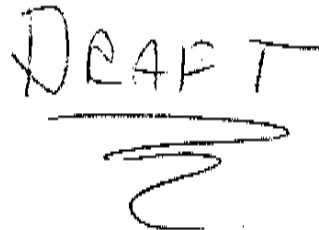


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**DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS
FOR TRACT 3 MIDDLE VALLEY SUBDIVISION
PLAT NUMBER 300203
PROPOSED AMENDED COVENANTS
SUPERCEDES ORIGINAL COVENANTS WITH FILING # 300203**

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DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS
FOR TRACT 3 MIDDLE VALLEY SUBDIVISION
PLAT NUMBER 300203
AMENDED 4/20/2012

Diamond Ranch LC,
owners of the property
herein addressed

to the Public

THIS AMENDED DECLARATION is made this _____ day of _____, 2012, by Diamond Ranch LC, owning certain real property in Stillwater County, hereinafter referred to as "**Declarant**".

RECITALS:

Declarant makes this declaration upon the basis of the following facts and intentions:

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

Tract 3, Plat # 300203, (Middle Valley Subdivision) located in Section 33, Township 2 South, Range 23 East, Stillwater County, Montana.

The above-described property, is hereinafter called the "**Tract 3**".

B. Declarant has developed said property and poses thereon beneficial protective covenants under the general plan of improvement for the benefit of all Middle Valley Subdivision properties.

NOW, THEREFORE, Declarant hereby declares that **Tract 3** shall be held, sold, conveyed, encumbered, used, occupied and improved subject to the following easements, restrictions, covenants and conditions, all of which are in furtherance of a plan for subdivision, improvement and sale of said real property and are established for the purpose of enhancing the value, desirability and attractiveness of the real property and every part thereof. All of the easements, covenants, restrictions and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any thereof, and shall be for the benefit of the owner and inure to the benefit of and be binding upon each successor in interest of such owners.

DEFINITIONS

Section 1.1

"**Tract 3**" shall mean Tract 3 of Middle Valley Subdivision.

Section 1.2

The term "**owner**" or "**tract owner**" shall mean any person or entity owning a fee simple interest in **Tract 3** or a contract purchaser, whether one or more persons or entities, owning or purchasing a tract, but excluding those having a mortgage or an interest merely as security for the performance of an obligation; provided, however, that prior to the first conveyance hereafter, of a tract for value, the term "owner" shall mean "Declarant" or its successors or assigns. The term "person" hereinafter shall include any person, persons or entities.

Section 1.3

The term "**contract purchaser**" shall mean a person buying a tract pursuant to a contract for deed, Montana Trust Indenture or mortgage.

Section 1.4

The term "**Declarant**" shall mean and refer to Diamond Ranch LC, and their successors and assigns.

MINIMUM BUILDING AND USE RESTRICTIONS

Section 2.1. BUILDING RESTRICTIONS.

Any structure which fails to meet the following minimum standards shall not be erected or placed on **Tract 3**.

1. No structure, other than a dwelling and structures associated with such dwelling providing for the exclusive residential use of a single family, shall be erected, altered, placed, or permitted to remain on **Tract 3**. **Tract 3** is intended for Residential Use.
2. Any building or residence erected on **Tract 3** shall be of new construction, and no old building or buildings shall be moved onto **Tract 3**.

3. Permitted housing construction shall include conventional on-site construction methods using wood, concrete, steel and stone. No modular structures, manufactured housing, mobile homes, trailers or recreational vehicles are allowed either for permanent or temporary living except as elsewhere herein provided. No temporary or permanent storage of mobile homes is allowed.
4. Buildings shall have exterior siding consisting of wood, wood look-alikes or wood products, brick, stone, stucco or other manufactured exterior good quality materials, including metal siding, commonly now or hereafter used in the State of Montana on single family residences. However, no sheet or panel metal siding, nor cement block siding is allowed, except as specifically provided for in Section 3.1.12 of these Covenants.
5. Roofs shall be covered with wood shakes or shingles, asphalt or fiberglass shingles or raised seam colored metal. Rain gutters are allowed, provided the same are colored to match the trim or color of the roof. The roofs shall have a minimum pitch of 4/12
6. Boundary fences and internal fences may be constructed, but the location, design, material, color, height and size of the enclosure must be approved by the DECLARANT. Approved boundary fences shall be either a repeated pattern of wood posts followed at 16 foot on center of two metal t-posts, with three strands of smooth wire; or, post and dowel fencing at eight feet on center, such as to appear homogeneous with other adjacent boundary fence requirements.
7. No signs, billboards, posters or other advertising devices of any kind or character shall be erected or displayed upon **Tract 3**, except signs of a type and size displayed to identify the occupants of a dwelling.
8. All secondary structures on a site shall match the external design of the primary structure and be similar in appearance to the external material of the primary structure, except as specifically provided for in Section 3.1.12 of these Covenants.
9. Any dwelling and any garage, carport or accessory structure attached or unattached to said dwelling erected on **Tract 3** shall be so located so that, at ground level no portion thereof is less than twenty-five (25) feet from any boundary line of the Tract. Waivers to this requirement may be granted on an individual basis, based on agreement by both the Declarant.
10. Any dwelling and any garage, carport or accessory structure attached or unattached to said dwelling erected on any Tract shall not be more than thirty feet in height at the highest point, as measured from an average of three ground elevations located around the structure.

