

**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
ASPEN RIDGE RANCH**

This is a Declaration of Covenants, Conditions and Restrictions made by Haughey-Loo, Inc. (the "Declarant") for regulating and controlling the use and development of Aspen Ridge Ranch, located in Carbon County, Montana (the "Property").

RECITALS

A. WHEREAS, Declarant is executing this Declaration as the owner of record of Property more particularly described in Exhibit A; and

B. WHEREAS, the property is unusually attractive and valuable for residential purposes, and the Declarant desires to establish a general plan for the improvement, development, use and occupancy of the Property, which shall be binding on and inure to the benefit of the present owner and future owners of the Property in order to enhance the value, desirability and attractiveness of the Property, and to be in keeping with the surrounding area.

NOW, THEREFORE, Declarant hereby declares that the Property, and each portion thereof, shall henceforth be sold, conveyed, used, improved, occupied, resided upon and held subject to the provisions of this Declaration, and shall bind Declarant and the subsequent owners thereof and their respective heirs, devisees, personal representatives, trustees, tenants, invitees, successors, assigns, and all parties and all persons claiming by or through this Declaration; all of which restrictions, covenants, and conditions shall run with the land and are expressed and imposed upon each and every parcel of said property as a servitude in favor of each and every other parcel thereof, as follows:

ARTICLE I
DEFINITIONS

The following terms used in this Declaration shall be defined as follows:

1. Architectural Review Committee or ARC shall mean a committee appointed by the Declarant to review and approve all plans as set forth in Article II, paragraph 3. There shall be a minimum of three (3) members and a maximum of five (5) members. One member may be an architect and one may be a landscape designer or architect with expertise in landscaping with native plants.
2. Aspen Ridge Ranch shall mean the limited development project comprised of the community of Owners, the Association, the Common Facilities, Common Roads, Common Services and the Open Space located within the boundaries of the real property described in Exhibit A attached hereto and made a part hereof. *See also* Property and Ranch in these definitions.
3. Articles of Incorporation shall mean the Articles of Incorporation filed for Aspen Ridge Ranch Association, Inc., a Montana Non-Profit Corporation.
4. Assessments shall mean the General, Special and Limited Special levies or charges billed or billable by the Association to the Owners of Lots within the Property to defray the costs and expenses of the Association in connection with its administration, the operation, maintenance, repair and replacement of the Common Roads, Common Facilities, and Common Services, as set forth in Article VI herein.
5. Association shall mean and refer to the Aspen Ridge Ranch Association, Inc., a Montana nonprofit corporation, its successors and assigns. Each and every Owner shall become a voting member upon acquiring a Lot within the Property, and shall remain a member until the transfer or sale of such Lot to a successor Owner and the assumption by such successor Owner of membership in the Association. The Association has been or shall be incorporated with the Montana Secretary of State as a mutual benefit, non-profit corporation, to be managed and operated by its Board of Directors in accordance with the

contents and conditions of its Bylaws and Articles of Incorporation, the Montana statutes applicable to mutual benefit, non-profit corporations, and this Declaration.

6. Board shall mean the Board of Directors of the Association, the non-profit entity established to administer and enforce this Declaration as set forth herein.

7. Building Envelope shall mean that portion of a Lot that is identified by the Owner and the Declarant, with the approval of the Architectural Review Committee, as the site for the Principal Residence and all other structures. It shall include the areas for patios, barbeques, playground equipment, and landscaping and define the limits of the area of development within each Lot.

8. Bylaws shall mean the Bylaws of the Aspen Ridge Ranch Association, Inc., a Montana Non-Profit Corporation.

9. Common Facilities shall mean facilities that are for the common use of the Owners who are members of the Association. The Association shall manage and maintain the Common Facilities for Common Services including, but not limited to, the dry hydrant fire suppression facility and the central mail facility if one is constructed.

10. Common Roads shall mean all roads, trails and pathways for vehicular and equestrian use within the Property but shall exclude all private vehicular or non-vehicular roads or path ways located on individual Lots within the Property and, specifically, shall exclude the driveways to be constructed by the Owners on flag Lots from the Common Roads to the structures within the Building Envelopes or other paths or roads on individual Lots.

11. Common Services shall mean the services provided to all Owners for general care and maintenance of all Common Facilities including, but not limited to, roadway maintenance, snow removal services for the Common Roads, utility maintenance and repair services, trail repair and maintenance, non-residential fire suppression systems, trash removal, pond construction, improvement and maintenance, riparian improvement and maintenance, habitat improvement and maintenance, fence materials and labor for peri-

meter and interior fences, landscaping of Open Space, and weed spraying.

12. County shall mean Carbon County, Montana.
13. Declarant shall mean the owner of record of the Property, Haughey-Loo Inc., the successor in interest to the original owner of record.
14. Declaration shall mean this document, as amended.
15. Design Guidelines shall mean the separate document described in Article II that applies to the construction, installation, erection, alteration, remodeling, renovation, contraction or expansion of any home in Aspen Ridge Ranch.
16. Development shall mean any alteration of the natural land surface, and all buildings, structures or other site improvement placed on the Property.
17. Equestrian Facilities or Center, shall mean the horse barn, horse arena and related outbuildings, improvements and structures on Lot 9, all of which are owned by Aspen Ridge, LLC, which is a single member LLC owned by Haughey-Loo, Inc. The Equestrian Facilities or Center shall constitute Common Facilities.
18. Lot shall mean any portion of the Property as shown on the recorded final plat of the Haughey-Loo Aspen Ridge Ranch Subdivision lying in Tract 1 of Certificate of Survey 1807 located in the southeast quarter, southwest quarter of Section 20, Township 7 South, Range 20 East, as recorded in Carbon County, Montana.
19. May indicates permissive nature of provision.
20. Nordic Center shall mean the non-profit business run by the Beartooth Recreational Trails Association (BRTA) for cross country skiing as described in Exhibit B.
21. Open Space shall mean all areas outside individual Lots in the Development.
22. Owner shall mean the record owner of a residential Lot, including a contract pur-

chaser, but excluding anyone having an interest in a Lot as security for the performance of an obligation. If a Lot is owned by a trust, limited liability company or other business entity, the entity must designate one representative to vote on behalf of the entity.

23. Principal Residence shall mean the single family residential structure constructed on any Lot, which is the principal use of such Lot, and to which other authorized structures on such Lot are accessory.

24. Property shall mean the real property described in Exhibit A attached hereto and made a part hereof. *See also* "Aspen Ridge Ranch" in these definitions.

25. Pro Rata Share shall mean the ratio which the Owner's Lot bears to the total number of Lots within the boundaries of the Property, excluding Lots 9 and 10.

26. Ranch shall mean the community of Lot Owners of the Development, the Association and the Open Space of Aspen Ridge Ranch. *See also* "Aspen Ridge Ranch" in these definitions.

27. Shall indicates mandatory nature of provision.

28. Site Plan shall mean the improvement plan for any Lot which may include, but not be limited to, the Principal Residence location, vehicle circulation and parking layout, utilities, water system, septic system, landscaping, lighting, all Structural Improvements and other details necessary to provide the Association's Architectural Review Committee with sufficient information upon which to base disapproval or approval.

