



VALLEY GROVE SUBDIVISION PHASE 4
PROTECTIVE COVENANTS AND RESTRICTIONS

WHEREAS, Cook-Lehrkind Investments, A Montana Partnership, of 2504 West Main Street, Bozeman, Montana, hereinafter referred to as the "developer" or "developers", are the owners in fee simple of those certain lands more particularly described as Valley Grove Subdivision Phase 4, a tract of land being a portion of the SW $\frac{1}{4}$ of Section 20, Township 1 South, Range 5 East, M.P.M., Gallatin County, Montana, and hereinafter referred to as the "premises" or the "subdivision"; and

WHEREAS, the developer, by and through the within protective covenants hereby creates and imposes certain covenants, restrictions, limitations, and regulations as to the use of the said premises, which premises have been subdivided and platted into blocks and lots according to the plat thereof known as Valley Grove Subdivision Phase 4, and which plat has been duly filed of record with the office of the Clerk and Recorder, Gallatin County, Montana, and the same is hereinafter referred to as the "plat";

NOW, THEREFORE, the developer does hereby establish, dedicate, declare, publish, and impose upon the premises the following protective covenants which shall run with the land and shall be binding upon and be for the benefit and value of the developers and all persons claiming under them, their grantees, successors and assigns and shall be for the purpose of maintaining a uniform and stable value, character, architectural design, use, and development of the premises and to all improvements placed or erected thereon unless otherwise specifically excepted and shall have perpetual existence unless terminated by law or amended as herein provided.

1. USE & BUILDING & IMPROVEMENT COVENANTS

A. Residential Lots

1. Valley Grove Subdivision Phase 4 has been surveyed into residential lots and shall be used only for single-family residences, except the park tracts and the sanitary disposal area may be used for recreational purposes and for common facilities, shown on the plat.

2. No building or improvement shall be placed, constructed, or altered on any single-family residential lot except one single-family dwelling, an attached or detached private garage, allowable accessory buildings, and improvements such as landscaping, trees, hedges, fences, and like or similar improvements normally placed or installed in and around the yard of a single-family residence. Any plans for a dwelling on any lot shall provide for off-street parking for at least two

vehicles, which must include any garage at a minimum size of 22 feet by 22 feet for two vehicles.

3. All property owners, lessees, tenants, visitors, and guests shall have the right of access and use of the park areas which shall be dedicated to the public.

4. No living space is allowed below ground level. A crawl space is allowed. No mechanical units such as furnaces, air conditioning units, hot water heaters or security systems are allowed below ground level or in the crawl space. Each dwelling unit shall be constructed so as to include at least 1200 square feet of living space on the ground floor. All square foot measurements shall be taken exclusive of open porches, patios, carports, garages, or basements. Measurements shall be taken around outside walls.

5. No building, structure, alteration, or improvement shall exceed 25 feet in height as measured from the average level of finished grade.

6. No dwelling unit or accessory building shall be erected, placed, constructed, or remodeled so as to be less than 25 feet from the front lot line, less than 15 feet from the side lot lines, or less than 25 feet from the rear lot line. Corner lots shall have at least a 15-foot setback requirement from the side lot line next to a road. The front of the dwelling unit on a corner lot shall have a 25 feet set back from the lot line. The Architectural Committee may require a setback, then required herein, if reasonable and necessary for view sheds of other lots, safety, and other reasons relating to the specific site and any other building restrictions or conditions shown on the subdivision plat and laws, rules and regulations of the public authorities.

7. There shall be no continuous parking on any street of any vehicle for more than 24 hours. After 24 hour written notice personally delivered to the owner or as posted on the vehicle, the Owners' Association may have the vehicle towed away and impounded until the costs for such action have been paid.

8. No junk vehicles shall be parked on the street nor retained or parked on any lot. A junk vehicle is one which can not be driven away under its own power.

