

DECLARATION OF COVENANTS FOR PARADISE FOUND MAJOR SUBDIVISION
 ADOPTED AND EXECUTED BY THE OWNERS
 OF SW¹/₄ SECTION 24 TOWNSHIP 5 SOUTH RANGE 8 EAST
 AND TO BE RECORDED AS PART OF MAJOR SUBDIVISION PLAT NO. 471

THESE COVENANTS are hereby made and entered into by TKG, L.L.C., Owner of the Paradise Found major subdivision as follows:

WHEREAS, the Owners of the southwest quarter of Section 24 Township 5 south, Range 8 east have filed a subdivision plat creating seventeen (17) tracts on this property in Park County, Montana; and

WHEREAS, the Owner identified above is the owner of the affected property being subdivided by said major subdivision and desires to adopt certain covenants for this subdivision.

NOW, THEREFORE, the following covenants and conditions are made to apply to the subdivision, and are for the use and benefit of the owners of said tracts created by the subdivision:

1. The parties hereto shall be the owners at any time of Tracts A1, A2, B1, B2, C1, C2, C3, D1, D2 and E1 through E8 of the Paradise Found major subdivision, and any legally segregated tracts or lots thereof that become created from these seventeen tracts, and are hereafter referred to as the "owners".
2. The owners of all properties within the major subdivision shall control noxious weeds on their property and comply with the county approved weed control plan. Purchasers of each tract accept the responsibility of weed control at closing. The developer shall contract with a commercial weed spraying contractor for a period of three years from the filing of this subdivision in order to ensure continuity of noxious weed control on all tracts unless and until the new owners assume their responsibility to actively control noxious weeds.
3. A Homeowners and Water Users Association shall be created for the Paradise Found subdivision, and all owners of a tract, and any legally segregated tracts or lots thereof that become created within Paradise Found subdivision shall be members. The Homeowners and Water Users Association shall be responsible to enforce the covenants of the subdivision, allocate irrigation water usage within the subdivision, maintain the fire water fill site in good condition and full of water, and encourage the harmonious and cooperative interaction of the owners in order to maintain, repair and improve the access road, irrigation water distribution system and other improvements common to all tracts within the subdivision.

 The Homeowners and Water Users Association may collect dues and special assessments from the owners to pay expenses incurred for maintenance of subdivision access roads, spraying to control noxious weeds within subdivision road easements, improving and repairing the portion of irrigation water distribution system common to two or more tracts, and other common improvements. However, the developer is not responsible to pay any dues or assessments levied by the Homeowners and Water Users Association.
4. The owners of all properties within the major subdivision shall keep the road and access easement within the subdivision properly maintained and in good repair, shall make such repairs and improvements as shall be required from time to time to meet at least the minimum requirements

of the Park County Subdivision Regulations, and shall keep all easements and roadsides free from noxious weeds, obstructions and encroachments.

5. The owners of all seventeen tracts, and any legally segregated tracts or lots thereof that become created by subsequent subdivision of any tract herein have legal and physical access by the easement designated on the plat as "60 ft.-wide Private Access and Public Utility Easement", and named Found Paradise Drive. Owners of Tracts C1, C2, C3, D1 and D2, and any legally segregated tracts or lots thereof that become created by subsequent subdivision of these tracts have legal and physical access by the easement designated on the plat as "60 ft.-wide Private Access and Public Utility Easement", and named Brown Trout Lane. Owners of Tracts E1 through E5, and any legally segregated tracts or lots thereof that become created by subsequent subdivision of these tracts have legal and physical access by the easement designated on the plat as "60 ft.-wide Private Access and Public Utility Easement", and named Bull Trout Lane. Each tract owners shall share equally in all required expenses for the maintenance, repair, improvement and other work on the subdivision roads (including snow plowing and eradication of noxious weeds within the easement).

Each tract, or subsequently created tract or lot served by these roads shall have one vote in making all decisions regarding such maintenance, repair, improvement or other work on the subdivision roads and within the 60 ft wide easement, and assessing costs and expenses to be paid equally by the property owners in the subdivision, with a majority vote being decisive on all issues. The costs and expenses shall not be in proportion to the amount of land owned or the amount of use made of the road.

