

AMENDED COVENANTS OF THE
PROTECTIVE COVENANTS
OF
MILLIGAN CANYON ESTATES INC.
11-12-07

WHEREAS, Murray Ranch Inc. (hereinafter referred to as present or original owner, or by other appropriate designation) is the owner of certain lands in Jefferson County, Montana, located in the SE ¼ Section 20, Township 2 North, Range 1 West, known as Milligan Canyon Estates Inc., a plat of which is on file in the Clerk & Recorder's Office in Jefferson County (Boulder, Montana), and which lands are hereinafter referred to as the premises or the subdivision or by other appropriate designation.

WHEREAS, the owner, by and through the within protective covenants, hereby places certain restrictions, limitations and regulations as to the use of those lots which are sold or transferred by the owner within said premises, which premises have been subdivided and platted into lots and tracts according to the plat thereof known as MILLIGAN CANYON ESTATES INC., and which plat has been duly filed of record in the office of the Clerk and Recorder of Jefferson County, Montana, and is hereafter referred to as the "plat."

NOW, THEREFORE, the owner does hereby establish, declare, publish and impose upon those lots within the premises which are sold or transferred by the owner, excluding portions of lots hereinafter mentioned, the following protective covenants which shall run with the land and be binding upon and be for the benefit and value claiming under him, his representatives, grantees, successors and assigns, and all successors and assigns, and all subsequent owners or persons or purchasers claiming under any person or entity to which he may transfer any of the property, and shall be for the purpose of maintaining a stable value and compatible character, architectural design, use and development of the premises. These protective covenants shall apply to all of those lots that are sold by the owner to purchasers and to all improvements specifically or generally accepted herein.

All of said restrictions, conditions, covenants and agreements shall be made for the direct, and mutual and reciprocal benefit of each and every lot to which these covenants and amendments may apply, and shall be intended to create mutual and equitable servitudes upon each of said lots in favor of each other lot, and to create reciprocal rights and obligations between the respective owners of all lots of which these covenants and amendments may apply, and to create a privity of contract and estate between the grantees of said lots, their heirs, successors and assigns, and operate as covenants running with the land for the benefit of all other lots.

Said property shall be sold, conveyed, leased, occupied, resided upon, hypothecated and held subject to the following restrictions, conditions, covenants and agreements between them and the several owners and purchasers of said property as between themselves and their heirs, successors and assigns, to-wit:

ENVIRONMENT PRESERVATION AND GENERAL PURPOSES

No lot in the subdivision which is sold to a purchaser shall be used for any purpose or activity other than a purpose or activity herein specifically permitted or contemplated, and no structure shall hereafter be erected or maintained on any lot except a structure herein specifically permitted. The purposes of these covenants, restrictions, conditions and reservations are to: ensure the use of the property for rural residences; ensure health and happiness; prevent unnecessary impairment of the environmental or ecological attractiveness of the property; maintain the nature of the area in its native form; and preserve its natural beauty as far as possible and thereby to secure to each lot owner the full benefit and enjoyment of his/her/their property with no greater restriction upon the free and undisturbed use of the same than is necessary to ensure the same advantages to the other lot owners. Further, these covenants are calculated to preserve the environmental, ecological and aesthetic style and values of the property and the visual environment, so far as may be consistent with its use for rural residences as herein contemplated, and to create a model environmental subdivision. These restrictions and covenants should be interpreted in a manner that will help accomplish these purposes.

1. AMENDMENT: These covenants may be amended by not less than two-thirds (2/3) of all of the members of the Association, and any such amendment must be placed of record in the Office of the Clerk & Recorder in Jefferson County, Montana. However, these covenants may not be amended to detract from the rights of the original owner, defined herein, to make exceptions concerning commercial activity, condominiums, reservations, and any other of the provisions of these covenants which allow the present owner to provide for appropriate exceptions.