9. There shall be no buried or above-ground fuel tanks.

10. No commercial use may be made of any lot except that home occupations or hobby-businesses may be conducted out of a residence by the owner or tenant 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, garage, accessory building, including any storage of materials or equipment;
- c) the business use shall not occupy more than 400 square feet, total, of the residence, garage, and accessory building combined;
- d) no employees who do not reside in the residence, shall be allowed to work in the business on the property, nor shall excessive traffic, noise, or pollution generation be permitted;
- e) the business use does not constitute a nuisance to neighboring property owners.

The Architectural Committee of the Valley Grove Homeowners' Association will determine if these criteria are met and whether or not the home occupation or hobby-business will be allowed.

11. Prior to or at the time of any improvements or construction on any residential lot, the owner must install at his or her expense a 20-foot-wide driveway together with a 15-inch-diameter, at least 20-foot-long, 16-gauge galvanized steel culvert in such driveway.

12. All residences must be substantially completed within one year of the commencement of construction. Substantial completion shall mean that the exterior of the structure is complete and that the siding and roofing have been attached according to the plans approved by the Architectural Committee. Commencement of construction shall mean the date excavation for the foundation begins.

13. No dusk-to-dawn ranch-type yard lights shall be allowed on any lot.

14. Exterior siding on all structures shall be of subdued colors unless otherwise approved by the Architectural Committee. Vertical panelized exterior siding is not allowed unless the Architectural Committee approves the design, materials, location of the siding on the house and the lot owner complies with all the conditions required by the Architectural Committee for the use of such siding.



15. Building materials shall be of standard or better quality and shall be approved for residential construction by the appropriate agencies.

16. Accessory buildings are buildings that are clearly used for incidental purposes to the single family residential use. Accessory buildings may be constructed upon the premises for permitted home occupation or hobbie-business use, hobbies, storage of lawn and garden equipment, recreational vehicles, recreational equipment and for dog and cat houses. Except as herein provided for home occupation and hobbies, accessory buildings shall be used only for the personal use of the residents. Accessory buildings shall not be used as residences or rentals. All accessory buildings shall be architecturally compatible with the residence on or being constructed on the lot. An accessory building shall not exceed one story in height, unless a variance is requested and granted pursuant to paragraph 3 of these Covenants.

B. Recreation Areas

1. The developer has dedicated to the public the parks shown on the Plat for Phase 4. The maintenance of said park areas shall be undertaken by the Valley Grove Homeowners' Association, which shall have the right to establish reasonable rules and regulations for the use of the parks for recreational areas and for the common facilities.

2. Subject to the rules and regulations of the State of Montana and Gallatin County, optional use of the park tracts by the Valley Grove Homeowners' Association as recreational areas and for common area facilities may include the placing, construction, and remodeling of buildings, structures, and improvements related or pertaining to such uses including, but not limited to, playgrounds, parks, clubhouses, tennis courts, swimming pools, parking, water wells, pipelines, pumping stations for water supply, maintenance and storage buildings, storage facilities for fire protection, shelter and comfort stations, health clubs, together with easements for the installation of any such pipes, lines, wires, or access for such improvements as shall be necessary, together with such other easements as the Valley Grove Homeowners' Association may hereafter designate, but in no event shall such construction or such easements be inconsistent with these covenants or the laws, rules, regulations of the State of Montana and County of Gallatin or detract from the use and development of the remainder of the premises.

2. EASEMENTS



A. Easements for drainage, electricity, natural gas, telephone, lighting, water, sewer, cable television, and all other utilities or any other service or utility shall be and is hereby reserved over the lands described herein for the benefit of the owners of the lots and their successors and assigns, and the utility companies and such association easements shall be appurtenant to each lot. The easements for utilities are shown on the subdivision plat.

B. All utilities, pipe, and service lines shall be buried.

C. Easement areas may be landscaped by property owners so as to enhance their appearance so long as the landscaping does not interfere with the use of the area as an easement.

D. After installation, all easement areas must be restored, at the expense of the utility or service entity doing the work, to as near the condition that existed previous to such work as possible. At the discretion of the Architectural Committee or the Board of Directors of the association, a bond may be required of the utility or service entity to ensure compliance with this provision.

