

AMENDMENT AND RESTATEMENT
OF
THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF

THE RANCH SUBDIVISION

January 14, 2004

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**AMENDMENT AND RESTATEMENT OF THE
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OF THE RANCH SUBDIVISION**

WHEREAS Lot Owners constituting more than two-thirds (2/3) of Lot Owners entitled to vote, have approved the following Amended and Restated Declaration of Covenants applicable to The Ranch, according to the plats thereof on file in Flathead County, Montana, the preceding Covenants of which were recorded on July 14, 1976 at Book 598, page 944.

NOW THEREFORE, THE UNDERSIGNED hereby declare that the Property shall be held, sold, and the conveyed subject to the following Restatement. These easements, covenants, restrictions, and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title, interest in the described properties or any part thereof and shall inure to the benefit of each owner thereof.

The prior covenants, conditions and restrictions, applicable to the Property are hereby repealed, amended and replaced by this document, certified for approval and recording by James O. Boyette, President of the Ranch Homeowner's Association, Inc. of P.O. Box 11, Bigfork, Montana.

ARTICLE 1

Property subject to covenants

The real property which is and shall be held, transferred, sold and conveyed subject to the Covenants, conditions, and restrictions hereinafter set forth, is located in Flathead County, Montana and more particularly described in Exhibit "A" attached hereto.

ARTICLE 2

Definitions

Unless otherwise indicated, the following terms shall be interpreted herein as defined immediately below.

2-1 "Association" shall mean and refer to the Ranch Homeowners' Association, Inc., a non-profit corporation, which shall consist of all the lot owners of the lots of The Ranch.

2-2 "Board" and "Board of Directors" shall mean the governing body of the Association.

2-3 "Common Areas" shall mean all real property and easements governed by the Association for the common use and enjoyment of the members of the Association including but not limited to roadways, bridle paths, green areas, utility easements, signage, water and water rights.

2-4 The "Property" means the Ranch as reflected in plats on file in Flathead County, Montana, as well as any additional areas annexed to the Ranch as provided herein, and includes each individual Lot and all Common Area.

2-5 "Green Areas", "Bridle Paths", and "Roads" shall mean and refer to the land referred to as those areas on the subdivision plat of the Ranch are also deemed to be Common Areas.

2-6 "Lot" shall mean and refer to POMMEL Lots 1 through 32 and LATIGO Lots 1 through 21 (Less former Lot 4) as numbered on the subdivision plat of record with Flathead County.

2-7 "Member" shall mean and refer to every person or entity who is a member of the Association. Member and Owner are used synonymously.

2-8 "Owner" shall mean and refer to every person or entity who is a record owner of a fee or undivided fee, interest in any Lot. Record owners who have sold any Lot under a contract for deed shall not be considered owners but the purchasers of a Lot who are purchasing any Lot under a contract for deed shall be considered the owner for all purposes herein. Persons or entities having an interest in any Lot merely as security for the performance of an obligation (Mortgages or beneficiaries) are hereby excluded.

2-9 "Motor Vehicle" means and includes automobiles, trucks, buses, motorcycles, motor scooters, all terrain vehicles, snowmobiles, self-propelled recreational vehicles, and any and all similar or dissimilar self-propelled mechanisms.

2-10 "Structure" means a home or dwelling, guest house, or cottage, barn, shed (with or without walls), lean-to, garage, shop, shack, plastic or fabric garage or shelter, other storage facility, gazebo, greenhouse, animal pen, wooden deck, boat house, pump house, satellite dish and radio, television or other tower.

2-11 "Vegetation" includes trees, shrubs, grasses and other plants.

ARTICLE 3

Common Areas, Utilities & Roads

3-1 Property Rights:

a) Member's Easements of Enjoyment: Every member shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every assessed lot, subject to the following provision:

- 1) The right of the Association to limit the number of guests of members using the Common Areas.
- 2) No commercial activity of any kind may be conducted on or from any Common Areas.

b) Delegation of Use: Any member is deemed to have delegated his right of enjoyment to the Common Areas and facilities to the members of his family within the first degree of kinship, his tenant, or contract purchasers who reside on the property, unless the member has Given the Association written notice to the contrary.

c) The Association retains for itself and utility companies all necessary easements for the construction and maintenance of water ditch and drainage, gas and sewer lines and electric transmission, telephone, cable, and television systems.

d) The Association may make, amend and enforce rules and regulations governing use of Common Areas.

3-2 *Roadways and Park:* The Association reserves an easement 60 feet in width for ingress, egress and utilities over, under and across the roadways shown on the plat for the purpose of location, installing, erection, constructing, maintaining a roadway and electric lines, telephone lines, other utilities, and ditches and drainage. The roadways as shown on the sub-division plat are limited to the private use of owners, tenants, guests and others performing official or delivery functions to or for these individuals. Notice is given that title to the underlying road bed remains in the name of Quarter Circle L.A. Ranch, the original developer of the Ranch (hereinafter, "the Developer"). The Developer additionally has rights of egress and ingress and may utilize the roads for access to other properties. The Association retains control of and maintenance of the roadway, bridle paths and green areas described in the subdivision plat.

3-3 *Utilities:* Rights of ingress and egress over, under, across, to, upon and from the Lots for purposes of locating, installing, erecting, constructing, maintaining or using electric lines, telephone lines, ditches and drainage lines and other utilities are retained by the Association and/or appropriate utility companies. All costs for extension of utilities and telephone lines will be borne by lot owners, and all such utilities shall be underground. Any lot owner who shall place any building, improvement, shrub, hedge or tree on any easement shall be required without notice at the request of any other affected lot owner or utility company to remove such structure, improvement or vegetation if such removal shall facilitate installation, repair or maintenance of utilities within said easement area.