2. ANIMALS: To help ensure that lots within the MILLIGAN CANYON ESTATES INC. maintain ground cover to minimize surface water runoff, blowing dust, and malodors, no farms animals (including, but not limited to, horses, cows, sheep, goats, swine, chickens, and rabbits) shall be permitted on the premises. Also, no dogs or other pets may be raised or cared for on the premises on a commercial basis. No more than two dogs and three cats shall be kept on any tract. Each dog must be accompanied by its owner when outside the boundaries of his/her tract.

3. BUILDINGS:

A. Residential Purposes Only: Each lot shall be used for residential purposes, and no manufacturing of any sort or nature shall be conducted thereon.

B. Structure Standards: All structures shall be constructed on-site of new materials, or suitable used material (such as used brick or beams) if approved by the Improvement Committee (see Section D). No manufactured or mobile home shall be erected or constructed on any lot within the subdivision. However, good quality modular and prefabricated homes are allowed to be constructed on any lot within the subdivision if the structure meets strict review by the improvement committee. Each dwelling must be of a permanent type of new construction that is permanently attached upon an appropriate concrete or other acceptable foundation, with or without a basement.

C. Urban-Wildland Interface: All structures will be constructed with a Class A roof covering or a Class A roof assembly. For roof coverings where the profile allows for a space between the roof covering and the roof decking, the space at the eave ends shall be fire stopped to preclude the entry of flames and embers. The structures shall be completely surrounded by thirty (30) feet of non-combustible materials (or well maintained irrigated lawn of three inches or less) measured out from the exterior walls of the structure. In addition, all structures shall be completely surrounded by three (3) feet of non-combustible materials, such as washed rock, or similar substances, measured out from the exterior walls of the structure.

D. Improvement Committee:

(1). There is hereby created an Improvement Committee, which is also herein referred to as the "Committee," which shall consist of three (3) persons, appointed by the Board of Directors of Murray Ranch Inc., the developer of the Milligan Canyon Estates. At such time as seventy-five percent (75%) of the platted lots have been sold, the Committee shall be composed of three (3) owners of lots within the subdivision.

(2). No building, construction, landscaping, parking area, fence, wall or other improvement shall be placed, constructed, erected, repaired, restored, reconstructed, altered, remodeled, added to, or maintained on any lot or tract until building and site plans and specifications, and such other information as the Committee may reasonably require, including, without being limited to, building materials and models, have been submitted to and approved by a majority of the Committee in writing. Nor may the same be commenced until the Committee shall have issued a letter approving the contemplated improvement(s).

(3). Except as otherwise specified in these covenants, the Committee may designate set-back requirements for any structure as in its discretion best satisfies the requirements of the site.

(4). The Committee shall have the authority to reject materials, design, and/or exterior color schemes submitted with plans, or the plans themselves, if they are not compatible with the rest of the subdivision or with the general purposes of the subdivision.

(5). The Committee shall have the authority to grant variances, in writing, to the building covenants when, in its discretion, it believes the same to be necessary and when the same will not be injurious to the rest of the subdivision.

(6). All improvements, construction, reconstruction, alterations, remodeling or any activity requiring the approval of the Committee must be completed in substantial compliance with the latest set of plans and specifications initially approved by the Committee.

(7). The Committee shall have the power, authority, standing, and right to enforce these covenants in any court of law or equity when it reasonably believes the same have been violated.

(8). The Committee may require reasonable fees to be paid with the submission of building plans and specifications to the Committee for its approval.

(9). The Committee shall be governed by the following guidelines in its considerations of plans and specifications submitted for its approval:
(a) It must recognize that all improvements in the subdivision must harmoniously combine and not be inconsistent with the development of the entire project, so as to maintain a reasonable uniformity of value and quality.

(b) In considering any plans or specifications, the Committee shall examine the suitability of the same to the site, including the materials of which it is to be constructed, as well as the relationship of the same to adjacent properties.

(c) No plans or specifications shall be approved which will be so similar or dissimilar to other improvements or structures that monetary or aesthetic values will be impaired.

(d) All plans and specifications shall be in full compliance with each term and provision of these covenants.

(10). The Committee and individual members thereof may not be held liable by any person for any damages which may result from Committee action taken pursuant to these covenants, including, but not by way of limitations, damages which may result from correction, amendment, change or rejection of plans, the issuance of building permits, or any delays associated with such action on the part of the Committee.

