

AMENDED

DECLARATION OF COVENANTS, CONDITIONS

AND RESTRICTIONS - ,

KNOW ALL MEN BY THESE PRESENTS:

That Ponderosa Pines Ranch Property Owners Association, hereinafter referred to as "Association", pursuant to the authority granted in Article 5.1 of the Building Standards For Ponderosa Pines Ranch, Inc., heretofore recorded in Miscellaneous Records of the office of Gallatin County Clerk and Recorder's, Gallatin County, Montana, in Book 48, page 1525, Film 124, at page 4407, does hereby amend the Declaration to read as hereafter set out, said Amended Declaration to constitute COVENANTS RUNNING WITH THE LAND and accordingly to be applicable to all persons and entities therein described.

ARTICLE I

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LANDS SUBJECT TO COVENANTS

The Following covenants, conditions, building standards and restrictions (all of which together are hereafter referred to as "the covenants") shall be applicable to and govern all lands which comprise that certain subdivision known as Ponderosa Pines Ranch, Inc., Gallatin County, Montana, described on Exhibit A of the "Building Standards For Ponderosa Pines Ranch, Inc.", as set forth above, and shall be deemed incorporated herein by reference except such tracts as are specifically exempted in this Article from the effect of said covenants. Hereafter the real property described in this Article I shall be referred to as "the lands". Tracts 1002A and 1002B-1 are specifically exempted from these provisions and designated as commercial lots, upon which the owner(s) may construct, maintain and operate any of the following types of commercial operations:

- f) A hunting or fishing lodge;
- g) A bed and breakfast;
- h) A "dude" ranch; and
- i) A convenience store and gas station.

Tract 1002A-1 is specifically exempted from these provisions and is designated as the Fire Station for the benefit of Ponderosa Pines Ranch Property Owner's Association, Inc. Tract 1020 is specifically exempted from these provisions and is designated as the future site of a community center, park, solid waste collection facility and maintenance lot for the

benefit of Ponderosa Pines Ranch Property Owners Association, Inc., and its members. Tract 1005 is specifically exempted from these provisions and is designated as the gravel pit for the benefit of the Ponderosa Pines Ranch Property Owner's Association, Inc. Tracts 168 and 361 are specifically exempted from these provisions and are designated as Water Storage facilities for the Association's agricultural and other activities, and in the case of Tract 168, the future site of a park for the benefit of the Association and its Members.

ARTICLE II

DEFINITIONS

As used herein, certain terms and words are defined as follows:

- a) Accessory Building - a building, such as a garage, barn, or tack shed, detached from a dwelling and used for purposes which are incidental and subordinate to a residential or agricultural use.
- b) Agricultural Use - the practice of the science or art of cultivating the soil, growing fruits, vegetables or crops and raising or grazing of domestic livestock or poultry, for personal use, except as performed by the Association and/or the Developer, which actions are specifically commercial in nature, as provided in Article VIII Section 8.4 hereof, but specifically excluding a feedlot.
- c) Dwelling - a building, or portion thereof, designed for use as permanent living quarters having sleeping, cooking and complete sanitary facilities.
- d) Guest House - a building for use as temporary living quarters by guests of the owner of a dwelling, which has no kitchen or cooking facilities and is clearly incidental or subordinate to a dwelling situated on the same tract of land.
- e) Junk Area - the use of land for the wrecking, dismantling and/or storage of junk, including, but not limited to, inoperable motor vehicles and/or the use of land as a dumping ground for garbage, trash, scrap materials or refuse of every sort.

0 Mobile Home/Housetrailer - As defined in MT ST 15-24-201, Definitions:

(2) "Housetrailer means a form of housing designed to be moved from one place to another by an independent power connected to the housetrailer, which is either 8 feet 2

wide or less or 45 feet long or less.

(4) "Mobile home" means forms of housing known as "trailers", "housetrailers", or "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to another by an independent power connected to the mobile home or any trailer, housetrailer, or trailer coach up to 8 feet in width or 45 feet in length used as a principal residence.

