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**RESTATED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS**

**THIS RESTATED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS (the "Declaration")** is made this 1 day of JUNE,
1994, by **JRR, LC**, a Montana limited liability company, of HC 38 Box 2027, Livingston, Montana
59047, hereinafter referred to as "Declarant."

RECITALS:

A. WHEREAS, Declarant is the owner of the following described land in Park County,
Montana:

Lots 1 through 18; inclusive, Lots 21 through 26, inclusive, and Lots 28, 29,
31, 34, and 36; all of Jumping Rainbow Ranch Subdivision, a tract of land
located in the SE $\frac{1}{4}$ of Section 26, and the NW $\frac{1}{4}$, NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ of
Section 35, Township 3 South, Range 9 East, P.M.M., Park County,
Montana, according to Subdivision Plat No. 72, on file and of record in the
office of the County Clerk and Recorder of Park County, Montana; and

Lot 20A of the Amended Plat of Jumping Rainbow Ranch Subdivision, a tract
of land located in the SE $\frac{1}{4}$ of Section 26, and the NW $\frac{1}{4}$, NE $\frac{1}{4}$ and the SE $\frac{1}{4}$
of Section 35, Township 3 South, Range 9 East, P.M.M., Park County,
Montana, according to Subdivision Plat No. 103, on file and of record in the
office of the County Clerk and Recorder of Park County, Montana.

B. WHEREAS, Declarant proposes that said land be developed, sold and improved
pursuant to a common plan of development, and desires to place covenants, restrictions and
easements upon said Lots for the benefit of the owners of all of said lands.

C. WHEREAS, Declarant is the owner of Lot 37 of Jumping Rainbow Ranch Subdivision,
which is adjacent to the above-described property, and Declarant desires to grant easements over and
across said Lot 37 for the purpose of providing access, ingress and egress to the property subject to
this Declaration and for the purpose of constructing, installing, maintaining, repairing and replacing
underground utility lines to serve said property.

NOW, THEREFORE, Declarant hereby declares that all of the property described in Recital
A above shall be held, sold and conveyed subject to the following easements, restrictions, covenants
and conditions, which are for the purpose of protecting the value and desirability of, and which shall
run with, the real property and be binding on all parties having any right, title or interest in the
described properties or any part thereof, their heirs, successors and assigns and shall inure to the
benefit of each owner thereof.

Security Title 94-444

**ARTICLE I
DEFINITIONS**

1.1. **"Association"** shall mean JRR Homeowners' Association, Inc., a Montana nonprofit corporation, and its successors and assigns.

1.2. **"Board of Directors"** or **"Board"** shall mean the duly elected and qualified members of the board of Directors of the Association.

1.3. **"Common Facilities"** shall mean those areas which are to be improved, repaired and maintained by the Association for the benefit of all Owners, including without limitation (i) the areas within the Access Road and Utility Easements, (ii) the area within the Picnic Area Easement, and (iii) the area within the Pedestrian Easements, all of which easements are described in Section 3.1 below, together with all driveways, roads, streets, improvements, and landscaping on or serving the foregoing properties, and all fixtures and appurtenances used therewith or attached thereto, and all tangible and intangible personal property at any time owned or controlled by the Association for the common use and benefit of the Owners.

1.4. **"Declarant"** shall mean JRR, LC, a Montana limited liability company, and its successors and assigns.

1.5. **"Declaration"** shall mean this Restated Declaration of Covenants, Conditions, Restrictions and Easements for Jumping Rainbow Ranch Subdivision, as it may from time to time be amended or supplemented.

1.6. **"Guidelines"** shall mean design guidelines which may from time to time be adopted and published by the Review Committee to set forth procedures for review of plans and standards and criteria which the Review Committee expects to follow in reviewing proposed developments within the Property.

1.7. **"Improvement" or "improvements"** shall include buildings, outbuildings, roads, driveways, parking areas, fences, screening walls and barriers, retaining walls, stairs, decks, water lines, sewers, electrical and gas distribution facilities, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, loading areas and all other structures, installations and landscaping of every type and kind, whether above or below the land surface.

1.8. **"Lot"** shall mean a fractional part of the Property as subdivided on subdivision maps recorded from time to time in the office of the Clerk and Recorder of Park County, Montana.

1.9. **"Lot 37"** shall mean Lot 37 as shown on the plat of Jumping Rainbow Ranch Subdivision and over which the Declarant has granted certain easements as more particularly described in this Declaration; provided, however, that except as to such easement rights, Lot 37 is not subject to this Declaration.

1.10. **"Mortgage"** shall mean a Mortgage, Deed of Trust or Trust Indenture.

1.11. "Mortgagee" shall mean a Mortgagee under a Mortgage, as well as a Beneficiary under, or holder of, a Deed of Trust or Trust Indenture.

1.12. "Occupant" shall mean a lessee or licensee of an Owner, or any other person or entity other than an Owner in lawful possession of a Lot with the permission of the Owner.

1.13. "Owner" shall mean any person or entity which is the record owner of fee simple title of any Lot, including buyers under a contract for deed, but excluding any entity or person who holds such interest as security for the payment of an obligation, other than a contract seller, Mortgagee, or other security holder in actual possession of a Lot.

1.14. "Property" shall mean and refer to all of the Lots (except Lots 19, 27, 30, 32, 33, 35 and 37) included within Jumping Rainbow Ranch Subdivision, all of which are subject hereto, together with such additions as may hereafter be annexed thereto by Declarant in accordance with the terms hereof.

1.15. "Record", "recorded" or "recordation", shall mean, with respect to any document, the recordation of said document in the office of the Clerk and Recorder of Park County, Montana.

1.16. "Review Committee" or "Committee" shall mean the Review Committee appointed by the Board of Directors of the Association whose function is to review the plans, specifications, designs and locations of structures and other improvements to be constructed or erected on any Lot.

1.17. "Road or Roads" shall mean any street, highway, road, or thoroughfare within or adjacent to the Property and shown on any recorded subdivision plat, or record or survey, whether designated thereon as street, avenue or road.

1.18. "Screened from View" shall mean, with respect to any given object on a Lot, that the object is screened by a fence, hedge or other decorative improvement such that the object is not or would not be visible to a person six (6) feet tall, standing on any part of any adjacent Lot or other property at an elevation no greater than the elevation of the base of the object being viewed.

1.19. "Subdivision" shall mean Jumping Rainbow Ranch Subdivision, together with such additions as may hereafter be annexed thereto by Declarant in accordance with the terms hereof.

ARTICLE II SUBJECT PROPERTY

2.1. General Declaration. Declarant hereby declares that all of the Property more particularly described above is, and shall be, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to this Declaration. All of the covenants, conditions and restrictions set forth herein are declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of the Property and are established for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and every part thereof. All of the covenants, conditions and restrictions shall run with

all of the Property for all purposes and shall be binding upon and inure to the benefit of Declarant and all Owners, Occupants, and their successors in interest as set forth in this Declaration.

2.2. Addition of Other Realty. Declarant may at any time during the pendency of this Declaration add all or a portion of any real property now or hereinafter owned by Declarant to the Property, and upon recording of a notice of addition of real property containing at least the provisions set forth in Section 2.3, the terms, conditions and covenants of this Declaration specified in said notice shall apply to such added real property in the same manner as if it were originally covered by this Declaration. Thereafter, to the extent that this Declaration is made applicable thereto, the rights, powers and responsibilities of Declarant and the Owners and Occupants of lots within such added real property shall be the same as in the case of the real property described in Recital A above.

2.3. Notice of Addition to Land. The notice of addition of real property referred to in Section 2.2 shall contain at least the following provisions:

(a) A reference to this Declaration stating the date of recording and the book or books of the records of Park County, Montana, and the page numbers where this Declaration is recorded;

(b) A statement that the provisions of this Declaration, or some specified part thereof, shall apply to such added real property;

(c) legal description of such added real property; and

(d) Such other or different covenants, conditions and restrictions as Declarant shall, in its sole discretion, specify to regulate and control the use, occupancy and improvements of such added real property.

2.4. Subdivision of Lots. None of the Lots within the Subdivision shall be subdivided, resubdivided, split, altered or reduced in size in any way or manner whatsoever; provided, however, that the foregoing shall not prohibit an adjustment or relocation of common boundary lines between two or more of said Lots, provided that (i) no additional tracts or lots are created in connection therewith, and (ii) each such tract or lot affected by such adjustment or relocation has an area (in square feet) equal to at least ninety percent (90%) of the area contained in such tract or lot as set forth and depicted on the original plat of the Subdivision.