3. ARCHITECTURAL COMMITTEE

A. There has been created in previous covenants and amendments thereto for Valley Grove Subdivision an Architectural Committee, hereinafter referred to as "Committee" or "Architectural Committee", which shall be the Architectural Committee for Phase 4. The Committee shall be appointed by the Board of Directors of the Valley Grove Homeowners' Association as provided for in the original Covenants for Valley Grove Subdivision and as amended in the Certificate of Amendment to Valley Grove Subdivision Protective Covenants and Restrictions and Valley Grove Subdivision Phase 3 Protective Covenants and Restrictions and the Certificate of Amendment to Bylaws of Valley Grove Homeowners' Association.

B. The Committee may adopt such design review criteria, reasonable rules and adopt such procedures as it deems necessary to carry out its functions, which rules and procedures may not be inconsistent with the provisions of these covenants.

C. No dwelling, accessory building, structure, landscaping, parking, fence, wall, or other improvement shall be commenced, constructed, placed, erected, repaired, remodeled or altered so as to change the outside appearance, shape, size or color, restored, reconstructed, or added to, on any lot or area until site plans, building plans and specifications, floor plans,

elevations, and such other information as the Committee may reasonably require, including permits required by public authorities for such improvements, including without being limited to, colors and building materials have been submitted to and approved by a majority of the Committee and a written building permit is issued to the applicant. The Committee may conditionally approve the plans, subject to the lot owner complying with the Committee's requirements. The installation of the common sewer and water system and utilities are exempt from review by the Architectural Committee.

D. No mobile homes or modular type construction shall be allowed. All construction shall be new on the site, that is, previously built homes may not be moved into the subdivision and placed on a new foundation.

E. The Committee shall require that all construction and improvements comply with prevailing standards of sound and proper construction.

F. The Committee shall have the authority to reject materials and/or designs submitted with plans, or the plans themselves, if they are not in compliance with these covenants or prevailing standards of design and construction.

G. A lot owner may apply for a variance from the Covenants in cases of minor deviations from the Covenants or in the case of unusual circumstances or hardship. The Committee may recommend to the Board of Directors variances to the building and improvement covenants or minor variances to the other covenants when, in its discretion, it believes the same to be necessary because of unusual circumstances and hardship, or where the same will be a minor variation from the covenants. A written application for a variance must be made to the Committee. The Committee shall within 15 days make a written report of its recommendation to the Board of Directors, for either granting or denial of the variance. The Board of Directors shall hold a meeting within 30 days after receipt of the written report from the Committee for or against the variance and shall mail at least 10 days notice of the time and date and place of the meeting to all lot owners in Phase 4. The Board of Directors may mail said notice to any other lot owner in Valley Grove Subdivision who may be affected by the variance. Any lot owner in Valley Grove subdivision or other authorized agent may attend the meeting and speak for or against the variance or may submit written comments to the Board of Directors on or prior to the meeting. Approval or denial of any variance shall require a majority vote of the Board of Directors.

H. All improvements, construction, re-construction,

alterations, re-modeling, or any activity requiring the approval of the Committee must be completed in substantial compliance with the plans and specifications initially approved by the Committee. All such construction must be completed within 1 year from the date construction is commenced.

I. The Committee or the Board of Directors of Valley Grove Homeowners' Association shall have the power, authority, standing, and right to enforce the Committee's decision or Covenants in any court having jurisdiction over the matter by injunction, damages, or other available legal or equitable manner when it reasonably believes the same have been violated and shall have the authority to revoke or suspend building permits and/or order suspension or cessation of any construction or work in violation of these covenants or of any permit issued by the Committee.

J. The Committee may require reasonable fees to be paid with the filing of plans and specifications and the issuance of building permits.

