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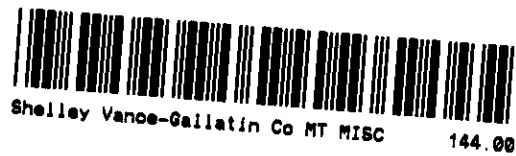


SECOND AMENDED DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR ELK GROVE PLANNED UNIT DEVELOPMENT PHASES 1, 2, AND 3

ALLIED LAND TITLE, INC.
106 East Babcock, Ste C; Bozeman, MT 59715

Elk Grove Development Company, hereinafter referred to as the "Developer" and the Elk Grove Community Homeowners Association, hereby adopt the following Amended Covenants for Phases 1, 2 and 3 of Elk Grove Community, which will be affected by these Covenants. These Covenants are intended to supersede all prior recorded Covenants for the property to the extent conflicts between previously recorded Covenants and these Covenants exist.

This Declaration provides for individual and community decision making. Individual decisions are limited primarily to residential lots, subject to Elk Grove Community Design Review Guidelines regarding architectural design and review of improvements, and subject further to the By-Laws providing for management, administration, and regulation of Elk Grove Planned Unit Development Phases 1, 2, and 3.



ABBREVIATIONS

The following abbreviations are used in this document:

- 1) Elk Grove Planned Unit Development, Phases 1, 2, and 3, a subdivision in Gallatin County, MT, is referred to as: Elk Grove Community.
- 2) Elk Grove Community Design Review Board is referred to as: Design Board. The Design Review Board may delegate a portion of its authority to Design Review Subcommittees, such as landscaping or other committees. Each committee so formed shall have the same authority as the Design Board, but shall be subject to review and oversight by the Design Board. Reference to the Design Board in these Covenants and Restrictions shall also automatically refer to any committees formed by the Design Board unless stated otherwise.
- 3) Elk Grove Community Design Review Guidelines is referred to as: Design Guidelines.
- 4) Park Area Management Plan is referred to as: P.A.M.P.
- 5) Elk Grove Development Co. is referred to as Declarant.

PURPOSE

This property is a unique setting which has a high natural and scenic value. These Covenants and Restrictions are adopted to preserve and maintain the recreation and scenic values of the property for the benefit of owners of individual residential lots as well as the surrounding communities.



PROTECTIVE COVENANTS

It is the purpose of these Protective Covenants and Restrictions to preserve and protect the beautiful environment, the natural beauty, view, and surroundings of Elk Grove Community, to define how the park areas are to be used, managed, and maintained through the P.A.M.P., (which is attached hereto and incorporated herein by this reference), and to preserve and protect the interests and investment of the individual owners and Elk Grove Development Company. In addition, these Protective Covenants and Restrictions are designed to conserve the natural habitat and growth of plant life, animal life, surface and underground water.

These Protective Covenants and Restrictions shall attach to and run with the land and shall constitute an equitable servitude upon the real property and every part of it, including all titles, interest and estates as may be held, conveyed, owned, claimed, devised, encumbered, used, occupied and improved. These Protective Covenants and Restrictions are declared for the benefit of the entire property and every part of it and for the benefit of each owner. They shall constitute benefits and burdens to declarants and to all persons or entities hereafter acquiring any interest in the property.

These covenants provide for the general restrictions while the Design Guidelines provide appropriate details in order to ensure compliance with these Covenants. The Design Guidelines must be carefully consulted and followed to ensure the requirements of these Covenants are met.

COMBINATION OF LOTS

Two contiguous lots may be combined to constitute one lot, and that lot will be treated as one lot. Three contiguous lots may be combined to constitute two lots, and those lots will be



treated as two lots. The Design Board and appropriate governmental authorities must approve any change in lot configuration. The Design Board shall carefully consider the affect such change may have on views of adjoining lots. No lot may be further subdivided.

RESIDENTIAL USE

Only one single-family dwelling unit shall be allowed per residential lot. All residential lots will be used solely for private single-family residential uses. Only single-family homes with attached or non attached garages and an accessory building will be permitted. All garages will be limited to two garage doors.

No commercial use may be made of any residential lot except that the owner or tenant may conduct home occupations or hobby-businesses out of a residence if the following conditions are met:

- a. the business use shall be clearly incidental and secondary to the residential use of the lot;
- b. the business use shall be entirely inside a dwelling or garage including any storage of materials or equipment;
- c. the business use shall not occupy more than 400 square feet, total, of the residence and garage combined;
- d. no non-resident employee shall be allowed, nor shall excessive traffic, noise, or pollution generation be permitted;
- e. the business use does not constitute a nuisance to neighboring property owners.