ARTICLE III RECIPROCAL EASEMENTS AND PROPERTY RIGHTS

3.1. Reciprocal Easements Reserved by Declarant for Conveyance to the Association. Declarant hereby creates and reserves, for conveyance to the Association for the benefit of all Owners, the following reciprocal easements on the affected Lots in the Subdivision, which shall be for the benefit of the Lots, and the Owners thereof, their heirs, personal representatives, successors and assigns, and said Lots shall be servient to the easements hereby created and reserved, and said easements shall be deemed appurtenant to the Lot benefited thereby, as follows:

(a) **Access Road Easements.** An easement and right-of-way for purposes of constructing, installing, maintaining, repairing, relocating and replacing driveways and roads for providing access, ingress and egress to and from the Lots in the Subdivision to Roads adjacent to the Subdivision (the "Access Road Easement"), over, along, on and across portions of Lot 37 owned by Declarant. The approximate location of such driveways and access roads are more particularly shown and depicted on the plat of the Subdivision; provided, however, that (i) Declarant, for itself and its successors and assigns, acting in its sole discretion, hereby reserves the right to designate the specific location or route for any such driveways and access roads, and further reserves the right to relocate any such driveways and access roads; and (ii) in the event the actual location of such driveways or access roads are different than the approximate locations shown on the plat of the Subdivision, then the Access Road Easement shall be that strip of land on, over and across which said driveways and access roads are actually laid out, constructed and located.

(b) **Utility Easements.** An easement and right-of-way for the purposes of constructing, installing, operating, maintaining, repairing, relocating and replacing an underground electricity lines and other necessary utility lines serving the Lots in the Subdivision (the "Utility Easement") over, along, on, under and across the Access Road Easement areas; provided, however, that unless Declarant otherwise permits in writing, all such utility lines must and shall be constructed and installed within the area of said Access Road Easement.

(c) **Picnic Area Easement.** An easement for the purposes of constructing, installing, operating, maintaining, repairing, and replacing picnic tables and associated recreation amenities over, along, on and across a portion of Lot 37 (the "Picnic Area Easement"), more particularly described as follows:

A tract of land lying south of and adjacent to Lot 26 in the Subdivision, which tract is bounded on the north by the southerly boundary line of said Lot 26, on the west by the westerly boundary line extended of said Lot 26, on the east by the easterly boundary line extended of said Lot 26, and on the south by the Yellowstone River and Deep Creek.

(d) **Pedestrian Easements.** Easements and rights-of-way for pedestrian traffic and access only to and from the Lots in the Subdivision to the Yellowstone River adjacent to the Subdivision (the "Pedestrian Easements"), over, along, on and across portions of Lot 37 owned by Declarant and over, along, on and across a strip of land twenty (20) feet in width immediately adjacent to the mean high water line of said Yellowstone River. The Declarant, for itself and its successors and assigns, acting in its sole discretion, hereby reserves (i) the right to designate the specific locations or route for any such Pedestrian Easements traversing Lot 37 and further reserves the right to relocate any such Pedestrian Easements, and (ii) the right to limit and designate the specific locations of access points from Lot 37 to the strip of land adjacent to the Yellowstone River.

The foregoing easements and rights-of-way shall inure to the benefit, specifically, of each of the Lots described in or affected by the easement, and shall be deemed to run with the land, and shall further inure to the benefit of the present and future Owners of said Lots, and all of said future Owners, their heirs, personal representatives, successors, and assigns, and said Lots and Owners shall be subject to the aforesaid easements. Subject to the restrictions set forth in this Declaration and the Guidelines that may be adopted from time to time by the Architectural Review Committee, said easements shall and may be used in common by the Owners of said Lots, and their permittees,

without any segregation of said easements because the same is located over and on any particular Lots or Lots, and the Owners and permittees of the Owners shall have the right of ingress and egress on the lands described in the particular easements, regardless of whether or not such Owners or permittees are using such easements on land owned by such Owner, or on lands owned by the other Owners.

Declarant agrees to convey the easements reserved above to the Association prior to the time of the conveyance of the first Lot.

3.2. Owner's Easement of Enjoyment of Common Facilities. Every Owner shall have a right and easement of enjoyment in and to the Common Facilities which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to provide reasonable restrictions on the use of the Common Facilities for the overall benefit of its members, including limitations of the number of guests permitted to use the Common Facilities;

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Facilities;

(c) The right of the Association to suspend the voting rights and right to use of the Common Facilities by any Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations;

(d) The right of the Association to dedicate or transfer all or any part of the Common Facilities to any public agency, authority, utility, person, corporation or other entity for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds of each class of members agreeing to such dedication or transfer has been recorded.

3.3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Facilities to the members of his immediate family, his tenants, or contract purchasers who reside on the property.

3.4. Easements for Wells, Septic Tanks and Drainfields. While each Owner shall endeavor to locate the well, septic tank and drainfield within the boundaries of such Owner's Lot, the Declarant shall grant to any Owner an easement over, under or across a portion of Lot 37 of Jumping Rainbow Ranch Subdivision (which lot is not subject to this Declaration) to the extent necessary to permit such Owner to install, operate, maintain, repair or replace a well, septic tank or drainfield to serve the residence of such Owner. Any Owner receiving an easement on a portion of said Lot 37 and constructing or installing a well, septic tank or drainfield in said easement area shall remain responsible for costs and expenses associated with the construction, operation, maintenance, repair or replacement of such facilities. Notwithstanding the foregoing, the Declarant reserves the right to designate the specific locations or areas on which any such easements will be granted.

3.5. Reservation of Easement by Declarant. The Declarant does hereby reserve an easement and right-of-way for any irrigation ditches or canals and for all courses, channels and beds of any streams, creeks, ponds or rivers which cross, flow or traverse any Lot in the Subdivision; together with the right of ingress and egress to operate, repair, construct, maintain and replace the foregoing, and the right to alter or relocate said ditches, canals, courses, channels, ponds or beds on any Lot. Nothing stated herein shall be deemed or construed to give or grant to any Owner or Occupants any right or privilege of use or access to any of said courses, channels and beds of any streams, or any creeks, ponds or rivers which cross, flow or traverse the Subdivision, all of which rights and privileges have been and are hereby reserved by Declarant.

3.6. Right of Access. The Association or its delegated representatives, or the Declarant, shall have the irrevocable right to have access to each house or dwelling on any Lot from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement on any Lot, any structure thereon, or any of the Common Area accessible therefrom. All maintenance, repairs, or replacements of any Lot or any structure thereon shall be at the expense of the Owner thereof. Such right of access shall be immediate for the making of emergency repairs therein in order to prevent property damage or personal injury. All damaged improvements shall be restored to substantially the same condition in which they existed prior to the damage. All maintenance, repairs, or replacements of any Lot or any structure thereon shall be at the expense of the Owner thereof. All maintenance, repairs, and replacements of the Common Area shall be the common expense of all of the Owners, provided, however, if such damage is caused by a negligent or tortious act of any Owner, members of his family, his agent, employee, invitee, licensee, or tenant, then such Owner shall be responsible and liable for all such damage. This Declaration establishes no duty upon the Association or the Declarant to maintain, repair, or replace any Lot or any structure thereon, and vests no rights in Owners or any other person as against the Association or the Declarant.

3.7. Water Rights. Declarant hereby reserves all water rights, both surface and underground, whether represented by shares of stock in irrigation, water or ditch companies, or otherwise, appurtenant to or used in connection with Property or in connection with Lot 37 or other property owned by Declarant, and further reserves all rights and privileges with respect to said water rights and any irrigation ditches, canals, water courses, channels and beds of any streams, creeks, ponds or rivers which cross, flow or traverse the Subdivision or any other property owned by Declarant; provided, however, that the foregoing reservation shall not apply to individual water wells for domestic or household purposes drilled or installed by Owners on their Lots or to the appropriation or creation of water rights with respect to such individual water wells. Except with respect to said individual water wells, it is the express intent of the Declarant that no Owner or Occupant of any Lot shall receive or succeed to any such water rights or other rights and privileges with respect to irrigation ditches, canals, water courses, channels and beds of any streams, creeks, ponds or rivers which cross, flow or traverse the Subdivision or any other property owned by Declarant and the same are being hereby reserved by Declarant for its sole and exclusive use and benefit.

**ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS**

4.1. Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

4.2. Classes of Members. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Class B members named below. Class A members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B members shall be the Declarant. Class B members shall be entitled to four votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or (b) on December 31, 2004.

**ARTICLE V
ASSESSMENTS**

5.1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them.

5.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties, and for the establishment, improvement and maintenance of facilities enhancing the use and enjoyment of the Common Facilities and of the homes situated upon the Property, including, but not limited to the payment of taxes and insurance on Common Facilities, maintenance of roads and easements owned by the Association, snow removal from roads, easements and parking areas maintained by the Association, mowing or cutting the easements areas maintained by the Association, maintenance of buildings, structures or recreational facilities constructed on the Common Facilities, and the cost of labor, equipment, materials, management and supervision.

5.3. 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 Facilities, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Nothing stated herein shall restrict the right of the Association to provide for the repayment of the special assessment over a term of months or years subsequent to the date of such assessment, and upon terms and conditions it deems appropriate, including the collection of interest on the deferred balance.