K. The Committee shall be governed by the following general guidelines in its consideration of plans and specifications submitted for its approval:

1. A landscape plan must be provided for each residence constructed on a lot.
2. In considering any plans or specifications, the Committee shall examine the suitability of same to the site, including the materials of which it is to be constructed as well as the relationship of the same to the neighborhood and to the adjacent properties.
3. All plans and specifications shall be in full compliance with all of the terms and provisions of these covenants except for any variances which may be granted by the Committee for such plans and specifications.
4. All plans and specifications must be acted upon by the Committee within 30 days of the day they are submitted or they will be deemed to have been approved; provided, however, that the improvements must still comply with the applicable provisions of these covenants.
5. The committee may adopt reasonable written guidelines for buildings, structures and improvement of the lots, provided that the Committee notify the lot owners of the guidelines and make the written guidelines readily available to the lot owners. From then on, the written

guidelines shall be effective and binding upon each lot owner.

L. Neither the Committee, Board of Directors of Valley Grove Homeowners' Association, or the individual members shall be held liable by any person for any damages which may result from Committee action, or lack of action, taken pursuant to these covenants, including, but not limited to, 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.

4. VALLEY GROVE HOMEOWNERS' ASSOCIATION

A. The Valley Grove Homeowners' Association has been established for Phases 1, 2 and 3 of Valley Grove Subdivision. Pursuant to Certificate of Amendment to Valley Grove Subdivision Protective Covenants and Restrictions and Valley Grove Subdivision Phase 3 Protective Covenants and Restrictions recorded in Film 186, page 4018 and the Certificate of Amendment to Bylaws of Valley Grove Homeowners' Association recorded in Film 186, page 4010, the lot owners in Phase 4 are automatically members of Valley Grove Subdivision and have the same rights, duties and obligations as the lot owners and members in Phases 1, 2 and 3 of Valley Grove Subdivision. The owners of real property within all phases of Valley Grove Subdivision are members of the Valley Grove Homeowners' Association and shall be bound by the provisions of the Articles of Incorporation and the By-laws of such Association. Lot-owners shall have one vote per lot on any issue to come before the Association. The purpose of the Homeowners' Association is to promote, develop, maintain, and operate the subdivision and the area, enforcing these Covenants and the Bylaws of the Association, and performing the powers, duties, and responsibilities imposed upon the Association in accordance with these Covenants and the laws and regulations of the State of Montana and County of Gallatin, and assessing for the costs and expenses of its duties and responsibilities, including water rights, recreational and common facilities, and fire protection facilities as may be more specifically designated; as well as all road improvements, maintenance, grading, graveling, snow removal, and/or surfacing.

B. The Homeowners' Association for all phases of Valley Grove Subdivision is governed by a Board of Directors elected each year at the annual meeting by a majority of members present or voting by proxy, one vote for each lot. The Board shall have the powers and duties necessary to enforce and carry out the Association's functions as set forth in these covenants and as set forth in the Articles of Incorporation and the By-laws of the Association and any amendments thereto. The Association,

through its Board, shall have the authority to make such charges and assessments to the members for the costs of operating and maintaining the subdivision facilities, including roads, water supply facilities, sewer facilities, fire protection facilities, recreational and common facilities, and other amenities, and as are reasonably necessary to carry out its responsibilities and duties including the cost of fees of hiring professionals such as accountants and attorneys. The Association shall have the power to levy assessments, which assessments may be in two classes: Capital Assessments and Operating Assessments.