6. Each individual owner of property identified in #5 above shall be responsible to pay in full for any and all damage they inflict or cause to be inflicted upon the subdivision roads due to negligence, abuse, unauthorized or improper snow plowing, or the operation of heavy trucks, construction equipment or other vehicles not usually operated on the subdivision roads.
7. The speed limit on all subdivision roads shall be 20 MPH. All residents who regularly use the subdivision roads are requested not to accelerate or decelerate quickly while driving a vehicle on these roads in order to minimize the creation of wash-boarding of the gravel road surface.
8. Directors of the Mill Creek Sewer and Water District, and their designated representatives may use the 60 ft wide private access and public utility easements, and the 30 wide irrigation pipeline easements shown on the final plat in order to access the irrigation pipeline main that crosses the property. Access within the 30 ft wide easements is limited to pedestrian and normal vehicle traffic except when repairs are required to the Mill Creek pipeline main or appurtenances that may require excavation or use of motorized construction equipment.
9. All utilities shall be placed underground. Public utilities shall be installed within the 60 ft wide Private Access and Public Utility Easements shown on the final plat for this subdivision except where additional easements are designated by agreement of tract owners, Homeowners and Water Users Association and the public utility.
10. The owners of all properties within the major subdivision shall keep all water, sewer, irrigation water distribution piping and utility systems, all associated easements, and all stormwater drainage and detention easements within the subdivision properly maintained and in good repair. These easements are shown on the final subdivision plat. Owners shall make such repairs and

improvements as shall be required from time to time to meet at least the minimum requirements of the Park County Health Department for septic systems, and any other applicable rules and regulations of the Paradise Found subdivision, Park County Subdivision Regulations and the State of Montana. Improvements on each tract shall be maintained in a clean, attractive and sightly condition.

11. As a condition of final subdivision approval by Park County, the 30,000 gallon water fill site located at the cul-de-sac on the west boundary of Tract B1 must be connected to a year-round source of water and have the capability to be self replenishing. In order to meet this condition, the owners of Tract B1 must share the use of their well with the Paradise Found Homeowners and Water Users Association in accordance with the document entitled "Shared Well Covenants For Tract B1 and Homeowners and Water Users Association", and provide a connection directly to this tank from their potable water well. Expenses to install the supply piping from the well to the fill site tank must be paid by the Homeowners and Water Users Association. The well must be made fully operational as a water source to fill this tank no later than June 1, 2007 in accordance with the verbal commitment made to the Paradise Valley Volunteer Fire Department.
12. The irrigation water distribution piping which serves this property shall be operated and maintained, and expenses paid by the owners of the tracts served in accordance with the document entitled "Irrigation Water Distribution System Covenants Adopted and Executed by the Owners of Paradise Found". Extensions of the existing irrigation distribution pipeline system shall be installed within the 60 ft wide Private Access and Public Utility Easements shown on the final plat for this subdivision except where additional easements are designated by agreement of tract owners and the Homeowners and Water Users Association.
13. The owners of all tracts within this major subdivision shall be aware that no mobile, manufactured, modular or factory-built housing, as defined by applicable federal, state or county standards, rules and regulations, may be placed or erected within this subdivision. All houses constructed on any tract must be site-built. Buildings clad in metal siding and void of over hangs that have a "metal building" exterior appearance are not allowed as main residence, accessory buildings or out buildings.
14. The owners of all properties within the major subdivision shall share the cost of maintaining common boundary fences with neighboring properties in accordance with applicable state laws.
15. The grazing and keeping of livestock shall be permitted on any irrigated tract within this subdivision, and shall be limited to recreational horses, sheep, goats and chickens. Cattle and pigs shall not be kept on any parcel with the exception of a 4-H or similar project conducted on a short-term basis for educational purposes. The numbers of livestock animals permanently kept shall be in accordance with the carrying capacity of the property, which is dependent upon the management techniques and effectiveness of the tract owners.