5.4. Notice and Quorum for Any Action Authorized Under Section 5.3. Written notice of any meeting called for the purpose of taking any action authorized under Section 5.3 shall be sent to all members not less than fifteen (15) days and no more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast thirty-three (33) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than fifty (50) days following the preceding meeting.

5.5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots, and may be collected on a monthly basis.

5.6. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Facilities, and shall be assessed on a calendar year basis. 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 Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment 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 whether the assessments on a specified Lot have been paid.

5.7. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum, but in no event to exceed the maximum rate permitted under Montana law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property in the same manner as a mortgage on real property, and the Association shall be entitled in any such foreclosure proceedings to recover its costs, expenses and reasonable attorney's fees. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Facilities or abandonment of his Lot.

5.8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first Mortgage. Sale or transfer of any Lot shall not affect the assessment lien whether such lien arises prior to such sale or transfer, or thereafter becomes due. However, the sale or transfer of any Lot pursuant to foreclosure proceedings of such first Mortgage or any proceeding in lien thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer, but shall not relieve such Lot from liability for any assessments thereafter accruing or becoming due or from the lien thereof.

ARTICLE VI PROTECTIVE COVENANTS; ARCHITECTURAL CONTROL

6.1. Purpose. The following protective covenants are designed to provide a uniform plan for the development of the Property. The intent of the Declarant in establishing these covenants is to create and maintain a recreation, residential and ranch area with an atmosphere and charm entirely compatible with the natural environment of the existing ranch, and further to provide every practical and legal means to safeguard and protect the interests of all owners and the stability of this development.

6.2. Requirement of Review by Committee. No construction, improvements, or alterations affecting the external appearance of any main buildings, secondary buildings, fences, walls, railings, artifacts, or similar improvements and no wire, pipe, sewage disposal system, well, or walkway shall be made, erected, altered, placed or permitted to remain upon any Lot until a site plan and specifications showing the design, location, material and color shall have been submitted to a Review Committee consisting of three members appointed by the Board of Directors of the Association, and approved in writing by the Committee. In considering applications, the Committee will regard compatibility with site characteristics as the primary and foremost design objective. The improvements shall not dominate its surroundings, but rather should be subservient to them. The total mood should be one of relaxation, embodying the environment.

6.3. Membership of Committee. At least two of the three members of the Review Committee shall be members of the Association or members of Declarant, and it is suggested that at least one of the members have professional qualifications in the area of architecture, design or land planning.

6.4. Guidelines. The Review Committee shall publish guidelines which will set forth the procedures and criteria for review of residences or other structures to be constructed or installed on the Property. Failure to follow procedures or criteria set forth in the current published Guidelines shall form an adequate basis for rejection of the submitted site plan and specifications; provided, however, that this requirement shall not be construed as preventing Declarant or the Review Committee, at their option, from waiving or amending the Guidelines at any time or with respect to any application.

6.5. Approval or Disapproval by Committee. In the event the Review Committee fails to approve or disapprove such design, location, construction, and materials within thirty (30) days after the detailed site plan and specifications have been submitted to it, approval shall not be required and this Article shall be deemed to have been fully complied with. Any plans, specifications and

proposals so approved, either expressly in writing or by the expiration of the thirty (30) day period hereinabove provided, shall then permit the Owner to commence construction in accordance with said plan, but any deviation from said plan which in the judgment of said Committee is a substantial detriment to the appearance of the structure or of the surrounding area shall be corrected to conform with the plan as submitted. Any structure to be erected in accordance with approval so given must be commenced and completed within eighteen (18) months of approval, or new approval must be obtained. If any structure is begun and is not completed within eighteen (18) months of the commencement of construction, and in the judgment of the Review Committee is of offensive or unsightly appearance, then the said Committee or the Directors of the Association, at the option of either, may take such action as may be necessary in its judgment to improve the appearance so as to make the property harmonious with other properties, including completion of the exterior of the structure, installation of 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. The Review Committee may act by a majority of its members and any authorization or approval made by the Committee must be signed by a majority of the members thereof.

6.6. Contractors. The Review Committee shall have the right to disapprove the choice by an Owner of any construction contractor for the building of any building, house, guest house, outbuilding, shed, pen, doghouse, porch, patio, gazebo, excavation, landscaping pit, bridge, fence, wall, or any other structure of any kind on any Lot. The grounds for such disapproval shall be only one or both of the following: (a) a reasonable belief that the contractor is not financially responsible, and (b) nonconformance by the contractor with approved plans when previously undertaking construction work on any Lot. This Declaration establishes no duty upon Declarant or the Review Committee to investigate the financial responsibility of construction contractor or the performance by the contractor of construction work, and this Declaration vests no right in Owners, any contractor, or other third party as against Declarant, the Review Committee or the Association with respect to approval or disapproval of construction contractors.

6.7. Restoration of Lot. Upon completion of the construction on any Lot, the Owner shall to the greatest extent possible restore the Lot to the conditions which existed prior to such construction (taking into account such construction) so that the Lot and Improvements shall be in harmony with the surrounding unimproved property. The Owner must complete said restoration within 45 days following completion of construction on any Lot. In the event restoration is not completed within said time period, Declarant or Association may complete said restoration at the expense of the Owner.

ARTICLE VII MINIMUM BUILDING AND USE RESTRICTIONS

7.1. Building Restrictions. No structure which fails to meet the following minimum standards shall be erected, placed or allowed to remain on any Lot, and the Review Committee shall have no power to approve any structure failing to at least meet these minimum standards:

(a) No structure shall be erected, altered, placed, or permitted to remain on any such residential Lot, other than a single-family dwelling, a private garage and a guest house. All single-

family dwellings except guest houses shall contain at 1200 square feet on the main floor, exclusive of porches, patios, and garages. All concrete that extends 12 inches or more above ground may be required to be painted a blending color with its natural surroundings.

(b) Any building or residence erected on any Lot shall be of new construction, and no mobile homes, trailers, old buildings or manufactured homes shall be placed or moved onto said Lots.

(c) No basement or structure on any Lot may be used for dwelling purposes until after its area, as defined by the foundation, has been completely enclosed according to the plans and until it has been substantially completed, with sanitary facilities and utilities permanently installed. No tent, shack, or other outbuilding erected on a Lot shall at any time be used as a residence, temporarily or permanently.

(d) TV, radio, satellite dishes or other antennae are permitted, but the location, height and size of such antennae must be approved by the Review Committee.

(e) All water, electricity and sewer lines, and other utility lines or facilities constructed incident thereto, shall be placed and installed underground. Propane tanks shall be Screened from View by a structure approved by the Review Committee.

(f) No fences or walls of any kind or character shall at any time be maintained along Lot boundaries. Fences or screens surrounding or adjacent to patio areas, and fences for the enclosure of permitted animals may be constructed, but the location, design, material, color, height and size of the enclosure must be approved by the Review Committee.

(g) No trailers or other living convenience shall be kept on said Lots before, or after construction of a residence, nor shall any trailer or other living convenience be used for temporary living quarters at any time. No trailers, boats, snowmobiles or other mobile devices shall be situated or parked on any Lots unless properly housed in a garage or Screened from View of Roads, Common Facilities and adjoining Lots.

(h) No trash, debris, organic or inorganic waste shall be permitted to accumulate on any Lot or in any Road adjacent thereto, but shall be promptly and efficiently disposed of, and no vacant or other Lot shall be used as a dump ground or burial pit. The only allowable outside trash or refuse cans or containers shall be those which are Screened from View by a structure approved by the Review Committee. Outside incinerators shall not be permitted. Nothing stated herein shall preclude a central trash collection facility situated on the Common Facilities with the approval of the Association.

(i) No signs or other advertising devices of any kind or character shall be erected or displayed upon any of the Lots except promotion signs for Jumping Rainbow Ranch Subdivision, signs of an approved type and size displayed to identify the occupants of a dwelling, and directional signs (including signs identifying any lodge or lodge facilities and parking areas). Any such signs shall first be approved by the Review Committee. As used herein, the term "sign" shall mean any structure, device or contrivance, electric or non-electric, upon or within which any poster, bill

bulletin, printing, lettering, painting, device or other advertising of any kind whatsoever is used, placed, posted, tacked, nailed, pasted, or otherwise fastened or affixed.

(j) All secondary structures on a site will match the external design and be made of the same basic external material as the primary structure.

(k) Roads, walks, paths and trails, without undue sacrifice in directness, will be laid out in curving or winding routes.

(l) No dwelling or other structure intended for use or occupancy by individuals shall be constructed without an adequate septic tank or sewage disposal system. No outhouse or privy shall be permitted or maintained on any Lot, except that a chemical toilet shall be permitted on a Lot during the time a residence is being constructed. 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.