C. Such Assessments shall be levied by the Board of Directors of the Association against the owners and the lots within the Valley Grove Subdivision Phases 1, 2, 3 and 4. Assessments shall be billed at such times as the Directors shall determine, and notice of the amounts shall be mailed to the last known address of each property owner. The assessments may be assessed against each lot owner equally and against each vacant lot owner equally, provided however, that the Developer shall not be charged assessments for its vacant unsold lots for a period of twelve (12) months after the final approval and filing of the subdivision plat. In lieu of such assessments the Developer shall provide and pay for snow plowing for the 12 month period. It shall be in the Board's sole discretion whether or not to set a different rate for lots with a home and for vacant lots. All assessments become due 30 days after the date of mailing. The Association has the authority to impose reasonable charges for interest, not to exceed the legal rate of 10% per annum, and penalties for overdue payments. Assessments must be based upon an annual budget prepared under the direction of the Board of Directors and submitted to the membership in advance of or at the annual or special meeting, and the budget must have the approval of a majority of the members present and voting in person or by proxy. No increase may be made in the budget without the prior approval of a majority of the membership votes present or represented by proxy at an annual or special meeting. Unpaid assessments, upon notice thereof being duly filed of record with the Clerk and Recorder of Gallatin County, shall be a lien against the parcel of real property against which said unpaid assessment was made. Such lien may be foreclosed upon in like manner as a contractor's lien or a mortgage on real property, which foreclosure proceeding may include the addition of interest, court costs, expenses, and reasonable attorney's fees.

D. The central water system, when completed and installed by the Developer, in Phase 4 shall be hooked up to the Valley Grove water system and will be transferred by the Developer to the Valley Grove Homeowners' Association when the system is operational who shall assume ownership, control, responsibility,



and management therefore.

5. WATER

A. All improvements or structures designed for residential use by humans shall be connected to the domestic water facilities constructed or installed by the developer.

B. The Valley Grove Homeowners' Association shall manage, operate, and maintain the domestic water system provided however, for the first 12 months after the filing of the subdivision plat the Developer may control the management, operation and maintenance of the water system installed in Phase IV to insure that the system is operating correctly. All lot owners shall hook up to the domestic water system when a residence is constructed on a lot.

1. Each owner will purchase a water meter from the Developer. The meter will include a remote readout.

2. Each owner shall be responsible for engaging a qualified person to install the meter and hook up to the water system and sewer system. At the time of hook up to the water and sewer system, the lot owner shall pay the Developer a one time hook up fee of \$300.

3. Monthly water rates shall be set by the Board of Directors of the Valley Grove Homeowners' Association as part of the annual budget. Such fee arrangement shall include a provision for establishment of a reserve fund for replacement, maintenance, and emergencies. The fees paid for the water shall be paid to the Association.

4. The rates may be increased or decreased by the Board to pay for and regulate water use, maintenance and operation. A reserve fund of at least \$5000 shall be established and maintained. This reserve fund shall be a separate water supply maintenance fund and shall be used only for the repair and maintenance of the water system. Each year the Board of Directors shall determine and establish a sufficient water assessment against each of the owners of the lots in such amounts as shall be adequate to properly fund a reserve fund for the anticipated management, repair and maintenance of the water system.

5. The Board may direct the manager or operator to shut off water service to a home when a bill is 2 months past due, or for non-compliance with irrigation restrictions established by the Board.



6. The Board of Directors shall designate a contact person for communication with the Department of Health and Environmental Sciences and other governmental agencies to assure compliance with the rules and regulations of the public agencies. If the contact person is changed, the Department of Health and Environmental Sciences and other governmental agencies having control over the compliance with water system requirements shall be notified immediately in writing of the name, address and phone number of the new contact person.

7. Responsibilities for monitoring and reporting in accordance with ARM 16.2.20 and any amendments thereto will be performed by the Owners' Association.

C. The Association, through its Board of Directors, shall administer the water rights for the subdivision, including both domestic water and irrigation water for all lots and the parks. The Association shall have the authority to charge a fee for the usage of the water and to make assessments for the costs and expenses of installing and maintaining the water system including pumps, lines, pipes, electricity, wiring, sprinklers, and any and all other parts, equipment or material used in the subdivision water system, both for domestic water use and for irrigation.

D. Water acquisition directly from any creek is prohibited other than water for the maintenance of the fire protection fill site pond. The Association has the right to construct a central irrigation system to serve the subdivision if they determine that the system would be desirable. The Board of Directors shall review and approve all individual and central irrigation water systems. The Board shall have the right to institute water restrictions on the domestic water system to maintain pressure in the system. Non-compliance with the restrictions shall be grounds for the Board to institute fines or water shut off. The Valley Grove Homeowners' Association shall pay any applicable water use assessment for use of water rights for the pond.