E. Construction Time: The exterior of each permanent building must be completed within one year from the time construction of the same begins.

F. Height of Structures: No building may be more than two stories high above average grade.

G. Special Structures: To preserve the aesthetic values of the premises, all propane tanks or other separate items shall be screened from view from subdivision streets and other properties.

H. Paint: Exterior colors; trims, and finishes of all structures erected upon the property shall be earth tone in color.

I. Size of Residences: The main residence shall not have less than fifteen hundred (1,500) square feet of above ground primary living area, exclusive of open porches, basements, and garages.

J. Existing Buildings: No existing building, whether intended for use in whole or in part as the main residence or as a garage or other outbuilding, shall be moved upon the premises.

K. Mobile Homes: Mobile homes or similar housing facilities shall not be brought upon the premises except as provided in these covenants.

L. Recreational Vehicles: Motorcoaches, boats and trailers, snow mobiles, campers, camper trailers, motorcycles, and other recreational vehicles may be stored on the premises but must be visually screened from neighboring houses and all streets. Visitors' motorcoaches, campers, and camper trailers may be parked on a lot and occupied for a period not to exceed one week (7 days) each calendar month.

M. Location of Structures: No single-family residence, garage, storage building or other outbuilding shall be placed within sixty (60) feet of any property line.

N. Occupancy: No residential structure shall be occupied for residential purposes until the exterior is completely finished, and the septic system is approved by Jefferson County.

O. Antennas: Antennas and satellite dishes shall be constructed and/or located so that they are inconspicuous.

4. COMMERCIAL AREAS: Lots or tracts may be used only for residential purposes. No manufacturing, commercial enterprise, industrial enterprise, mining of any type, or any other enterprise of any kind may be carried on for profit upon, in front of, or in connection with the lots sold to purchasers in this subdivision, nor shall any parcel be used for any other purpose, except as otherwise provided for herein. Nothing in this Section shall prohibit an Owner from using his/her/their property to operate a home-based business with no more than one (1) employee so long as the activities of the business:

- A. DO not materially increase the number of cars parked on the Property;
- B. DO not interfere with adjoining homeowners' use and enjoyment of his/her/their Property;
- C. ARE not apparent or detectable by sight, sound, or smell from outside the Property;
- D. DO not involve regular visitation of the clients, customers, suppliers, or other business invitees or door-to door solicitors to the Property;
- E. ARE consistent with the residential character and nature of the Property; and
- F. DO not constitute a nuisance..

5. COVENANTS INCORPORATED IN ALL CONVEYANCES: These covenants are hereby incorporated in all lots within the subdivision to which they may be attached and recorded with the conveyance as a part thereof.

6. COVENANTS RUN WITH THE LAND: These covenants, conditions, restrictions and reservations are to run with the land and shall be binding upon, and shall inure to the benefit of all purchasers of lots and their heirs, devisees, executors, administrators, assigns and successors in interest and all persons claiming under them.

7. DRAINAGE EASEMENTS: Each lot is impressed with an easement for the benefit of all other lots for the aboveground dispersal of water and the underground dispersal of septic material.

8. EASEMENTS: The twenty foot (20') easements provided adjacent to each lot line within the subdivision are for the purpose of facilitating the installation of lines for electricity and telephone service or other necessary facilities. There shall be a reasonable method of access available to all interested persons or entities for the purpose of maintaining, removing, repairing, and altering the facilities for utilities mentioned herein.

9. ENFORCEMENT:

A. In the event of any violation or threatened violation of these covenants, any owner of real property in the premises, or the Improvement Committee, or the Owners' Association, may enforce these covenants by any applicable or legal proceedings in a court of law or equity, including the seeking of injunctive relief and damages. The owner or Committee or Association may, in connection with such legal proceedings, or as a separate remedy, enter upon the property in question and remove, remedy, or abate the violation or threatened violation after first having given reasonable notice and a reasonable opportunity for the violator to take action himself to comply with these covenants.

