a private water supply system at the sole expense of the owner, and such systems must conform to regulations imposed by the State of Montana, Madison County, and other regulatory agencies. Each residential building shall be connected to a private sewage system at the owner's sole expense. This system must also conform to all state and local laws and regulations. If a hookup to utilities interrupts service, notice to all affected lot owners must be made five (5) days prior to installation. If, for the purpose of hooking up to the utility, damage occurs to the land or roads of Pronghorn Meadows, disturbances must be repaired at the cost of the responsible lot owner.

B. ROAD EASEMENTS

BOOK 536, PAGE 341

The roads within the Pronghorn Meadows subdivision will be privately owned by the PMHA and will be open to the public. All Fire access easements will be for the emergency vehicles only. Any other use of fire easements will require permission by the lot owners affected by easement. The maintenance will be the responsibility of the Pronghorn Meadows Homeowners Association unless Madison County directs differently. The speed limit within the Pronghorn Meadows subdivision will be set in accordance with the Madison County Sheriff's recommendation, and will be signed accordingly. Madison County Sheriffs and other such agencies are not required to obtain permission to trespass on areas owned by the Pronghorn Meadows Homeowners Association for the purpose of safety-related activities.

C. MAINTENANCE

1) Lot Owners

No garbage, trash, unsightly debris, organic or inorganic waste will be permitted by an owner to accumulate on any tract or in any road adjacent thereto, and must be disposed of promptly and efficiently. No owner shall use vacant lands or lots as a dumping ground or burial pit. No lot owner may store any unlicensed vehicles on their property. The Pronghorn Meadows Design Committee will enforce these rules and will have the right to remove such objects from the premises, if necessary, at owner's expense. Owners shall maintain home sites and appearance in good repair at all times. All landscaping improvements and property shall be kept and maintained in good, clean, safe, sound, attractive and thriving condition. Fire hazards must be controlled. If damage occurs through the negligent act of a lot owner, members of his/her family, guests or employees, then such owner shall be responsible and liable for all such damages. Pronghorn Meadows Homeowners Association shall have the right, but not obligated, to enter upon any lot in order to remedy and correct any lack of maintenance, lack of weed control, accumulation of garbage, refuse, debris, or unsightly materials and/or possessions or any other covenant violation by a lot owner. Lot owners will be subject to such remedial measures as the Design Committee deems appropriate in the best interest of all owners in the Pronghorn Meadows subdivision. The cost of any removal or clean up shall be at the sole expense of the owner. Failure to pay said costs in a timely fashion shall result in an additional fine against the lot owner as provided below. If said assessment remains unpaid for 60 days, the lot in question shall be subject to a lien in the amount of such assessment together combined with attorney fees and other such costs as incurred in enforcing said lien. Said lien may be enforced in accordance with Montana State law relating to the foreclosure of liens.

2) Pronghorn Meadows Homeowner Association

Pronghorn Meadow Homeowners Association will own and be responsible for maintenance of the roads, opens spaces, parks, equine facility, community center, and help manage the wildlife corridors. The fences that are for the benefit of these areas, and that were installed by the developer, will be maintained by the PMHA. The PMHA will charge members a semi-Annual assessment

For required monies needed for such maintenance. The cost of the assessment at the time of the final plat (7/11/2005) will be \$50.00 twice a year. The changes to assessments will be at the sole discretion of the PMHA.

D. WEEDS

All lot owners will be responsible for the control of all noxious weeds in accordance with Montana State law. The Pronghorn Meadows Homeowners Association may have the right to subcontract the weed maintenance to an independent contractor for road areas, common areas and parks. At the request of any lot owner, the Pronghorn Meadows Homeowners Association will offer the weed maintenance for a fee. The Pronghorn Meadows Homeowners Association will be responsible for upholding the weed plan that was introduced with the Pronghorn Meadows subdivision requirements. If, in the opinion of the Madison County Weed Advisor, any lots within the Pronghorn Meadows subdivision are out of compliance regarding the weed management plan, the Homeowners Association will send a notice. If the lot owners do not perform their duties required as per the weed management plan within 30 days, the association may subcontract the work out and the cost will be the responsibility of the lot owner.