29. Structural Improvement shall mean that which is built or constructed, an edifice or building of any kind artificially built up or composed of parts joined together in some definite manner, including without limitation any Principal Residence, garage, shed or other building, including the foundation or basement thereunder, whether above or below the surface, erected, constructed or installed by an Owner in accordance with this Declaration. "Improvement" shall mean and include any fence, bridge, road, driveway, well, water line or system, sewer drain field, utility line, satellite dish, antenna, tower, entry

gate or sign of any type or kind erected that is not a part of the Equestrian Center or the Open Space or other Common Facilities.

30. Subdivision shall mean Haughey/Loo Aspen Ridge Ranch Subdivision, as shown on the final plat recorded in the Office of the Clerk and Recorder, Carbon County, Montana, under Document No. _____, as amended from time to time. *See* also Exhibit A, attached.

31. Use Agreement for Equestrian Facilities and Center shall mean the License Agreement between Aspen Ridge, LLC, the owner of the Equestrian Facilities and Center, and the Association for the boarding of horses and the use of the Equestrian Facilities.

32. Use Agreement for Open Space shall mean the License Agreement between Haughey-Loo, Inc., the owner of the Open Space, and the Association for the use and enjoyment of the designated trails and other areas of the Open Space.

33. Use Right shall mean a license or privilege for Association members to enjoy and access the Equestrian Facilities and Open Space, as set forth in the Use Agreements for the Equestrian Center and Facilities and the Open Space.

34. Wetlands shall mean all areas of the Open Space required to remain in a protected wetlands status under Federal, State or Local regulation or ordinance, including wetlands designated in the Subdivision final plat.

ARTICLE II

ARCHITECTURAL REVIEW

1. Board or Committee Review.

a. General. The Association's Board or a committee appointed by the Board (herein: the "Board" or the "Architectural Review Committee" or "ARC") specifi-

cally for such purpose shall review and approve or disapprove all plans and specifications for any proposed Site Plan, Personal Residence, Structural Improvement.

b. Site Plan. No construction, alteration or maintenance of any Principal Residence, Structural Improvement, affecting its external appearance, shall be made, until a Site Plan, landscaping plan and construction plan (including specifications), showing the nature, grading scheme, kind, shape, composition and location of all structures with respect to the particular Lot (including proposed front, rear and side setback lines), design, materials and colors, together with the name of the contractor, shall have been submitted to, and such Site Plan and building plan (including specifications) approved in writing by the Board of the ARC.

2. Design Guidelines. There is a set of "Design Guidelines" which applies to the construction, installation, erection, alteration, remodeling, renovation, contraction or expansion of any home or Lot in Aspen Ridge Ranch including, but not limited to:

a. The staking, clearing, grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level or change of drainage pattern;

b. Landscaping, planting, clearing or removing of trees, shrubs, grass or perennial plants;

c. Any change or alteration of any previously approved improvement to Property, including any change of exterior appearance, finish material, color or texture;

d. The demolition or destruction, by voluntary action, of any improvements;

e. Installation of any materials which act as fencing, berming or screening device;

- f. Repainting and resurfacing of exterior surfaces, and rebuilding of improvements (provided, however, no approval shall be denied to repaint the exterior of a structure in strict accordance with the originally approved color scheme or to rebuild in strict accordance with the originally approved plans). The Design Guidelines may be changed from time to time by the Association and the Architectural Review Committee without amending the covenants.
3. Architectural Review Committee – Makeup and Appointment. There shall be an Architectural Review Committee (“ARC”) appointed by the Declarant, in accordance with the Articles of Incorporation and Bylaws, to review and approve all plans as provided in the Design Guidelines. There shall be three (3) voting members and up to two (2) non-voting advisory members. One member may be an architect and one may be a landscape designer or architect with expertise in landscaping with native plants who may or may not be voting members of the committee. Members of the Board and/or Owners may be appointed as ARC members but ARC members need not be Board members or Owners. Upon appointment or replacement of an ARC member, a notice thereof shall be mailed to each Owner. Until one (1) year following the closing date of the first sale of a Lot, each ARC member shall be subject to removal at the direction of the Declarant at any time and from time to time, and all vacancies on the ARC shall be filled by appointment of Declarant. Commencing two (2) years following the closing date of the first sale of Lot, and ending on the fifth (5th) anniversary of such closing date, or on the date ten of the Lots within the property have been sold and escrow closed by Declarant to retail purchasers thereof, whichever shall first occur, Declarant shall have the power to appoint two (2) of the voting members of the ARC and the Board shall have the power to appoint one (1) member thereof. Declarant and Board shall jointly appoint non-voting members if any. After ten (10) Lots have been sold to retail purchasers thereof, the Board shall have the power to appoint all members of the ARC. Members of the ARC need not be members of the Association. A majority of the ARC may designate a representative to act for it. Any member of the ARC may at any time resign therefrom by submitting a resignation to the Board in all cases, and additionally to Declarant if Declarant still holds the

power to appoint 2 or more ARC members.

4. Authority of ARC. The Architectural Review Committee (ARC) shall have exclusive jurisdiction over all original construction and all modifications, additions, or alterations made on or to existing Principal Residences, Structural Improvements and Site Plan inside and outside any Lot in the Development, including any activity or improvement to Principal Residences, Structural Improvements, Open Space and other areas of the Development.

a. One set of plans per member of the ARC and one extra set of plans and specifications for any Lot improvement or alteration shall be submitted to the Architectural Review Committee. The plans shall include a site plan indicating the location of the building envelope on the Lot and the location of the proposed Development. All plans for any building or structure must be sealed and signed by a licensed architect. Sufficient information shall be submitted to demonstrate compliance with all of the requirements of these Covenants.

b. The Architectural Review Committee shall review the plans and specifications within ninety (90) days from the submission of complete plans and determine if the proposed plan conforms to the requirements of this Declaration. If the ARC fails to review the plans and specifications within ninety (90) days from the submission thereof, then the plans as submitted shall be deemed to have been automatically approved except that any development proposed outside the boundaries of the building envelope as designated on the subdivision plat shall be deemed automatically disapproved and denied. The Architectural Review Committee shall return one set of plans and specifications.

c. The ARC may set a design review fee, which is currently \$2000, and which may be increased from time to time. This fee is required for review of submittals in accordance with the "Aspen Ridge Ranch Design Guidelines". This one-time fee shall cover all steps of the design review through completion of construction. The fee may be increased if excessive re-submittals are necessary to

comply with the design guide requirements. Any money left over from the fee, if any, shall be retained by the Aspen Ridge Ranch Association to be used exclusively by the ARC to aid in the review and enforcement of the design review standards and this Declaration of Restrictions. The ARC may amend the Design Guidelines from time to time.

d. The ARC may, in its discretion, consult with architects, engineers and other professionals who are not members of the ARC to assist it in rendering its decision.

e. The ARC shall have discretion to grant variances from the Design Guidelines in accordance with the procedures outlined in paragraph 4(b) of this Article.

5. Any Building Permit Required. No building, structure, road, fence or improvement of any kind shall be erected, placed, altered, added to, reconstructed or permitted to remain on any Lot, and no construction activities or removal of vegetation shall commence until a building permit has been issued by the County and the Architectural Review Committee has issued its written approval.