3-4 *Members Rights of Use:*

a) Members Easements of Enjoyment: Every member shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every assessed lot, subject to the following provision:

1) The right of the Association to limit the number of guests of members using the Common Areas.

2) No commercial activity of any kind may be conducted on or from any Common Areas.

3) No one shall block or in any way obstruct any Common Area or any common roadway in the Property.

4) The Association shall maintain and control the Common Area. No one shall use the Common Area in a manner that prevents or limits its use by anyone else. No one other than the Association shall remove, trim, damage or plant vegetation or trees in any Common Area.

5) No one has any easement for views, sunlight, air or for any other purpose either in or over any Common Area. The Association has no duty to remove, trim or plant any vegetation or trees in any Common Area so as to maintain, enhance or screen any view, sunlight, air or other access, use, benefit or detriment.

b) Delegation of Use: Any member is deemed to have delegated his right of enjoyment to the Common Areas and facilities to the members of his family within the first degree of kinship, his tenant, or contract purchasers who reside on the property, unless the member has given the Association written notice to the contrary.

c) The Association retains for itself and utility companies all necessary easements for the construction and maintenance of water, gas, and sewer lines and electric transmission, telephone, cable and television systems.

d) Right to use: Every owner shall have a right and easements of enjoyment in and to the green areas and roadway system which right shall be appurtenant to and shall pass along with title to every Lot subject to following provisions:

The Association may charge reasonable fees for the use, care, maintenance and Improvement of the common area.

ARTICLE 4

Construction and Landscaping

4-1 Land use: No structure shall be erected, altered, placed or permitted to remain on any portion of any lot other than a single family private residence having no more than a three-car garage, and other buildings as may be incidental to residential use of the property. Multi-family dwellings, duplexes, condominiums, townhouses and guest houses are prohibited. No owner shall construct living quarters within a garage for rental purposes.

4-2 Building site: No lot shall have more than one primary dwelling house located upon it and no lot shall be subdivided in any manner. This section shall not be construed to prohibit a boundary line adjustment between adjoining lots, following a survey and board approval. Any boundary adjustment must have Board of Directors approval.

4-3 Construction and Materials:

a) Each structure erected, placed or permitted to remain on a Lot shall have all exterior roofing, siding, doors and windows completed and all exteriors stained and painted one (1) year from the date such construction commences.

b) All structures shall be permanent in nature. Only new materials shall be used, with the exception of brick, beams and other integral components of a structure. No construction, exterior alteration or exterior remodeling shall be undertaken without the prior written approval of the Architectural Review Committee.

c) No temporary building or partially finished building or structure, including basements, tents (other than children's or play tents), plastic garages or shelters, mobile homes, trailers, double wides or prefabricated structures designed to be hauled or moved on wheels, camper trailers or truck-mounted campers shall be erected or placed upon the property or used as a permanent or temporary dwelling, except as provided herein. Temporary use of tents, recreational or camper vehicles or trailers by guests of Owners residing on the same lot is permitted. However, none of the vehicles or dwellings mentioned in this sub-paragraph may be placed or stored on any vacant lot which there is presently no residence, whether in construction or completed, except as provided herein.

d) No class 1, 2, or 3 manufactured or mobile homes (as defined by Flathead County zoning ordinances and definitions) or other mobile homes, modular homes, pre-manufactured, boxed, sheet metal or metal "kit" type structures shall be built, rebuilt or replaced on any Lot. Pre-cut log home kits may, however, be assembled on Lots.

e) No galvanized metal siding or roofing shall be used on the exterior of structures. Factory-painted metal roofing is permissible, provided the material is non-reflective or vinyl coated and provided the color and finish are maintained. Further, as to siding, regardless of its composition, it shall be maintained in earth tone colors such as beige, brown or natural wood.

f) No basement without a superstructure, or shack, garage, barn or other outbuilding shall be used as a residence.

g) At all times during construction of any structure on any Lot without a fully functioning toilet and septic system, the Owner shall provide and maintain on said Lot a portable toilet facility for use by workers, licensees and invitees.

h) Any structure or improvement that predates this Amended and Restated Declaration of Articles and that constitutes a "nonconforming use" may continue to exist without being deemed or treated as a violation of these Protective Articles. Such nonconforming use, however, shall not be expanded, rebuilt or replaced.

i) All dwellings shall have house numbers that are visible and readable from the road serving the lots in the subdivision. House numbers may be located at the driveway entrance or on the house.

j) Propane tanks and garbage cans shall be screened from view by landscaping or decorative fencing. Tower antennas, cell phone towers, and radio towers are prohibited. Eighteen-inch (18") dish antennas are acceptable.

4-4 Setback Lines:

No new or rebuilt structure shall be located on any Lot closer than 15 feet from any side or rear lot line or 60 feet from the front property line facing the main, access roadway. No driveway shall be located in whole or in part on any Lot closer than 15 feet from any side or rear lot line. Structures shall not be located on slopes that exceed 25 percent.

4-5 Height:

No structure shall exceed thirty five (35') in height measured from the average finished grade of the building site. Building site shall mean the footprint of the building, excluding porches, decks and balconies.

4-6 Exterior Lighting:

a) As used in this Article, these definitions apply:

1. "Fixture" means the assembly that holds the lamp in a lighting system. It includes the elements designed to give light output control, such as a reflector (mirror) or refractor (lens), the ballast housing, and the attachment parts.