Additionally, and for the purposes of these Amended Covenants, a mobile home or housetrailer is further defined as a vehicle built and transportable upon a single chassis comprised of a frame and wheels which is designed to be moved from place to place, to be used as a single family dwelling, and is taxed and classified by the State of Montana as a motor vehicle (15-24-201(3), MCA and 61-1-501, MCA, respectively). For the purposes of these covenants, a home taxed and classified as a mobile home at the time of its construction and sale remains a mobile home, even if subsequently placed on a permanent foundation, or built onto after the fact.

g) Modular/Manufactured Home - As defined in MT ST 15-24-201, Definitions:

(3) "Manufactured home" means a residential dwelling built in a factory in accordance with United States department of housing and urban development code and the federal Manufactured Home Construction and Safety Standards. A manufactured home does not include a mobile home or a housetrailer.

Additionally, and for the purposes of these Amended Covenants, a modular or manufactured home is further defined as a single family dwelling comprised of two or more sections, built off-site in a factory and transported separately to the site where they are then assembled on a permanent foundation, is at least 1000 square feet in size on the ground floor, has a pitched roof and siding and roofing materials that are customarily used on site-built homes, and is in compliance with applicable prevailing standards of the United States Department of Housing and urban Development at the time built. In order for a home to be classified as a modular or manufactured home, it must be "factory built" and said factory built building must be in compliance with MT ST 50-60-402(1), (2), (3) and (4).

h) Recreational Vehicle - a vehicle designed for use as a temporary dwelling for travel, recreation and vacation use; provided, that a recreational vehicle occupied for longer than one hundred eighty (ISO) days in anyone year shall be deemed to be a mobile home.

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i) Residential Use - the occupying of a dwelling for living purposes.

j) Sin2le Farnil~ - one or more persons living together as a single, non-profit, house-keeping unit, as distinguished from a group occupying a hotel, motel, club, fraternity or sorority, commune and the like.

k) Subdivision - a division of land, or land so divided, resulting in the creation of two or more tracts of land out of a single, larger tract in order that title to, possession or occupancy of the tract(s) so created may be sold, rented, leased or otherwise conveyed or transferred and shall include any additional subdivision.

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1) ~ - a unit of land as designated on a certificate of survey filed in the office of the Clerk and

Recorder, Gallatin County, Montana.

m) Industrial Use - the processing, manufacture, production, sale or bulk storage of raw materials for ultimate use in the making of a finished good; including the extraction thereof; such

as mining or lumbering as well as refining, smelting and milling.

n) Commercial Use - any enterprise or enterprises of any kind for profit; including but not limited to any retail or wholesale activity except for those activities of the Association and the

Developer as defined Article VIII Section 8.4 hereof, and except for those activities described in "0" below. For the purposes of these covenants, a home office is not considered Commercial Use.

o) Small Cottage Industry - small scale, non-retail business endeavors for profit performed by the Owner more akin to a hobby than to a commercial enterprise.

p) Mountain Vacation Cabin - a seasonal living structure of a minimum 350 square feet for non-permanent living restricted to specific locations.

q) - any man-made structure, object, device, or part thereof, situated out-of-doors, or prominently visible from outside the building on which it is situated, which identifies, advertises,

displays or otherwise attracts attention to either itself or some other object, person, institution,

organization, business, product, service, event, activity, location, thing or happening of whatever

nature, and by any means, including words, letters, numerals, figures, designs, symbols, fixtures, colors, mottoes, illumination, projection, contrast, conspicuous and the like.

r) Developer - that entity known as Ponderosa Pines Ranch, Inc.

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s) Association - that entity known as the Ponderosa Pines Ranch Property Owners Association, Inc.

t) Committee - That entity, known as the Review Committee, established by the Association Board of Directors, to review member's development, construction and/or remodeling plans for compliance with these covenants and building standards, and to enforce these protective covenants.

ARTICLE III

, PERSONS AFFECTED

The covenants hereafter set forth shall inure to the benefit of and shall govern all persons or entities who have or shall purchase or contract to purchase or otherwise become a purchaser or grantee of any of the lands and shall be binding upon their respective heirs, executors, personal representatives, administrators, successors in interest and assigns as well as all persons occupying or using said lands as lessees, guests, employees, or otherwise under authority or permission of said purchasers or grantees.