6. Construction Change Orders. The design of the Lot Owner's Structural Improvements and Site Plan may be refined during the construction process. Any changes shall require review and approval by the ARC. Lot Owners are required to contact the ARC prior to initiating such changes. Submittal requirements and the review process will vary depending on the nature of proposed changes.

7. Certificate of Occupancy. Before occupying the Principal Residence, or any Structural Improvement, Lot Owners must request a Certificate of Occupancy from the ARC. If all improvements are completed in accordance with approved construction plans, the ARC shall issue a Certificate of Occupancy. In the event a home is completed and a Lot Owner needs to occupy it prior to completion of all landscaping and site improvements, they may obtain a temporary Certificate of Occupancy from the ARC.

ARTICLE III
DEVELOPMENT AND USE RESTRICTIONS

All development and use of the Property shall conform to the following requirements, and to the rules and regulations and design guidelines promulgated hereunder:

1. Generally.
 - a. Authorized Uses. Only single-family residential uses are permitted within any Lot.
 - b. Prohibited Uses. No commercial, industrial or other non single-family residential use whatsoever shall be permitted on any Lot with the exception of an artist studio, workshop, private office and such other endeavors not requiring access to the Property by the general public, employees, independent contractors or business invitees in a manner which would adversely impact the neighborhood. The Board may impose rules and restrictions with respect to the limited non-residential uses allowed pursuant to the above stated exceptions.
 - c. Conformity of Declaration and Other Laws. All zoning and other laws, rules, ordinances, regulations or orders of governmental agencies, departments or divisions within whose jurisdiction the Property lies are considered to be a part of and enforceable hereunder and all Lots on the Property shall be bound by such laws, rules, ordinances, regulations or orders in addition to the covenants, conditions and restrictions set forth herein; provided, however, that in the event the terms and provisions hereof are more restrictive than the applicable law, rule, ordinance, regulation or order, the provisions of this Declaration shall control.
2. Authorized Structures. The following separate buildings shall be permitted on the Property: one single family residence, including an attached or detached garage and one

incidental minor outbuilding as may be approved by the Board upon recommendation of the ARC.

3. Building Envelope. The Building Envelope shall mean that portion of a Lot that is identified by the Owner and the Declarant, with the approval of the Architectural Review Committee, as the site for the Principal Residence and all other structures. It shall include the areas for patios, barbeques, playground equipment and landscaping. All Building Envelopes shall have minimum setbacks of twenty-five (25) feet from the property lines on all sides. All construction must take place within the building envelope as identified above. In addition, the Architectural Review Committee will have the authority to oversee the location of structures within the building envelope for purposes such as minimizing obstruction of views. No improvement or development shall be permitted on any portion of a Lot outside of the Building Envelope, except for access driveways and the construction of underground utilities.

4. Construction; Height Limitations, Floor Area Limitations. All construction must be done by a licensed and insured contractor who is responsible for hiring competent licensed and insured subcontractors and complying with all laws set by the State of Montana and Carbon County. All construction shall be completed within one (1) year from the commencement date of construction, unless the Board approves an extension from the ARC for good cause, not to exceed six (6) months in length. (See Design Guidelines for further information.) Because of the unique nature of each Lot and the desire to have homes fit into the landscape rather than stand out on it, specific height limitations are not defined but are determined by the Association or the Architectural Review Committee, using the Design Guidelines as general standards. The process for determining design limitations on the Lot before purchase is described in the Site Plan Design Guidelines. The principal residential structure, exclusive of the garage, shall have a minimum floor area of 2500 square feet.

5. Wood Stove/Fireplaces. All wood stoves and fireplaces shall comply with local, state and federal emission and fire regulations.

6. Fences. Perimeter fencing of the Property will be constructed partially of barbless wire with metal posts that are less harmful to animals both wild and domestic. Other types of fencing including jack rail, buck and rail and berming with dense vegetation may be used where appropriate. Low profile fencing on Lot lines is permitted with approval of the Architectural Review Committee. Low profile stone fences, low split rail and other materials that define the area but are safe for animals are encouraged. Barbed wire, chain link and wooden snow fences are not allowed. No boundary fences on the Lot lines of any Lot, or around the perimeter of a building envelope, shall be permitted without approval of the ARC. The following fences are permitted on any Lot, provided they are within the building envelope and approved by the ARC: a dog run, the size, construction and location of which shall be approved by the ARC; a children's play area approved by the ARC; and temporary landscape fencing which protects new trees and vegetation from wildlife damage.

7. Irrigation Ditches. Several irrigation ditches traverse the Property. The largest ditch that runs through the property is owned by West Fork Ditch Company. All water rights appurtenant to Property located on the Development are owned as shares of stock in the West Fork Ditch Company. The Declarant shall retain full ownership of West Fork Ditch Company stock. There are ditch easements throughout the property for proper maintenance and repair of those ditches. No Lot Owner or other individual shall use or disturb them in any way. All surface water rights on the property are for agricultural use only and are not available for irrigation or any other use on any residential Lot.

8. Utilities. Electrical, telephone and cable television utility lines have been installed underground in the Common Roads rights-of-way. No fences, walls or other structures shall be built on easements that run next to driveways or roads. Connections from Lots within the Property to the underground utility lines shall be completed at the Lot Owners' expense and shall be underground.

9. Fire Protection.

a. Generally. Notwithstanding any other terms or provisions of this Declaration that are or may be construed as less restrictive, all buildings and private driveways within the Property shall be designed and maintained by the Owners thereof, and the Common Roads and Facilities shall be designed and maintained by the Association, in accordance with the “*Fire Protection Guidelines for Wildland Residential Interface Development*” issued to the Declarant by the Red Lodge Rural Fire District #7 as of the effective date of this Declaration.

b. Fire System. The Association has constructed and shall maintain: (a) A fire suppression storage tank holding not less than thirty thousand (30,000) gallons of water in the fire protection reservoir, with approved 6" and 2 ½" male connections capable of flowing 1000 gpm, and a clearly visible indicator showing the water level in the tank capable of withdrawal at a rate not less than ten thousand (1,000) gallons per minute, at all times; and (b) the reservoir, dry hydrant fire suppression facilities, and other components of the fire protection water supply system in accordance with their original design criteria. The Association shall maintain the tank and the system and may contract with the Red Lodge Rural Fire District #7 for this service. The Association shall construct and shall maintain an additional fire suppression storage tank not holding less than Ten Thousand (10,000) gallons of water in accordance with local specifications for fire service to Lot 1 of the Subdivision prior to any sale of Lot 1 of the Subdivision, or as otherwise required by the local fire department authorities.

c. Sprinkler Systems. Each residence constructed within the Property shall have installed therein a residential sprinkler system compliant with National Fire Protection Association (“NFPA”) standards or other standard acceptable to the Fire Department having jurisdiction, and be designed and installed by persons qualified to design and install the NFPA compliant residential sprinkler system, as determined by the Fire Chief of Red Lodge Rural Fire District #7. The Associa-

tion shall satisfy this responsibility by requiring that the Fire Department with jurisdiction over the property cause the NFPA sprinkler system installed in each residence to be inspected for compliance prior to the issuance of a certificate of occupancy for each residence constructed in the Subdivision.

d. Fire Department Access. The Fire Department with jurisdiction over the Property shall, at all times, have access to the fire protection reservoir, hydrants, and all other components of the fire protection and community water supply systems within the Property for fire suppression, training, and testing of such systems.

e. No Guaranty of Fire Protection. The installation of the above referenced systems will help reduce overall fire risk, but will not guarantee that adequate fire protection is provided by the Association or any Fire Department with jurisdiction over the property.

f. Amendment. None of the foregoing provisions of this Article III, paragraph 9 of the Declaration shall be amended to be made less restrictive without the prior written approval of the Red Lodge Rural Fire District #7 or the Fire Department with jurisdiction over the Property.