2. "Horizontal Cut-Off" means a feature of a fixture designed in such a manner that light rays emitted by the fixture, either directly from the lamp, reflector, lens, or housing, are projected at least 15 degrees below a horizontal plane running through the lowest point on the fixture from which the light is emitted.

b) Except as provided in this Article, every exterior light fixture installed or replaced after November 1, 2003 must use a horizontal cut-off.

c) Outdoor fixtures shall not be placed higher than the ridgeline of the structure on which they are located.

d) No exterior mercury vapor lights shall be installed within the Property. Any such lights that require replacement or substantial repair shall be replaced with a lighting source other than mercury vapor lights.

e) Motion detector lights are permitted and encouraged.

4-7 Seeding, Planting and Weed Control: Wild weeds and grass shall be mowed, sprayed or otherwise controlled on a regular basis to prevent them from reaching seed stage. Whenever a structure is constructed on any lot, the owner shall, within a reasonable time thereafter, seed and plant a lawn or other vegetation ground cover.

4-8 External Landscaping:

a) Every owner shall mow, spray or otherwise control on a regular basis all wild weeds and wild grass to prevent such from seeding. Every owner shall maintain a lawn or other vegetative ground cover on all disturbed or bare soil.

b) No owner shall plant, maintain or permit introduced hedges, shrubs or other plantings over five feet in height. See also Covenant 6-13.

c) Neither trees nor shrubs shall be clear cut within the Property.

d) No trees shall be removed without the prior written approval of the Architectural Control Committee. The Committee shall not approve the removal of individual trees with an outside bark diameter greater than five inches (measured 12 inches above the ground) unless dead or dangerous or located on the site of an authorized structure, driveway, sidewalk, or garden, or located within the wild fire defensible space created around a single family dwelling or other building.

e) Every owner shall create and maintain a wild fire defensible space around the single family dwelling on his lot in conformance with the published recommendations of the Montana Department of Natural Resources and Conservation, or its successor in interest.

f) Every owner shall install and maintain at least two external frost-free hydrants on his Lot.

g) No tower antennae, or towers for radio, cell phones or other electronic communication shall be built or maintained within the Property. Dish antennas no more than 18 inches in diameter are permitted.

h) No owner shall allow any construction, structure, grading, filling, obstruction or other activity to damage or obstruct any drainage swale or seasonal pond area, other than the natural accumulation of sediment or thatch.

4-9 Utilities: The Association reserves all reasonable and necessary rights of ingress and egress over, under, across, to, upon and from the Lots for purposes of locating, installing, erecting, constructing, maintaining or using electric lines, telephone lines, ditches and other utilities for itself and/or an appropriate utility company. Lot owners are responsible for the costs for extension of utilities and telephone lines to their improvements. All such utilities shall be underground. The reserved, utility easement is nonexclusive and a lot owner may develop or landscape within or over any utility easement or buried line, but does so at their own risk. In the event a utility must be excavated for repair or replacement, the owner who placed the building, improvement, or landscaping on or over any easement or utility line shall be required to remove the encroachment at the owner's expense. If an owner neglects or fails to do so after written request, then the Association or its contractor or the utility company may remove such structure, improvement or landscaping and the owner will be liable for the cost of excavation and restoration.

4-10 Water System: All household water shall be obtained from The Ranch subdivision community water system, except for those lots not serviced by the Ranch Community Water

system. There will be no water hookups without approval of the Architectural Committee. All water hookups must have a minimum 1/2 inch, type "K" copper or schedule 80 PVC pipe and a shutoff valve at the main line (a standard sketch of the water hookup detail will be available upon request from the Architectural Committee or the authorized water representative). The owner is responsible to provide connection and water shut-off valve to the water main. Water is for use by owners only, on their own property.

For properties not serviced by community water, an owner must submit a written application to drill for potable water, which must be approved by the Board of Directors. A lot owner may drill a water well on their lot which may be used for irrigation purposes only. Costs of drilling, installation and maintenance of the irrigation well are solely those of the Lot owner. All irrigation water systems shall comply with all rules and regulations of any government body having jurisdiction over the location and installation of those wells.

4-11 Sewer System: Only individual sewage disposal systems designed, located and constructed in accordance with the requirements, standards and recommendations of the Montana State Department of Health and the County of Flathead, shall be permitted on each lot. Prior to the initial residential construction or site preparation, the lot owner shall secure a septic permit from the Flathead County Health Department.

4-12 Private Driveways: Owners may construct a private driveway from the Ranch roads to their residence. No owner of any Lot may construct a road or convey an easement, license or permanent or temporary permission which would provide legal or physical access to property outside the Ranch subdivision.

4-13 Owners may store liquid fuel in approved containers for the use of lawn mowers or other devices on the owner's lot. Owners will take care to store fuel in a safe and environmentally sound manner, taking care not to spill fuel on open ground. Underground fuel tanks are prohibited, except propane tanks certified for underground installations.

ARTICLE 5 **Architectural Control**

5-1 Architectural Review Committee: An Architectural Review Committee is hereby created and shall consist of five persons. This committee shall consist of the President, and Secretary of the Association, and three persons elected at an annual association meeting, for two year terms. Committee members may also be members of this board of directors. This committee shall act only by express written approval of a majority of the committee.

5-2 Architectural Review: No fence, wall, driveway, walkway or structure shall be commenced, erected or maintained upon any Lot, nor shall any addition to or change or alteration therein be made, nor shall any native vegetation be disturbed, destroyed or removed until the following have been submitted by the Lot Owner and approved in writing by this Committee:

a) A site plan showing the lot and the foot print of the proposed fence, wall, driveway walkway and/or structure, contouring of grades, and landscape design, exterior lighting, septic system location and setbacks from property boundaries.

b) Plans and specifications of each structure showing elevations from each side, floor plan and dimensions and square footage totals, and the nature, kind shape, height, and materials to be used.

c) Samples of exterior siding and roofing material.

d) All applicable fees.