E. In accordance with Department of Health requirements:

a) the water system will be used, operated, and maintained to assure adequate supply of safe and potable water for benefit of present and future owners of properties connected thereto;

b) there [will be] a separate water supply maintenance fund used only for the repair and maintenance of the water system;

c) a contact person will be designated for communication with DHES and other governmental agencies to assure compliance with water system regulations; and

d) responsibilities for monitoring and reporting in accordance with Title 16, Chapter 2, Sub-Chapter 20, ARM, and any amendments thereto, will be performed.

6. SANITARY DISPOSAL SYSTEM

A. The sanitary disposal system shall be administered, operated and maintained by the Valley Grove County Water and Sewer District and the costs thereof shall be billed to the lot owners on their real estate tax statement.

B. Each owners sewage disposal system shall be connected to the common sanitary sewage disposal system in accordance with the procedures and requirements of the Valley Grove County Water and Sewer District.

7. TRASH AND GARBAGE

A. No trash, waste, garbage, litter, junk, or refuse shall be thrown, dumped, or left on any portion of the premises and no burning of same shall be permitted. No incinerator or other device for burning of trash or garbage shall be installed or used except as may be approved by the Committee. Each owner or lessee shall provide suitable receptacles for the containment and collection of trash and garbage, which must be enclosed or screened. Nothing contained herein shall be construed to prohibit or deny the installation of wood-burning fireplaces or stoves.

8. SIGNS

A. All signs, billboards, posters, displays, advertisements, or any structures relating thereto are prohibited unless they shall have received approval of the Committee prior to installation or use; which restrictions shall also include signs for identification of streets, residences, and directional or location markers or signs.

B. Each home must be clearly labeled with the address assigned to it by the U.S. Postal Service.

9. ANIMALS

A. No livestock, poultry, or other animals, except dogs, cats, birds, or other small in-house pets, are allowed in the

subdivision. Kennels, or other facilities for the keeping or retention of animals, shall be restricted to areas so designated by the Committee.

B. All dogs, cats, and other pets shall be strictly controlled by their owners so as not to annoy or interfere with the use of the subdivision by other owners and to prevent the interference or harassment of wild birds or animals in the subdivision or on surrounding or adjacent properties. Dogs, cats and other pets shall be kept tethered or confined on the owner's property and shall not be permitted to roam free at any time. If an animal becomes a nuisance, hazard, or threat to other persons or animals in the subdivision or to wild animals, the Committee may order the owner of such animal to remove the animal from the subdivision.

C. The commercial breeding, care, raising, or keeping of any animal is forbidden.

10. ENVIRONMENT

A. Every attempt shall be made to preserve and protect the environment indigenous to the area. All areas not utilized as sites for improvements, where disturbed by construction or any human activity, shall be returned as quickly as possible to their natural condition and replanted with native plant life except where otherwise utilized for lawns, gardens, or exterior living areas. Every building site must include a landscape plan for approval by the Committee and must provide for the planting of grasses, trees, shrubs, and other landscape features serving to enhance the appearance of the site. Landscape improvements must be installed within the planting season immediately following exterior completion of the residence; and in no event shall the time from commencement of construction to installation of landscaping exceed two years.

11. MINING

A. No mining, quarrying, excavation, oil drilling, or like development shall be allowed in or on the premises except for such excavation as may be necessary in connection with the construction or placing of improvements thereon in accordance with the terms and restrictions of these covenants.

12. TEMPORARY STRUCTURES

A. No temporary structures, trailers, campers, tents, shacks,



or similar structures shall be used at any time on the premises for temporary or interim habitation purposes except for construction and then only with the prior approval of the Committee and for a period not to exceed 7 months. Trailers, boats, mobile homes, snowmobiles, campers, motorcycles, or other similar articles may be kept or stored on the premises so long as they are not used for habitation on the premises other than for construction as set forth above. Recreational vehicles, visitors, or campers, may be parked on a lot and occupied by visitors or guests for a period not to exceed 2 weeks or 14 consecutive days in any 6 month period.