An effective livestock management plan must combine selection of proper forage species, irrigation, supplemental feeding, and use of corrals and/or rest-rotation as required to prevent over grazing and destruction of forage species. The types of forage species planted and the numbers of livestock animals kept will largely determine the length of active grazing available and the amount of supplemental feeding required. Recommendations from the Park County Agricultural Extension Service shall be requested, and on-site inspections by the County Extension Agent

should be encouraged to identify specific improvements to the management plan. The destruction of pasture and plant growth by over grazing on any tract will not be tolerated by the Homeowners and Water Users Association.

16. No more than two dogs older than six months shall be allowed on any tract within this subdivision. Dogs must be under control by fence, chain, leash or lead at all times.
17. The owners of all properties within the major subdivision shall be aware of the potential for ranching and farming activities on adjacent lands and recognize that practices associated with these activities may conflict with the peace and quiet of rural residential living. The owners and residents of this subdivision recognize the neighboring landowners' right to conduct these ranching or farming activities, and that such agricultural practices should not be a matter of complaint to Park County officials.
18. Residents of this subdivision should be aware that wildlife may damage domestic plants and landscaping, and may be a threat to domestic animals and pets.
19. Cottage Industry: Cottage industries can be operated within residences and accessory buildings within this subdivision provided the following provisions are met: 1) Activities must be conducted and storage maintained totally inside the residence or accessory buildings; 2) Activities must not produce noise, smoke, odors, hazardous wastes, excessive traffic, debris, unsightly conditions or eyesores; 3) Activities must not involve the use of chemicals that could result in contamination of air, ground or water, or use potable water in excess of the quantity normally allowed for a single family residence; 4) Activity must not produce domestic type wastewater in excess of quantities normally allowed for a single family residence or industrial wastewater that would require treatment beyond the biological treatment provided by a standard septic tank and drainfield.
20. Project Review: No building materials or structures may be placed on any site, nor shall building work commence until written approval is received from the developer and/or Paradise Found Homeowners and Water Users Association.
21. Foundation Walls: All exterior foundation walls shall be covered with earth or commonly used finish materials such as stucco, rock, brick or wood.
22. Exterior Materials for all Buildings: The exterior finishes of buildings constructed on these tracts shall be colored to blend with the environment. The dominant materials for exterior finishes shall be wood, rock, brick, stucco and glass. High quality imitation materials that have a natural look, such as cement fiber board, composite wood, vinyl siding and others are acceptable upon approval of the Homeowners and Water Users Association. The exterior construction of any building must be completed within six months after commencement of construction.
23. Roofs: Roofing materials shall be Class A fire resistant, such as asphalt shingles or architectural metal. Galvanized and highly reflective metal roofing shall not be used. Styles and types should be selected to resist damage from wind.
24. Roof Overhangs: Roof overhangs are recommended to be a minimum of 12" in order to enhance the exterior appearance of the building and protect interior spaces from excessive solar glare and heat gain during summer months.