11. Installations for water lines, sewer lines, and all utility lines, including electric power and telephone lines, shall be underground and made at the expense of the owner of **Tract 3** unless otherwise agreed to by the appropriate utility.
12. Pole barns and structures with sheet metal siding.
No primary living structure shall be of "pole barn" construction, or be sided with sheet metal siding. Secondary structures such as shops, barns, or detached garages utilizing sheet metal siding may, with **written conditional approval** from the Declarant, be placed on a **Tract 3**. The Declarant may prohibit any submitted design which does not meet the explicit or implicit specifications contained herein. The allowable plan review period for submitted building designs which utilize metal sheet siding is 15 days.

Size of the structure is limited to 3600 square feet. Height of structure is limited to no more than 22 feet. Design snow load shall be 30 psf. No roof overhang is required for structures under this section. Color of the metal roof and color of the metal siding must be as similar as possible with available materials, to that of the primary living structure. Approval of a secondary structure for construction prior to approval of the primary structure will require the specific color selection of the primary structure to be approved concurrently.

Exceptions to these standards may be approved at the discretion of the Declarant upon review of plans.

Section 2.2. USE RESTRICTIONS.

The following use restrictions shall be applicable to **Tract 3**:

1. **Tract 3** may not be subdivided, except with expressed written permission from the original DECLARANT, his heir or assigns. DECLARANT is not obliged to approve any subdivision. Such permission can be given only if:
 - The proposed subdivision is in character with the existing tracts and subdivided tracts;
 - The proposed subdivision will complement the overall developed property;
 - And will not materially subtract from the value of existing lots and dwellings.
 - Adequate wastewater treatment capacity exists.

Such proposed subdivision will then be allowed with the expressed written permission of the Declarant or his heirs or assigns and observance of proper state and county subdivision law.

2. **Tract 3** is a "Residential Only" tract and shall not have more than one single family dwelling. The living space above the existing garage is intended for occasional use by family members, extended family members or guests and may not be rented or leased.
3. No Tract, or any building or improvement erected thereon shall at any time be used for the purpose of any trade, profession, manufacturing or business of any description, whether for profit or not, except that such use, if incidental only, shall not be prohibited.

The use of the property for a home occupation or hobby-business may be permitted. The home occupation or hobby-business shall be clearly incidental and secondary to the primary use of the tract for residential purposes and shall be limited in location to the inside of a dwelling or outbuilding. No occupation which requires frequent visits by the public is allowed.

4. No noxious or offensive activities shall be carried on or be permitted to be carried on by an Owner, his invitees or licensees or anyone acting under his direction or under his control, and nothing which may become an annoyance or nuisance to the neighborhood shall be done or suffered to be done on **Tract 3**.
5. TV, radio, and other antennae shall be located so as to be inconspicuous. In no event, however, shall any conspicuous antenna, such as, by way of example only, a ham radio antenna, be erected on **Tract 3**.
6. Neither hunting nor the discharge of any rifle, shotgun, pistol or other firearms shall be permitted at any time on **Tract 3**.
7. No animals shall be kept on **Tract 3**, except as herein specified.

As appropriate, **Tract 3** must be fenced and animals restrained. No animal will be allowed off its Owner's Tract unless it is in the immediate company of its Owner or his agents. In no event shall wild or non-domestic animals be kept on any Tract.

CHICKENS

No roosters are allowed. Up to 10 chickens may be kept in a fenced chicken yard. No chickens may be allowed to roam freely.

GOATS, SHEEP

A total of two goats or two sheep may be kept in a fenced area.

HOUSEHOLD PETS

Ordinary domestic household pets are allowed.

All domestic pets must be kept under control and dogs and cats shall not be permitted to roam at large. No commercial dog or cat kennels shall be permitted. Only a reasonable number of domestic pets shall be maintained within any household. Up to six dogs or six cats, or a combination not to exceed six is considered "reasonable". Conditional waivers may be granted by the Declarant.

Dogs may not be allowed to bark for unreasonable periods of time. Unreasonable periods of time is considered longer than 15 minutes at a time.

HORSES

Horses will be conditionally allowed to be permanently kept on **Tract 3** provided additional graze is available to total **three and one-half (3.5) or more contiguous acres**. This privilege is revocable by the Declarant for failure to adhere to these provisions.

Only mares, foals and geldings are allowed.

Horses may be permanently boarded provided that Tract 3 is kept reasonably clean and adequate ground cover consisting of grass and/or alfalfa is maintained. Owner(s) must construct approved facilities prior to permanently boarding horses. Minimum facilities shall include:

- A. Fencing of grazing area;
- B. Construction of corral area
Corral construction must be approved by Review Committee. Enclosed area may not exceed 900 square feet and location must maintain a 50 foot setback from adjacent lots.
- C. Construction of stable facility.
Stables must comply with construction appearance standards set forth elsewhere in these covenants.