B. No owner, member of the Improvement Committee, or Owners' Association, shall be liable to any person or entity for any entry, self-help, or abatement of a violation or threatened violation of these covenants, and all owners or lessors of real property shall be deemed to have waived any and all rights or claims for damages for any loss or injury for action taken to abate, remedy, or satisfy any violation or threatened loss of these covenants. Exception to the above shall exist for loss, injury, or damage for intentional wrongful acts.

C. Actual costs, expenses and reasonable attorney's fees incurred in connection with correcting, remedying, abating, preventing, or removing any violation or threatened violation of these covenants, either through litigation, entry or self-help, shall constitute a claim by the owner or the Improvement Committee or the Owners' Association initiating such action against the owner of the property which is the subject of such violation or threatened violation. The owner, the Committee or the Association making such claim may file a lien against the subject property in the amount of the claim by filing a verified statement of the lien with the Office of the Clerk & Recorder of Jefferson County, Montana. Such lien statement must set forth the name(s) of the claimant and the owner(s) of record of the property against which the costs and expenses constituting the claim were incurred. Once filed, the lien shall remain of record as a claim against the property until paid in full or foreclosed in the manner otherwise provided by law, subject to rights of redemption.

10. FENCES, HEDGES AND WALLS: Fences will be permitted for the purpose of providing privacy or safety for play area, patio area or pool; provided, however the fence plans must be approved as to materials, style, and height by the Committee. No landowner can completely fence the perimeter of their property in such a manner so as to completely restrict the natural movement of wildlife.

11. FIREARMS AND HUNTING: All persons, lot owners and otherwise, are strictly forbidden to hunt on the premises. The discharge of firearms on the premises is also forbidden.

12. GARBAGE AND STORAGE TANKS: No trash, waste, garbage, litter, or refuse shall be thrown, dumped or left on any portion of the premises, and no burning of the same shall be permitted. No incinerator or other device for the burning of trash or garbage shall be installed or used except as may be approved by the Improvement Committee. Each owner or lessee shall provide suitable receptacles for the containment and collection of trash and garbage, which must be enclosed or screened or otherwise unexposed to public view. Receptacles shall be placed out for garbage collection only for the day of collection. Nothing contained herein shall be construed to prohibit or deny the installation and use of wood burning fireplaces, indoors or outdoors.

13. GRANTEE AGREEMENT: The grantee of any lot or lots covenants and agrees, for himself/herself and his/her family and all others claiming by and through him/her, by the acceptance of a conveyance of any lot or portion of the premises, to faithfully observe and comply with all the covenants and provisions herein contained.

14. INUREMENT: All rights, privileges, interests and obligations in favor of or resting upon the original owner of this subdivision by reason of this instrument shall inure to the benefit of his heirs, representatives, successors and assigns.

15. JUNK: No lot shall be used or maintained as a dumping ground, nor shall any rubbish, trash, garbage or other waste be allowed to accumulate, and all garbage and waste shall be kept in sanitary fly-proof containers with tight fitting lids. Scrap, junk cars, and the like will not be permitted on the premise or on any portion thereof. No motor vehicle that cannot be moved under its own power may be left on any portion of the premise for more than two weeks, nor shall the same be left or abandoned on the street easements in the subdivision at any time. Parking shall be provided by each owner of each lot for all vehicles owned or kept by such owner. Any vehicle that cannot be moved under its own power must be kept in an enclosed structure meeting the requirements of the covenants pertaining to buildings. If any vehicle is left or abandoned on any lot or easement, the Owners' Association may remove it.

16. MISCELLANEOUS COVENANTS:

A. Signs: No signs of any kind shall be displayed to the public view on any lot except one sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period. All lots shall have four-inch reflective address signs at driveway entrances and on the front of each dwelling.

B. Outside Lighting: Outside lighting of any structure shall not be permitted except by lights which are installed upon the buildings themselves, and no lights shall be affixed to any poles (except on flagpoles) or any other places other than buildings erected on the premises in accordance with these covenants. No dusk to dawn lighting is permitted. Underground wiring is required for outside lighting. All outside lights must be shaded.