ARTICLE IV

TERMS OF APPLICATION

The covenants set forth herein shall be binding upon the persons above described for a term ending December 31, 2019. The provisions hereof shall then continue in full force and effect for successive periods of ten (10) years each, unless and until at least six (6) months prior

to the end of any such additional period, a super-majority of the persons then affected (i.e. being

a 3/5ths majority of those persons described in Article 3.1 above, and on the basis of one tract, one vote) shall determine to abolish any or all of the provisions hereof.

ARTICLE V

REFERENCE TO COVENANTS

This Declaration, having been duly recorded, shall be referred to by Film and Page number on all instruments hereafter made affecting the title to any and all lots within the lands.

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ARTICLE VI

REVIEW COMMITTEE

Section 6.1 Structure, Powers and Duties

The Review Committee shall consist of three (3) members, including at least one Director, nominated and elected by the Review Committee and ratified by the Board of Directors of the Association. The Review Committee members shall serve staggered terms of three years each, except that in the first year, the terms shall be one, two and three years, respectively, the terms for each to be determined by drawing straws. The Review Committee shall have authority to review all proposed construction for compliance with the recorded

covenants, and to investigate and act upon violations of the recorded covenants. Review Committee recommendations with regard to the final approval or rejection of proposed building plans must be ratified by the Association Board of Directors before notice is sent to the lot owner. Review Committee recommendations regarding covenant violation enforcement actions must be reviewed and ratified by the Association Board of Directors before any legal action is taken.

Section 6.2 Terms, Members

Review Committee member terms expire in October and the Review Committee shall nominate and elect candidates for the expiring term at the next meeting following a member's term expiring. Resignations of any committee member shall be in writing and delivered to the Chairman of the committee. Members who resign prior to their term expiring shall be replaced by nomination and election by the remaining Review Committee members.

Section 6.3 Qualifications

The minimum requirements for nomination, election and confirmation to the Review Committee are as follows:

- a) Must be a member of the Association.
- b) Must not be currently in violation of any covenant provisions, such violation being defined as being in receipt of a "Notice of Violation" letter from the Association Board of Directors or the Review Committee.
- c) Must, upon election and confirmation, sign a "letter of commitment" stating electees promise to uphold the recorded covenants and enforce same.
- d) Must attend regularly scheduled committee meetings.

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Section 6.4 Meetings

Meetings of the review Committee shall be held on a schedule conducive to completing the work of reviewing projects in a timely manner. Since the review process is variable, depending on the timing and completeness of applicants submitted plans and specifications, meetings may be held on an "as needed" basis.

The Review Committee may act by a majority of its' members and any authorization or approval made by the Review Committee must be signed by a majority of the members thereof.

Section 6.5 Officers

The Review Committee shall nominate and elect a Chairman each year in October. The Chairman shall chair each meeting and be a liaison between the Review Committee and the Association Board of Directors.

The Review Committee may appoint a non-committee member as "clerk" to assist the Review Committee.

ARTICLE VII

GENERAL COVENANTS AND CONDITIONS

Section 7.1 Restrictions

No site clearing shall be commenced, no construction, improvements, or alterations affecting the external appearance of any building, accessory buildings, fence, cattle guard, gate, walls, railings, etc., shall be started, constructed, installed or erected on any tract, until complete

plans, including a site plan. and specifications have been submitted to the Review Committee by certified mail, return receipt requested. and such plans are approved in writing by the Committee. Any dwelling constructed on any tract shall contain at least 1000 square feet of covered inside living area on the first floor. The single exception is the mountain vacation cabin. designed for seasonal use only. and not as a permanent living structure. The cabin may contain as little as 350 square feet on the first floor, of enclosed living area. This type of structure shall

be limited to Sections 1.2.3,10.11,12.13,14,15, Township 3 North, Range 3 East, and the Sl/2, Section 35. Township 4 North, Range 3 East. The Mountain vacation cabin shall comply with all other conditions of these recorded covenants.