10. Temporary Structures Prohibited. No temporary structures or facilities - such as a mobile home, trailer, manufactured home, basement, shack, garage, or other out-buildings - shall be erected upon any part of the Lot for uses of temporary or permanent residence. Use and location of any construction or temporary structure shall be subject to approval by the Architectural Review Committee. Temporary structures shall be removed within ten (10) days after completion of construction.

11. Motorized Vehicles. No snowmobiles, ATVs or other motorized off-road vehicles may be used at any time or place on the Property except by the Equestrian Center for managing and maintaining agricultural land and the Nordic Center for building and

maintaining trails.

12. Maintenance. Each Lot and all improvements thereon shall be maintained in a clean, safe and sightly condition. All grounds or maintenance equipment shall be kept at all times, except when in actual use, within an enclosed area.

13. Refuse and Trash. Refuse, garbage and trash shall be kept at all times in a covered bear proof container, and such container shall be kept within an enclosed structure. Service areas, storage piles, compost piles and facilities for drying clothing shall be appropriately screened from view. No lumber, scraps refuse or trash shall be kept, stored or allowed to accumulate on any Lot.

14. Horses. Lot Owners have first preference for use of the Aspen Ridge Ranch Equestrian Center provided the Owner is willing to agree to the terms and conditions of such use and pay the fees to be established by the operator of the Equestrian Center. Each Owner may board up to three horses at the Center upon payment of the applicable fees for stabling and other services. Horses may be tethered temporarily on a Lot but they must reside at the Equestrian Center. If facilities are not fully utilized the manager of the Equestrian Center has the right to board horses owned by Non-Lot Owners at the Equestrian Center. Non-Lot Owners, horses and their riders may have use of the horse trails and other trails on the Open Space in accordance with rules established by the Association, but in no event shall the Ranch or the Open Space be available to general public access.

15. Pets. No other livestock or outdoor pets shall be kept or maintained on any Lot except as provided in these covenants. Invisible fencing may be required in place of chain link or other fencing material. Cats, dogs or other domestic animals that are normally kept and maintained indoors shall be permitted on any Lot. No more than two (2) dogs may be kept on any Lot, without the approval of the board, provided, however, that a litter of puppies born to a dog owned by a Lot Owner may be kept or maintained upon any Lot for a period not exceeding four (4) months, provided that said puppies are maintained

and restrained in accordance with the provisions of these restrictions. All dogs must be kept on a leash or within voice command at all times. No dogs are allowed on Nordic or horse trails at any time. Dogs must be under their owners' control on pedestrian hiking and walking trails at all times. On hiking and walking trails, owners are expected to pick up after their dogs. Failure to comply with this rule will result in loss of the owner's privilege to take dogs on trails.

16. Lighting. In order to preserve the rural, agricultural atmosphere and the dark skies and bright stars, low level outdoor lighting shall be used. In areas where more lighting is needed all lights must face down and be covered on the top. It is desirable for lights to have timers or motion detectors to limit the amount of time the lights are on. No bright white or LED lights are permitted.

17. Signs. No signs or advertising devices shall be erected or maintained on any Lot, except for:

- a. A "for sale" sign not larger than six square feet and
- b. A sign, not greater than two square feet in area that identifies the owner and street address. This sign must be approved by the ARC.
- c. Marketing signs may be placed by the Declarant on the property from time to time.

18. Water Systems. Each residential building shall be connected to a water well system at the owner's sole expense, and such water well system shall conform to all applicable standards of the State of Montana, Carbon County or other regulatory agency. Because of the relatively low-yield nature of the bedrock aquifer, its use should be limited to domestic needs and xeric outdoor landscapes with water-efficient irrigation systems. Water-intensive uses, such as landscape watering, may be accomplished through alternative water sources, (drip irrigation or rainwater catchment systems), in order to

minimize water withdrawals from the bedrock aquifer. All water from the West Fork Ditch is reserved for agricultural use and cannot be used for residential landscape watering.

19. Sewage Disposal. Each residential building shall be connected to a septic system installed by and at the expense of the owner at the designated site indicated on the Site Plan, as approved by the ARC, the applicable State and Local environmental quality authorities and as designated on the Final Plat of the Subdivision. This site has been approved for a septic system through percolation tests. No outdoor toilets shall be permitted, except for a reasonable period during construction. During the construction period, an approved portable toilet with no discharge will be required. No modification of any septic system or drainage field Site Plan may occur without ARC approval and approval of applicable State and Local environmental quality authorities.

20. Common Roads. The common roads on the Property shall be private roads at all times, and each Lot Owner shall be responsible for an equal portion of the snow removal and maintenance costs for said roads through dues to the Aspen Ridge Ranch Association.

21. Wildlife. It is recognized by the Declarant and the purchasers or owners of any Lot within the Property that many wildlife species live on or migrate through the Property during various times of the year. The following limitations on use and development are intended to protect, preserve and maintain the existing wildlife habitat on the Property while also protecting the people and horses that also live there. To minimize the adverse effects of development on wildlife habitat:

- a. Control of Animals. Dogs, cats and other domestic animals shall be controlled and restrained at all times, and shall not be allowed to “run at large” on any portion of the Property in a manner that interferes with wildlife.
- b. Taking of Wildlife. The taking of any and all wildlife game animal

species by any means within the Property is prohibited except for the control of individual animals known to be causing unacceptable damage to property. Any taking of wildlife must be approved by the Board and in compliance with Federal and State game regulations.

c. Human/Wildlife Confrontations. Residents and guests on the Property shall not harass wildlife and should avoid areas of wildlife concentration.

d. Artificial feeding of any wild animal is prohibited. Artificial feeding causes animals to rely on humans when it is not necessary and ultimately leads to situations that may be detrimental to both the animal and humans.

e. Damage Claims. Owners acknowledge that wildlife damage to landscaping will undoubtedly occur since the Property is located within wildlife habitat and waive any claims against the Montana Game and Fish Department, the Declarant or the Association for such damages.

22. Non-native Species. Introduction into the wild of any non-native animal or plant species that might compete with or harm native species is prohibited.