C. Parking: Each lot owner shall provide parking for all vehicles incident to his/her ownership and shall not allow parking of vehicles on the lots or property of others, or upon the street or other easements on the premises.

D. Cleanliness: The premises shall at all times be kept clean, and in wholesome condition, and no trash, litter or junk shall be permitted to remain upon the premises, exposed or unexposed.

17. NUISANCE: No noxious or offensive use nor activity shall be carried on within the subdivision, nor anything done or permitted on or in the premises, which shall constitute a public nuisance.

18. OWNERS' ASSOCIATION: There is hereby created the "MILLIGAN CANYON ESTATES INC.," which hereafter will be referred to as the "HOMEOWNERS' ASSOCIATION" or the "ASSOCIATION." The Association is created for the purpose of promoting, developing, and operating the subdivision and the area, including maintaining the interior streets, as may be more specifically designated by the owner. All owners and lessees of real property in the subdivision shall be bound by the provisions of the Articles and By-laws of the Association. The Association may make such charges and assessments to its members as are reasonably necessary to carry out its functions and duties. The owner of each lot or tract, or any parcel, in this subdivision is by virtue of such ownership a member of the Association.

A. The Owners' Association is created to carry on the governance of the subdivision, to enforce these covenants, and to enforce the Articles and By-laws of the Association that may not be in conflict with these covenants.

B. The Owners' Association shall select the members of the Improvement Committee.

C. The Owners' Association and the Improvement Committee may provide for such by-laws, offices and meetings as may be necessary or desirable.

D. The Owners' Association will be the manager of the fire-safety committee, which is empowered to ensure that fire safety features designed into the development are maintained.

E. The Owners' Association will be the manager of the road maintenance program and will levee mandatory dues sufficient to cover the cost of roadway maintenance within the subdivision.

19. RECLAMATION: It is the intent and purpose of this covenant to protect and preserve natural plant communities through minimizing disturbance of the topsoil found in the area. No dozing, cutting or scarring of the land shall be allowed except for the preparation of the actual building site for structures and facilities allowed by these covenants. Where land and soil must be disturbed, then both the disturbed area and any waste material deposit areas must be reclaimed. The reclamation shall include recontouring the area and reestablishing a vegetative cover resembling the natural state as near as possible. This work shall be commenced within thirty (30) days after an area is disturbed. If weather conditions and low temperatures are not conducive to completing reclamation work in this time frame, then reclamation of disturbed areas shall be completed as soon as practical after weather conditions and temperatures allow.

20. RECREATION FACILITIES: Nothing herein contained shall prevent any person or group of persons from installing any recreational facilities such as tennis courts or any other recreational or sports facilities. However, the same must match the aesthetics of the subdivision, and no such facilities may be installed without prior approval of the Improvement Committee.

21. RESERVATIONS: The original owner hereby reserves all mineral interests of any kind or nature whatsoever on the subdivision. Also, the original owner hereby expressly reserves the right from time to time to amend or revoke any covenants or restrictions then in existence, but no such amendments or revocations shall apply to any lots, parcels or tracts that are sold prior thereto without the written consent of a majority of the Owners' Association.

22. RESUBDIVISION OF LOTS: No purchaser of any lot may divide or subdivide any lot, nor may any part of any lot be sold or conveyed separately.

23. SEWAGE DISPOSAL: All disposal of sewage shall be through the use of septic tanks and sanitary drain fields, and/or any other means acceptable to the Jefferson County Health Department. Each location of such means of sewage disposal must be approved by the Jefferson County health authorities prior to installation.

24. SEVERABILITY: A determination of invalidity of one or more of these covenants by judgment, order or decree of a court shall not affect in any manner the other provisions hereof, which shall remain in full force and effect.