Section 7.2 General Considerations for External Appearance

In considering applications. the Review Committee will regard compatibility with site

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characteristics as the primary and foremost design objective. The development shall not dominate its surroundings, but rather shall be subservient to them. The total mood should be one of relaxation, embodying the environment. There should be a predominance of wood in the structures to assure harmony with the colors and textures of the natural environment. The character of the site can be reflected in the use of wood, stone and glass. Generous use of glass and multiple small components grouped properly with existing trees and open spaces will create a more intimate relationship with the three dimensional quality of the site. Maintaining earth tones must be achieved in all aspects of buildings exterior appearance.

Section 7.3 Review and Construction Time Frames

The Review Committee shall have sixty (60) days from its receipt of complete plans and specifications, to render a decision as to the acceptability of the submitted plans. For the purposes of calculation, the sixty (60) days will commence on the date the plans are signed for by the Association. If incomplete or undecipherable plans are received, the Review Committee may request additional information, and in such case, the sixty (60) day time frame will begin upon receipt of the additional requested information. In the event the Review Committee fails to approve or disapprove such design, location, construction and materials within sixty (60) days after the complete detailed plans and specifications have been received and signed for by the Review Committee and/or the Association, approval shall not be required and this Article shall be deemed to have been complied with, however, all construction approved in this manner must comply with all other provisions of these recorded covenants.

Any plans, specifications and proposals so approved, either expressly in writing or by the expiration of the sixty-day period hereinabove provided, shall then permit the Owner to commence construction in accordance with said plan.

Any structure so approved must be erected and completed within eighteen (18) months of approval unless written extension of the original approval, or new written approval, is obtained from the Committee. If any structure is begun and is not completed within twelve (12) months of the commencement of construction, and in the judgement of the review Committee is of , offensive or unsightly appearance, the said Committee or the Board of Directors of the Association, at the option of either, may take such action as may be necessary in its judgement to improve the appearance so as to make the property harmonious with other properties, including completion of the exterior of the structure, screening or covering of the structure or any combination thereof, or similar operations, and the amount of any expenditures made in so doing shall be a lien on the property and may be enforceable by an action at law.

Section 7.4 General Appearance of Tracts

No Person or entity affected by the covenants shall store or permit junk, salvage,

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abandoned or inoperable vehicles or machinery, trash, refuse of any kind, logging slash or any unusable building materials to be stored or kept on his land or any other tract within the lands. Fann equipment, tractors, harvesters, various pulled equipment shall be screened from public view, from any roadway or adjoining property. No more than five (5) operable vehicles may be parked outside an enclosed building, i.e. garage or other approved structure.

Section 7.5 Refuse and Burning Restrictions

All persons and entities affected by the covenants shall provide suitable receptacles for storage and collection of refuse; all such receptacles shall be screened from public view and protected from disturbance by animals. No such person or entity shall bum any trash or refuse of any kind out of doors, unless such trash or refUse is contained and burned in a proper receptacle including a screened top comprised of a metal mesh material containing openings through which a one inch sphere or greater may not pass.

Section 7.6 Other Activities

No noxious or otherwise offensive activity shall be pennitted upon any of the real property covered by these protective covenants, nor shall any use or activity be pennitted which may be or may become an annoyance or nuisance to adjacent landowners or which may depreciate the natural environmental amenities of said property, to include, but not limited to, burying of any material, storage of toxic or hazardous waste or material or other activities that violate any county ordinance or state or federal laws.

Section 7.7 Exceptions

With respect to tracts 1002A, 1002A-1, 1002B-1, 168,361, 1005 and 1020, the pennitted improvements allowed on those tracts shall be any improvements consistent with the use of those

Tracts for ~ny of the uses set forth in Article I Section 1.1 and Article VIII, Section 8.2 hereof.

To the extent practicable, those improvements shall be consistent with the standards set forth in Article VII Sections 7.1 and 7.2 hereof, although it is recognized that such commercial and/or other designated operations may require different types of improvements.

ARTICLE VIII

USE RESTRICTIONS

Section 8.1 Use

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Each tract, except as hereafter provided, shall be used for residential and recreational purposes only. Residential use shall include agricultural use as defined herein.