For guidance, the following uses are examples of home occupations: the making of clothing; child care providers that do not requiring licensing because of their size, the giving of music lessons; a sole practitioner professional practice, service or product providers who maintain a telephone and office within the residence but the services and products are provided and sold off the premises; the pursuit of artistic endeavors such as making of pottery, ceramics,



paintings or bronzes, and the like, provided that the products are marketed and sold off the premises, and no kilns or foundries are used on the premises. No signs or structures advertising the occupation are allowed.

TOPOGRAPHY AND NATURAL FEATURES

No prospecting, mining, quarrying, tunneling, excavating, or drilling for any substance on or within the earth, including, but not limited to, water, oil, gas, hydrocarbons, minerals, gravels, sand, rock, or earth shall be permitted.

RESIDENTIAL LOT PREPARATION MAINTENANCE AND LANDSCAPING

Landscaping will be required to enhance the value of the property and the aesthetics of the lot. Each owner shall submit a complete and comprehensive landscape, grading, and irrigation plan as required by the Design Guidelines. Landscaping shall be done only as approved by the Design Board. All residential lots shall install underground sprinkler systems timed to water at the appropriate times in the appropriate amounts as determined by the water utility. All residential lot owners shall plant trees along street frontages in accordance with the Design Guidelines. Additional landscaping requirements are described in the Design Guidelines. A landscape plan shall be submitted to the Design Board within two (2) months of occupancy of a new residential structure or within four (4) months of completion of a new residential structure, whichever comes first. Upon Design Board approval of the landscape plan, revegetation must be completed within two (2) months or within such period as may be reasonably necessary as dictated by weather conditions and all landscaping shall be completed in a timely fashion, and shall generally be completed within 6 (six) months of Design Board approval of the landscape plan. Owners of both unimproved and improved residential lots shall



control all noxious weeds and shall destroy them according to county standards. Trees and landscaping in park area shall not be damaged except as mandated by the Design Board

SIZE AND HEIGHT

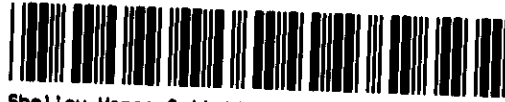
Each residence shall contain the minimum interior square footage as described in the Design Guidelines exclusive of open or screened-in porches, decks, and garages. The maximum height and minimum area of building structures on each residential lot is specified and controlled in the Design Guidelines to protect the aesthetics, view sheds, and property values within Elk Grove Community. The Design Board shall determine the acceptability of the height and size of building structures in accordance with the Design Guidelines.

GRADING

No disturbance or change in existing character shall be undertaken except by approval of the Design Board. Grading for building or other improvements shall be confined to a minimum so that improvements shall be tailored to the lot rather than conforming the lot to the improvements. All grading shall be contoured into existing ground lines to avoid unnatural sharp edges. Residential lot development shall accommodate proper drainage using natural topography of the home lot as approved by the Design Board. Drainage and other topographic transitions shall blend with the natural topography of the residential lot. No unnatural angles or sharp lines shall be permitted. Grading, filling or altering is prohibited within any drainage easement.

SETBACK

Unless otherwise specified in the Design Guidelines or approved through a variance by the Design Board, building structures shall be setback from lot lines as follows. Building



structures shall be no less than thirty (30) feet from the front lot line. The main entry feature (which shall not be the garage door) must be prominently placed on the elevation facing the street. Generally, garage doors shall be placed further from the front lot line than the residential structure. Building structures shall be no less than ten (10) feet from the side lot line and no less than forty (40) feet from the rear lot line.

DESIGN AND LIMITATIONS

The design of all improvements and changes to existing natural topography shall be subject to review and approval by the Design Board before work is commenced. All homes, structures, improvements, and changes shall comply with the Design Guidelines and these Covenants.

The purpose of this section and the Design Guidelines is to ensure the building design and landscaping plan for each lot maintains or exceeds the general level of quality, appearance, and marketability as is commensurate with the quality of lots and homes adjacent to it and the overall high quality of the Elk Grove Community. Construction or alteration of any improvement or any work affecting the external appearance of any improvements shall only be initiated after a Permit To Proceed has been issued by the Design Board for said construction or alteration.