E. WILDLIFE

Within the Pronghorn Meadows subdivision, feeding of wild animals is prohibited. No salt licks shall be placed upon the lots or open spaces for the purpose of attracting wild animals. Neither Pronghorn Meadows Homeowners Association nor any governing agency shall be liable for damages caused by wildlife. No restrictions or obstacles may be placed in the wildlife corridors. The trapping, capturing or destroying of wildlife is prohibited without the direct assistance of a Montana Fish Wildlife and Parks representative.

F. NOXIOUS OR OFFENSIVE ACTIVITIES

No noxious, offensive or hazardous activities shall be permitted upon any portion of the property, nor shall anything be done on or be placed upon any portion of the property which is or may become a nuisance to others. No light shall be produced upon any home site or any other portion of the property that shall be unreasonably bright or cause unreasonable glare. No sound shall be produced upon any home site or other portion of a property that is unreasonably loud or annoying, including but not limited to speakers, horns, whistles, bells, barking dogs, equipment operation not related to the construction of structures. All complaints by other lot owners must be made to the Design Committee. Absent an exemption from the Pronghorn Meadow Homeowners Association, construction activities are allow work only from 7:00 am to 7:00 pm Monday through Friday, 8:00 am to 5:00 pm Saturday and not at all on Sunday.

G. SIGNS

No signs, billboards, posters, displays, advertisements, or similar structures shall be permitted except as determined by the Design Committee. Signs for the purpose of recognizing the general contractor or other subcontractors will be

allowed just during the building process and need to be removed within thirty (30) days of completion.

H. FENCES

All fencing of lots on the Pronghorn Meadows subdivision shall be constructed so as to conform as much as possible to the natural surroundings and the other improvements on the lot. All fences on the perimeter of any building property lines shall comply with Montana law (Section 814101 et seq. Montana Code Annotated) No barbed wire or like fencing will be approved. Fencing along Highway 287, wildlife corridors, parks, and common areas (if originally installed by developer) will be maintained by the PMHA. Fences for the purpose of the retention of domestic animals need to be approved by the Design Committee. Screen fencing must be located with thirty (30) feet of the home and or structures approved by the Design Committee. All screen fencing must be approved for height, style, color (if painted), and location. The tallest screen fences are not to exceed six (6) feet in height. Consistency of fencing will be a high priority for the Design Committee. Property perimeter fencing is allowed, but lot owners that are encumbered by Wildlife corridors, and trail open spaces cannot place fencing in those areas. All perimeter fences will need to be wildlife-friendly. Wildlife friendly fence information will be available from the PHMA. All fencing along the open areas, and wildlife corridors need to start at or above 22" for the purpose to provide save movement to antelope. Pronghorn Meadows Home Owners Association has the right to approve fencing within the wildlife corridors for the benefit of grazing the grass to reduce fire danger. All lot owners affected by such approval must mutually agree on the fencing and grazing.

I. CLOTHES LINES

Outside clothes lines or other outside clothes drying or airing facilities shall be maintained exclusively within a fenced yard and shall not be visible from any other lots or road easements within the Pronghorn Meadows subdivision.

J. FIRES AND BURNING

There shall be no exterior fires whatsoever except barbecue fires, or exterior fire pits built for the purpose of entertainment. Fires may from time to time be permitted by the Pronghorn Meadows Homeowners Association and then only with necessary burning permits from the appropriate governmental agency or authority. Given the proximity to grass lands and prevailing winds, fire-spreading danger is significant, especially during dry seasons. Fires for the purpose of disposing of building material during the construction of a structure may be permitted during the normal burning season, and if a fire permit is needed it must be obtained. An open fire for the purpose of burning garbage is prohibited.

K. RECREATIONAL VEHICLES

Boats, trailers, snowmobiles, motorcycles, ATVs and other recreational equipment other than automobiles and pickups shall not be stored in the open on any Pronghorn Meadows lot. An area screened by landscaping, fencing or

building structures will be necessary to store recreational vehicles. Temporary guests with recreational vehicles may visit for no more than 15 days. If the prolonged visit of a recreational vehicle is due to a hardship for health reasons, the Design Committee will need to approve the extended stay. Recreational vehicles are prohibited in the wildlife corridors, open spaces designed for horses, walkers, and wildlife. Recreational vehicles on the public road will have to follow the Montana governing laws. Pronghorn Meadows subdivision will have a location for the excess vehicles, fenced and gated for the purpose of storing recreational and excess vehicles. There will be a cost to store the excess vehicles with the Pronghorn Meadows Homeowners Association. These fees will be for the benefit of the general fund for the PMHA.