Section 8.2 Prohibitions and Exceptions

Except with respect to such tracts as may be specifically, in writing, so designated by the Association, any commercial and/or industrial activity upon or within any tract is prohibited. Specifically excluded from this provision is the Developer's right to develop any and all of its mineral interests, including, but not limited to, all oil, gas, hydrocarbons and other minerals of whatever nature, the Association's and Developer's agricultural rights as provided in Section 8.4 below, and the Association's right to mine gravel as provided in Article XIV, Section 14.3 hereof. Small Cottage Industry as defined in Article II "0" is excluded from this provision. Notwithstanding the provisions of Sections 8.1 and 8.2 immediately above, Tracts 1002A and 10028-1 may be used to construct, maintain and operate any of the following types of commercial operations:

- f) A hunting or fishing lodge;
- g) A bed and breakfast;
- h) A "dude" ranch; and
- i) A convenience store and gas station.

Section 8.3 Maintenance

All persons affected by this Declaration shall maintain their respective tracts and all improvements thereon in a clean, sanitary manner in strict compliance with these covenants and all applicable local, state and federal laws and regulations.

Section 8.4 Agricultural Use

Notwithstanding the provisions of Sections 8.1 and 8.2 above, The Association reserves unto itself the right to use any unfenced portion of and/or within the subdivision for commercial grazing purposes, the proceeds from such activity to be used solely for improvement to and maintenance of the roads and other common areas in the seasonal part of the subdivision, as it is described in Article VII, Section 7.1, Paragraph 2 hereof. Additionally, and notwithstanding the provisions of Sections 8.1 and 8.2 above, the Developer reserves unto itself the right to use any unfenced portion of and/or within the subdivision for commercial farming purposes.

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ARTICLE IX

BUILDING STANDARDS AND RESTRICTIONS

Section 9.1 Minimum Standards

All structures and improvements of every kind shall conform to the provisions of the covenants. No structure, which fails to meet the following minimum standards, shall be erected, placed or allowed to remain on any tract, and the Review Committee shall have no power to approve any structure failing to at least meet these minimum standards:

1. No structure shall be erected, altered, placed, or permitted to remain on any tract other than a dwelling required for a single family and their guests, and structures associated with such dwelling providing for the exclusive recreation use of a single family, provided, however, that:

- a) In addition to the main single family dwelling, not more than one guest house may be constructed on a tract, provided it is not equipped with kitchen or cooking facilities and is not utilized as a permanent residence; and
- b) Dwellings accommodating two or more families may be constructed upon

compliance with all of the following conditions:

- (i) Such dwelling may be constructed only if two or more 10 acre tracts are combined into a single 20 acre building site, and such dwelling may not contain more dwelling units than the number, of

tracts so combined to form the building site;

(ii) No other dwellings may be constructed on any of the tracts so combined except one guest house as provided in subparagraph (a) on the combined tracts; and

(iii) Before the Review Committee shall approve the construction of a - dwelling for two or more families, the combination of the tracts to form the building site must be evidenced by a recorded agreement between all of the owners of the combined tracts and the Association specifying the location of such dwelling, and describing the tracts upon which no further dwellings may be constructed.

2. No construction equipment or materials of any nature can be moved upon a tract more than sixty (60) days prior to start of construction.

3. Any building or residence erected on said tract shall be of new construction and

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no buildings which have been constructed or remodeled greater than nine (9) years prior to the time it shall be placed upon the property shall be allowed.

4. No structure on any tract may be used for dwelling purposes until after its area, as defined by the foundation, has been completely enclosed according to plan and it has been substantially completed and sanitary facilities and utilities permanently installed. No tent, shack, or other accessory building erected on a tract shall at any time be used as a residence, temporarily or permanently.

5. mobile homes and housetrailerers are specifically prohibited on any tract for any reason. A single mobile home or housetrailer existing on any tract as of the date of the recording of the 1992 Amended Covenants, shall be allowed to remain. If such a mobile home or housetrailer is removed from a tract, it cannot be returned nor replaced with another. Modular/Manufactured homes are permitted as long as they are a minimum 24 feet wide, are placed on a permanent foundation and comply with all general covenants and conditions and all architectural and building standards. Trailers, campers, recreational vehicles, boats, snowmobiles, or other mobile recreational devices may be parked on a temporary basis on any tract without prior approval of the Review Committee. All accessory structures on a site will match an external design and be made of the same basic external material as the primary structure.