Mobile homes, trailers, prefabricated homes and modular homes shall not be permitted, nor can any buildings be moved onto the property. All owners are urged to design buildings that reflect the scenic values in keeping with the spirit of Montana and Elk Grove Community. It is generally the intention of these covenants that duplicate homes shall not be constructed next to or in close proximity as determined by the Design Board



Material composition and quality, color and shape are important in the construction of improvements. All improvements shall be constructed of highest quality materials. The exterior colors used shall be earth tones and should harmonize and compliment the surrounding site and neighboring buildings. Trim may be more colorful and contrasting in order to add visual interest. Roof design is a major element in the building and therefore will be emphasized by the Design Board. Television and radio antennas, as well as satellite dishes and other receiving or transmitting devices, must be screened from view and subject to approval of the Design Board. Satellite dishes shall be no larger than two (2) feet in diameter, and further, should be as small as technologically available.

FIRE PRECAUTIONS

The purpose of these provisions is to minimize the likelihood and effect of an uncontrolled fire within the property.

Each owner, with respect to such owner's lot, shall cause grass to be trimmed pursuant to the Homeowners' Association directives in order to reduce the danger of fire within the property and shall otherwise maintain the improvements and the general condition of the site to minimize fire hazards. All structures shall be designed so that the primary source of heat is natural gas or electricity. The use of wood, wood by-products or coal burning appliances is prohibited.

Each Owner shall:

- (A) Not allow any burning barrels or pits of any sort. Fireworks are not permitted on any portion of Elk Grove Community unless done with prior approval of the Homeowners' Association and the local fire district.

(B) Install smoke detectors in each residence.

(C) Install address numbers that are clearly visible outside the residence.

(D) Keep all roads and driveways free of obstruction to ensure access by emergency vehicles. In the event of a social function at an owner's residence, the owner shall require parking in the driveway or in the designated parking areas in order to provide adequate widths for access by emergency vehicles.

OUTBUILDINGS AND TEMPORARY STRUCTURES

No outbuildings shall be erected or maintained upon a residential lot before the start of construction of a residence and no trailer, mobile home, basement, tent, shack, garage or other outbuildings shall be erected upon any part of the lot for use as a temporary or permanent residence. Use and location of any construction or temporary structure shall be subject to approval by the Design Board. Temporary structures shall be removed within thirty (30) days after completion of construction.

EXTERIOR IMPROVEMENTS AND EQUIPMENT

Each owner of a residential lot shall install a five (5) foot wide sidewalk along all lot lines that have curb and gutter within one (1) year from the date of purchase from Elk Grove Development Company. Application to the Design Board for approval of pools, spas, or hot tubs shall contain adequate details to establish sufficient abatement of equipment noise. If deep excavations are required for these improvements an engineering assessment may be required.

EXTERIOR LIGHTS

Exterior lighting shall be installed and operated only as approved in advance by the Design Board as part of the overall plan for the residential lot. One dusk-to-dawn freestanding



streetlight shall be located at the inside corner of the driveway and sidewalk. Mercury vapor lamps shall not be permitted. All other exterior lights shall be approved by the Design Board in accordance with the Design Guidelines

CONSTRUCTION SCHEDULES

Any owner who wishes to construct improvements shall submit a completed application as defined in the Design Guidelines to the Design Board for approval. Any and all construction, alterations or improvements shall be subject to advance approval by the Design Board and shall be diligently worked on to completion and shall be completed within twelve (12) months following commencement. The Design Board may limit construction activity to certain hours and days. Once an owner secures a Permit To Proceed, construction must commence within six (6) months of approval of the plans. No aspect of construction shall at any time impede, obstruct or interfere with pedestrian or vehicular traffic. No construction materials, or construction equipment, trailers, or vehicles shall be placed or stored upon a residential lot more than thirty days (30) before commencement of construction or more than thirty (30) days following completion of construction as determined by the Design Board.

Each construction site shall have a chemical toilet placed in a location as inconspicuous as practical. During any construction, the site shall be cleaned up daily and shall be maintained free of trash. The owner shall be responsible to clean up wind blown debris both on and off the premises. No construction materials may be stored on any portion of a street at any time. The owner shall be responsible for compliance with construction schedules and guidelines, and for compliance with all terms and conditions established by the Design Board.