Clearing and grading, including but not limited to the cutting or transplanting of vegetation on Any Lot shall not be undertaken until items a, b and c are approved in writing by this Committee

5-3 Approval by Committee: Written approval or disapproval shall be rendered by a majority of the Architectural Review Committee. If the Committee fails to approve or disapprove within thirty (30) days after the plans, specifications, samples and fees have been submitted to it by the Lot Owner, approval will not be required, and this Article will be deemed to have been fully complied with. No changes or additions shall be permitted unless separately approved in writing by the Committee.

5-4 Criteria: The Architectural Review Committee shall base its decisions solely on the Covenants applicable to the Property.

5-5 Miscellaneous: Consent by the committee as to any matter shall not be deemed to constitute a precedent or waiver impairing its right to withhold approval on any similar matter proposed or submitted to it for consent. Neither the Committee nor any member shall be liable to an Owner, the Association, or to anyone else for any damage or loss suffered or claimed on account of any action by the Committee, reasonably done in good faith. The Committee and its members shall have no liability for failure to act.

5-6 Appeal: An adverse decision by the Architectural Control Committee may be appealed to the Board. The owner must give written notice to the secretary or president within 10 calendar days of the committee's decision. If appealed, the Board will review the application and decision and vote to affirm or revise the Architectural Control Committee's decision. This decision is final. If the Board does not vote a decision within 20 days of the date of appeal, the Architectural Control Committee's decision is final.

ARTICLE 6

Members' Use and Maintenance of Lots

6-1 Residential Use Restriction:

Lots shall be used for residential purposes only. Except as provided herein, no Lot shall be used for any commercial, business, craft, trade, manufacturing, agricultural or group religious purpose. Property shall not be used for any licensed day care facility, preschool, church, commercial kennel, or any other business or enterprise which normally produces additional traffic above and beyond normal, residential use. Except for the particular uses enumerated immediately above, Lots may be used for home occupations but only upon these terms:

- a) Use of the lot for home occupations must be clearly incidental to the use for residential purposes;
- b) The home occupation must be conducted entirely within the residence;
- c) No equipment or process shall be used in the home occupation that creates noise, vibration, glare, fumes, odors detectable to the normal senses of individuals who are not on the Lot being used, or electrical or microwave interference noticeable in television, radio or other Electrical devises on other Lots or creating electrical surges;
- d) No individuals other than the Owners and their immediate family members shall work in the home occupation on the Lot;
- e) No signs, advertising or other indication of the home occupation shall be placed anywhere on the Lot or anywhere within the Property, and;
- f) No commercial or school buses shall be parked or stored anywhere within the Property.

6-2 Multiple Family Dwellings and Rentals:

Except as provided herein, no lot within the Property shall be built on or used for a Multiple family dwelling, condominium, townhouse, apartment, trailer park or campground. An owner may not build a guest cottage. Mobile homes, camper trailers, or similar vehicles, or tents, shops, sheds and/or similar structures shall not be leased or rented at all for use on any Lot.

6-3 Offensive Activity:

No noxious or offensive activities shall be carried on upon any Lot, nor shall anything be done thereon which may become a nuisance to neighbors or the neighborhood. By way of example and not as an exclusive list, the following activities shall be considered nuisances; operation of motorcycles, all-terrain vehicles; snowmobiles or similar mechanical devices on any Common Area.

6-4 Junk Vehicles

No member shall allow a non-working motor vehicle to be stored on their property, exposed to public view.

- a) Any person possessing one or more junk vehicles, regardless of ownership, shall shield the vehicles from public view or remove the vehicles to a licensed motor vehicle wrecking facility or to a licensed motor vehicle graveyard. (Source: § 75-10-505, Montana code)
- b) As used in this Article, "Junk vehicle" means a discarded, ruined, wrecked, or dismantled motor vehicle, including component parts, that is not lawfully and validly licensed and remains inoperative or incapable of being driven. (Source: § 75-10-5-1 (4), Montana code)
- c) "Public view" means any point 6 feet above the surface of the center of a public or subdivision road within the Property from which junk vehicles can be seen. (Source: § 75-10-501 (8), Montana Code)

6-5 Property Maintenance

No part of the Property shall be used or maintained as a dumping or storage ground for rubbish, trash, garbage, old motor vehicles, motor vehicle parts, lumber or other construction materials (except for lumber or construction materials placed on a Lot for construction on that lot within the one year permitted by Article No. 4. All garbage and refuse shall be stored, if outside, only in certified, bear-proof, metal containers which are in good, secure condition and

have a firmly secured lid. Garbage cans and all waste, pending removal, shall be obscured from public view and kept in a manner not threatening to views or health of the community. Owners shall dispose of garbage at least twice a month.

6-6 Exterior Accessory Storage:

All boats, trailers, campers, recreational vehicles or similar items shall be stored and parked either in a garage or screened from the view of adjacent Lots and the road. Such items may, however, be stored or parked within view for no more than 24 hours at any one time.

6-7 Burning:

Slash piles may be burned on a Lot if done in conformance with all state and local Regulations. Outdoor barbecues are permitted. No other exterior fires shall be lit or allowed to burn within the Property.

6-8 Mineral Development

No Oil or gas drilling or exploration, gravel, sand or soil extraction or mining shall take Place within the Property.