6. All concrete that extends 24 inches or more above the ground will be painted a blending color with its natural surroundings.

7. Any dwelling and any garage, carport or accessory structure attached or not attached to said dwelling erected on any tract shall be so located that at ground level no portion thereof is less than 30 feet from any boundary line of the tract; except that in the case of tracts combined into a single building site for a dwelling for two or more families, no portion thereof, and no portion of any accessory buildings, shall be less than 30 feet from any exterior boundary of such combined building site.

8. No dwelling or other structure intended for use or occupancy by individuals shall be constructed without an adequate septic tank or sewage disposal system, and no outhouse or privy shall be permitted or maintained on any tract. Any septic tank or sewage or waste disposal system and any private water supply system including wells shall be located, installed and maintained at all times in compliance with standards established by the Montana State Board of Health and by any other governmental agency with jurisdiction.

9. All building construction shall be completed within twelve (12) months of date of commencement of such construction unless new written approval or a written extension of the original approval has been obtained from the Review Committee.

10. During the course of construction of a dwelling, one recreational vehicle for living purposes shall be permitted for a period not to exceed one hundred eighty (180) days

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from the date of commencement of construction, at the expiration of which time the

recreational vehicle shall no longer be used for living purposes.

11. Fences shall be approved by the Review Committee prior to erection on any tract. Fences shall conform to the following standards:

a) Posts: Posts shall be of standard metal drive-in type or standard wood round or square in type. All post types require Review Board approval.

b) Fence material: Fence material shall be of standard barbed wire, smooth wire, wood split rail, horizontal wood members, standard rolled wire fencing fabric, chain link fabric, or vertical wood members of uniform design. All fence material types require Review Board approval.

12. The visible exterior of all dwellings, guest houses, and accessory structures shall be constructed of natural materials, such as wood, log or stone, and shall be finished in rustic or earthen shades and tones so as to blend with the natural surroundings. Pole barns, stables and similar structures may be constructed of steel building systems so long as they are factory painted in color(s) to match the primary structure.

13. Notwithstanding the provisions of this Article IX, Tracts 1002A, 1002A-1, 1002B-1, 168,361, 1005 and 1020 are specifically exempted from these provisions insofar as these provisions would prohibit the use of or improvements upon these Tracts for any purpose permitted in Article 1 Section 1.1 and Article 8 Section 8.2 hereof.

Section 9.2 Exterior Maintenance

Each owner shall provide exterior maintenance upon his tract and any structures thereon, including painting and repair of the structures, maintaining the grounds to preclude noxious weeds, underbrush and other unsightly growths, and not permitting refuse piles or other unsightly objects to accumulate or remain on the grounds. In providing such exterior maintenance, the owner shall utilize color and landscaping schemes that are harmonious with the surrounding area and consistent with generally accepted concepts for desirable residential-developments. In the event any owner shall fail or neglect to provide such exterior maintenance, the Association shall notify such owner in writing specifying the failure and demanding that it be remedied within thirty (30) days. If the owner shall fail or refuse to provide such exterior maintenance within the thirty day period, the Association may then enter such tract and provide required maintenance at the expense of the owner. The full amount shall be due and payable within thirty (30) days after the owner is billed therefor. Such entry on the tract by the

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Association shall not be deemed trespass.

Section 9.3 Fire Protection Restrictions

In order to protect the properties and structures thereon from fire, the Review Committee may adopt fire protection restrictions including, but not limited to, the following:

a) Maintenance of spark arresters on chimneys;

b) At times of high fire danger, restrictions against smoking except within buildings;

c) Maintenance at each dwelling of an externally available nozzle and 250 feet of hose connected to a primary or auxiliary water system;

d) Approval by the Review Committee of all barbecue sites and units;

e) Prohibition of all external burning of refuse; and

f) Correction by tract owners of all unnecessary fire hazards and conditions.

ARTICLE X

WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM

Section 10.1 Compliance with Regulations

No domestic water supply or sewage disposal system shall be drilled or constructed except in accordance with Gallatin County and State of Montana regulations and statutes governing domestic water supplies and sanitary systems in subdivision.