(m) In septic tanks and drainfields constructed or installed on Lots 1, 2 and 3 of the Subdivision shall be located on, under or near the southerly boundary or portion of said Lots or, to the extent permitted in Article III, paragraph 3.4, in a portion of Lot 37 to the south of said Lots.

(n) Lots 21 through 26, inclusive, shall be served by a central well and water system, and no individual wells or water systems shall be permitted or installed on or under said Lots. The location of such central well and water system is anticipated to be partially or entirely on a portion of Lot 37 adjacent to said Lots, and Declarant shall execute and record a declaration of covenants and reciprocal easements covering the location thereof. The costs of installing, maintaining, repairing and replacing the central well and water system shall be governed by said declaration of covenants and reciprocal easements.

7.2. Use Restrictions. The following use restrictions shall be applicable to all Lots:

(a) Neither hunting, trapping nor the discharge of any rifle, shotgun, pistol or other firearms or use of traps shall be permitted at any time on any Lot or in the Common Facilities or on Lot 37 unless such activities are expressly authorized and permitted by the Board of Directors of the Association.

(b) No swine, poultry, goats, horses, cows, livestock or other animals shall be raised, kept or cared for on any of the Lots, except ordinary household pets belonging to the household. No domestic animals will be allowed off their Owner's premises unless in the immediate company of their owner or his agents. The Review Committee or the Association's directors may limit the number of domestic animals on any Lot, and may withdraw permission for any domestic animal from any Owner who violates the restrictions of this paragraph.

(c) The Association shall be and is hereby authorized to construct and install, and thereafter repair and maintain, access roads on the Common Facilities for the benefit of the Owners within the Subdivision; provided, however that the design and location of such access roads must be approved

by the Declarant. The use of such access roads, including without limitation parking on or adjacent to the access roads, shall be governed by such rules and regulations of the Association as, in the discretion of the Board of Directors, may be necessary.

(d) No attempt shall be made by anyone to domesticate any wild animals on the properties.

(e) Except to the extent permitted by the Review Committee to enable the building of structures and improvements on a building site, and except for the removal of dead or diseased trees, there shall be no cutting of timber located on a Lot.

(f) The layout, design and installation of all plant life, landscaping, grasses, lawns or ground covers, except those in specific confined gardens or planters, must be approved by the Review Committee. Plants outside of the confined areas mentioned above must conform to the natural varieties and must not be of an undesirable spreading nature, and must be planted in irregular or staggered natural spacing. No owner or owners shall permit noxious weeds or other undesirable plants to grow or spread upon his Lot. In the event any Owner fails to control or eliminate the growth or spreading of such noxious weeds and undesirable plants, the Association shall be entitled to take such action as is necessary to eradicate or control such weeds and plants at the expense of the Owner or Owners of the Lot, and the full amount of any costs and expenses shall be due and payable within thirty (30) days after the Owner is billed therefor.

(g) No external burning of refuse or other materials shall be permitted on any Lot and the design and location of all barbecue pits, sites or units must be approved by the Review Committee. No Owner shall do any act or permit the continuance of any condition that creates an unnecessary or unreasonable risk of fire.

(h) The Owners or Occupants of any Lot shall at all times conduct their use and activities in a manner that will preserve the integrity of the springs, ponds, streams and creeks within the Subdivision, including the prevention of any degradation of water quality, any reduction or increase in the flows of the springs, creeks or streams, or any damage to the streambeds or banks. Further, the Owner or Occupants shall not conduct or permit the conduct of any activities which encourage or facilitate the discharge of any liquid, solid or gas into such waterways or the polluting of such waterways. The Association is authorized to adopt rules and regulations designed to preserve the integrity and quality of said springs, ponds, streams and creeks, and each Owner or Occupant shall abide by said rules and regulations so adopted. The use of any fertilizers or herbicides other than those approved by the Board of the Association is expressly prohibited. Nothing stated herein shall be deemed or construed to give or grant to any Owner or Occupants any right or privilege of use or access to any of said courses, channels and beds of any streams, or any springs, streams, creeks, ponds or rivers which cross, flow or traverse the Subdivision, all of which rights have been reserved by Declarant.

(i) No Lot or any building or improvement erected thereon shall at any time be used for the purpose of any trade, profession, manufacturing or business of any description; nor shall any Lot or building be used for hospitals, duplexes, apartment houses, or any other multiple dwelling houses.

(j) No Noxious or offensive activities shall be carried on, nor shall anything be done on any Lot which may become an annoyance or nuisance to the other Owners in the Subdivision.

(k) Except with respect to pedestrian and vehicular traffic within the Common Facilities, no Owner or Occupant shall travel, cross, traverse or otherwise trespass over, on or across any portion of Lot 37.

7.3. Exterior Maintenance. Each Owner shall provide exterior maintenance upon his Lot and any structures thereon; including painting and repairing the structures; maintaining the grounds to preclude 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 (30) day period, the Association may then enter such Lot 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 Lot by the Association shall not be deemed a trespass.

ARTICLE VIII GENERAL PROVISIONS

8.1. Enforcement. Violation of any restrictions, conditions, covenants or agreements herein contained shall give to the Association, acting through its directors, the right to enter upon the property, and to summarily abate and remove at the expense of the Owner any erection, thing, or condition that may be in, or upon said Lot contrary to the provisions hereof without being deemed guilty of trespass. The result of every act or omission whereby any restrictions, condition, covenant or agreement is violated in whole, or in part, is hereby declared to be and constitute a nuisance, and every remedy allowed by law against a nuisance, either public or private, shall be applicable against every such result. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by cumulative and not exclusive. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

8.2. Costs of Enforcement. In the event the Association employs an attorney because of a violation by an Owner of one or more of the provisions of this Declaration, or if the Association commences an action for the enforcement of this Declaration or of the lien for assessments and the Association is wholly or partially successful in such action, the offending Owner shall be obligated to pay, on demand, all costs, charges and expenses, including reasonable attorney's fees, incurred by the Association.

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

GRANT OF EASEMENTS AND DECLARATION OF COVENANTS

THIS GRANT OF EASEMENTS AND DECLARATION OF COVENANTS (the "Grant and Declaration"), is made and entered into this 1 day of June, 1994, by and between JRR, LC, a Montana limited liability company, with its principal office at HC 38 Box 2027, Livingston, Montana 59047 (hereinafter referred to as "Owner") and JRR HOMEOWNERS' ASSOCIATION, INC., a Montana nonprofit corporation, of HC 38 Box 2027, Livingston, Montana 59047 (hereinafter referred to as "Association").

Security Title 9-1-1111

WITNESSETH:

WHEREAS, the Owner is the owner of Lots 1 through 18, inclusive, and Lots 21 through 26, inclusive, and Lots 28 through 32, inclusive, and Lots 34, 35 and 36, all of Jumping Rainbow Ranch Subdivision, a tract of land located in the SE $\frac{1}{4}$ of Section 26, and the NW $\frac{1}{4}$, NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ of Section 35, Township 3 South, Range 9 East, P.M.M., Park County, Montana, according to Subdivision Plat No. 72, on file and of record in the office of the County Clerk and Recorder of Park County, Montana, and is also the owner of Lot 20A of the Amended Plat of Jumping Rainbow Ranch Subdivision, a tract of land located in the SE $\frac{1}{4}$ of Section 26, and the NW $\frac{1}{4}$, NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ of Section 35, Township 3 South, Range 9 East, P.M.M., Park County, Montana, according to Subdivision Plat No. 103, on file and of record in the office of the County Clerk and Recorder of Park County, Montana (hereinafter individually referred to as a "Lot" and collectively as the "Lots"); and

WHEREAS, the Owner is also the owner of or has the right to acquire Lot 37 of Jumping Rainbow Ranch Subdivision ("Lot 37"), upon which there are existing access roads and certain utility lines serving all or a portion of the above-described Lots; and

WHEREAS, the Association is a duly organized and existing nonprofit corporation under the laws of the State of Montana, the membership of which consists of the owners of the above-described Lots; and

WHEREAS, the Owner has executed and delivered that certain Restated Declaration of Covenants, Conditions, Restrictions and Easements of even date herewith (the "Restated Declaration"), and in accordance with Section 3.1 of the Restated Declaration has reserved certain easements for conveyance to the Association.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and the Association do hereby agree as follows:

I. Grant of Easements. The Owner does hereby give, grant, transfer and convey unto the Association, and its successors and assigns, for the benefit of the owners of the Lots, the following described nonexclusive easements and rights-of-way:

(a) Access Road Easements. An easement and right-of-way for purposes of constructing, installing, maintaining, repairing, relocating and replacing roads for providing access, ingress and egress to and from the Lots in the Subdivision to roads adjacent to the Subdivision, over, along, on and across portions of Lot 37, more particularly described as follows:

Those portions of strips of land in Lot 37 of said Jumping Rainbow Ranch Subdivision shown and depicted as private roads on the plat of said Subdivision, as the same are currently existing or may hereafter be built and constructed. It is the intention of Owner to grant an easement for rights-of-way to the Association for the benefit of the owners of the Lots over and across those portions of said Lot 37 upon which the roads are actually located or may be hereafter laid out and established. The Owner, for itself and its successors and assigns, acting in its sole discretion, hereby reserves the right to designate the specific location or route for any such private access roads, and further reserves the right to relocate any such access roads. In the event the course or courses of the roads are hereafter relocated or altered, then the easement shall be deemed granted by this Grant and Declaration for that portion of the road as relocated, and the easement and right-of-way for the portion of the road no longer used shall be deemed abandoned and terminated.