23. Firearms/Fireworks. The discharge of rifles, pistols and fireworks is prohibited.

24. Mineral Activities. No mining or other mineral extraction or shall be permitted on any Lot.

25. Control of Noxious Weeds. The control of noxious weeds by individual Owners on their respective Lots is set forth and specified under the Montana Noxious Weed Control Act (MCA 7-22-2101 through 22-2153) and the rules and regulations of the Carbon County Weed Control District. The landowner shall be responsible for the control of state and county-declared noxious weeds on his or her Lot. Both unimproved and improved Lots shall be managed for noxious weeds. In the event a landowner does

not control the noxious weeds, after 10 days notice from the Association to the Owner, the Association may cause the noxious weeds to be controlled. The cost and expense associated with such weed management shall be assessed to the Lot and such assessment may become a lien if not paid within 30 days of the mailing of such assessment. Because the timing for effective control of noxious weeds is very critical and proper spraying requires a permit, the Declarant or Association will spray all areas of the agricultural land in need of spraying when necessary. Owners are encouraged to subscribe to the spraying program offered by the Aspen Ridge Ranch Association. Every effort will be made to keep noxious weeds under control with as little spraying as possible. Owners will be notified of spraying dates in advance. The best defense against noxious weeds is good land management and elimination of weeds quickly when they appear. Information will be given to all Owners so that everyone can work together to have a weed-free environment.

26. Landscaping. All landscaping should feature native plants and cultivars that fit into the transitional zone. Trees, shrubs and perennials that grow well in the environment are encouraged. A general landscaping plan must be approved by the Architectural Review Committee. No bluegrass lawns are permitted. Landscaping policies are listed in the Design Guidelines. Excavation for landscape and residential construction purposes may be permitted on owners' Lot with the prior written approval of the ARC. Landscape purposes include ponds and ditches.

27. Water Rights. All surface water rights are retained by the Declarant for agricultural uses only. Lots must be served by the well on each Lot.

28. Satellite Dishes. No satellite dishes other than small, DDS-type dishes are permitted on any Lot without approval by ARC. Dishes larger than the small, DDS-type dish must be screened.

29. Wetlands Protection. Any property designated as Wetlands under the final Plat shall remain so in accordance with all State and Federal Regulations. In order to comply in the future, regulations and uses will be provided in the Design Guidelines as necessary

to comply with the Clean Water Act.

30. Open Space. Any property designated as Open Space (in the amount of 191.74 acres) under the final Plat for the Development shall remain free of any Principal Residences or further subdivision unless Haughey Loo, Inc, the Association, and the Equestrian Center agree to modify the Open Space, in accordance with local subdivision regulations. The Association, Haughey Loo, Inc and the Equestrian Center may make limited Structural Improvements and habitat improvement and enhancement on the Open Space. No Structural Improvements or other modifications shall be placed on or made to the Open Space except those which may serve recreational activities of the Association, the Lot Owners and the Equestrian Center for hiking, equestrian activities, cross country skiing and other recreational activities or which improve or enhance natural habitat (flora, fauna or Wetlands) protection, in the sole determination of the Association. It is the intention of Haughey Loo, Inc to place the Open Space under perpetual conservation easement protection by granting a conservation easement, in which case such restrictions shall equal or exceed these restrictions.

ARTICLE IV
OWNERS' RIGHTS AND RESPONSIBILITIES
IN ASPEN RIDGE EQUESTRIAN CENTER

1. Owners Privileges to use Equestrian Center and Open Space. Lot 9 consists of an Equestrian Center and Facilities, including a barn and stables, riding area, hot walker, round pen pastures and other accoutrements.

a. Equestrian Center. Each Lot Owner shall have a Use Right to the Equestrian Center and Facilities in accordance with rules of the Association, and the Use Agreement for the Equestrian Center.

b. Open Space. Each Lot Owner will have a Use Right to the Open Space for hiking, skiing and equestrian trails for limited access to streams and ponds,

and for use of the Nordic Center, in accordance with rules of the Association, and the Use Agreement for the Open Space.

c. Acknowledgment of Equine Risks. Owner understands and acknowledges that there are risks and dangers inherent in equine activities, and agrees to accept full responsibility for his or her own safety and welfare at all times while on, near or off of the Equestrian Center. Each Owner also understands that many risks involving equine activity participation may not be foreseeable and agrees to assume all risks inherent in equine activities.

2. Equestrian Center Rights. Use of the land and facilities at Aspen Ridge Equestrian Center will be subject to the following provisions:

a. The Equestrian Center will have the right to charge reasonable costs incurred for the benefit of a particular owner or owners. For example, the Equestrian Center shall have the right to charge for its reasonable costs of snow removal and the costs for managing and maintaining amenities.

b. If exercised, a Lot Owner's right to use the Equestrian Center to stable horses or other related riding activities shall be subject to the terms and conditions contained in any stall rental or similar agreement that the operator of the Equestrian center may require the Lot Owner to enter into with respect to such use.

c. The Equestrian Center will have the right to establish and enforce reasonable rules and regulations pertaining to the use and enjoyment of the use and enjoyment of Lot 9 and the equestrian trails on the Open Space and related Equestrian Facilities.

d. The Equestrian Center will have the right to suspend the right of an Owner to use the facilities if any common, special or limited special assessments have not been paid within ninety (90) days.

e. The Equestrian Center shall have the right to expand its facilities by constructing additions to the barn, corrals, trails and other components of its operation.

f. The Equestrian Center shall have the right to stable its own horses and allow Non-Lot Owners to board horses should the facilities not be fully occupied by Owners' horses.

g. The current owner of the Equestrian Center will have the right to sell the Equestrian Center and agricultural property provided that the Association and any Lot Owner or group of Owners shall have the first right of refusal to purchase the same in accordance with the following provisions:

i. In the event that the current owner of the Equestrian Center ("Seller") receives a bona-fide offer of purchase which it intends to accept, it shall give at least forty-five (45) days prior written notice to the Association of the proposed sale, which notice shall state the name and address of the proposed buyer, together with the financial terms and conditions of the offer. During the period of forty-five days following the receipt by the Association of such written notice, the Association or any Lot Owner or group of Lot Owners shall have the first right, at its option, to purchase the Equestrian Center at the same price and under the same terms as stated in the outside offer. If the Association gives written notice for itself and on behalf of all Lot Owners within said forty-five (45) day period that it and all Lot Owners have elected not to exercise such option, or if the Association shall fail to give written notice within the forty-five (45) day period that it has elected to purchase the Equestrian Center and the Seller has received no written notice from any Lot Owner regarding the same, then the Seller may proceed to close the proposed sale upon the terms and conditions set forth in the outside offer at any time within

the next six months thereafter.

ii. All rights and privileges of use established at the time of sale shall remain and be assumed by the buyer.

iii. In the event of a subsequent sale, the same right of first refusal shall be afforded the Association and the Lot Owners as provided herein.

ARTICLE V

THE ASPEN RIDGE RANCH ASSOCIATION

The Association is a Montana non-profit corporation to administer and enforce the provisions of this Declaration.

1. **Membership.** Every owner of a private residential Lot which is subject to assessment shall be a member of the Association. Membership in the Association shall be appurtenant to each Lot, and shall not be subject to severance from the ownership of such Lot. Each Lot shall be entitled to one (1) membership regardless of whether a Lot is owned by tenants in common, a trust, limited liability company or other entity.

2. **Voting.** Each member shall have the number of entitled votes as provided in the Association's Bylaws to cast upon any matter to be decided by a vote of the members. If there is more than one person or entity owning a Lot, the vote of such member shall be cast as determined by the owners of such Lot but in no event shall more than one vote be cast per Lot, except for the Equestrian Facility, as determined by the Articles of Incorporation and Bylaws. In the event of any dispute among joint owners of a Lot, the Board shall have the right to disqualify such member from voting on an issue unless or until the joint owners of such Lot have reached agreement as to such member's vote.