PARKING SPACE

Each home lot shall have a concrete driveway a minimum of eighteen (18) feet wide leading to the garage. Driveways shall provide a minimum of four (4) off street parking spaces exclusive of sidewalk. The garage shall be the primary parking area for the lot owners with overflow parking utilizing the driveway. Parked cars shall not obstruct pedestrian traffic. Additional parking is provided for guests of residences and may be used by non-residents on a temporary basis not to exceed three (3) days. Guest parking shall be allowed only on one side of Annie Glade and Morgan Creek and only upon the side of the street where houses have even numbered addresses. Guest parking for all other blocks is provided for at the ends of the looped cul-de-sacs and at specified locations within the boulevard. No on-street parking, except as described for Block A above, is allowed.

Recreational vehicles, boats, trailers, snowmobiles, and other rolling equipment other than automobiles and pick ups shall not be stored in the open view on any residential lot, driveway or road. No residential lot will be permitted to have in excess of two garage doors.

No junk vehicles shall be parked on the street, parking area, or retained or parked on any lot. A junk vehicle is one that cannot be normally and frequently driven under its own power. All implements must be stored in a garage or other such structure and not be left in open view.

Vehicles parked in violation of these covenants may be notified by means of a verbal notice to the vehicle owner, or by notice from the Home Owner's Association placed under the windshield wiper stating that the vehicle is in violation of these covenants and requesting immediate removal of the vehicle. If the violation is not corrected within 24 hours of notification,

the Homeowners' Association may cause the vehicle to be towed and impounded at the expense of the vehicle's owner. The Homeowners' Association may cause a vehicle to be towed immediately without notification if the Homeowners' Association determines the vehicle impedes emergency vehicles or, in any way, presents a threat to health and safety.

FENCES

A primary goal of Elk Grove is to create a community atmosphere. For this reason, tall perimeter fencing will not be allowed. Rear and side yard fencing is allowed along the lot lines and cannot extend closer to the front yard than the closest corners of the building structures. Rear and side yard fencing shall be four (4) feet in height and shall be constructed to the exact specifications in Diagram 2, Appendix 1 of the Design Guidelines. A privacy fence located directly behind the residential building or structure, not to exceed seven (7) feet in height, may be allowed by the Design Board. Acceptable location and design criteria are provided in the Design Guidelines. Entryway gates to residential lots are not permitted.

Owners choosing to construct a perimeter fence shall construct the fence immediately inside said owner's lot lines. All fences shall be maintained in good order and repair. All perimeter fences shall be stained or preserved in a color approved by the Design Board at regular intervals to convey a new or nearly new appearance. In the event that no other person or entity maintains such fences, they shall be maintained and repaired by the owner.

PERMIT TO PROCEED AND IMPROVEMENT INSPECTION

No building, structure, road, fence or improvement of any kind shall be erected, placed, altered, added to, reconstructed or permitted to remain on any residential lot, and no construction activities or landscaping shall be commenced until a Permit To Proceed has been

issued by the Design Board, and an appropriate bond has been posted, if required. Upon completion of construction, the Design Board, to determine compliance with these Protective Covenants and Restrictions, the Design Guidelines, and the Permit To Proceed, will inspect the improvements. Any improvement found to be in noncompliance shall be remedied in accordance with the Design Guidelines.

COMMON AREAS

Common areas of Elk Grove Community consist of those areas described as Park Area in the P.A.M.P. The Homeowners' Association shall own and/or manage all Park Areas in accordance with P.A.M.P. Maintenance, repairs, and replacements of Park Area grounds and improvements shall be the expense of the Homeowners' Association. However, if any portion of the Park Area is damaged by a negligent or tortuous act of any lot owner, members of his or her family, guest, or employee, then such owner shall be responsible and liable for all such damage.

INGRESS AND EGRESS

An Easement for general ingress and egress to each residential lot and to all common areas for the general use of all owners and their guests shall exist over all common areas, roads, and trails within Elk Grove Community.

ROAD AND UTILITIES ACCESS TO ELK GROVE RESIDENTIAL

Primary access to Elk Grove Community is from US Highway 191 via Elk Grove Lane and secondary access is provided to Blackwood Road. Use of Blackwood Road is intended to provide access to US Highway 191. It shall be a violation of these covenants to use Blackwood Road as a means of traveling west of Elk Grove Community. This portion of the covenants may



only be changed if substantial upgrades are made to Blackwood Road and the Gallatin County Commission allows the change.

The Homeowners' Association shall maintain the Elk Grove Community roadways within their dimensions.