L. DOMESTIC ANIMALS

Domestic animals are allowed on all Pronghorn Meadow lots. All domestic animals need to be restricted to the owner's lot, and the possibility of a nuisance avoided. No free roaming domestic animals will be allowed. A reasonable quantity of outside domestic animals needs to be maintained. No business that grows, breeds or boards domestic animals may operate in the Pronghorn Meadows subdivision. Domestic pets that chase wildlife will be declared a nuisance animal and will have to be relocated. Fencing for the purpose of domestic animals will need to be built within 50 feet of the buildings or structures, and will need to be approved by the Design Committee.

M. LIVESTOCK/POULTRY

For the lot owners that have horses, or guests with horses, there will be an equine facility for that purpose. A 4-H animal may also be raised for the sole purpose and benefit of a child of the lot owner. The owner and the Design Committee will agree on an area needed and the fee associated with the area requested. This facility is for the benefit of the owners of Pronghorn Meadows lots. Lot Park E, approximately 8 acres, will be the equine center area. A cost of the facility will be associated with that use by the Homeowners Association. The cost of the original facility will be the developer's responsibility, but maintenance will be the PMHA's. The PMHA will bill the users of the facility an amount determined by the PMHA. The needs of the animal(s) that will be using the facility temporarily and/or the ones that live there are the sole responsibility of the animal's owner. Livestock will not be allowed on any lots within the Pronghorn Meadows subdivision. Livestock are defined as cows, horses, pigs, sheep, llamas, chickens, turkeys, emus, etc. By mutual agreement of the owners, the areas in the wildlife corridor may be used to graze horses or cattle if the condition of the land would benefit from such activity. This must have prior approval by the Board of the PMHA.

N. RECREATIONAL USE

The owner may use each parcel recreationally until the permanent resident dwelling is constructed. Recreational placing of a trailer or some type of RV may be used temporarily. Temporarily shall mean the placement and use of such items on the lot for no longer than 15 days at any time or for no longer than

45 days during any given calendar year. This is for the owners of the lots in Pronghorn Meadows only. The limit of such activity is for the use of no more than two (2) recreational vehicles. The RV must be removed from the lot after each stay, and can be stored in the storage facility for a fee.

O. HUNTING/FIREARMS

Hunting/discharging of firearms is prohibited on all lots and open spaces in the Pronghorn Meadows subdivision. If the wildlife living within Pronghorn Meadows becomes a Montana Fish, Wildlife and Parks issue, permission for certain needs may be addressed by the Pronghorn Meadows Homeowners Association.

P. LANDSCAPING

A landscaping plan inside the building envelope must be submitted in conjunction with the building plans for approval. Landscaping outside the building area is discouraged because of the wildlife, but it can be landscaped if the plants and trees used are native to the area. There will be no watering of landscaping in open spaces and/or wildlife corridors. The maximum watering area will be one quarter of an acre per lot. This will reduce the water usages for the subdivision and will also leave the Pronghorn Meadows subdivision with large areas that will remain open and natural in appearance. The landscaping of lots after construction of a building must be completed within six (6) months of the completion of the dwelling. If weather is a problem, an extension may be granted by the Design Committee. All lot owners are encouraged to design their landscaping with the wildlife in mind, and understand that wildlife can and will destroy landscaping.

Q. OPEN SPACE/PARKS/COMMON AREAS/EQUINE FACILITY/COMMUNITY CENTER

Within the Pronghorn Meadows subdivision, there is property that the Pronghorn Meadows Homeowners Association will own and manage. The land and equine facility is for the benefit of all members (lot owners). The trails, parks, and equine facility will be available to all members unless a member or members disregard the reasonable respect to the land or buildings. If a member damages the Pronghorn Meadows Homeowners Association's property in any way and refuses to take responsibility for the repairs, the PMHA can refuse the member's right to use the property and assess and bill or lien the member's lot for the value of the damages. Garbage is considered damages. All members have the privilege to extend their rights to a guest. The member will be responsible for all his/her guests. If non-members wish to use Pronghorn Meadows properties, they will be required to fill out a Local Usage Pass application that will be available by mail and the pass will be valid for one calendar year. Local Usage Pass holders will be as responsible as members and will be accountable for damages. There will be a cost of the Local Usage Pass for the benefit of the PMHA. PMHA has the ability to lease out the unused equine facility and the Community Center for short term use if so available. All monies will be for the benefit of the PHMA. The fee for this will be decided by the PMHA.