6-9 Animals and Pets

a) No commercial kennel or breeding operation shall be located in the Property. Except as provided herein, no livestock or any other animals shall be kept or maintained on any one Lot except two dogs, two cats or other small confined domestic animals, such as birds, fish, or gerbils. Such animals may be kept only if they are not a nuisance to neighbors or the neighborhood. No animals may be kept for breeding or commercial purposes. All household pets should be restrained within a fence, or by direct control by leash, tether or other constraint. Each Owner shall immediately remove and dispose of, in a sanitary manner, all solid waste created by his animals in a Common Area. If an Owner permits his dogs to have more than one litter per year, then the Owner may be considered to be operating a commercial kennel or breeding operation in violation of these Amended and Restated Articles.

b) If a pet engages in any annoying activity, such as excessive barking, biting, harassing persons in the neighborhood, chasing vehicles, eating or disturbing garbage, destroying vegetation or any other obnoxious activity any owner or the Association may give the owner of such animal ten(10) days' written notice to restrain the animal from the activity. In such case, the owner shall be required to restrain their animal within a fence, by tether or leash or keep the animal inside their residence. If the owner then fails to comply, any resident or the Association may resort to any legal means to remedy the nuisance activities caused by the animal including, but not limited to, having the animal picked up by law enforcement authority.

c) To the extent that the substantive regulations of Flathead County animal control ordinances are supplementary or stricter, they are hereby incorporated by reference, whether or not they actually apply to the Property.

6-10 Wildlife:

1. Garbage. All outdoor garbage containers should be bear proof.
2. Foods.
 - a) There shall be no over-night outside food storage, such as refrigerators, coolers,

or food chests. All foods should be stored inside anytime it is not being used. This would be especially germane to any possible bear problem.

b) All barbeque grills should be kept clean. If a barbecue is portable, it should be stored in a secured shed or garage and not left out at night. Leftover cooking oils and greases should be deposited in bear proof containers as soon as possible.

c) Pet foods must be treated the same as human foods. Pet food should not be left out for extended periods of time, and prohibited from being left out over night.

3. Pets. Pets should be on leashes as much as possible to prevent them from chasing wildlife or from becoming an attractant for bears, coyotes, and mountain lions. Pets should not be left out over night.

4. Wildlife Feeding. No wildlife attractants such as salt blocks or hay should be used; if deer are being attracted into the area, so are mountain lions. Pets should not be left out over night.

5. Landscaping. Native materials shall be used whenever possible. They attract fewer deer and are adapted to some browsing. Fertilizer use shall be kept to a minimum as fertilized plants tend to attract deer. Berry producing plants and fruit trees such as choke cherry, service berry and mountain ash, apples, cherries and pears shall be kept to a minimum. All such vegetation attract both deer and bears. There are fence designs which can protect such plantings if they are grouped.

6. Game. No owner shall hang any wild game, game parts, carcasses or hides outside. If any such game or game parts are stored in a garage or shed, the garage or shed must be bear proof with a secure, solid core wooden or steel door. Owners shall promptly dispose of bones, hides, scraps and any other unused game parts immediately.

7. Firearms. There shall be no hunting or shooting of any game animal within the subdivision. No one may discharge any firearm within the subdivision.

6.11 Noise and Safety:

No one shall set off or ignite firecrackers, fireworks, cherry bombs, or other noise-makers between the hours of 8:00 p.m. and noon of the following day. For July Fourth and New Year's Eve, however, fireworks may be set off as late as 1:00 a.m. of the following day, unless prohibited by any other law or ordinance. On days of "High Fire danger", this activity is subject to County restrictions.

There shall be no hunting, target practice or discharge of guns at any time within or onto the property, except in self-defense or defense of property as permitted by law.

Music shall not be played or performed, and televisions, radios, compact disc players, tape recorders, stereos, computers and other sound generating devices shall not be used at a

volume that can be heard more than 100 feet from the Lot or motor vehicle from which the sound emanates at any time.

Except for snow removal equipment, no lawn mower, chain saw, leaf blower, compressed air device, welder, earth drill, or other noise-generating device shall be operated on any Lot after sunset or before eight o'clock a.m.

6-12 Negative Easements: No owner shall plant any tree or vegetation which presently or by natural growth, will obstruct the view which is visible from a neighboring property. Owners may maintain and trim vegetation in a manner consistent with good husbandry.

6-13 Flathead County Zoning Regulations:

These Covenants shall be interpreted consistently with the Flathead County Zoning Regulations applicable to each Site except as provided herein. If, however, any Covenant is less restrictive than a Zoning Regulation, the Zoning Regulation shall control and shall be considered as incorporated by reference into these Covenants. Any activity or use of Lots within the Property that is forbidden by these Covenants shall not be permitted merely by virtue of the absence of prohibition thereof in the Flathead County Zoning Regulations. Permission whether express or implied, by Flathead County for the conduct of any activity or use shall not preclude enforcement of these Covenants, if these Covenants shall govern to the extent they are more restrictive.

ARTICLE 7 Owners' Association

7-1 Membership:

Every person or entity who is a record owner of any Lot which is subject to these Covenants, including buyers in possession under Contract for Deed and Contract Sellers in possession shall be members of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of the lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

All Owners are responsible for informing the Association of their current mailing address And changes in mailing address. Any notice sent by or for the Association to an Owner's most recent address on file with the Association shall be presumed to have been received, and no owner shall be permitted to raise any claim or defense based on a mailing to an address other than the most recent one on file with the Association.

To be in good standing in the Association, an Owner must have paid all assessments that are his personal obligation. Whenever these Covenants permit a vote of members or require the approval of members for any action, only members in good standing shall be entitled to vote, express approval or disapproval or count towards a quorum.