UTILITY EASEMENT

Utility easements for electricity, gas, sewer, water, stormwater, communications, telephone, television, cable communications and other utility equipment are designated on the Elk Grove Planned Unit Development, Phases 1, 2, and 3 Plats. All owners shall have the right to enter upon and excavate in such easements upon the approval of the Design Board. Easements for ingress and egress and for utilities shall not be moved, deleted or restricted without the written approval of all the lot owners affected. Utility companies and owners must restore disturbed land to a condition, as close as possible, to the natural condition of the land before work commenced.

USES

All the area of Elk Grove Community shall be controlled by these covenants that run with all the land for the benefit and use of owners. No horses or motorized vehicles of any kind shall be permitted in the common areas or easements. Lawn maintenance and landscaping equipment may be allowed with the permission of the Homeowners' Association.

NON-DEDICATION TO PUBLIC USE

Nothing contained in these Covenants and Restrictions shall be construed or be deemed to constitute a dedication, express or implied, of any part of the property or the common areas to or for any public use or purpose whatsoever.

MINERAL AND WATER RIGHTS

In order to protect the scenic, recreational, and wildlife values of the area, no mineral or water rights owned by Concinnity, L.L.C. will be assigned or conveyed to individual lot owners. Concinnity L.L.C. reserves the right to convey the water rights and any mineral rights to the Homeowners' Association.

PRESERVATION OF WATER RESOURCES

The owners of all residential lots, their guests or employees shall at all times conduct their use and activities in a manner that will preserve the integrity of the wetlands, springs, ponds, streams, irrigation water and creeks within the premises. The degradation or pollution of water quality will not be permitted. All applicable state, and local guidelines and standards must be followed.

WILDLIFE HABITAT, HUNTING AND FISHING

In keeping with the purpose of these protective covenants, declarants reserve the right to utilize and manage all common areas for the creation of and enhancement of habitat for wildlife and native plants. The taking of any and all wildlife species by any means within any common area or easements is prohibited except for the catching and keeping of fish by lawful means, and the control of specific animals known to be causing unacceptable damage to property or persons. No hunting or shooting of firearms shall be allowed within boundaries of Elk Grove Community. No feeding of wildlife other than birds shall be allowed. No non-native species of animal shall be introduced to the lands or waters of the common areas or easements.



UTILITIES

Elk Grove Development Company shall cause the installation and maintenance of electric power, gas, telephone, water, and sewer utility service to the property line or utility easement along road frontage. Owners shall bear all responsibility and costs from such location to building structures.

All utilities of every nature shall be installed and maintained underground. Piping and wiring shall be concealed.

Each owner shall be responsible for utility installation and maintenance in accordance to state and local regulations. Connection to sewer and water shall not be completed without approval of the operator of the water distribution and treatment facilities for Elk Grove Community.

ANIMALS

LIMITATIONS

Only family pets shall be permitted. No more than two dogs and two cats may be maintained on any lot. Animals shall at all times be restrained or leashed and subject to the provisions of the P.A.M.P. No swine, sheep, cattle, horses, goats, llamas or other similar livestock shall be allowed. No animals shall be permitted which shall constitute a nuisance as determined by the Homeowners' Association in its sole discretion. All animals shall be strictly controlled by their owners to prevent any interference with wildlife, pets, residents, guests, the public or property.

The Homeowners' Association may also limit the number of domestic animals on a lot or elsewhere and may withdraw permission for any domestic animal to remain on the premises

from any owner who, after due notice, violates the restrictions of this paragraph or who's animal is, or has become, a nuisance to wildlife, property, other owners, or invitees.

MAINTENANCE

Owners shall maintain residential lots and improvements in good repair and appearance at all times. All landscaping improvements and property shall be maintained in good, clean, safe, sound, attractive, thriving and sightly condition and in good repair at all times.

NOXIOUS OFFENSIVE OR HAZARDOUS ACTIVITIES

No noxious, offensive, or hazardous activities shall be permitted upon any portion of the property nor shall anything be done on or placed upon any portion of the property that is or may become a nuisance to others as determined by the Homeowners' Association. No light shall be produced upon any residential lot or other portion of the property that shall be unreasonably bright or cause unreasonable glare. No sound, including construction noise outside of times allowed by the Design Board, shall be produced on any residential lot or other portion of a property which is unreasonably loud or annoying, including but not limited to speakers, horns, whistles or bells.