(b) Private Driveway Easements. An easement and right-of-way for purposes of constructing, installing, maintaining, repairing, relocating and replacing private driveways for providing access, ingress and egress to and from the Lots in the Subdivision to roads within the Subdivision, over, along, on and across portions of Lot 37, more particularly described as follows:

Those portions of strips of land in Lot 37 of said Jumping Rainbow Ranch Subdivision upon which a driveway currently exists or shall hereafter be laid out and constructed, and which driveways shall extend from the main roads in the Subdivision, as more particularly described in subparagraph (a) above, to the point of intersection with the boundaries of the Lots. It is the intention of Owner to grant to the Association, for the benefit of the each current and future owner of a Lot in the Subdivision, an easement for the purposes of constructing a private driveway from the main road near each Lot and for the purposes of providing ingress, egress and access to such Lot. The driveway easements granted herein are intended to be for the private use and enjoyment of the owner of the Lot served by a particular driveway, and in accordance with such rules and regulations as may be adopted from time to time by the Association. The Owner, for itself and its successors and assigns, acting in its sole discretion, hereby reserves the right to designate the specific location or route for any such private driveway, and further reserves the right to relocate any such driveways. In the event the course or courses of the driveways are hereafter relocated or altered, then the easement shall be deemed granted by this Grant and Declaration for that portion of the driveway

as relocated, and the easement and right-of-way for the portion of the driveway no longer used shall be deemed abandoned and terminated.

(c) **Utility Easements.** An easement and right-of-way for the purposes of constructing, installing, operating, maintaining, repairing, relocating and replacing an underground electricity lines and other necessary utility lines serving the Lots in the Subdivision over, along, on, under and across the Access Road Easement and Private Driveway Easement areas described in subparagraphs (a) and (b) above; provided, however, that unless Owner otherwise permits in writing, all such utility lines must and shall be constructed and installed within the area of said Access Road Easement and Private Driveway Easement.

(d) **Picnic Area Easement.** An easement for the purposes of constructing, installing, operating, maintaining, repairing, and replacing picnic tables and associated recreation amenities over, along, on and across a portion of Lot 37, more particularly described as follows:

A tract of land lying south of and adjacent to Lot 26 in the Subdivision, which tract is bounded on the north by the southerly boundary line of said Lot 26, on the west by the westerly boundary line extended of said Lot 26, on the east by the easterly boundary line extended of said Lot 26, and on the south by the Yellowstone River and Deep Creek.

(e) **Pedestrian Easements.** Easements and rights-of-way for pedestrian traffic and access only to and from the Lots in the Subdivision to the Yellowstone River adjacent to the Subdivision, over, along, on and across portions of Lot 37 and over, along, on and across a strip of land twenty (20) feet in width immediately adjacent to the mean high water line of said Yellowstone River. The Owner, for itself and its successors and assigns, acting in its sole discretion, hereby reserves (i) the right to designate the specific locations or route for any such Pedestrian Easements traversing Lot 37 and further reserves the right to relocate any such Pedestrian Easements, and (ii) the right to limit and designate the specific locations of access points from Lot 37 to the strip of land adjacent to the Yellowstone River. In the event the course or courses of the pedestrian easements are hereafter relocated or altered, then the easement shall be deemed granted by this Grant and Declaration for that portion of the pedestrian easement as relocated, and the easement and right-of-way for the portion of the pedestrian easement no longer used shall be deemed abandoned and terminated.

All of the foregoing easements and rights-of-way shall inure to the benefit, specifically, of each of the Lots described in or affected by the easement, and shall be deemed to run with the land, and shall further inure to the benefit of the present and future owners of said Lots, and all of said future owners, their heirs, personal representatives, successors, and assigns, and said Lots and owners shall be subject to the aforesaid easements. Subject to the restrictions set forth in the Restated Declaration and the guidelines that may be adopted from time to time by the Review Committee of the Association, said easements shall and may be used in common by the owners of

said Lots, and their permittees, without any segregation of said easements because the same is located over and on any particular Lots or Lots, and the owners and permittees of the owners shall have the right of ingress and egress on the lands described in the particular easements, regardless of whether or not such owners or permittees are using such easements on land owned by such owner, or on lands owned by the other owners. The foregoing easements and rights-of-way are being granted to the Association for the express benefit of the Lots, and the owners thereof, their heirs, personal representatives, successors and assigns, and said Lots shall be servient to the easements hereby created and granted, and said easements shall be deemed appurtenant to the Lot benefited thereby, and shall pass with the title to said Lot, whether or not it shall be so expressed in the deed or other conveyance document.

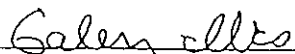
2. Construction of Driveways. Notwithstanding anything to the contrary stated herein, each owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay all costs, expenses and charges relating to the construction and installation of the private driveway serving such owner's Lot, and to pay for all costs, expenses and charges relating to the maintenance and repair of such driveway. The exact location of a driveway to serve a particular Lot is such to review and approval by the Review Committee in accordance with the provisions of Article VI of the Restated Declaration, and the owner shall submit site plans and specifications showing the design and location of the driveway prior to the commencement of any construction or installation thereof.

3. Association Assessments. The Owner, for each Lot owned within Jumping Rainbow Ranch Subdivision which is subject to the Restated Declaration, hereby covenants, and each owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments or charges and special assessments for maintenance and repair of the easements and rights-of-way described herein. Such assessments shall be established and collected by the Association in accordance with the Restated Declaration, and as set forth in the Articles of Incorporation and Bylaws of the Association. The terms and conditions relating to such assessments and the collection of the same are more fully specified in Article V of the Restated Declaration, which document is of record in the office of the Park County Clerk and Recorder.

IN WITNESS WHEREOF, the parties have executed this Grant of Easements and Declaration of Covenants as of the day and year first above written.

JRR, LC, a Montana limited liability company

By: 
 CHARLES LAKOVITCH, a Member

By: 
 GALEN IBES, a Member

GRANT OF EASEMENTS AND DECLARATION OF RESTRICTIONS

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged on this 1 day of June, 1994, JRR, LC, a Montana limited liability company, with its principal office at HC 38 Box 2027, Livingston, Montana 59047 (hereinafter referred to as "Grantor") does hereby give, grant, transfer and convey unto A. C. WAGNER, M.D., of P.O. Box 972, Livingston, Montana 59047 (hereinafter referred to as "Grantee") the following described nonexclusive easements and rights-of-way:

Security Title 94-444

- (1) **Access Road Easement.** An easement and right-of-way for the purposes of constructing, installing, maintaining, repairing, relocating and replacing a gravel road or roads for providing access, ingress and egress to and from Lot 19 of Jumping Rainbow Ranch Subdivision owned by Grantee ("Lot 19") to public roads adjacent to the Subdivision, and for the purposes of constructing, installing, maintaining, repairing, relocating and replacing electrical, telephone and other utility lines, over, along, on and across portions of Lot 37, more particularly described as follows:

Those strips of land twenty feet (20') in width in Lot 37 of said Jumping Rainbow Ranch Subdivision shown and depicted as private roads on the plat of said Subdivision, as the same are currently existing or may hereafter be built and constructed. It is the intention of Grantor to grant an easement for rights-of-way to Grantee, for the benefit of Lot 19, over and across those portions of said Lot 37 upon which the roads are actually located or may be hereafter laid out and established. The Grantor, for itself and its successors and assigns, hereby reserves the right to relocate any such access roads to an alternate reasonable location, provided that the Grantor, or its successors or assigns, shall bear all expenses of relocating the road, built to the same standards as the existing road, to the location of the new easement, and further provided that Grantee may continue to use the existing access roads until the same have been relocated and constructed as provided herein. In the event the course or courses of the roads are hereafter relocated or altered, then the easement shall be deemed granted by this Grant and Declaration for that portion of the road as relocated, and the easement and right-of-way for the portion of the road no longer used shall be deemed abandoned and terminated.