R. SPECIAL NOTICE ITEMS

All owners in the Pronghorn Meadows subdivision understand that at the east of the subdivision there is a runway for the use of small aircraft for the benefit of the owners of the 66 Ranch. Lots 131-134 have been designed to accommodate hangars for airplanes if the 66 Ranch would allow the use of their private runway. Owners will have to pursue this on their own without any PMHA help to retain a contract for the use of the runway. There is no prior arrangement by the PMHA for the use of their runway. This runway will produce occasional noise that owners within the Pronghorn Meadows subdivision need to accept as a preexisting situation. The developer may utilize the possibility of crushing and/or retraction of gravel/rock material and topsoil for the benefit of the construction of Pronghorn Meadows. The material, if available, will be for the use of the development. Any excess materials may be sold to individual lot owners of Pronghorn Meadows subdivision only. The developer shall limit the mining to an area that does not adversely affect homeowners by creating unreasonable noise or dust. This activity may be terminated if the PMHA deems it necessary.

The developer has identified the need for the observation of wildlife by the lot owners. At each annual meeting there will be a discussion of wildlife issues. The PMHA will send this information to the Montana Department of Fish, Wildlife and Parks. Lot owners living along the wildlife corridors will be required to respond to the PMHA regarding the wildlife movement and numbers of wildlife using the corridors. All owners at the time of notice of the annual meeting will receive a questionnaire for this monitoring program.

The developer has also agreed to a well monitoring program by the DNRC or the appropriate governing agency. This will be approved for any of the wells owned by the PMHA. This document will give them trespassing rights for that location. All governing rules and regulations within these Covenants will apply to all, including governing agencies.

V. ENFORCEMENT

A. ENFORCEMENT

Individual lot owners or the Design Committee may enforce the provisions of these Protective Covenants.

B. VIOLATIONS

In the event of violation or threatened violation of any of these Covenants, or additional Covenants and regulations adopted pursuant to the terms of these Covenants, legal proceedings may be brought in a court of law for monetary, injunctive, or other relief and damages. In addition, any lot owner or owners may serve notice in writing on the persons or entity violating these Covenants specifying the offense, identifying the location, and demanding compliance within the terms and conditions of these Covenants. Notice shall be posted at a conspicuous place on the property in question and a copy of the notice shall be mailed by Certified Mail, return receipt requested, to the last known address of the offending party or entity. No owner shall be liable to any person or entity for any entry, self-help or abatement of a violation or threatened violation of these Covenants. All owners, invitees and guests shall be deemed to have waived any and all rights or claims for damages for any loss

or injury resulting from such action, except for intentionally wrongful acts. Design Committee has the right to lien lot owners in violation of any Covenants for the purpose of recovering legal fees.

C. FINES

If, after the first notice of violation of a Covenant, the lot owner does not fully rectify the violation within thirty (30) days, the lot owner will receive a second notice and a fine of \$ 250.00. The second notice of violation will allow the lot owner fifteen (15) days to comply and pay the fine. If a third notice is required, the fine will be \$ 500.00 and the time limit to comply will be reduced to seven (7) days. Design Committee has the right to fine property owners for violations of Covenants until compliance is completed. If these fines are not paid, the Design Committee has the right to lien fined property.

VI. PRONGHORN MEADOWS DESIGN COMMITTEE

A. PURPOSE

The purpose of the Design Committee is to review and approve or deny all plans and specifications and to enforce these Covenants.

B. OFFICERS

The Officers of the Design Committee will be Jeriko Development Inc. until such time a vote replaces them. A maximum of 5 officers will be formed at such time 5(five) lot owners are willing. One officer acting as the chairman will be voted in by the lot owners. One officer can run the operations and duties for the Design Committee until other lot owners see it necessary for more. There will not be any monetary compensation for the Design Committee officers.