SIGNS

No signs, billboards, posters, displays, advertisements or similar structures shall be permitted other than those required by government authorities. Real estate signs shall be allowed only on the property for sale. Temporary construction signs shall be allowed on the same lot as the construction activity provided that they are removed upon substantial completion of the home. One address and family name sign attached to the principal residence

being no more than two (2) square feet shall be allowed. The Design Board, at its discretion, may allow signage not explicitly provided for in these covenants if so requested in writing.

GALLATIN COUNTY REQUIRED COVENANTS

The following covenants are required by Gallatin County and shall not be amended or revoked without the mutual consent of the owners, in accordance with the amendment procedures in the covenants, and the County Commission:

- (a) The control of noxious weeds by the Homeowners' Association on those areas for which the Homeowners' Association is responsible and the control of noxious weeds by individual owners on their respective lots shall be as set forth and specified under the Montana Noxious Weed Control Act (MCA 7-22-2101 through 7-22-2153) and the rules and regulations of the Gallatin County Weed Control District.
- (b) The landowner shall be responsible for the control of state and county declared noxious weeds on his or her lot. Both unimproved and improved lots shall be managed for noxious weeds. In the event a landowner does not control the noxious weeds after ten (10) days notice from the Homeowners' Association, the Homeowners' Association may cause the noxious weeds to be controlled. The cost and expense associated with such weed management shall be assessed to the lot and such assessment may become a lien if not paid within thirty (30) days of the mailing of such assessment.
- (c) Individual lot accesses from the County public roads shall be built to the standards of Section 7.G.2 of the Subdivision Regulations.

- (d) The fire district shall receive a stamped set of engineered sprinkler system plans for review and approval prior to construction of any commercial facilities. Inspections shall be scheduled, with 48-hour notice, during construction and after completion.
- (e) Lot owners and residents of the subdivision are informed that nearby uses may be agricultural. Lot owners accept and are aware that standard agricultural and farming practices can result in smoke, dust, animal odors, flies and machinery noise. Standard agricultural practices feature the use of heavy equipment, burning, chemical sprays and the use of machinery early in the morning and sometimes late into the evening.
- (f) All fences bordering agricultural lands shall be maintained by the Homeowners' Association in accordance with State Law.
- (g) Use of wood burning stoves is prohibited within Elk Grove Planned Unit Development.
- (h) Lot owners may not remove water or cause to be removed water from irrigation ditches or creeks without deeded water rights. Before any maintenance and/or improvements are performed on any ditches the owner of the water right must give written permission for work to be done.
- (i) Lot owners must develop and maintain all park lands and trails within the subdivision in accordance with the approved plan at the time of subdivision approval.



- (j) All roads within Elk Grove Community shall be maintained by the Homeowners' Association.
- (k) No lot may be further subdivided.
- (l) The Homeowners' Association shall be responsible for all parking enforcement with provisions contained in the covenants.
- (m) Violet Road shall be maintained by the Homeowners' Association from the point of access of Elk Grove Lane west to U.S. Highway 191.

ENFORCEMENT

The provisions of these protective covenants may be enforced by individual owners, Elk Grove Community Homeowners' Association, Design Board or Elk Grove Development Company.

RIGHT OF ACCESS

A right of access shall be reserved and be immediate for making of emergency repairs in improvements or lots on the property. These repairs may be needed to prevent property damage, personal injury, or continued property damage.

ACTION

In the event of violation or threatened violation of any of these covenants, or the design regulations or additional covenants and regulations adopted pursuant to the terms of these covenants, or in the event of violation of the By-Laws of the Association, or of any approvals, directives, or other orders of the Homeowners' Association or Design Board, legal proceedings may be brought by the Homeowners' Association or the Design Board in a Court of Law or equity for injunctive relief and damages. In addition, an owner, the Design Board or Elk Grove



Development Company may enforce these covenants by serving notice in writing on the person or entity violating these covenants which notice shall specify the offense, identify the location and demand compliance with the terms and conditions of these covenants. Such notice may be personally served, or may be sent by mail to the last known address of the party or entity.

The Homeowners' Association or Design Board may, in addition to the other enforcement powers enumerated in these covenants, enter the property of an owner for the purposes of correcting any condition, action, or inaction which constitutes a violation of these covenants, the Design Review Guidelines or the By-Laws. Any expenses incurred in the course of correcting a violation may be billed to the owner. Bills remaining unpaid after thirty (30) days may be considered an unpaid assessment and converted to a lien as provided in the By-Laws.