25. Out Buildings: Accessory and out buildings, except greenhouses, shall match or compliment the color, siding and roofing materials of the main residence. All detached buildings shall have a pitched roof design.
26. Garage Construction: A garage capable of accommodating two cars and adequate household storage shall be constructed on any tract on which a residence exists. The garage shall be completed within ninety (90) days of occupancy of the residence.
27. Signs: All signs shall have written approval of the Paradise Found Homeowners and Water Users Association. All permanent signs shall be constructed of natural materials such as wood or rock and landscaped to soften the visual impact.
28. Exterior Lighting: In order to preserve the night time views of the sky, neighborhood and surrounding mountains, exterior lighting shall be subdued, and down lighting techniques installed. Outside lighting shall be limited to fixtures and bulbs which cast light downward toward the specific area on the individual property to be lighted, and effectively shield and minimize the horizontal spread of light to prevent excessive glare to pedestrians, vehicular traffic or neighboring properties. Spot lighting should be used only as needed to provide for safety or to enhance architectural appearance. In addition, lighting shall not remain on continuously through the night time hours. The use of mercury vapor, and high pressure or low pressure sodium vapor lamps are expressly prohibited from use.
29. Landscaping: Overall landscaping is recommended to blend with or enhance the existing natural landscape of the area. All weeds and other flammable material shall be cut or trimmed over the entire tract to prevent rank growth and fire hazard.
30. No Unsightliness: No unsightliness shall be permitted on any tract. Without limiting the generality of the forgoing: (a) All unsightly structures, facilities, equipment, objects, and conditions shall be enclosed within approved structures or screened from view; (b) Trailers, trucks (other than pickups in operational condition), boats, tractors, vehicles (other than automobiles in operational condition), campers not on a truck, snow removal equipment, or maintenance equipment shall be kept at all times, except when in actual use, in an orderly arrangement or screened from view, except that recreational vehicles may be parked not over thirty (30) feet from side of garage or storage building; (c) Refuse, garbage, and trash shall be kept at all times in a covered container and any such container shall be kept within an enclosed structure.
31. Nuisances and Eyesores: All metal storage containers, unused vehicles, trailers and inactive excavations in open view of the platted roads or other tracts shall be considered a nuisance and an eyesore, and are not allowed.
32. Driveways and Parking: Driveways and parking areas are recommended to be concrete, asphalt or gravel. Unconstructed two-track driveways to and parking areas around residences are not allowed due to the increased wind erosion of topsoil, channeling of sediment to developed roads by stormwater runoff, and the eyesore created.
33. Amendments: Amendments to these covenants may be made with the approval of the owners of at least two-thirds of the tracts or lots thereof. In addition, amendments to items 2, 3, 5, 10, 11, 13, 14, 15, 16, 17, 18 and 28 of these covenants, which address specific provisions required by the conditions of preliminary approval of the major subdivision originally set forth by the Park

County Commissioners must receive the approval of the Park County governing body prior to being filed with Park County Clerk and Recorder, and taking effect.

34. These covenants shall run with the land and shall inure to the benefit of and be binding upon the heirs, executors, beneficiaries, successors and assigns of the owners. All rights and responsibilities of the parties as set forth herein shall be an appurtenance and/or burden upon the tracts within the Paradise Found minor subdivision.

35. The owners may enforce these covenants through legal proceedings at law or in equity. If legal action becomes necessary to enforce any terms of these covenants, the prevailing party shall be reimbursed its costs, expenses and legal fees by the party not prevailing.

TKG, L.L.C., Property Owner

By Thomas K. Gould
Thomas K. Gould, Member

By Allen R. Carter
Allen R. Carter, His Attorney in Fact

STATE OF MONTANA)
 : ss.
County of PARK)

This instrument was acknowledged before me on May 17, 2005, by ALLEN R. CARTER, as Attorney in Fact for THOMAS K. GOULD, Member of TKG, L.L.C.



Sheri L. Holden
Printed Name of Notary: Sheri L. Holden
Notary Public for the State of Montana.
Residing at Livingston Montana.
My Commission expires: 1-6, 2008

325914 Fee: \$ 36.00 Roll 218 Pg 1310-1315
PARK COUNTY Recorded 05/20/2005 At 11:47 AM
Denise Nelson, Clk & Recd By DN
Return to: WILLIAM E SMITH P.O. BOX 78
EMIGRANT MT 59027

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Return T
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326153 Fee: \$ 30.00 Roll 218 Pg 1937-1941
PARK COUNTY Recorded 05/31/2005 At 04:00 PM
Denise Nelson, Clk & Rcdr By MS
Return to: AMERICAN TITLE 206 EAST CALLENDER
LIVINGSTON, MT 59047

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**PARADISE FOUND SUBDIVISION WATER USER'S
AND HOMEOWNER'S ASSOCIATION**

TOM GOULD, being the developer of certain real property located in Park County, Montana, and more fully described as:

Paradise Found major subdivision No. 471 within the SW¼ Section 24, township 5 south, range 8 east, P.M.M.

do hereby establish this Water User's and Homeowner's Association for the benefit of said property.

I. NAME

The name of the association shall be the "Paradise Found Subdivision Water User's and Homeowner's Association".

