

308560

DECLARATION OF COVENANTS
BEARTOOTH VALLEY RANCH

RLF BIGHORN PROPERTIES, LLC, a Colorado LLC registered to do business in Montana, of 985 Pico Point, Colorado Springs, CO 80906, is the titled owner of that certain property located in Carbon County, Montana, more particularly described as follows:

SEE EXHIBIT "A" ATTACHED

RLF BIGHORN PROPERTIES, LLC is granting options on the subject property to ROCKY MOUNTAIN TIMBERLANDS, INC., a Montana corporation, of 1315 East Main Street, P.O. Box 1153, Bozeman, MT 59771-1153. As used herein, Grantor shall mean RLF BIGHORN PROPERTIES, LLC and, as long as any options are outstanding, ROCKY MOUNTAIN TIMBERLANDS, INC., collectively. As long as any options are outstanding ROCKY MOUNTAIN TIMBERLANDS, INC., is authorized to receive notice and act on behalf of Grantor.

Grantor hereby subjects said property to the conditions, covenants, and restrictions set forth herein. These restrictions, conditions, covenants and limitations shall run with the land and shall be binding upon the present owners and all subsequent Grantees of any portion of any area included within aforesaid legal description.

1. Any and all animals kept on the property must be fenced or contained within the boundaries of said property. Pets shall not be allowed to run at large and shall be under control at all times. No property owner or resident shall be permitted to operate a commercial hog farm, a commercial feedlot, or a commercial chicken farm on the property. Commercial dog kennels or boarding will not be allowed. Livestock operations will need to be approved in writing on a case by case basis by an association comprised of all property owners. The Grantor shall manage and administer the affairs of the association, and shall have full power and authority to act on behalf of the association until the Grantor shall have sold more than 90% of the tracts in the property. At that time, Grantor shall organize the association so that its administration shall be determined by owners of a majority of the tracts in the property. Membership in the association is mandatory for all landowners in Beartooth Valley Ranch. Any approval of the association required in these covenants will be deemed given unless notice of disapproval is sent within sixty (60) days after written request for such approval is received by the association. The association shall be entitled to enforce these covenants.
2. Any property owner must assume the burden of supplying and developing water and sewage facilities for his own domestic use. Wells and water systems shall be drilled, installed and maintained at all times in accordance with all applicable rules and regulations of any public agency having authority over same.
3. The maintenance of all non-public roads on the property and non-public roads giving access to the property shall not be the responsibility of the Grantor, but shall be the responsibility of the association. The association shall assess all property owners for such maintenance an annual fee, which shall be \$60.00 per year per tract beginning in calendar year 2004 and may be increased no more than 10% per year thereafter. Annual assessments are required to be paid in full within sixty (60) days of the date the assessment is mailed. Upon the failure of any property owner to pay an assessment when due, the association may obtain and enforce a lien against the property of such owner for the unpaid assessment by recording the notice of assessment with the Clerk and Recorder of Carbon County, Montana. All future Grantees covenant and agree that until such Grantees have developed the access to their individual property to county standards that said Grantees will not petition or request any assistance or development by the county for road improvements. When installing a driveway, an eighteen inch (18") culvert is required on any road approach.