- (2) **Pedestrian Easement.** An easement and right-of-way for pedestrian traffic and access only to and from the Lot 19 to the Yellowstone River adjacent to the Subdivision, over, along, on and across portions of Lot 37 and over, along, on and across a strip of land twenty (20) feet in width immediately adjacent to the mean high water line of said Yellowstone River. The Grantor, for itself and its successors and assigns, hereby reserves the right to designate a corridor at least ten feet (10') in width between said Lot 19 as the specific locations or route for the said pedestrian easement traversing Lot 37 and further reserves the right to relocate any such pedestrian easement, provided that said corridor is located within the area of the scenic easement

described in paragraph (3) below and that such corridor provides reasonable access between Lot 19 and the bank of the Yellowstone River. In the event the course or courses of the pedestrian easement are hereafter relocated or altered, then the easement shall be deemed granted by this Grant and Declaration for that portion of the pedestrian easement as relocated, and the easement and right-of-way for the portion of the pedestrian easement no longer used shall be deemed abandoned and terminated.

- (3) **Scenic Easement.** A scenic easement for the benefit of Lot 19 over, along, on and across that portion of Lot 37 more particularly shown and depicted on Exhibit "A" attached hereto and by this reference made a part hereof. The Grantor, for itself and its successors and assigns, hereby declares, covenants and agrees that within the scenic easement area (i) no residence, garage, guest house, antenna or other structure shall be constructed or erected which exceeds twenty-five feet (25') in height above the natural grade of the undeveloped land within the scenic easement area, and (ii) no feed lots, mobile homes, or industrial or commercial activities shall at any time be allowed or permitted within the scenic easement area, provided that the foregoing shall not preclude the use of said property for agricultural purposes other than feed lots.

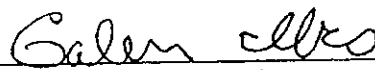
The foregoing easements and rights-of-way shall inure to the benefit, specifically, of Lot 19 and shall be deemed to run with the land, and shall further inure to the benefit of the present and future owners of said Lot 19, and all of said future owners, their heirs, personal representatives, successors, and assigns. The foregoing easements and rights-of-way are being granted to Grantee for the express benefit of the Lot 19, and the future owners thereof, their heirs, personal representatives, successors and assigns, and the property upon which such easements and rights-of-way are located shall be servient to the easements hereby created and granted, and said easements shall be deemed appurtenant to Lot 19, and shall pass with the title to said Lot 19, whether or not it shall be so expressed in the deed or other conveyance document.

TO HAVE AND TO HOLD unto the Grantee, and his heirs, personal representatives, successors and assigns, forever.

IN WITNESS WHEREOF, the Grantor has executed this Grant of Easements and Declaration of Restrictions as of the day and year first above written.

JRR, LC, a Montana limited liability company

By: 
 CHARLES LAKOVITCH, a Member

By: 
 GALEN IBES, a Member

STATE OF MONTANA)
: ss.
County of Park)

This instrument was acknowledged before me on June 1, 1994, by CHARLES LAKOVITCH and GALEN IBES, as the Members of JRR, LC, a Montana limited liability company.

Michael Dockery
Notary Public for the State of Montana
Residing at Billings, Montana
My Commission Expires: 9/27/95



BASIS OF BEARING: EAST LINE OF SEC. 26 AS
S00°21'07"E FROM COS NO. 601

REASON FOR SURVEY: TO CREATE NEW TRACTS
OF LAND.

NOTE: THE E-W 1/4 LINE OF SEC. 35 WAS
ESTABLISHED AT THE MEAN BEARING OF
THE NORTH & SOUTH LINES OF SEC. 35.

AREA CALCULATIONS ARE MADE TO THE
MEAN HIGH WATER LINE OF THE
YELLOWSTONE RIVER.

DICTATED RESIDENCE
13 ROYAL LULFF RD.

SUBJECT
PROPERTY

Fingering Lumber to be used

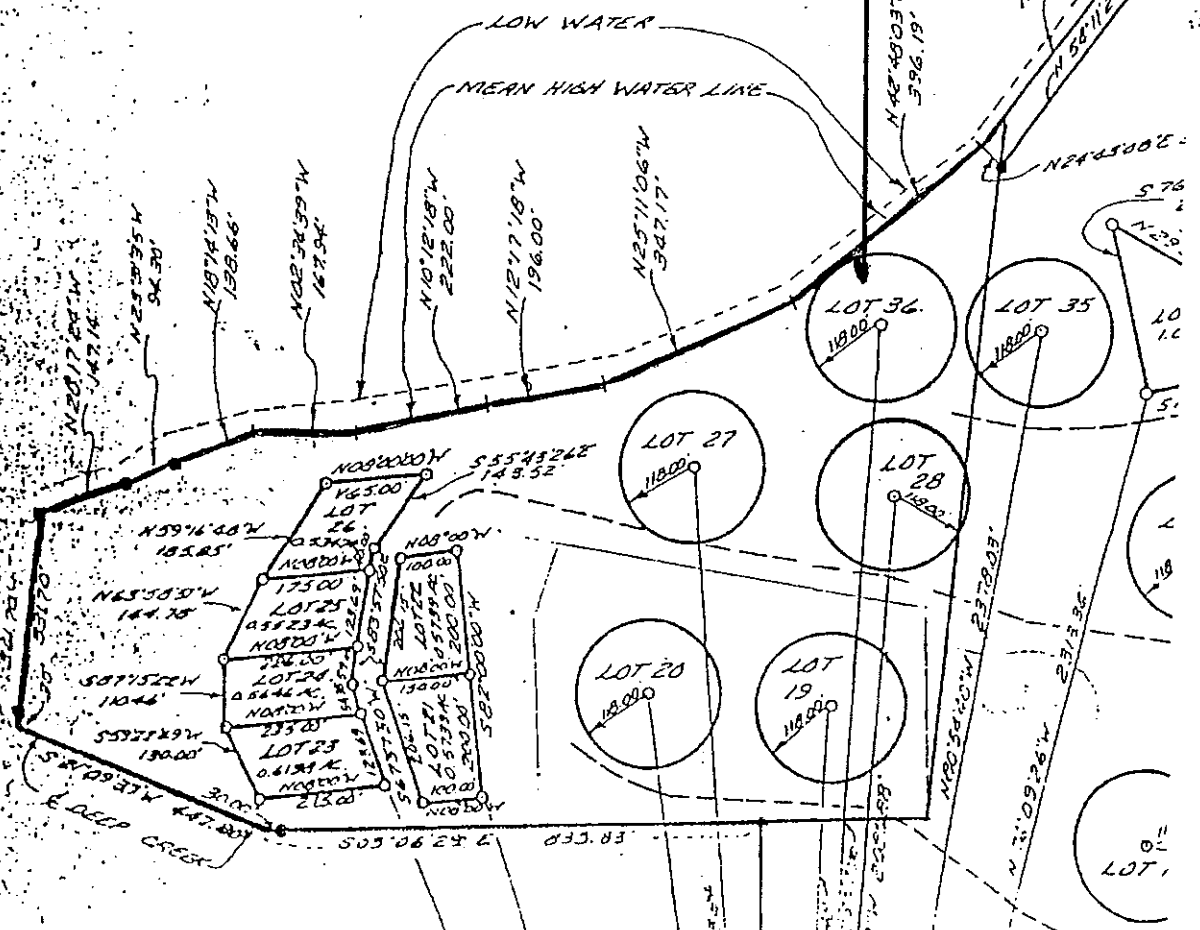


Exhibit "A" Northern Boundary of scenic Easement

[Handwritten mark]

From a plastic-capped rebar which marks the center of Lot 19, Park County Subdivision Plat No. 72 (SD 72), the point of beginning is N 55°39.8' E, a distance of 208.76 feet. This point is referenced by a wooden hub which is N 90°00.0' W a distance of 40.00 feet from the true point. (Said point is the northeast corner of the "Contingency Tract".)

Thence N 83°41.7' W a distance of 1093.17 feet to a point marked with a Surv Kap which marks the southeasterly corner of Tract 13 of Park County Certificate of Survey No. 601.

Thence continuing N 83°41.7' W to the mean high water line of the Yellowstone River, as shown on SD 72.

State of Montana }
County of Park } ss

Filed for record this 1 day of June, A.D. 1994, at 4:52
o'clock P. M. Recorded in Roll 101, Pages 714-718

B. DEAN HOLMES

By D. Dea Paul

County Clerk & Recorder

239828

Deputy

Security Title

Recording Fee \$ 30.00

Document No.

Return to.