II. FORM OF ORGANIZATION

The association shall exist perpetually and may be incorporated by either the developer or by the ultimate owners of the property covered by this association. If a corporation is created, it shall be a non-profit corporation as defined by the Internal Revenue Code Section 501(c)(3) and will be incorporated under the laws of the State of Montana as recognized by the Secretary of State for the State of Montana.

III. WATER USER'S ASSOCIATION

- A. The Water User's Association shall be comprised of the owners of the seventeen (17) tracts shown on the final subdivision plat No. 471. All of these seventeen (17) tracts which make use of irrigation water from the Mill Creek Pipeline are members of the water users association.
- B. The Paradise Found property has historically been irrigated with a water right of 70 miners inches (785.5 gpm). This water right will be held in the name of the Home Owners and Water Users Association. The Association will be responsible to fairly distribute irrigation water available from the Mill Creek Pipeline under this water right to the individual tracts. The entire water right is available from the Mill Creek Pipeline. The Homeowner's Association shall allow tract owners to use irrigation water on their individual tracts proportional to the number of acres in each tract.
- C. The developer does not represent or guarantee any amount of water to be available at any given time for any of the tracts affected by or belonging to this Water User's Association. Many factors, including the limited flow of irrigation water to these tracts, priority date of the water right, a tract owner's effective use

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of water, the operating schedule of the pipeline project, and the consequences imposed by the Irrigation Covenants on a tract owner due to excessive consumption of irrigation water by individual tracts owners, to name a few, will affect the amount of water available at any given time for any given tract.

- D. Any change in the allocation of the water to the individual tracts shall be administered by the board of directors of the Home Owners Association on a proportional use basis. Any changes in allocation of water shall be determined by a majority vote of the board of directors. In the event a majority cannot be reached, then the board of directors shall obtain guidance from the Mill Creek Pipeline Board of Directors to resolve the stalemate.
- E. Duties of the Home Owners Water User's Association. The duties of the Association shall include administering the provisions of the covenants, and the allocation of irrigation water from the Mill Creek Pipeline as set forth in paragraph III(D).

It shall also include the duty to inspect and maintain all of the distribution pipelines installed to the tracts.

It shall also include the duty to inspect and maintain the storm water drainage structures and ditches constructed along the edges of subdivision roads as approved by MDEQ for this subdivision.

The Association Board of Directors shall elect one person annually to represent the Association in all matters related to water as it pertains to this subdivision. The purpose of this election is to provide one designated contact point or public representative for the Association.

The Association shall maintain in usable condition the underground tanks which provide water storage for the sole purpose of fighting fires that may occur within the Paradise Found major subdivision. The Association must take the measures necessary to keep the tanks full, and refill these tanks using water from the Mill Creek Pipeline when the pipeline is operational or from potable water wells on the property.

Each tract owner shall be responsible for the timely purchase and installation of an appropriately sized water flow meter to their respective tract at the time such flow meter is required by the Association Board and the Mill Creek Pipeline Board of Directors. The Association shall determine the timetable for flow meter installation on each lot.

The Association shall approve the type, size and brand of flow meter proposed by each tract owner, and shall monitor and approve the installation of the meter and appurtenances. The flow meter shall be maintained by each respective tract

owner, who shall bear all costs for operation, upkeep, repair, and replacement if required. Each tract owner shall ensure that their flow meter is operational at all times when there is water in the supply pipeline to the subdivision.

Each tract owner acknowledges that the Association shall have unencumbered free access to all flow meters at any time. The Association shall have the right to monitor, change or adjust, and/or shut off the flow of water to each tract as deemed necessary by the Associations' Board Of Directors.

The Association and each individual tract owner recognize that the tracts in this subdivision are encumbered by existing underground irrigation pipelines and other irrigation facilities. There are easements shown on the final plat of the subdivision for the approximate locations of the existing and future water lines. The underground pipelines and facilities are assumed to be centered within the designated easements. Due to ongoing renovations, repairs, improvements and modifications to the existing water system within this subdivision, the location of these water related features may not be exactly as depicted on the final plat.

The Association also recognizes that Mill Creek Pipeline which does not belong to the Association has easements across this property. The Irrigation covenants grant the Mill Creek Pipeline Board of Directors and designated representative the authority to enter upon the property for purposes of caring for and maintaining the existing pipelines.

