DECLARATION OF PROTECTIVE COVENANTS

THIS DECLARATION is made this 3rd day of June, 1994, by John A. Mercer of P.O. Box 450, Polson, Montana 59860, hereinafter "Declarant".

WHEREAS, Declarant is the owner of the following described real property situate in Lake County, Montana:

PARCEL 1

A tract of land in the S1/2SE1/4 of Section 18 and in the N1/2NE1/4 of Section 19, Township 22 North, Range 20 West, M.P.M., Lake County, Montana, further identified as being TRACT 9 on Certificate of Survey No. 2983, on file in the Office of the Clerk and Recorder of Lake County, Montana.

PARCEL 2

A tract of land in the NI/2NEI/4 of Section 19, Township 22 North, Range 20 West, M.P.M., Lake County, Montana, further identified as being TRACT 5 on Certificate of Survey No. 2983, on file in the Office of the Clerk and Recorder of Lake County, Montana.

FURTHER GRANTING all easements as shown on Certificate of Survey No. 2983, records of Lake County, Montana and all water rights, if any, appurtenant to or benefiting the subject premises;

SUBJECT TO Easements, reservations, restrictions, covenants, conditions, and rights of way, apparent or of record, including private road easements and county road over and across premises, as shown on said Certificate of Survey No. 2983.

WHEREAS, the purpose of this instrument is to impose upon the above described real property beneficial protective covenants under a general plan of improvement for the benefit of such real property, every part thereof and interest therein.

WITNESSETH:

NOW THEREFORE, Declarant hereby declares that the above described real property shall be held, sold, conveyed, encumbered, used, occupied and improved subject to the following easements, restrictions, covenants and conditions, all of which are in furtherance a plan for division, improvement, and sale of said real property and are established for the purpose of enhancing the value, desirability and attractiveness of the real property and every part thereof. All of the easements, restrictions, covenants and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described real property or any part thereof, and shall be for the benefit of each owner of any portion thereof and inure to the benefit of, and be binding upon, each successor in interest of such owners.

- 1. None of the above described real property shall be used for commercial or industrial purposes (except for an automobile restoration business provided that no more than 5 vehicles are parked outside and no retail advertising be displayed), nor for apartment houses or any other multiple dwelling house; agricultural uses, rental of a single family dwelling, however, are permissible.
 - The tracts shall not be divided into less than 5 acre parcels.
 - 3. Fences must be well constructed and neat in appearance.
 - No mobile homes, modular homes or temporary structures shall be permitted.
- All structures shall be of new construction and painted or stained in earth-tone colors or left in natural wood. Brick and rock is also permitted.
 - All structures shall be set back at least 50 feet from any boundary line.
- 7. The above described property shall be subject to such rights of way and easements as the Declarant may grant for installation and maintenance of water lines, sewer lines, gas lines, power lines and communication and cable lines. The Declarant expressly reserves the right and authority to grant such easements.

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- 8. All utilities, electrical, telephone, cable and the like, shall be underground.
- 9. No trash, debris, organic or inorganic wastes shall be permitted to accumulate on any of the above described real property.
 - 10. There may be no more than 2 horses, cows or other livestock per acre.

IN WITNESS WHEREOF, the undersigned has executed this Declaration this 3rd day of June, 1994.

JOHN A. MERCER

STATE OF MONTANA) :SS
County of LAKE)

On this 3.3 day of June, 1994, before me, the undersigned, a Notary Public for the State aforesaid, personally appeared JOHN A. MERCER, known to me to be the person described in and whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and date in this certificate first above written.

(Notary Seal)

AFTER RECORDING, RETURN TO: John A. Mercer P.O. Box 450 Polson, MT 59860

Recorded At 3:02 O'Clock & M. Deputy

Microfilm 357574 PUTH E. HODGER Recorder

Form S & By Dury Can Care Deputy