7-2 Annexation:

The Association may, at any time, annex additional residential properties and common areas and thereby add to its membership providing that any such annexation shall have the assent

of two-thirds (2/3) of the voted of members who are voting at a meeting called for this purpose, and the unanimous consent of the owners of the land to be annexed. The assent of the membership shall be determined in the same manner as these Covenants are amended.

7-3 Voting:

One (1) vote is hereby allocated to each Lot for which dues are separately paid within the Property. When more than one person owns an interest in any lot, the vote for such lot shall be exercised as such persons among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot. If joint Owners of the same Lot vote in opposite ways, the vote attributed to their Lot shall be apportioned fractionally in proportion to the vote of the joint owners. If one joint owner of a Lot casts a vote, the entire one vote of that Lot shall be considered as cast, unless one or more additional joint owners cast a contradictory vote. Only members in good standing in the Association may vote or be counted to establish a quorum.

7-4 Board of Directors:

The Association hereby authorizes the creation and operation of a Board of Directors, consisting of not less than five (5) Directors. All directors shall be members of the Association prior to election. The Board of Directors shall organize and supervise the business and affairs of the Association subject to these covenants. The Board is primarily responsible for enforcement of covenants. The Board is authorized to create and revise a set of By-laws, subject to Association approval at a regular annual meeting, but they may be approved at a special meeting with proper notice. These By-laws, as amended from time to time, shall be binding upon each and every homeowner and upon all real property within the subdivision and each and every homeowner and property owner within the Association agrees to be bound by the By-laws and by these Covenants. The Board of Directors shall be elected and shall serve for terms of office as are provided for in their By-laws.

7-5 Officers:

The Association shall have a President, Vice-President, Secretary/Treasurer, who shall be elected by the members at the annual meeting. The duties, term, removal and replacement of officers shall be as provided in the Association's By-laws.

7-6 Purpose, Powers & Duties of the Association:

a) The Association does not contemplate pecuniary gain or profit to the members thereof
b) The purposes for which this Association has been formed and shall be maintained are as follows:

1. To promote the health, safety, and welfare of the residents of; and to provide for the maintenance, preservation and architectural control of the residence lots and common areas within that certain tract of property known as The Ranch, in Flathead County, Montana, according to the official plat thereof to be filed and of record in the office of the Clerk and Recorder of Flathead County, Montana, and within any additions as may hereafter be brought within the Jurisdiction of this Association by annexation;

2. To acquire, for the use and benefit of members of this Association only, by appropriation, purchase, condemnation or otherwise, the ownership of water, water rights and water privileges in the County of Flathead, State of Montana, and to hold, use, sell, or lease the

same, or any part thereof, for domestic, irrigating, or other beneficial uses, to the members of the Association; to purchase and acquire real and personal property to this end; to acquire easements and rights of way; to install, maintain and operate wells, reservoirs and water mains; and to do all things necessary to distribute water to the members of this Association;

3. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in this Amended and Restated Declaration of Covenants of The Ranch, hereafter referred to as the "Declaration", applicable to the Property and recorded in the office of the Clerk and Recorder for Flathead County, Montana, and as the same may be amended from time to time, as herein provided; and to exercise similar functions with respect to such other properties and additions as may be subsequently annexed and brought within the jurisdiction of this Association, as set forth herein;

4. To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration and other similar instruments concerning such other properties as may be subsequently annexed and brought within the jurisdiction of the Association; to pay all expenses in connection therewith with all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

5. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

6. To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

7. To have and to exercise all powers, rights, and privileges which a nonprofit corporation organized under the laws of the State of Montana may now or hereafter have or exercise; and

8. To do all things necessary to carry out the purposes herein set forth.

7.7 Committees:

The board may appoint permanent or temporary committees for specific purposes.

7.8 Meetings:

The Association shall have one, regular meeting each year on a date designated by its officers. The Association shall give at least 30 days written notice of this meeting, together with the following information: A summary of the previous year's income, expense, assets and liabilities; a proposed budget for the ensuing year; nominations for officers or board of directors; proposed covenant amendments and general business to be discussed or voted upon by the Membership at large.

The Board or any two officers may call a special meeting of Association Members, upon 30 days advance, written notice, as more particularly set forth in the By-laws.

ARTICLE 8

Assessments

8-1 Creation of the Lien and Personal Obligation of Assessments:

Each owner, by acceptance of a deed for their property, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to any to the Association; (1) Annual

assessments or charges, (2) special assessments for capital improvements, as provided in Paragraph 8-4 hereof, (3) an amount sufficient to indemnify and hold the Association harmless from all obligations undertaken or incurred by the Association at or on account of an individual owner's special request and to repay the Association for all expenditures on account thereof, and (4) an amount sufficient to reimburse the Association for the cost of performing an obligation of an owner hereunder which he has failed to timely pay or perform. The aforesaid obligations together with interest, taxable court costs, reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such lot at the time when the assessment fell due or charge was incurred. The personal obligation for delinquent assessments or charges shall not pass to his successors in title unless expressly assumed by them.

8-2 Purpose of assessments:

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the properties and for the improvement and maintenance of the common area or common elements, and of the buildings and open spaces situated upon the properties. The Board may collect assessments for:

a) Contingency fund. A working capital and contingency fund in an amount to be determined by the Board of Directors. The fund shall be used by the Association as the Directors shall deem fit to carry out the objectives and purposes of the Association, and shall be added to and made a part of the regular assessments.

b) Purchase insurance. The Board shall purchase insurance for either the common areas and common elements, and all or any part of the owners for such risks, and with such companies, and in such amounts as the Board of Directors of the Association shall deem to be equitable.

8-3 Special assessments for capital improvements:

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area such as landscaping and road maintenance, provided that any such assessment shall have the assent of two-thirds(2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called.