IV. MEMBERSHIP

Membership in this Association will be limited to those persons owning real property as set forth in this document. Each tract is entitled to one (1) vote.

V. ASSIGNMENT OF MEMBERSHIP

Any member may transfer and assign their membership only as part of a sale or exchange of their property or transfer of their property by gift to a family member or by an order of probate court in the event of the death of the owner of the tract. In other words, ownership of the water use rights shall run with the land and be appurtenant to each tract in this development.

VI. ARCHITECTURAL COMMITTEE

There shall be formed an architectural committee comprised of Tom Gould, William Smith and Allen Carter. This committee will be charged with developing in conjunction with the protective covenants criteria for developing each tract. This shall include, but not be limited to, the style and size of housing and outbuildings. It shall also include developing criteria for any outside lighting, perimeter fencing and other uses common to rural lot development.

VII. REVENUE AND EXPENSES

- A. The Association shall assess sufficient revenue from the members to cover all necessary expenses. The members shall vote on an annual budget at the annual meeting. The budget shall set forth the revenue to be received and the expenses authorized for the ensuing year. Regular expenses shall include, but not be limited to:
- i. reimbursement of the development's representative's expenses.
 - ii. any and all expenses required to maintain the roadways through the subdivision, including, but not limited to, storm water drainage structures and ditches approved by MDEQ for this subdivision, snow removal, grading, gravel, signage, etc. A separate road maintenance agreement may be incorporated herein.
 - iii. any review fees required by any governing body related to subdivision compliance.
 - iv. repairs and maintenance of the subdivision's distribution pipelines and associated facilities.
 - v. assessments charged by the Mill Creek Pipeline Board of Directors and included on the property taxes for each tract.
- B. All expenses for road maintenance as defined in Section A.ii. and upkeep of the fire water fill site are to be borne equally by the owners of each tract.
- C. There shall be no profit to the Association. Any excess revenue shall be returned to the Association members or be applied on the following year's budget.
- D. The Association's treasurer will collect all revenues and pay all expenses and make any and all accountings which may be needed. The Association treasurer shall be elected at each annual meeting.
- E. All tracts connected to the irrigation water distribution piping shall be collectively responsible for the operational costs, maintenance and improvements of the system including, but not limited to, any utility costs. These costs shall be borne by each member on a pro-rata share basis. This pro-rata share is determined by each tract owner's acreage ownership in the Association.

VIII. PROTECTIVE COVENANTS

Each tract owner acknowledges receipt of the protective covenants and irrigation covenants on file and recorded as an encumbrance against the property. Those covenants are hereby incorporated by reference.

IX. RULES AND REGULATIONS

The developer hereby reserves the right to publish rules and regulations from time to time as deemed necessary for the effective and ongoing welfare, safety and protection of the residents within the subdivision. All rules and regulations shall be approved by a majority vote of the directors of the association and approved by the membership as set forth in the covenants.

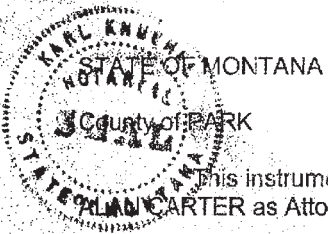
X. LEGAL FEES

Any member may enforce the protective covenants and/or the rules and regulations set forth in this Homeowner's Association. In the event of litigation, the successful party shall be entitled to reasonable attorneys' fees and costs in bringing any action necessary as determined by a court of competent jurisdiction. The court of competent jurisdiction for interpreting these rules shall be the Sixth Judicial District Court in and for the County of Park.

IN WITNESS WHEREOF, the developer has set his hand hereto.

Tom Gould
TOM GOULD

By Alan Carter
ALAN CARTER, His Attorney in Fact



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: ss.
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This instrument was acknowledged before me on 4-14, 2005,
by Alan Carter as Attorney in Fact for TOM GOULD.

Printed Name of Notary: Knuchel
Notary Public for the State of Montana.
Residing at Bozeman, Montana.
My Commission expires: 1-21-08