No owner, nor the Design Board, nor Elk Grove Development Company shall be liable to any person or entity for any entry, self help or abatement of a violation or threatened violation of these covenants. All owners, invitees and guests shall be deemed to have waived any and all rights or claims for damages for any loss or injury resulting from such action except for intentionally wrongful acts.

Enforcement of these covenants shall be by proceedings either at law or in equity against any person or persons violation or attempting to violate these Covenants; and the legal proceedings may be either to enjoin or restrain violation of the Covenants or to recover damages or both. In the event of action to enforce these Covenants, the prevailing party shall be entitled to costs and attorney's fees.

The failure by the Grantor or its assigns or the association of any subsequent lot owner to enforce any covenants or restrictions contained herein shall in no event be deemed a waiver



or in any way prejudice the right to enforce that Covenant at any time against any person breaking the Covenant or any other Covenant breached thereafter or to collect damages for any subsequent breach of Covenants.

Invalidation of any one of these Covenants by judgment or Court order shall in no way affect any of the other Covenants or provisions, all of which shall remain in full force and effect.

All of the above described real property and lots shall be subject to the restrictions and Covenants set forth herein whether or not there is a reference to the same in a deed or conveyance.

A breach of any of the foregoing restrictions or Covenants shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value upon any lot or portion of the real property or any improvements thereon. However, these restrictions and Covenants shall be binding upon and inure to the benefit of any subsequent owner who acquired by foreclosure, trustee sale or otherwise, title to Property with Elk Grove Community.

PERPETUITY

These covenants shall continue in full force and effect and shall run with land as legal and equitable servitude in perpetuity unless amended as set forth herein.

AMENDMENT

These Covenants shall remain in effect until amended or terminated. The Covenants, or any portion thereof, may be amended, terminated or supplemented at any time by the affirmative vote of 2/3 of the total votes of Class A and Class B members of the Elk Grove Community Homeowners' Association.



Any covenant which is included herein as a condition of preliminary plat approval and required by the County Commission shall not be amended or revoked without the mutual consent of the owners, in accordance with the amendment procedures in the covenants, and the County Commission.

SEVERABILITY

Captions and paragraph headings are designated herein as a matter of convenience. A determination of invalidity of any portion of these covenants shall not in any manner affect the other portions or provisions.

DESIGN BOARD

The Design Board shall be constituted, shall conduct its business, and shall have the authority and responsibility as provided herein above and in the attached document, titled DESIGN REVIEW BOARD DECLARATION FOR ELK GROVE COMMUNITY. The Design Board may, as a condition of issuance of permits to proceed, approvals or variances for any application filed by a lot owner, require a cash bond of up to \$2,000.00 to secure the lot owner's performance of the terms and conditions of the approval. The bond may also be used by the Design Board to pay any attorney's fees or other costs incurred by the Board or Homeowners' Association in the course of enforcing the terms of the permit to proceed. Any bond retained by the Board shall be released to the lot owner within thirty (30) days of satisfactory completion of the work for which the bond was required, and a permit issued.

ELK GROVE COMMUNITY HOMEOWNERS' ASSOCIATION

The Elk Grove Community Homeowners' Association shall be constituted, shall conduct its business, and shall have the authority and responsibility as provided herein and in the



attached document, titled BY-LAWS OF THE ELK GROVE COMMUNITY HOMEOWNERS' ASSOCIATION.

IN WITNESS WHEREOF, this instrument has been executed this 23rd day of July, 2004.

ELK GROVE COMMUNITY HOMEOWNERS ASSOCIATION, INC., a Montana Non-Profit Corporation,

BY: [Signature]

Director Its: _____

STATE OF MONTANA)
) :ss.
COUNTY OF GALLATIN)

On this 23rd day of July, 2004, before me, the undersigned officer, personally appeared Justin Buchanan, known to me to be the person described in and who executed the foregoing instrument as director of **Elk Grove Community Homeowners Association, Inc., a Montana Non-Profit Corporation**, and acknowledged to me that he executed the same as such officer, in the name of and for and on behalf of **Elk Grove Community Homeowners Association, Inc.**, for the purposes herein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year in this instrument first above written.

[Signature]
Notary Public for the State of Montana
Print Name: maggie Jo Luke
Residing at: Belgrade
My Commission Expires: 4.21.2008