8-4 Notice and Quorum for any action authorized under paragraph 8-3:

Written notice of any meeting called for the purpose of taking any action authorized under Paragraph 3 shall be sent to all members not less than (30 days nor more than sixty (60) days in advance of the meeting. At such meetings called, the presence of members or their proxies entitled to cast fifty percent (50%) of all votes shall constitute a quorum.

8-5 Rate of Assessment:

Both annual and special assessments must be fixed at a uniform rate for all owners, PROVIDED that certain individuals who are not Owners may be assessed for road maintenance only. Assessments may be collected on any calendar basis the Board of Association may elect. All owners shall share all expenses attributable to maintenance of common areas. This provision

shall not preclude the Association from making a separate or additional charge to an owner for and on account of special services or benefits rendered, conferred, or obtained.

8-6 *Date of commencement of annual assessments; dues:* The annual assessments provided for herein shall commence as to all owners on the first day of the month following the titled ownership by a purchaser. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each owner at least thirty(30) days in advance of each annual assessment period. Written notice of the annual assessment and of any special charges shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors.

The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth when the assessments and charges on a specified owner have been paid.

8-7 *Unpaid Assessments:* If the assessments are not paid when due, then such assessment(s) shall become delinquent and shall, together with 12% interest (but not to exceed 6 points above prime rate, as required by Montana law) accruing thereon from the due date of said assessment(s), become a continuing lien on the lot owned by Owner delinquent in the payment of said assessment(s). The Association may file notice of such liens with the owner(s) and with the office of the Flathead County Clerk and Recorder. The obligation of the Owner to pay any assessment or interest shall not be affected by any conveyance or transfer of title to said lot. Following a thirty(30) day written notice of any delinquency, the Association may bring an action at law to foreclose the lien against the applicable lot, and there shall be added to the amount of such assessment the costs of collecting the same and for foreclosing the lien thereof, specifically including costs of suit and reasonable attorney's fees associated therewith. No Owner shall be excused from the payment of any assessments due to the Owner's nonuse or waiver of use of any common area.

The Association shall remove or "satisfy" a lien upon full payment of the lien amount, Accrued interest, and costs and attorney's fees associated with recording and releasing the lien.

8-8 *Collection of Unpaid Assessments:* The Association shall give an owner written notice of default of any covenant of lot maintenance by certified mail, return receipt requested. If the lot owner neglects or fails to cure the default within 3- days of the mailing of the notice (or the deadline imposed by the notice) then the Association may abate the problem. In the event the Association removes garbage or refuse, removes or burns deadfall or slash or debris or other material creating a fire hazard, removes or sprays noxious weeds, or otherwise maintains, modifies or removes any Lot or structure after an Owner has neglected or refused to do so in violation of these Covenants, the Association may assess the noncompliant Lot Owner with all of the costs incurred. If the Board expends funds maintaining a lot after giving required notice, then the Board shall bill the lot owner. The Board may collect such costs by any lawful means and shall be entitled to all costs or collection, including a reasonable attorney's fee. Alternatively, or in addition to such collection, the Board is authorized to file and record a lien against the offending lot owner's real

property. The lien shall describe the infraction, and the Board's costs in remedying or maintaining the property in compliance with the covenants. Such lien shall state that a true and correct copy of the lien shall have been mailed to the lot owner at their last known address or address of record with the Flathead County Treasurer's Office by certified mail, return receipt requested. If the offending lot owner refuses to pay the amount demanded in the lien, the Board may foreclose the lien in accordance with mortgage foreclosure laws of Montana. Any owner desiring to cure such a default must pay to the association, all delinquent amounts, interest and attorney's fees attributable to the collection and lien. The Association shall, within ten days of receiving full payment, record a satisfaction and discharge of the lien.

8-9 Subordination of the lien to mortgages and the deeds of trust: The lien of the assessments and charges provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust. Sale or transfer of any owner shall not affect the lien for assessments or charges. However, the sale or transfer of any owner pursuant to foreclosure of a first mortgage or first deed of trust (including without limitation the exercise by the trustee of a power of sale thereunder) or any proceeding or deed in lieu thereof, shall extinguish the lien of such assessments or charges as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such owner from liability for any assessments or charges thereafter becoming due or from the lien thereof.

ARTICLE 9 **Enforcement**

9-1 Who may enforce covenants: The Association through its board of directors or any Lot owner shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants and amendments now or hereafter imposed pursuant to the provisions of this Declaration. The Association's or any owner's failure to enforce any covenant or restriction shall not be deemed to be a waiver of the right to do so thereafter.

9-2 Procedure to enforce: The Board of Directors or lot owner may notify any owner violating any restrictive covenant specifying the failure and demanding that it be remedied within a period of thirty (30) days. If the owner fails or refuses to remedy the violation within said 30 days, then association or affected lot owner may institute a civil action to enforce the covenants. All owners are hereby deemed to consent to entry upon their property prior to or during construction to insure compliance with architectural guidelines and these covenants. After completion of a residence, an officer or director may give reasonable notice (not less than 24 hours) of intent to enter and inspect a property or residence. No entry upon a lot by the architectural control committee or the board of directors, or its agent for purposes of enforcing these covenants shall be deemed a civil or criminal trespass.

9-3 Attorneys fees and costs: If any person or entity commences legal proceedings in court to enforce any provisions of these covenants, the prevailing party in such action shall be entitled to recover from the other party reasonable attorneys' fees and costs of said action.