Section 10.2 Permits

No work toward construction of a water supply or sewage disposal system shall be

undertaken except upon the prior approval of and issuance of a permit by the office of the Gallatin County Sanitarian and Department of Health and Environmental Sciences of the State of Montana or other governmental agencies with jurisdiction.

ARTICLE XI

SIGNS

Section 11.1 Prohibition

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Except as otherwise expressly pennitted, all signs are prohibited.

Section 11.2 Exceptions

Signs meeting the following specifications and limitations shall be pennitted:

- a) One sign, identifying the owners of a dwelling, made of wood or other natural materials, rustic in appearance, and not exceeding six (6) square feet in area, ten (10) feet in height from the ground, or one (1) per tract, shall be pennitted.
- b) Real estate "For Sale" and "For Rent" signs not exceeding four (4) square feet in area, six (6) feet in height from the ground, and one (1) per tract, shall be pennitted.
- c) Signs warning against hunting, fishing, trespassing, etc., not to exceed one (1) square foot in area or five (5) feet in height from the ground shall be pennitted.
- d) Notwithstanding the provisions of Article XI, Section 11.1 and 11.2 immediately above, Tracts 1002A, 1002A-1, 10028-1, 1005, 168,361 and 1020 are specifically exempted from these provisions insofar as these provisions would prohibit use of or improvements upon these Tracts, or placing on or near these Tracts any signs necessary or appropriate for, any purpose pennitted on these Tracts.

ARTICLE XII

ANIMALS AND LIVESTOCK

Section 12.1 Limitations and Prohibitions

In addition to household pets, four (4) horses or cows and up to 15 poultry are pennitted on each 10 acre tract if they are enclosed within a fence approved by the Review Committee, and so long as the enclosed area is kept clean and inoffensive to occupants of neighboring tracts and so long as they are properly fed and cared for.

No domestic animal will be allowed off its owner's premises unless in the immediate company of its owners or their agents.

Occasional breeding of animals is pennitted. "Commercial" breeding of animals, as the tenn is defined in Article II (n), is strictly prohibited.

Pigs are specifically prohibited from any tract for any reason.

The Review Committee or the Association Directors may limit the number of domestic animals on any tract, and may withdraw pennission for any domestic animals for violations of this Article.

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Section 12.2 Exemptions

The Association is specifically exempted from the provisions of Section 12.1 above, insofar as those provisions would prohibit and/or limit use of any unfenced portion of the subdivision by the Association for commercial grazing purposes. Tracts 1002A and 10028-1 are specifically exempted from these provisions insofar as these provisions would prohibit use of or improvements upon these Tracts, or breeding, keeping or maintaining livestock or animals on these tracts necessary or appropriate for, any purpose permitted on these Tracts.

ARTICLE xm

SUBDIVISION

Section 13.1 Prohibition and Exceptions

No further subdivision of tracts as originally surveyed and recorded shall be permitted unless: '

- e) The resulting tracts are equal to or greater than twenty (20) acres in size.
- f) The tracts resulting from any subdivision shall be bound by the terms of these protective covenants; and
- g) There shall be permitted upon each undeveloped tract resulting from such subdivision the same uses, kinds and number of buildings as would be permitted under these protective covenants had the tract so created by the subdivision been originally surveyed and recorded.

ARTICLE XIV

PRESERVATION OF TREES AND SOIL

Section 14.1 Removal of Trees

No trees shall be removed from within any tract except such trees as may be located in a building site or which may obstruct driveway access to a particular tract. All dead or diseased trees and shrubs will be removed in a timely manner.

Section 14.2 Streams

No purchaser, grantee, lessee, guest, family member, or other occupant on any tract may

16

modify or cause any third party to modify any stream course, which may traverse any tract, nor may such person obstruct, divert or alter by unnatural means the flow of any water.

Section 14.3 Soil, Gravel

No soil, sand, gravel, or other naturally occurring cover shall be removed from any tract. Any natural material excavated to create ponds, pools or building substructures shall remain upon the tract from which excavated EXCEPT that the Review Committee and/or the Association may upon written application therefor, grant for good reason a waiver of this prohibition.