3. **Authority of Declarant and Board.** As more particularly stated in Association's Bylaws, Declarant shall have full power and authority to manage the business and affairs of the Association, and to enforce the provisions of this Declaration until the requisite

votes have been obtained by purchasers of Lots. After that time the Board shall have full power and authority to manage the business and affairs of the Association and to enforce the provisions of this Declaration as per the Association's Articles of Incorporation and Bylaws.

4. Meetings. The members of the Association and the Board of Directors of the Association shall hold annual meetings as set forth in the bylaws of the Association. Additional regular or special meetings of the members and of the Board may be held in accordance with the provisions of the bylaws of the Association. All matters pertaining to all such meetings, including notices thereof, quorums, and provisions for voting in person or by proxy shall be set forth in the bylaws of the Association.

ARTICLE VI
OPERATION AND MAINTENANCE OF COMMON FACILITIES, COMMON
ROADS, AND COMMON SERVICES

1. Operation and Maintenance of Common Facilities, Common Roads, and Common Services.

a. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote recreation, health, safety and welfare of its members and for the improvement and maintenance of Aspen Ridge Ranch. Assessments shall include, but not be limited to, costs associated with the Owners' share of common expenses of the Equestrian Center and Facilities, the Open Space, the Common Facilities, Common Roads and the provision of Common Services. In addition, the Association may employ a caretaker residing on Lot 10 (or elsewhere), for the purpose for monitoring the Equestrian Center, Open Space, and if elected by the Lot Owners, the Lot Owners' Principal Residences and Structural Improvements on their individual lots. The Association may levy assessments to defer the cost associated with such a caretaker for these and other purposes in accordance with the Bylaws and Articles of the Association.

b. Acknowledgment of Assessments. By acceptance of a deed or other instruments which convey a Lot or Lots in the Subdivision, each Lot Owner shall be deemed to covenant and agree to pay the Association such fees, dues, and assessments as may be determined in accordance with the Bylaws of the Association and the Declaration of the covenants on the Property and shall abide by such Bylaws or Declaration as they exist or as they may be amended from time to time. Association fees will be assessed as determined by the Association and shall constitute a lien on each Lot for the payment of all fees, assessments and attorney's fees.

c. Maximum General and Special Assessments. The Declarant or Board shall levy General, Special and Limited Special Assessments sufficient to perform the obligations of the Association as provided in this Declaration and Bylaws. However, except for assessment increases necessary for emergency situations, the annual assessment increase for general assessments may not be greater than twenty percent (20%) of the annual assessment for the Association's preceding fiscal year. In addition, special assessments in the aggregate may not exceed five percent (5%) of the budgeted gross expense of the Association for the fiscal year, by a vote of not less than seventy-five (75) percent of the voting interests of the Association at the annual or a duly noticed special meeting of the Association's members.

d. General Assessments for Maintenance of Common Facilities, Common Roads, and Provision of Common Services. The Association shall be responsible for the operation and maintenance of the common elements of the Subdivision, including the Common Facilities, Common Roads, and Common Services (to the extent not subject to operation, maintenance, repair or replacement by the respective utility providers and/or governmental entities). The levy of such assessments shall be subject to the determination of the board of the Association, and to this Declaration. Such Common Facilities, Common Roads and Common Services

shall be deemed to exclude parking areas located on any Lot and utility laterals or separate utility lines serving a particular Lot, all of which shall be operated and maintained separately by the Owner(s) of the respective Lots. In the course of discharging the foregoing operation and maintenance responsibilities, the Association may employ or contract a third party or parties upon such terms and conditions as are mutually acceptable to the Association and such third parties. All sums paid by the Association for such third party services shall be included in the general maintenance expenses payable by the Owners of Lots within the Subdivision, in accordance with their respective Pro Rata Shares, as General Assessments, which shall be levied or assessed by the Association's Board on a monthly, quarterly, annual or other periodic basis. General Assessments shall be due and payable in accordance with the provisions of Section 2(a) below. The maximum General Assessment shall not exceed \$_____ per Lot per year prior to calendar year 2007; and may be increased after January 1, 2008 by a vote of not less than seventy-five (75) percent of the voting interests of the Association at the annual or a duly noticed special meeting of the Association's members.

e. Special Assessments for Repairs, Replacements or Extraordinary Maintenance Expenses.

i. Special Assessments. In the event of damage to or destruction of any portion of the Common Facilities or Common Roads not attributable to the negligent act or omission of any particular Owner or such Owner's agents, employees, contractors or lessees, or in the event the Declarant or the Association now or hereafter determine, or are now or hereafter required by statute, code, ordinance, regulation, rule or governmental order, to construct, install, restore, replace, upgrade, remove or maintain any Common Facilities or Roads which serve or are for the benefit of the Lot Owners and Subdivision as a whole, the Association may perform or hire or contract for the performance of such repairs, replacements, installations, restorations, upgrades, removal or maintenance upon such terms and con-

ditions as the Association may deem or consider to be in the best interest of the Lot Owners and Subdivision as a whole. In the event of any damage or destruction to the Common Facilities or Common Roads, which damage or destruction requires repair or restoration of any portion of sub-grade improvements or utility services, the Association shall perform or cause to be performed such required restoration, together with any restoration of any parking areas or Common Facilities or Common Roads necessary and incidental thereto. The Owner of each Lot shall become responsible for payment to the Association of the Owner's respective Pro Rata Share of the costs and expenses of such repairs, replacements, installations, restorations or the like, which shall be billed by the Association as "Special Assessments". Special Assessments may be billed by the Association with the General Assessments or separately, and shall be due and payable in accordance with the provisions of Section 2(a) below.

ii. Limited Special Assessments. In the event that the damage to the Common Facilities or Common Roads are caused by the negligent or intentional acts or omissions of a particular Owner or such Owner's employees, agents, contractors, or lessees, the responsible Owner shall pay for the costs and expenses of repair, replacement and/or restoration of the damaged improvements or landscaping elements to the condition in which the same existed before the damage. In the event the responsible Owner fails to do so within a reasonable time (not to exceed 15 days) after demand by the Association, the Association may (but shall not be obligated to) undertake such repair, replacement and/or restoration or cause the same to be undertaken, and shall be entitled to reimbursement by the responsible Owner upon demand for the costs and expenses reasonably incurred by the Association in connection with such repair, replacement or restoration. Such written demand shall constitute a "Limited Special Assessment" by the Association, due and payable in accordance with the provisions of Section 2(a) below.