GRAZING

The Declarant may, at its discretion, allow the temporary grazing of **Tract 3** for the purpose of vegetation control. In this use only horses may be grazed. This use does not permit the boarding of animals on a permanent basis.

Horses may be grazed on any tract only to the extent that adequate graze is available. The Declarant may limit the number of animals, and may withdraw permission for the grazing of horses from any Owner who violates the restrictions of this section.

The tract owner agrees to remove any grazing animals from ground which does not have ground cover, which is defined as grass and/or alfalfa at least 3 inches tall on average.

If the tract owner fails to remove animals from graze which the Declarant deems insufficient to protect the ground cover under continuous grazing, the owner will be notified in writing. If the owner continues to allow access by grazing animals the Declarant has the right to withdraw that tract owner's privilege to keep the animals or similar animals on the tract. The Declarant may bring an action at law against the Owners to enforce compliance. The prevailing party shall be entitled to costs and attorneys' fees required to render both judgement and court directive to pay costs and attorneys' fees. Sale of the property automatically reinstates the privilege.

8. All utilities, power lines, telephone lines, gas lines, and any other utility lines shall be placed underground. No overhead power or telephone poles may used other than in the county road right-of-way.
9. No trash, debris, organic or inorganic wastes of any sort shall be permitted to accumulate on Tract 3, but shall be promptly and efficiently disposed of. Outside incinerators shall not be permitted. Compost piles are allowed, but the Declarant may stipulate acceptable materials being composted.
10. Nothing shall be done which shall interfere with the continued use of easements in existence for irrigation, drainage, and roads, and the installation and maintenance of the utilities within them.
11. No noxious weeds, underbrush or other unsightly growth shall be permitted to grow or remain upon tracts. The property owner is responsible for controlling noxious weeds on his property in accordance with the Stillwater County Weed Act, (MCA 7-22-2101-2150 and Stillwater County Weed Control Policies).
12. No trailer, mobile home, basement, tent, shack, garage, or other outbuilding erected on said tracts shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence. Casual use of recreational vehicles or travel trailers for periods not to exceed 30 days is permitted, but may be revoked by the Declarant.
13. No Tract shall be used for the storage of any non-operating vehicles or portions thereof, machinery or equipment, or other personal property of any quantity in excess of the immediate needs and personal use of the Owner of a tract or the

occupants thereof. Furthermore, no such use shall be allowed to constitute a menace or nuisance to adjacent property, or become unsightly.

All equipment and vehicles kept on the property, including recreational vehicles, campers, trailers, motor homes, boats and all other recreational equipment, shall be enclosed in the garage or otherwise screened areas. No one shall reside in such recreational vehicles, motor homes, campers, trailers or other recreational equipment stored on the property, except as noted elsewhere in these covenants.

ARTICLE III

TERM, ENFORCEMENT, APPLICABILITY AND CHANGE

Section 3.1. TERM OF COVENANTS

The term of the provisions of these Covenants shall be perpetual, except that any provision may be amended, or deleted by written consent of the **Declarant** and owner of **Tract 3**; or by written consent of 70% of the owners of tracts and subdivided tracts of the original Middle Valley Subdivision.

Section 3.2 ENFORCEMENT

Enforcement of these Covenants shall be by proceedings either at law or in equity against any person or persons violating, or attempting to violate, any covenant; and the legal proceedings may either be to restrain violation of these Covenants, to recover damages, or both.

In the event of any action to enforce these Covenants, the prevailing party shall be entitled to costs and attorneys' fees expended in the enforcement action; as well as costs and attorneys' fee expended in obtaining a court directive to pay any and all of these same costs. Declarant may enforce these Covenants.

Section 3.3 FAILURE TO ENFORCE

Failure by the Declarant, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to so thereafter do.

Section 3.4 INVALIDATION

Invalidation of any one of these covenants or restrictions by judgement or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3.5 AMENDMENT

Declarant's retained rights may not be changed.

This declaration of covenants and restrictions may not be changed without the expressed consent of the Declarant. Portions of this declaration that are **not** eligible for change include: Section 1.8, all of Article III, all of Article IV, Section 7.2, and all of Article VIII. If the Board or the Association wishes to change any of these ineligible portion of this declaration, the issue must be presented to: the Stillwater County Planning Board; Stillwater Board of County Commissioners; and DECLARANT for approval prior to satisfying the other requirements of this section.

Any amendment must be recorded.

IN WITNESS WHEREOF, DECLARANT has hereunto set its hand as of this ____ day of _____, 2012.

Partner
Diamond Ranch LC

STATE OF MONTANA

: ss.

County of _____

On this ____ day of _____, 2012, before me, a Notary Public for the State of Montana, personally appeared **Keith E. Brown**, known to me to be a partner in Diamond Ranch LC and therefore DECLARANT of the property affected, and acknowledged to me that he/she executed the within instrument.

IN WITNESS WHEREOF I have hereunto set my hand and seal the day and year in this certificate first above written.

Notary Public for State of Montana

Printed Name
Residing at _____

My commission expires _____