ARTICLE 10
Amendments

10-1 Amendments:

The Covenants shall be appurtenant to and run with the land and shall continue indefinitely. The Association may revise these Covenants at any time, and may vote to annex additional land, as follows:

a) The Association or any Owner may propose any revision, addition or deletion of a covenant (s) at any time. For any proposed change, the Association will send or give written notice of a proposed change to each member of the Association at least 30 days prior to the Association's regular annual meeting. The proposed changes may be summarized.

b) At or before the annual meeting, the precise, proposed change(s) will be distributed in writing to each member.

c) The Association will provide to the Owners in attendance in person a written ballot reflecting proposed changes. Owners who timely request in advance to vote by mail shall be sent a ballot and unmarked envelope for its sealing and return

d) The Owners shall vote by secret, written ballot. Any owner may waive the confidentiality of his ballot without compromising its effect. Any owner may vote by proxy by giving the proxy a signed, written authorization to act as proxy. A proxy may be revoked either orally or in writing at any time by the owner who gave it. The ballots cast in person or by proxy, and by mail, if received prior to the date of the annual meeting, shall be counted by the Association's secretary and by at least one other individual appointed to assist the secretary.

e) A quorum for voting on amendment of these Covenants shall be representation of two-thirds (2/3) of the Lots of which the Owners are in good standing in the Association. Lots of which any Owner is present in person, by signed, written proxy or by timely received mailed ballot shall be counted as represented for purposes of determining a quorum. Once present, a quorum cannot be broken by the subsequent departure or withdrawal of Owners, their proxies or their ballots.


f) If two-thirds of those Lots represented vote in favor of a proposed change, then that change has passed and these Covenants shall be revised to reflect the change. Additional, written ballots, signed, faxed or transmitted electronically may be collected following the meeting.

g) The results of the ballot(s) shall be announced at the meeting or as soon thereafter as possible, with the number of Lots voting in favor of the proposed change(s) and the number of Lots voting against the proposed change(s).

h) The president and secretary shall certify in writing, under oath, that these steps have been followed and that a change(s) have been approved by the requisite majority.

i) The amendment(s) and the president and secretary's sworn certificate shall be filed for recording with the Flathead County Clerk and Recorder's office. Upon recording, the amendments shall be in full force and effect.

January 11, 2004.


James O. Boyette, President

STATE OF MONTANA

: SS

County of Flathead

This instrument was acknowledged before me on this _____ day of January, 2004, by James O. Boyette, known to me to be the President of The Ranch Association.

NOTARIAL
SEAL : 4

_____(Type or Print Name)

Notary Public for the State of Montana

Residing at N. 3. yvz, rS, Montana

My commission expires Q ci , 20b6

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RANCH ASSOCIATION
CERTIFICATION OF VOTE TO AMEND AND RESTATE COVENANTS

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THIS CERTIFICATION is made this 4th day of January, 2004 by James Boyette, President of The Ranch Association, a homeowners' association created by the Declaration of Covenants, Conditions and Restrictions of The Ranch.

RECITALS:

1. On July 13, 1976, Quarter Circle L.A. Ranches, Inc., entered into a Declaration of Covenants, Conditions and Restrictions, which covenants were recorded July 14, 1976 at Book 598, page 944, Flathead County records.

2. This declaration affected certain real property located in Flathead County, Montana, and more particularly described as follows:

See Exhibit "A" attached.

3. The declaration provided in Section 13 that the association could amend, repeal or propose additional provisions for covenants and provided procedures for doing so.

NOW THEREFORE, pursuant to Section 13.1 of the declarations currently on file and of record, the undersigned declares as follows:

1. An Amendment and Restatement of Covenants, Conditions and Restrictions of The Ranch Subdivision was prepared, published and mailed to each owner of the foregoing properties on or about September 5, 2003. There are 55 lots and lot owners entitled to vote. Thirty-eight (38) owners voted in favor (69 percent) and three lots voted against. A sufficient majority (2/3) voted in favor of the Amendment and Restatement of Covenants.

2. The Amendment and Restatement of Covenants was passed and it is hereby directed that the Amendment and Restatement of Covenants be recorded with the Flathead County Clerk and Recorder's Office.

3. As set forth in the Amendment and Restatement, the Amendment and Restatement shall fully supersede and replace the former Covenants of July 14 , 1 9 7 6 .

Dated January M , 2004.

THE RANCH ASSOCIATION, INC.

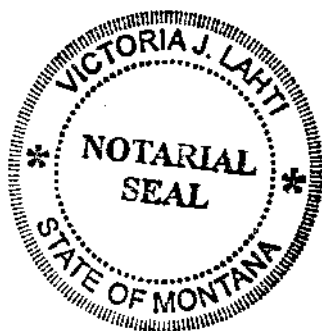
 By James Boyette, President/ 

STATE OF MONTANA

: SS

County of Flathead

This instrument was acknowledged before me on this 14 day of January, 2004, by James Boyette, known to me to be the President of The Ranch Association, Inc.



Victoria J. Lahti
Notary Public for the State of Montana
Residing at Somers, Montana
My commission expires July 29, 2006.

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EXHIBIT A

"The Ranch" according to the map or plat thereof on file and of record in the Flathead County Clerk and Recorder's Office;

The amended plat of a portion of Pommel Drive and Lots 17 and 18, Pommel, The Ranch, according to the map or plat thereof on file and of record in the Flathead County Clerk and Recorder's Office;

The amended plat of Lot 1, 2, 3, 4 and 21 of Latigo Block of The Ranch Subdivision;

The amended plat of Lot 3 in Pommel Block of The Ranch Subdivision.

STATE OF MONTANA COUNTY OF FLATHEAD

RECORDED

FLATHEAD COUNTY, STATE OF MONTANA, AND ME

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