13. NUISANCE

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

14. LAWN CARE AND WEED CONTROL

A. Every lot owner shall be responsible for the care of his or her lot, including weed control. If a residence is constructed on a lot, the landscaping shall be installed within a reasonable length of time considering the season. Once installed, the landscaping, i.e. lawn, trees, shrubs, etc., shall be cared for and not allowed to deteriorate or become unsightly and detract from the neighborhood.

B. Both improved and unimproved lots shall be kept free of weeds. If the lot must be cleared of weeds and the owner fails to do so after notice from the Committee or any persons in the subdivision, the remedies set forth in Sections 16 and 17 below may be invoked.

C. Weeds shall be controlled in the parks by the Owners' Association. The Valley Grove Homeowners' Association shall have the authority to levy assessments to cover the cost of such control as it deems necessary.

15. CONSTRUCTION

A. All construction on or in the premises shall be diligently prosecuted to completion and, except for recreation construction in the parks, shall in any event be completed within 12 months of commencement unless specific written extension is granted by the Committee. No construction material shall at any time be placed or stored so as to impede, obstruct, or interfere with pedestrian or vehicular traffic, and no construction materials shall be placed or stored on residential lots or for a period in excess of 30 days following substantial completion of

construction as shall be determined by the Committee.

16. COVENANTS REQUIRED BY GALLATIN COUNTY

A. The control of noxious weeds by the Association on those areas for which the 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.

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 10 days notice from the Home Owners Association, the 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.

B. All park areas shall be maintained by the Valley Grove Homeowners' Association.

C. All fences bordering agricultural lands shall be maintained by the Owners' Association in accordance with State Law.

D. All structures shall be built in compliance with the Uniform Building Codes.

E. All public roads within the Subdivision shall be maintained by the Valley Grove Homeowners' Association. A plan for the long-term road maintenance and road maintenance while construction of the subdivision occurs shall be adopted by the Board of Directors of the Association.

F. Lot owners are placed on notice that adjoining land adjacent to the subdivision is agricultural and is used for customary farming and agricultural operations; and the lot owners affirm neighboring landowner's right to farm and use their land for the customary and usual agricultural purposes prevalent in the adjacent areas. Farming practices can result in dust, animal odors, flies, smoke and machinery noise. Standard agricultural practices feature the use of machinery early in the morning and sometimes late into the evening.

G. All houses shall display house numbers clearly for emergency identification.



H. No amendment or variance to these covenants set forth in this paragraph 16 shall be effective until approved by the County Commissioners of Gallatin County.

17. ENFORCEMENT

A. In the event of any violation or threatened violation of these covenants, the developer, any lot owner within the subdivision, or the Association, through its Board of Directors, may enforce these covenants by legal proceedings in a court of law or equity, including the seeking of injunctive relief and damages. In connection with such legal proceedings or as a separate remedy, the Association may enter upon the property in question and remove, remedy, or abate the violation or threatened violation after first having given proper notice and a reasonable opportunity for the violator to take action himself or herself to comply with these covenants or to show cause why he is not in violation of the same, as set forth in subparagraph 17 B and C below.

B. Notice as required herein above shall be in writing and served by mailing to the known address of the owner or personally delivering the notice to the owner, and shall specify the violation or threatened violation, identifying the property, demand compliance with the terms and conditions of these covenants, and state the action which will be taken under these Covenants above if the violation is not abated, remedied, or removed. If such notice cannot be served after a reasonable effort to locate the owner, service may be had by posting a copy of such notice at a conspicuous place on the property which is the subject of the violation and mailing a copy of the notice by Certified Mail, return receipt requested, to the last known address of the owner.