Livingston, MT

DECLARATION OF NEGATIVE DEVELOPMENT EASEMENT

THIS DECLARATION OF NEGATIVE DEVELOPMENT EASEMENT is made and given this 1 day of June, 1994, by JRR, LC, a Montana limited liability company, with its principal office at HC 38 Box 2027, Livingston, Montana 59047 (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the following described land in Park County, Montana (individually referred to as a "Lot" and collectively as the "Lots"):

Lots 1 through 18, inclusive, Lots 21 through 26, inclusive, and Lots 28, 29, 31, 34, and 36; all of Jumping Rainbow Ranch Subdivision, a tract of land located in the SE¼ of Section 26, and the NW¼, NE¼ and the SE¼ of Section 35, Township 3 South, Range 9 East, P.M.M., Park County, Montana, according to Subdivision Plat No. 72, on file and of record in the office of the County Clerk and Recorder of Park County, Montana; and

Lot 20A of the Amended Plat of Jumping Rainbow Ranch Subdivision, a tract of land located in the SE¼ of Section 26, and the NW¼, NE¼ and the SE¼ of Section 35, Township 3 South, Range 9 East, P.M.M., Park County, Montana, according to Subdivision Plat No. 103, on file and of record in the office of the County Clerk and Recorder of Park County, Montana.

WHEREAS, Declarant is the owner of or has the right to acquire Lot 37 of Jumping Rainbow Ranch Subdivision, a portion of which is adjacent to the above-described property, and Declarant desires to restrict development to that portion of Lot 37 immediately adjacent to and surrounding the above-described Lots.

NOW, THEREFORE, Declarant hereby declares that all of the property within the hereinafter described Negative Development Area shall be held, sold and conveyed subject to the following negative easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of the Lots, and which shall run with the real property and be binding on all parties having any right, title or interest in the Negative Development Area or any part thereof, and upon their heirs, personal representatives, successors and assigns and shall inure to the benefit of the Lots and the present and future owners of the Lots, and their heirs, personal representatives, successors and assigns.

1. Description of Negative Development Area. The terms, conditions and covenants of this Declaration shall be applicable to and binding upon that portion of Lot 37 in Jumping Rainbow Ranch Subdivision, situated in Park County, Montana, more particularly described as follows (the "Negative Development Area"):

Security Title 94-444

That portion of Lot 37 of Jumping Rainbow Ranch Subdivision commonly known and referred to as the Upper Ranch area and lying east of the crest or line of the bench separating the Upper Ranch from the Lower Ranch, which is more particularly shown and depicted as the cross-hatched area on Exhibit "A" attached hereto and by this reference made a part hereof; EXCEPTING THEREFROM the areas comprising the Lots within Jumping Rainbow Ranch Subdivision; AND FURTHER EXCEPTING THEREFROM, that certain tract of land consisting of approximately 6.2 acres, more or less, being Lot 19 of Jumping Rainbow Ranch Subdivision and a 5.2 acre tract adjacent to and surrounding said Lot 19, which tract of land is more particularly shown and depicted on Exhibit "B" attached hereto and by this reference made a part hereof.

2. Development Restrictions. The Declarant does hereby declare that within the Negative Development Area:

- (a) No building, structure or other improvement erected thereon shall at any time be used for the purpose of any trade, profession, manufacturing or business of any kind or description; provided, however, that the foregoing shall not prohibit or preclude the Declarant from using the property for normal farm, ranch or agricultural purposes, including without limitation, the grazing and pasturing of livestock and the construction of barns, corrals or fences to contain such livestock (but Declarant shall not be obligated to build or construct any such barns, corrals or fences), except that no feedlot shall be permitted or allowed, and that the Declarant and its permittees shall be further entitled to use the property for purposes of riding horses or similar equestrian activities.
- (b) The said Negative Development Area shall not be subdivided, resubdivided, split, altered or reduced in size in any way or manner whatsoever; provided, however, (i) that the foregoing shall not prohibit an adjustment or relocation of common boundary lines between a Lot and that adjacent portion of Lot 37 within the Negative Development Area, and (ii) the Declarant reserves the right, acting in its sole discretion, to relocate Lots 28, 29, 31, 34 and 36 from their present location within the Subdivision into the Negative Development Area, and to file a certificate of survey or amended plat in connection with the relocation of said lots, together with such documents or instruments as may be necessary to effectuate the relocation of said lots.

3. Enforcement. Violation of any restrictions, conditions, covenants or agreements herein contained shall give to any owner of a Lot and to JRR Homeowners' Association, Inc. (the "Association") acting through its directors, the right to enter upon the property within the Negative Development Area, and to summarily abate and remove any erection, thing, or condition that may be in, or upon said Negative Development Area contrary to the provisions hereof without being deemed guilty of trespass. The result of every act or omission whereby any

restrictions, condition, covenant or agreement is violated in whole, or in part, is hereby declared to be and constitute a nuisance, and every remedy allowed by law against a nuisance, either public or private, shall be applicable against every such result. The Association, or any owner of a Lot, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and covenants now or hereafter imposed, and such remedies shall be cumulative and not exclusive. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

4. **Costs of Enforcement.** In the event the Association or any Owner commences an action for the enforcement of this Declaration, the prevailing party in any such action shall be entitled to recover all costs, charges and expenses thereof, including reasonable attorney's fees.

5. **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

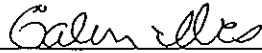
6. **Amendment.** Any term, condition, covenant or provision herein may be amended or revoked, and additional provisions added, at any time by a written instrument recorded in the office of the Clerk and Recorder of Park County, Montana, duly signed and acknowledged by the Declarant and by the owners of record of not less than sixty percent (60%) of the Lots benefited by this Declaration.

7. **Term.** The provisions of this Declaration shall be binding for a term of twenty-five (25) years from the date of this Declaration, after which time the Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the Declarant and by the owners of sixty percent (60%) of the Lots benefited hereby has been recorded, agreeing to revoke or terminate this Declaration.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration as of the day and year first above written.

JRR, LC, a Montana limited liability company

By: 
 CHARLES LAKOVITCH, a Member

By: 
 GALEN IBES, a Member

STATE OF MONTANA)
: ss.
County of Park)

This instrument was acknowledged before me on June 1, 1994, by CHARLES LAKOVITCH and GALEN IBES, as the Members of JRR, LC, a Montana limited liability company.

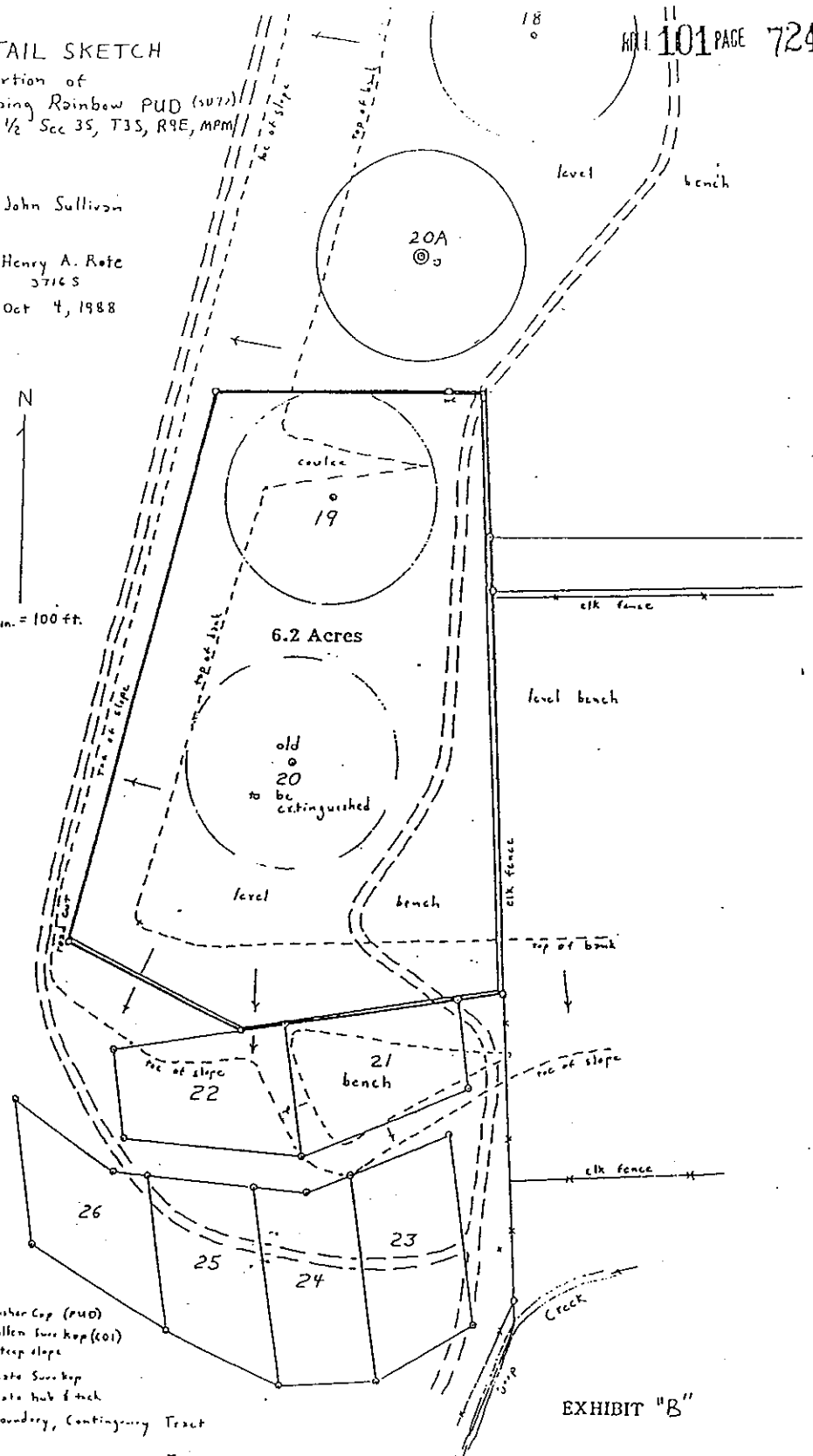


Michael Dookery
Notary Public for the State of Montana
Residing at Billings, Montana
My Commission Expires: 9/27/95

DETAIL SKETCH
 Portion of
 Jumping Rainbow PUD (S072)
 E 1/2 Sec 35, T3S, R9E, MPM

For: John Sullivan
 By: Henry A. Rote
 3716 S
 Oct 4, 1988

N
 1 in. = 100 ft.