- 25. TREES, FOLIAGE, GRASS, GARDENS:** Lot owners are encouraged to plant trees, foliage and other plants on their property.
- 26. UNDERGROUND LINES:** In addition to street easements, the easements provided for in the subdivision are for the placement of underground lines and other facilities that may be necessary for the subdivision. These may include lines for electricity or other utilities. No lines of any kind or nature whatsoever shall be strung between poles or otherwise, and all electricity or other utility hookups shall be made by utilizing underground lines from the line buried in the street easement in front of the owner's lot, in the twenty foot (20') easement inside the owner's lot bordering the street within the subdivision, or inside the twenty foot (20') easement of those lots bordering the county road on the east and south, and shall be continued underground to the natural conclusion of said line at the lot owner's residence or other appropriate place. Also, all exterior wiring of any kind that leads to or from any structure(s) on the owner's lot shall be buried.
- 27. UTILITIES:** Electricity and telephone primary service lines shall be brought to each lot by the developer. Each lot owner is responsible for the cost of bringing utilities services to his/her residence from the primary service.
- 28. WATER:** All lot owners shall provide their own domestic water by drilling a water well.
- 29. NOXIOUS WEEDS:** The owner of each tract shall control the weeds and noxious plants on his/her/their parcel. Upon purchase of a lot, the new owner is required to develop a written three-year weed management plan in accordance with the Jefferson County Weed District.
- 30. STORMWATER FACILITIES MAINTENANCE:** Retention ponds, culverts and swales shall all be kept free of trash and berms shall be maintained or mowed to maintain a pleasant appearance. Cleaning of retention ponds, culverts and swales will be carried out in March and August, unless inspection dictates a required shorter time interval. The Association shall inspect the pond capacity annually to insure that the original design capacity is in order and shall insure that the retention ponds avoid long-term standing water. Discharge drains, if required, shall have routine cleaning.
- 31. RIGHT TO FARM POLICY:** Jefferson County has adopted the "Right to Farm Policy" pursuant to the Jefferson County 2003 Growth Policy.
- 32. WETLANDS-PROTECTED RIPARIAN ZONE:** The following restrictions apply only to the Protected Riparian Zone which consists of the delineated wetlands as well as a fifty (50) foot buffer zone beyond the wetland boundary along the entire length of the creek within Milligan Canyon Estates.
- A. There shall be no construction or placement of buildings or mobile homes, fences, signs billboards or other advertising material, or other structures, whether temporary or permanent, within the Protected Riparian Zone.
 - B. There shall be no filling, draining, excavating, dredging, mining, drilling or removal of topsoil, loam, peat, sand, gravel, rock, minerals or other materials. However, excavation of three storm water retention basins within the upland portion of the fifty (50) foot buffer is allowed. The retention basins must remain vegetated.
 - C. There shall be no building of roads or paths in, or any changes in the topography of, the Protected Riparian Zone.
 - D. There shall be no removal, destruction, or cutting of trees or plants, spraying with biocides, insecticides, pesticides or herbicides (except to control noxious weeds), grazing of animals, farming, tilling of soil, or other agricultural activity.
 - E. There shall be no operation of snowmobiles, motorcycles, all-terrain vehicles or any other type of motorized vehicles within the Protected Riparian Zone.
 - F. The Covenant of Dedication may be changed, modified or revoked only upon written approval of the District Engineer of the Omaha District of the US Army Corps of Engineers. To be effective, such approval must be witnessed, authenticated, and recorded pursuant to the law of the State of Montana.
 - G. This Covenant is made in perpetuity such that the present owner and its heirs and assigns forever shall be bound by the terms and conditions set forth herein.

DATED this _____ day of _____, 200__.

MILLIGAN CANYON ESTATES INC.
 BINDING EFFECT

All purchasers of said property shall, by acceptance of contracts or deeds for any lot or lots to which these covenants and amendments may apply, or any portion thereof, be conclusively deemed to have consented and agreed to all restrictions, conditions, covenants and agreements set forth herein; and any person who shall succeed in any manner to any interest therein by inheritance, decree or operation of law shall be bound hereby.

The undersign purchasers, for themselves, their heirs, representatives, successors and assigns, hereby agree to be bound by these covenants this _____ day of _____, 200__.

 Purchaser

 Purchaser

11-12-07