4. All future Grantees covenant and agree that the Grantor is reserving a sixty-foot (60') easement for general ingress and egress, being located thirty feet (30') either side of the centerline of all roads constructed by Grantor herein and an eighty foot (80') wide easement for utilities, being located forty feet (40') either side of the centerline of all roads constructed by Grantor. A fifteen foot (15') easement for public utilities will run parallel to all surveyed property lines. Subdivision perimeter will have a thirty foot (30') utility easement. Public utilities will follow roads where convenient and economically feasible in the opinion of the Grantor herein. All future Grantees covenant and agree that Grantor is granting said Grantee an easement for ingress and egress to the property sold herein over and across all roads which Grantor has the right to travel to said property. Proposed roads will be shown as "Exhibit A" and attached to the Abstract of Agreement and/or Warranty Deed which transfers title from Grantor to future Grantees. In the case of proposed roads shown on "Exhibit A" locations may vary when actually constructed.
5. All future Grantees covenant and agree not to build, maintain, operate or construct, or in any way cause to be placed within fifty feet (50') of the boundary lines of the subject property any improvements thereto. (Customary boundary fencing is excepted.) All future Grantees further covenant and agree not to cause any condition that will cause the accumulation or existence of garbage, junk , or condition causing a noxious odor on subject property, or conditions which would normally be deemed a private or public nuisance, including, but not limited to, inoperative motor vehicles and scrap materials of every sort. The association shall determine, at its discretion, what is judged to be garbage, junk, a noxious odor, a nuisance, or inoperative vehicles. Inoperative vehicles stored in a finished garage will be exempt from this paragraph.
6. All future Grantees covenant and agree that no gates, fences or other obstructions shall be placed upon any access road. This restriction shall not prevent a future Grantee from placing a gate on an access road, on Grantee's property, if the road terminates on that Grantee's property. Cul-de-sac turn-arounds on the end of roads can not be blocked or fenced at any time. Metal cattle guards will be allowed if installed in accordance with county road regulations. Any fence shall be installed in accordance with the State of Wyoming fencing laws. A landowner may install a cattle guard or gate on his driveway as long as the driveway is not part of Grantor's road system to access other parcels.
7. All future Grantees covenant and agree that any construction of homes, outbuildings or any other buildings must be completed on the exterior within eighteen (18) months of the commencement of construction, minimum square footage of a constructed home shall be 1,000 sq. ft.
8. All future Grantees covenant and agree that mobile homes may not be placed on the subject property unless they are factory modular homes or mobile homes (no more than five years old at the date of installation on this property and no less than 980 sq. ft.). Exterior materials shall be non-reflective and non-metallic. In the case of exterior walls, said non-reflective and non-metallic materials must have been factory installed. No modular or mobile home may be installed on subject property and then covered with wood siding. This covenant is not intended to prohibit a property owner from storing a factory-constructed recreational vehicle on the subject property following completion of Grantee's residence. A property owner may use a factory constructed recreational vehicle for temporary use on this property, such as during hunting season, during vacations, or pending completion of construction. In the case of construction, two (2) years shall be the maximum use. During such construction, said construction must be obvious to Grantor or one hundred eighty (180) days per year is the maximum time said recreation vehicle may be kept on subject property prior to permanent residence being completed. Construction must be on-going. Tent or teepee camping will be restricted to twenty-one (21) days or less in any calendar year. Modular or mobile homes must be located on a permanent foundation. Factory constructed R.V.'s will be allowed permanently if a cabana-type building covers them. Plans for said cabana must be approved by Grantor in writing and adhered to by Grantee.

9. All future Grantees covenant and agree that no signs or advertisements shall be placed on this property, except for a sign designating the owner's name, lot number and/or address. This restriction shall not preclude any future Grantee from placing a "For Sale" sign on the property. "No trespassing" signs will be allowed with a minimum of two hundred feet (200') spacing between signs. Any proposed commercial activity on this property will require prior written approval from the association.
10. All future Grantees covenant and agree not to further subdivide the property and not to erect more than two (2) single-family residences and accompanying outbuildings per each twenty (20) acre or larger lot.
11. Any provisions herein may be amended or revoked, and additional provisions added, at any time by written instrument duly signed and acknowledged by the owners of record of not less than 60% of the parcels covered under these covenants as described in the legal description herein.
12. The subject property is subject to an existing grazing lease that extends through December 31, 2003. In the event any landowner does not want livestock on his or her land, the landowner maintains the right to fence the livestock out at the landowner's expense. Said fencing and/or cattle guards shall comply with paragraph 6 herein.
13. In the event it should become necessary for any party, which shall include a landowner, either legal or equitable, or any tract within the boundaries of the lands herein described, to seek enforcement of these covenants against any offending party, then the successful litigant or litigants shall be entitled to receive from the other party or parties, in addition to the costs and disbursements allowed by statute, reasonable attorney's fees. Any violation of these covenants may also be deemed a breach of the terms and provisions of the contractual provisions of purchase under the sale agreement, and shall be in addition to and not in lieu of further remedies that may be available to the Grantor or its assigns, the association or other affected parties.

DATED this 4th day of August, 2003.

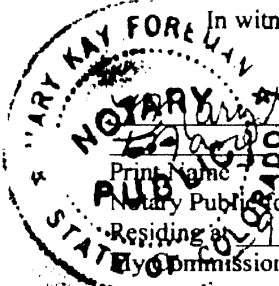
RLF BIGHORN PROPERTIES, LLC,
a Colorado LLC registered to do business in Montana

By: James W. Geisz
Title: Authorized Representative

STATE OF COLORADO)
 : ss.
County of El Paso)

On this 4th day of August, 2003, before me, a Notary Public in and for the State of Colorado, personally appeared James W. Geisz, known to be the authorized representative of RLF BIGHORN PROPERTIES, LLC, a Colorado LLC registered to do business in Montana, and acknowledged to me that he executed the foregoing instrument for and on behalf of said LLC.

In witness whereof, I have hereunto set my hand and seal the day and year first above written.

 Ari Kay Foreman
Ari Kay Foreman
Print Name
Notary Public for the State of Colorado
Residing at 1885 Pico Point, Colo Spgs, CO 80906
My Commission Expires: 4/30/2004