2. Assessments; Default; Lien; Enforcement.

a. Board Authority to Levy Assessments. The Association's Board of Directors, elected as provided in the Association's Bylaws, shall have the authority to levy General, Special, and Limited Special Assessments upon the Owners of all Lots within the Subdivision in accordance with this Declaration and such Bylaws. All Lots within the Subdivision shall be subject to the terms and provisions of this Declaration upon the recording hereof, and the terms and conditions shall run with the land and bind each Owner of a Lot within the Subdivision. No Owner may exempt himself from liability for General, Special or Limited Special by waiver of the use or enjoyment of any of the Common Facilities, Common Roads, or Common Services, by abandonment of his Lot, or by failure or refusal to become a member of the Association.

b. Lien of Assessments and Charges. All sums assessed by the Association upon each Lot but not paid within thirty (30) days of the date of mailing by the Association of written notice thereof to the last address of the Lot Owner furnished to the Association in writing, together with interest from the date of assessment until paid at a rate equal to the Prime Rate then in effect plus two percent (2%) and all attorneys' fees and costs incurred by the Association in collection of the delinquent assessments and/or charges and enforcement of the lien, shall constitute a lien upon the Lot against which assessed. Such lien for assessments and/or charges shall be deemed and considered prior and superior to all other liens except tax liens on the defaulting Lot in favor of any assessing governmental entity or special improvement district. Should any Owner dispute any portion of such assessments and/or charges, he shall nevertheless pay the disputed amount while the dispute is pending and shall be entitled upon written request to review the invoices, statements, receipts and other supporting materials relied upon by the Board in determining the disputed assessment and/or charges.

c. Enforcement of the Lien. The lien for unpaid assessments and/or charges may be foreclosed by the Association in the same manner as a mortgage upon real property under Montana law. The Association, acting through its Board, shall have the power to bid on the delinquent Lot at foreclosure sale, and to acquire and hold, lease, rent, mortgage, and/or convey the same in accordance with the provisions of Montana law applicable to execution or foreclosure sales of mortgaged real property.

d. Alternative Remedies. Without regard to mandatory mediation set forth in Article IX, paragraph 5(e), below, the Association may, at its option, sue the defaulting Owner to recover a money judgment for unpaid assessments and/or charges, together with interest at the rate described above, and all costs and expenses of collection, including reasonable attorneys' fees, or pursue any other remedy available under applicable law, without foreclosing or waiving the lien securing the unpaid assessments and/or charges.

e. Liability for Unpaid Assessments and/or Charges Upon Voluntary Conveyance. In the event of a voluntary conveyance of a Lot within the Subdivision, the Grantee of such Lot shall be jointly and severally liable with the Grantor for all unpaid assessments outstanding and unpaid with respect to the Lot up to the time of the conveyance, and the same may be collected or the lien enforced in the manner described above, without prejudice to the right of the Grantee to recover from the Grantor all amounts paid to the Association to satisfy the assessments and/or charges outstanding as of the date of conveyance. Any such Grantee, or prospective Grantee, shall be entitled to a statement from the Association's Board setting forth the amount of unpaid assessments outstanding with respect to the Lot in issue.

ARTICLE VII
REMEDIES

1. Breach of Covenants and Remedies. Subject to the provisions of Article VI above, and except as provided in Article VII, Section 3 herein, if at any time the Association determines that an Owner is in breach of the performance of such Owner's obligations under this Declaration, the Association shall have the right to give such Owner ("the Defaulting Owner") written notice of such breach, specifying the particulars in respect to which the Defaulting Owner's performance is deemed to be unsatisfactory. If the breach is not cured within thirty (30) days after notice, the Association or any other Owner shall then have the right (without obligation to do so) to perform the obligations as to which the Defaulting Owner is in breach; provided, however, that any such action by the Association or another Owner shall not relieve the Defaulting Owner of the obligation to perform, keep and observe all other obligations to be performed by a Lot Owner under this Declaration. The Defaulting Owner agrees to promptly pay to the Association or the other performing Owner, on demand, its costs of performing such repair or maintenance or other curative action, together with interest thereon at a rate equal to the Prime Rate plus two percent (2%) per annum, as such Prime Rate is in effect from time to time, from the date of disbursement of such costs until paid.

2. Right to a Lien. The Association or other Owner performing the maintenance, repair or other curative action under Section 1 above shall, with respect to such work, and so long thereafter as any charge for such remains unpaid as provided above, have a lien on the Lot of the Defaulting Owner to secure payment of the costs and interest set forth above, together with all costs and fees incurred in preparing, filing and enforcing said lien (including reasonable attorney's fees). This lien shall be in the nature of a contractual lien under Montana law and shall be perfected by the recording of a Statement of Lien signed by the by the party having made payment or its agent, in the real estate records of Carbon County, Montana, and may be foreclosed as a contractual lien in accordance with

the procedures applicable to such liens or, at the option of the holder of the lien, as a mortgage under Montana law.

3. Failure to Pay Assessments or Other Charges. If any Owner of a Lot ("Defaulting Owner") shall fail to timely pay those assessments and charges as required in Article VI above, then the Association or another Owner may, without notice or demand, pay those assessments on behalf of the Defaulting Owner, in which event the Defaulting Owner agrees to promptly pay the party making such payment on demand the amount so paid with interest thereon at a rate equal to the Prime Rate plus two percent (2%) per annum, as such Prime Rate is in effect from time to time, from the date of disbursement of such costs until paid. Until the amount is so paid, the party having made payment shall have a lien on the Lot of the Defaulting Owner, which lien shall be of the nature and shall be perfected and foreclosed as provided in Section 2 above, except that the Statement of Lien shall be signed by the party having made payment or its agent.

4. Other Remedies. Subject to the mediation provisions contained in Article IX paragraph 5 (e), below, in addition to the remedies set forth above, in the event of any violation or threatened violation by any Owner, lessee, or occupant of any Lot or other portion of the Subdivision of any of the terms, covenants, and conditions of this Declaration, the Association or another Owner shall have the right to judicially enjoin such violation or threatened violation. Further, the Association or another Owner shall be entitled to institute proceedings for full and adequate relief from the consequences of said violation or threatened violation, including without limitation a claim for damages, specific performance, or any other remedy available at law or in equity. The unsuccessful party in any such action shall pay to the prevailing party a reasonable sum for costs and fees of such action, including attorney's fees.

5. Limitations on Enforcement. This Declaration is for the benefit of the Declarants, current and anticipated future Owners of the Lots, and the Association, and may only be enforced by such parties. No other person or entity shall be entitled to claim a breach of this Declaration or to enforce the same, judicially or otherwise.

6. Waiver. No delay or omission of any party in the exercise of any right accruing upon any default of any other party shall impair any such right or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of such default. A waiver by any party of a breach of, or a default in, any of the terms and conditions of this Declaration shall not be construed to be a waiver of any subsequent breach of or default in the same or any other provisions of the Declaration.

7. Force Majeure. In the event any party shall be delayed or hindered in or prevented from the performance of any act required to be performed by such party under this Declaration by reason of Acts of God, strikes, lockouts, unavailability of materials, failure of power, prohibitive governmental laws or regulations, riots, insurrections, the act or failure to act of the other party, adverse weather conditions preventing the performance of work as certified to by an architect, war or other reason beyond such party's control, then the time for performance of such act shall be extended for a period equivalent to the period of such delay. Lack of funds or financial inability to perform shall not be deemed to be a cause beyond the control of such party.

ARTICLE VIII

CARBON COUNTY APPROVAL FOR FIRE PROTECTION OR NOXIOUS WEED CONTROL AMENDMENTS

Article III, Section 9, Fire Suppression, and Article III, Section 26, Noxious Weed Control of this Declaration were required for the approval of the preliminary and final plat and may not be repealed or amended without the prior written consent of the Carbon County Commission. Dissolution of the Association and modification of these two covenants and restrictions can happen only after obtaining the County's approval of the change.