State of Montana }
 County of Park } 88
 Filed for record this 1 day of June, A.D. 1994, at 4:52
 o'clock P.M. Recorded in Roll 101, Pages 719-724
 By B. DEAN HOLMES Deputy
 County Clerk & Recorder 239829 Security Title
 Recording Fee \$ 36.00 Document No. 239829 Return to: Livingston, MT

AMENDMENT NO. 1 TO RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

THE UNDERSIGNED, being the owners of at least sixty percent (60%) of the Lots subject to the hereinafter described Declaration, and one-hundred percent (100%) of the Class B members of JRR Homeowners' Association, Inc., a Montana nonprofit corporation, do hereby amend that certain Restated Declaration of Covenants, Conditions, Restrictions and Easements ("Declaration") dated June 1, 1994, and recorded June 1, 1994 on Roll 101, pages 693 to 708, under Document No. 239826, in the office of the County Clerk and Recorder of Park County, Montana, in the following manner:

1. RECITAL A, found on page 1 of the Declaration is hereby amended to delete any and all reference to Lot 28, and that such deletion shall have the effect of excluding Lot 28 and all parties, their heirs, successors and assigns having any right, title or interest in Lot 28, from being subject to or bound by the easements, restrictions, covenants and conditions described within the Declaration.

2. Section 1.14 under ARTICLE I - DEFINITIONS on page 2 of the Declaration is hereby deleted in its entirety and the following substituted therefor:

1.14. "Property" shall mean and refer to all the Lots (except Lots 19, 27, 28, 30, 32, 33, 35 and 37) included within the Jumping Rainbow Ranch Subdivision, all of which are subject hereto, together with such additions as may hereafter be annexed thereto by Declarant in accordance with the terms hereof.

3. Except as specifically modified herein, all of the other terms, covenants, conditions, restrictions and easements of the Declaration shall remain in full force and effect.

4. This Amendment to the Declaration shall run with all of the Property for all purposes and shall be binding upon and inure to the benefit of Declarant and all Owners, Occupants, and their successors in interest as set forth in the Declaration.

IN WITNESS WHEREOF, the undersigned have executed this Amendment effective as of January 20, 1995.

Signatures

Description of Lots Owned

JRR, LC, a Montana limited liability company

Lots 12, 14, 6, 7, 8, 29, 31, 34, 36, Jumping Rainbow Ranch Subdivision

By: [Signature] CHARLES LAKOVITCH, a Member

By: [Signature] GALEN IBES, a Member

[Signature]

Lot 15, Jumping Rainbow Ranch Subdivision

[Signature]

Lot 21, Jumping Rainbow Ranch Subdivision

Paul Scott

Lot 22,
Jumping Rainbow Ranch Subdivision

Paul Scott David H. Cameron
Helen A. Green

Lot 26,
Jumping Rainbow Ranch Subdivision

David H. Cameron

Lot 23,
Jumping Rainbow Ranch Subdivision

Jimmy Miller

Lot 9,
Jumping Rainbow Ranch Subdivision

Helen A. Green

Lot 10,
Jumping Rainbow Ranch Subdivision

Helen A. Green

Lot 25,
Jumping Rainbow Ranch Subdivision

Lot _____,
Jumping Rainbow Ranch Subdivision

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Jumping Rainbow Ranch Subdivision

Lot _____,
Jumping Rainbow Ranch Subdivision

Lot _____,
Jumping Rainbow Ranch Subdivision

STATE OF MONTANA)
: ss.
County of Park)

This instrument was acknowledged before me on this 30 day of May, 1995, by Charles Lakovitch and Galen Ibes as members of JRR, L.C, a Montana limited liability company.



Suzanne Dennison
Notary Public for the State of Montana
Residing at Livingston, Montana
My commission expires: 7-14-96

STATE OF Montana)
: ss.
County of Park)

This instrument was acknowledged before me on this 30 day of May, 1995, by Ray Segal



Suzanne Dennison
Notary Public for the State of Montana
Residing at Livingston, Montana
My commission expires: 7-14-96

STATE OF Montana)
: ss.
County of Park)

This instrument was acknowledged before me on this 30 day of May, 1995, by Ray Segal



Suzanne Dennison
Notary Public for the State of Montana
Residing at Livingston, Montana
My commission expires: 7-14-96

STATE OF Montana)
: ss.
County of Park)

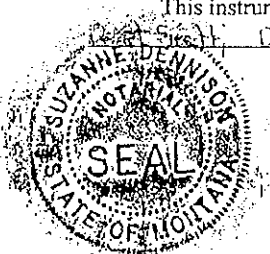
This instrument was acknowledged before me on this 30 day of May, 1995, by Paul Scott



Suzanne Dennison
Notary Public for the State of Montana
Residing at Livingston, Montana
My commission expires: 7-14-96

STATE OF Montana)
 : ss.
County of Park)

This instrument was acknowledged before me on this 30 day of May, 1995, by
David G. Cameron, + Helen A. Green.

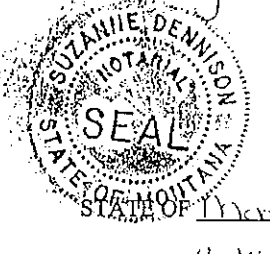


[Signature]
Notary Public for the State of Montana
Residing at Livingston, Montana
My commission expires: 7-14-96

STATE OF MONTANA)
 : ss.
County of Park)

This instrument was acknowledged before me on this 30 day of May, 1995, by

David G. Cameron

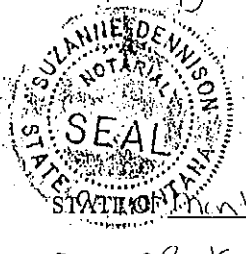


[Signature]
Notary Public for the State of Montana
Residing at Livingston, Montana
My commission expires: 7-14-96

STATE OF Montana)
 : ss.
County of Park)

This instrument was acknowledged before me on this 30 day of May, 1995, by

James Green

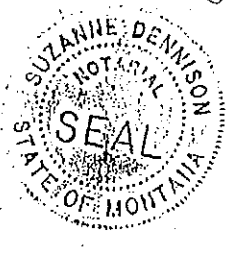


[Signature]
Notary Public for the State of Montana
Residing at Livingston, Montana
My commission expires: 7-14-96

STATE OF Montana)
 : ss.
County of Park)

This instrument was acknowledged before me on this 30 day of May, 1995, by

Helen A. Green



[Signature]
Notary Public for the State of Montana
Residing at Livingston, Montana
My commission expires: 7-14-96

STATE OF Montana)
: ss.
County of Park)

This instrument was acknowledged before me on this 3 day of May, 1995, by
Helen A. Green



[Signature]
Notary Public for the State of Montana
Residing at Livingston, Montana
My commission expires: 7-14-96

STATE OF _____)
: ss.
County of _____)

This instrument was acknowledged before me on this ___ day of _____, 1995, by

Notary Public for the State of _____
Residing at _____,
My commission expires: _____

STATE OF _____)
: ss.
County of _____)

This instrument was acknowledged before me on this ___ day of _____, 1995, by

Notary Public for the State of _____
Residing at _____,
My commission expires: _____

STATE OF _____)
: ss.
County of _____)

This instrument was acknowledged before me on this ___ day of _____, 1995, by

Notary Public for the State of _____
Residing at _____,
My commission expires: _____

* State of Montana }
County of Park } ss.
Filed for record this 31 day of May, A.D. 1995, at 8:07
o'clock 2 M. Recorded in Roll 108 Pages 169-174
By D. Don Raible Deputy
County Clerk & Recorder Denise Nelson 29834
Recording Fee \$ 36.00 Document No. _____ Return to: Charles Larkowitch
SRP No 38 Box 2037
Livingston, MT