C. GUIDELINES

The Design Committee may establish and publish a Design Guide that will set forth the procedures and criteria for the review of residences, improvements or other structures to be constructed or installed on the premises.

D. APPROVAL

The Design Committee determines approval or disapproval. In the event the Design Committee fails to approve or disapprove such design, location, construction and materials within forty-five (45) days after the application is complete, approval shall be deemed granted. Any plans, specifications and proposals so approved, either expressly in writing or by the expiration of the forty-five (45) day period herein above provided, shall then permit the owner to commence construction in accordance with said plan, strickly following the approved plans, without deviation. If there is a deviation from said plan which, in the judgment of said Design Committee, is also a) a deviation of substance from either the Design Guide or the requirements of this

Declaration; or b) is a detriment to the appearance of the structure or to the surrounding area, it shall be promptly corrected to conform with the submitted plan by the owner or after reasonable notice is provided in accordance with Section V. to such owner by the Design Committee at the owner's expense. Any structure to be erected in accordance with approval so given shall be diligently prosecuted to completion and must be commenced and completed within eighteen (18) months of approval, or new approval must be obtained unless a specific written extension is granted by the Design Committee. If any structure is begun but is not completed within twelve (12) months of the commencement of construction, and in the reasonable judgment of the Design Committee is of offensive or unsightly appearance, then the Design Committee, at the option of either, may, after reasonable notice to the owner, take such action as may be necessary in its judgment to improve the appearance so as to make the property harmonious with other properties, including completion of the exterior of the structure, installation of screening or covering of the structure or any combination thereof, or similar operations; and the PMHA may file a lien against the property to secure payment of any amounts incurred in so doing.

E. INSPECTION OF WORK

Upon the completion of any improvement for which approved plans and specifications are required under this Declaration, the owner shall give written notice of completion to the Design Committee. The Design Committee or its duly authorized representative may inspect such improvement. If the Design Committee finds that such work was not done in strict compliance with all approved plans and specifications submitted or required to be submitted for its prior approval, it shall notify the owner in writing of such noncompliance, and shall require the owner to remedy the same. If, upon the expiration of thirty (30) days from the date of such notification, owner is not in compliance, then legal action will be taken.

F. REVIEW FEE

At the time of submission of site plans and specifications for construction of an improvement, the owner shall submit the required design review fee of \$250.00 to the Design Committee. Design Committee is a non-profit entity and all monies collect by this entity will be for the benefit of the PMHA, including for the enforcement of these Covenants.

G. VARIANCES

Variance to structures can be submitted at the time of the general review. Variance applications must be reasonably consistent with Covenants' design. Variance approvals are at the sole discretion of the Design Committee.

H. SEVERABILITY

Invalidation of any one of these Covenants or restrictions by judgment or court order shall in no way affect any other provisions that shall remain in full force and effect.

I. AMENDMENT

Except those provisions requiring a greater consent, any provision herein may be amended or revoked and additional provisions added, at any time by a written instrument recorded in the office of the Clerk and Recorder of Madison County, Montana, duly signed and acknowledged by both the Design Committee and by the owners of record with 85% approval.

J. TERM

The provisions of this Declaration shall be binding for a term of one hundred (100) years from the date of this Declaration, after which time the Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument agreeing to revoke or terminate this Declaration has been signed by the owners of 100% of the parcels and has been recorded. These Covenants shall continue in full force and effect and shall run with the land as legal and equitable servitude in perpetuity unless amended or terminated as set forth herein.

Exhibit A

BOOK 536, PAGE 350

Pronghorn Meadows PUD Subdivision located in Section 18, Township 6 South, Range 1 West and Sections 13 and 24, Township 6 South, Range 2 West P.M.M., according to the official Plat filed in Book 4 of Plats, page 506, records of Madison County, Montana.

JERI KO DEVELOPMENT INC.

BY: [Signature]

Kevin Spencer, Vice-President

BY: [Signature]

Jerry Freund, President

STATE OF MONTANA)

) SS.

County of Madison)

This instrument was acknowledged to before me this 11 day of July, 2005
by Kevin Spencer and Jerry R. Freund as Officers of JERI KO DEVELOPMENT, INC.

[Signature]

NOTARY PUBLIC FOR THE STATE OF MONTANA

Residing at Sheridan, MT.

My Commission Expires 6.24.2007

