STATE OF MONTANA RAVALLI COUNTY 595221 Page 1 of 4
RECORDED: 10/03/2007 10:19 COVENANTS
REGINA PLETTENBERG CLERK AND RECORDER BY: Tena L. Miller FEE: $28.00

RETURN TO: Michael M. Lawlor, Worden Thane P.C., P. O. Box 4747, Missoula, MT 59806

AGREEMENT OF ANNEXATION AND ADOPTION OF DECLARATION

AP 595219

(RIVERVIEW ORCHARD LANDOWNERS ASSOCIATION)

This Agreement is entered into by and between **Riverview Orchard Landowners' Association, Inc.**, whose mailing address is P.O. Box 313, Florence, Montana 59833 (referred to in this Agreement, along with its predecessor entity or entities, as "Association"); and **Schultz Construction, Inc.**, whose mailing address is 800 Kensington, Suite 108, Missoula, MT 59801 (referred to in this Agreement as "Schultz").

RECITALS

WHEREAS, Schultz is the owner of real property that is adjacent to and contiguous to the boundary of real property owned by members of the Association, and;

WHEREAS, the legal description of the real property owned by Schultz is as follows:

Lot 1-A1 of Amended Plat of Lot 1-A, Block 5 of Riverview Orchards AP No. 523720, a platted subdivision of Ravalli County, Montana; located in the NE ¼ NE ¼ of Section 8 and the SE ¼ SE ¼ of Section 5, T. 10 N., R. 19 W., Principal Meridian, Ravalli County, Montana.

(referred to in this Agreement as the "Subject Property"), and;

WHEREAS, on March 24, 1982, the Association restated its original Restrictive Covenants (the Original Restrictive Covenants were executed on June 25, 1978 and recorded on July 6, 1978 at Book 148, Page 126, records of Ravalli County, Montana) by executing an Amended Declaration of Protective Restrictions, Covenants and Conditions which were recorded on April 7, 1982 in Book 161, Page 712, records of Ravalli County, Montana (referred to in this Agreement as the "Declaration"), and;

WHEREAS, on October 1, 2003, the Association adopted a subsequent Amendment to the Declaration which was recorded on June 15, 2004 as Document No. 537062 records of Ravalli County, Montana. The sole purpose of the October 1, 2003 Amendment to the Declaration was to add a Road Maintenance Assessment to the Declaration, and;

WHEREAS, the Declaration adopted on March 24, 1982 along with the October 1, 2003 amendment, is currently in effect and is the true and actual Declaration of the Association, and;

WHEREAS, Schultz desires to have the Subject Property annexed by the Association and the Association desires to annex the Subject Property, and;

WHEREAS, Schultz and the Association desire to have the Subject Property governed by the Declaration and any amendments thereto, and:

WHEREAS, ARTICLE II of the Declaration provides as follows:

> The Association may, at any time, annex additional residential properties that border property within the jurisdiction of the Association, and so add to its membership; provided, that such annexation shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly and properly called for the purpose and the assent of the owner of the bordering property.

WHEREAS, on September 27, 2005, the Association held a duly and properly called meeting which one of the purposes of the meeting was the annexation of the Subject Property, and, at such meeting, more than two-thirds (2/3) of the members of the Association voted for annexation of the Subject Property, and;

WHEREAS, upon the execution of this Agreement, the Association feels it is appropriate that, in addition to the required annual Road Maintenance Assessments, Schultz shall pay an initial Road Maintenance Assessment of $350.00, and;

WHEREAS, upon annexation, Schultz, or any subsequent owners of the Subject Property, shall pay Association Assessments required by members pursuant to the Declaration and any amendments thereto, and;

WHEREAS, upon annexation, Schultz, or any subsequent owners of the Subject Property, shall have all membership rights conferred by the Declaration.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Association and Schultz agree as follows:

AGREEMENT

Section 1. Recitals. The above recitals are fully incorporated into this Agreement.

Section 2. Annexation of Property. Upon execution of this Agreement, the Subject Property is annexed by the Association, and Schultz, or any subsequent owner of the Subject Property, shall immediately become a full member of the Association and shall be entitled to all rights and duties that accompany such membership, including, but no limited to, any and all voting rights.

Section 3. Adoption of Protective Covenants. Upon execution of this Agreement, the Subject Property shall be governed by the Declaration and any amendments thereto.

Section 4. Road Maintenance Fee. Schultz understands and acknowledges that a material inducement for the Association to enter into this Agreement is that, upon execution of this Agreement, Schultz shall be required to pay an initial Road Maintenance Assessment of $350.00. This initial Road Maintenance Assessment is required since all other members of the Association have been previously required to pay this amount, and, after Schultz's payment, all members of the Association will have contributed equal amounts to the Road Maintenance fund. After this initial Road Maintenance Assessment is made, Schultz, or any other subsequent owner of the Property, shall then have the duty to pay all annual Assessments, including, but not limited to, the Road Maintenance Assessment, as required by the Declaration, or any amendments thereto.

Section 5. Successors and Assigns bound by Agreement. This Agreement shall run with the land and is binding upon and will inure to the benefit of the parties and their heirs, executors, representatives, grantees, lessees successors and assigns and upon successor corporate authorities of the Association.

Section 6. Official Action. The Association represents and warrants that all corporate action necessary to authorize the execution and performance of this Agreement has been taken.

Section 7. Effective Date. The effective date of this Agreement is the last date upon which all parties have signed this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date set forth next to their signatures.

RIVERVIEW ORCHARD LANDOWNERS' ASSOCIATION, INC.

By: _____
William Swendsen, President

7/9/07
Date

SCHULTZ CONSTRUCTION, INC.

By: _____
Kevin Schultz, President

5/3/07
Date

STATE OF MONTANA)
: ss.
County of Missoula)

This instrument was acknowledged before me on July 9, 2007,
by WILLIAM SWENDSEN, President of Riverview Orchard Landowners' Association.

(SEAL)

Notary Signature: Lois J. Jeavea
Printed or typed name: Lois J. Jeavea
Notary Public for the State of Montana
Residing at: Missoula
My commission expires: 11/05, 2008

STATE OF MONTANA)
: ss.
County of Missoula)

This instrument was acknowledged before me on May 3rd, 2007
by KEVIN SCHULTZ, President of Schultz Construction, Inc.

Notary Signature: Valerie R. Dersam
Printed or typed name: VALORIE R DERSAM
Notary Public for the State of Montana
Residing at: Missoula, MT
My commission expires: MARCH 5, 2008