The Association is specifically exempted from the provisions of this section insofar as it applies to the mining of gravel on any tract so designated by the Association for that purpose, such mining to be done by the Association or its designee, solely for the purposes of the maintenance and improvement of the subdivision roads and common areas.

ARTICLE XV

ENFORCEMENT

Section 15.1 Association

These covenants, as above set forth, shall be enforced by the Association.

The Association shall be empowered and authorized, solely at their respective options, to establish committees and to delegate to them authority and duty to enforce these covenants. In all cases and by whomsoever undertaken, the enforcement of these covenants shall be conducted in a manner fair and reasonable and shall provide any alleged violator of any covenant fair opportunity to be heard after adequate notice and to be impartially adjudged as to any alleged violation.

Section 15.2 Enforcement Procedures

If any violation shall be found to exist pursuant to the procedures established under the above constraints, the violator shall be given fourteen (14) days after notice to correct the violation, failing which, the Association, as the case may be, shall have full authority to enter the tract of the violator and correct the defect, it that is possible, or otherwise undo the violation, all

at the expense of the violator. This period may be extended by the Association upon written request received within fourteen (14) days after notice. The Association may, at its discretion, develop, or authorize the Review Committee to develop, additional procedures, which the

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Review Committee will follow in identifying and correcting violations and to assist it with the process of prioritizing its enforcement actions.

The cost of correcting the defect or undoing the violation, if undertaken by the Association, shall constitute a lien against the tract and/or the grantee's interest therein, such lien

to be enforceable by sale under the laws of the State of Montana. The violator in addition shall be liable for all costs and reasonable attorney's fees incurred in enforcing the provisions of this

Article, and in giving notice of violation.

ARTICLE XVI

LIABILITY

The Board of Directors, and the Review Committee acting under the supervision of the Board of Directors, Officers, employees and volunteers of the Association, being a Non-Profit corporation organized under Montana law, are subject to the protections from personal liability as set forth in Montana Code Annotated, including the provisions of Title 35 Chapter 2. These

individuals shall not be held liable to any person for damages which may result from the Review Committee's action taken pursuant to these amended covenants, including, but not by way of limitation, damages which may result from correction, Amendment, change or rejection of plans, the issuance, suspension, or enforcement of construction approval, or any delays associated with such action on the part of the Review Committee.

ARTICLE XVII

AMEND MENT

These protective covenants, or any portion thereof, may be amended, modified or supplemented at any time by:

14. The affirmative vote of the Association Board of Directors and a simple majority of the persons then affected (i.e. being a majority of those persons described in Article III Section 3.1 hereof), such voting to be by mail-in ballot on the basis of one tract, one vote, the notice for which explained the purpose of the vote and included all amendments, modifications and/or supplementary language to be added, deleted or substituted to or from these protective covenants; or

15. The affirmative vote of a three fifths (3/5) majority of the persons then affected (i.e. being a three fifths (3/5) majority of those persons described in Article III Section 3.1 hereof), such voting to be by mail-in ballot on the basis of one tract, one vote, the notice for which explained the purpose of the vote and included all amendments,

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modifications and/or supplementary language to be added, deleted or substituted to or from these protective covenants.

To be valid, a ballot used in a vote to amend, modify or supplement these protective covenants must contain the unique Tract number assigned by the Developer at the time the original certificates of survey were filed with the Clerk and Recorder of Gallatin County, State of Montana, and the name, address and signature of the Tract owner(s) or such other person(s) as are authorized in writing by the owner(s) to cast the vote for that Tract. There shall be one (1) ballot for each Tract in the subdivision.

ARTICLE XVIII

SEVERABILITY

In the event any of the terms or provisions of these Protective Covenants, or any portion thereof, are invalid or void, such invalidity or voidness shall in no way affect the remainder of these protective covenants.

IN WITNESS WHEREOF, The Association has executed this Declaration this 19th day of August, 2000.

PONDEROSA PINES RANCH PROPERTY OWNERS ASSOCIATION

By _____

Pat Smith

or
Bill Shott, Director

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County of Gallatin .)
On this 20th day of August, 2000 before me, a Notary Public in and for said State, personally appeared Roberta Moche, Pat Smith, Prescott Walker, and Bill Shott known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

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