ARTICLE IX
GENERAL PROVISIONS

1. Declaration.

a. All of the covenants, conditions and restrictions set forth herein are declared to ensure the most appropriate development of the Property; to protect the Owners of Lots against improper use of surrounding Lots such as would depreciate the value of each such Owner's interest; to preserve the natural beauty of the Property; and to encourage and secure the orderly development of and uniform plan for development of the Property.

b. All of the covenants, conditions and restrictions herein contained shall run with the Property for all purposes and shall be binding upon and inure to the benefit of the Association, all Owners and their successors-in-interest as set forth herein.

2. Term. The covenants, conditions and restrictions set forth herein shall be binding for a term of twenty-five (25) years from the date of this Declaration, after which time they shall be automatically extended for successive periods of ten (10) years, unless changed or amended by a vote of not less than seventy-five (75) percent of the voting interests of the Association, except as provided in Article VIII, above.

3. Amendment or Liberal Construction of Declaration.

a. Subject to the consent of Carbon County to approve any amendment relating to fire suppression or noxious weed control (as set forth in Article VIII above), this Declaration, or any provision hereof, may be amended or revoked and any additional provisions added at any time by written instrument duly signed and

acknowledged by the required vote of the Association and recorded with the Carbon County Clerk and Recorder.

b. Notwithstanding any provisions of the Articles of Incorporation or the By-laws of the Association, the following procedure shall govern any amendment process for this Declaration:

i. All Lot Owners shall be notified no less than fifteen (15) days and no greater than thirty (30) days in advance of any meeting of the Association, in writing, the purpose of which is to amend or alter any provision of this Declaration, or any other documents governing the use or enjoyment of the property subject to these covenants;

ii. In voting for any amendment to these covenants, it shall be necessary that a quorum of authorized Lot Owners, or their representatives by proxy or otherwise, be present at the meeting. A quorum shall constitute Seventy Five Percent (75%) of the Lot Owners.

iii. Any vote to amend these covenants shall require Seventy Five Percent (75%) affirmative vote of the Lot Owners or their representatives, by proxy or otherwise; and

iv. Any notice of any meeting called for the purpose of amending the Declarations must state that the meeting is called for the purpose of amending these Declarations and identify with specificity the proposed amendment by reference to the Declarations.

c. Subject to the provisions of paragraph 3(b) above, any amendment to this Declaration, or any provision hereof, shall not affect existing Structural Improvement and uses of the Lots, provided that such Structural Improvement or use would have been a valid Structural Improvement or use under this Declaration as

of the date of its recording, at the time the Structural Improvement was built or the use commenced.

d. The provisions of this Declaration shall be liberally construed to affect its purposes, without the necessity of amendment. Except for judicial construction, the Declarant shall, until the sale of seven (7) lots, have the exclusive right to construe and interpret the provisions of this Declaration, which rights shall be exercised in good faith and in accordance with this Declaration. Thereafter, the Board shall have the exclusive right to construe and interpret the provisions of this Declaration, which rights shall be exercised in good faith. In the absence of any adjudication to the contrary by the court of competent jurisdiction, the construction or interpretation of the provisions hereafter by the Board shall be final, conclusive and binding.

4. Notice. In any conveyance of Lots described herein, it shall be sufficient to insert a provision in any deed or conveyance to the effect that the property is subject to protective or restrictive covenants without setting forth such restrictions and covenants.

5. Enforcement.

a. The Association and any Owner of a Lot shall have a right to enforce the provisions of this Declaration and to prevent or stop any violation thereof by injunction or other lawful means.

b. The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now in existence or hereinafter imposed by the provisions of this Declaration against any person or persons violating or attempting to violate them. The Association shall have the right to restrain such violation or to recover damages.

c. Failure by the Association or any Owner of a Lot to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so

thereafter; and no express waiver by the Association of a breach or violation of any covenant or restriction by any Owner shall be deemed or construed a waiver by the Association of its right to thereafter enforce the same covenant or restriction as against the same or any other Owner.

d. Subject to paragraph 5(e) below, in the event any action is maintained to enforce, enjoin any violation of, or to construe the provisions of this Declaration, the prevailing party shall be entitled to recover from the losing party, in addition to the legal and/or equitable relief recovered, such prevailing party's costs, reasonable attorney's fees, and mediator's fees.

e. Neither the Association nor any Lot Owner shall institute a proceeding in any court to resolve a dispute until compliance with the dispute resolution provisions of this paragraph. Initially, the parties to the dispute shall attempt to resolve the dispute through direct negotiation. If the dispute is not resolved within two (2) weeks after demand for direct negotiation, the parties shall attempt to resolve the dispute through mediation, with a mediator jointly chosen by the parties. If the parties are unable to select a mediator, each party shall select one mediator and those mediators, in turn, shall select a third. The cost of all mediators shall be borne equally between the parties. If the mediator or mediators are unable to facilitate a settlement of the dispute within a reasonable period of time, as determined by the mediator, the mediator shall issue a written statement to the parties and any Court. Any unresolved dispute arising out of or connected with this Declaration shall be subject to judicial action in Carbon County, Montana. Mandatory mediation shall not be required if there is an immediate threat to the Association or any Lot Owner would result in immediate and irreparable injury, in accordance with Montana temporary restraining order standards. Should such an immediate or irreparable showing be made, any Lot Owner may obtain injunctive relief or a temporary restraining order as provided by Montana law.

6. Non-Liability of Association, Declarant, and Board. None of the Association, the Declarant nor the members of the Board now or hereafter elected shall be liable to any Owner, or any other persons, for any loss, damage or injury arising out of or in any way connected with the adoption, implementation or enforcement of this Declaration; and all Owners hereby waive, release and forever discharge the Association, Declarant and members of the Board now or hereafter elected from any liability arising out of or any way connected with adoption, implementation or enforcement of this Declaration or any amendment hereto.

7. Non-Dedication to Public Uses; No Third Party Beneficiaries. Nothing contained in this Declaration shall be construed or deemed to constitute a dedication, express or implied, of the Equestrian Center, Common Facilities, Common Roads or any part of any Lot to or for the benefit of any public use or public purpose; nor to create or imply in any person or entity except the Association and the Owners of Lots the right to enforce the terms, conditions and/or covenants set forth herein.

8. Severability. Invalidation of any one of the covenants, conditions or restrictions set forth in this Restated Declaration or amendments thereto, shall not affect the validity or enforcement of the remainder.

9. Further Subdivision of Lots Prohibited. No further subdivision of Lots as originally surveyed and recorded shall be permitted.

10. Illegal or Noxious Uses or Activities. No illegal, noxious, unsightly or offensive use or activity shall be made of, or carried on, any Lot, nor shall any use or activity be permitted which may be, or may become, an annoyance or nuisance to adjacent Owners.

11. Survival. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

12. Binding Effect. This Agreement shall be binding on the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, Declarant and _____ have executed this Declaration the day and year first above written.

DECLARANT
HAUGHEY-LOO, INC.

By: _____
Its: _____

STATE OF MONTANA)
 : ss.
County of)

This instrument was acknowledged before me on the ____ day of _____, 2007, by _____ as _____ of Haughey-Loo, Inc.

Notary Public for the State of Montana
Residing at _____, Montana
My Commission Expires: _____