C. Such written notice must also set forth a time, date, and place for a hearing before the Board of Directors or a Committee Appointed by the Board of Directors where the owner shall have an opportunity to appear to deny the statements set forth in such notice and to show cause why he or she is not in violation of these covenants. Any Committee members appointed shall be lot owners. Such hearing shall be set at a reasonable time subsequent to the date of service of the notice to the property owner charged with such violation. Such hearing may be presided over by an independent hearing officer appointed by the Board of Directors who need not be a property owner in the subdivision. Following such hearing, the hearing Committee shall rule on whether a violation of these covenants is found. Each Committee member, shall have one vote and a majority shall rule. If a violation has been found to have occurred, the Committee shall give the property owner a time within which to remedy such



violation, not to exceed 90 days. If not so remedied within the specified time, then the self-help abatement or litigation provisions set forth herein may be invoked and pursued.

D. Actual costs, expenses, and reasonable attorney's fees incurred in connection with any hearing or correcting, remedying, abating, preventing, or removing any violation or threatened violation of these covenants established either through litigation, entry, or self-help following a hearing as provided in sub-paragraph 16 C above, shall constitute a claim by the owner or Association initiating such action against the owner of the property which is the subject of such violation or threatened violation. No costs shall be incurred by an owner if no violation is found and in such event the Association or person bringing such charge shall pay for the costs and fees for such hearing and action. If a violation is found to have occurred, the Association or owner making such claim may file a lien against the subject property in the amount of and for the collection of the costs by filing a verified statement of the lien with the office of the Clerk and Recorder, Gallatin County, Montana. Such lien statement must set forth the names of the claimant, a description of the property, the amount of the claim, the date of the claim, and a brief statement of the manner in 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 for by law for liens and encumbrances on real property subject to rights or redemption.

E. Failure or delay in enforcement of a covenant or a violation thereof shall not be deemed a waiver of the right to enforce such covenant or any other covenant.

18. COMPLIANCE

A. The owners, residents, lessees, and tenants of the property in the subdivision shall be in compliance with the laws, rules, and applicable regulations of the City of Belgrade and Gallatin County or other municipal or governmental entity having jurisdiction over the subdivision.

19. AMENDMENT

A. Except as otherwise herein provided, these Covenants, or any portion thereof, (except the provision of 2.A., as to easements which shall not be amended without 100% of the votes of the members affected), may be amended, abandoned, terminated, modified, or supplemented at any time by the written consent or approval, duly signed, by the owners of 75% of the votes of the

lot owners within the boundaries of the subdivision. Each lot shall have one vote per lot. Such modification or amendment shall be effective upon the recording of a Certification by the President and Secretary of the Board of Directors that 75% of the votes of the lots owners have voted in favor of the modification or amendment and stating that amendment in writing in the Certification. The Certification shall be under oath and notarized and recorded with the Clerk and Recorder of Gallatin County. A copy of the recorded modification or amendment shall be personally delivered or mailed to each lot owner at his or her last known address.

B. Any covenant which is included herein as a condition of the preliminary plat approval and required by the county commission, Section 16, may not be amended or revoked without the mutual consent of the owners in accordance with the amendment procedures in these covenants and the governing body of Gallatin County.

20. SEVERABILITY

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

21. BINDING EFFECT

These Covenants shall be binding upon and inure to the benefit of the heirs, successors and assigns of the developers and lot owners.

DATED this 16 day of November, 2000.

COOK-LEHRKIND INVESTMENTS,
A MONTANA PARTNERSHIP

BY: Gene E. Cook
Gene E. Cook, Managing Partner

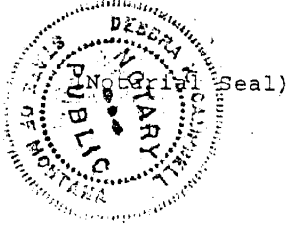


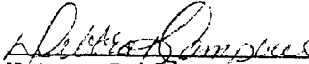
STATE OF MONTANA .)

:SS

County of Gallatin .)

This instrument was acknowledged before me on the 16th day of November, 2000, by Gene E. Cook as managing partner of Cook-Lehrkind Investments.





Notary Public for the State of Montana
Residing at Bozeman, Montana
My Commission Expires: 9-14-04