

Sterling Title
2115 Main
Kalispell MT



Debbie Pierson, Flathead County MT by SC

201700011434
Page: 1 of 68
Fees: \$476.00
6/6/2017 12:51 PM

**Declaration of Condominium Under The Unit Ownership Act And
Covenants, Conditions and Restrictions for
The Meadows at Four Mile Condominium II**

The Declarant, Meadows West Properties, LP, does hereby declare and submit for approval to the agent in the Montana Department of Revenue, for Filing, the following Declaration, under the Unit Ownership Act of the State of Montana, Section 70-23-301, et seq., M.C.A.

Article I.

Definitions and Construction of Declaration

1. Definitions. Unless the contents expressly provide otherwise, the following definitions shall pertain throughout this Declaration:

- a. Annexation Date. "Annexation Date" means, with respect to each Condominium which is annexed hereunder pursuant to the provisions of Article V of the Declaration, the date on which the Declaration of Annexation for such Condominium is recorded in the Office of the Flathead County Clerk and Recorder.
- b. Association. "Association" means The Meadows at Four Mile Condominium II Association, Inc., which consists of the individual Unit Owners.
- c. Association Members. "Association Members" means the individual Unit Owners.
- d. Building. "Building" means the building or buildings and all the additions, improvements, fixtures and related property forming a part of the Condominium Project that may exist at any time.
- e. Board. "Board" means the Board of Directors of the Meadows at Four Mile Condominium II Association, Inc. as more particularly defined in The Bylaws of the Association.
- f. Bylaws. "Bylaws" means the Bylaws promulgated by the Association under this Declaration and the Montana Unit Ownership Act.
- g. Common Elements. "Common Elements" means the general common elements and the limited common elements.
 - i. General Common Elements. "General Common Elements" means the general common elements of the Condominium Project as said term is defined in Article VI hereunder.
 - ii. Limited Common Elements. "Limited Common Elements" means those common elements designated in Article VII of this Declaration or by

pt 0014988

Approved 6/6/17/17



agreement of all Unit Owners as reserved for the use of a certain Unit or number of Units to the exclusion of the other Units.

- h. Common Expenses. “Common Expenses” means the expenses of administration, maintenance, repair or replacement of General and Limited Common Elements, expenses agreed upon by the Association and expenses declared common by the Unit Ownership Act.
- i. Condominium. “Condominium” means the ownership of single Units with Common Elements located on the property described herein and submitted to the provisions of the Unit Ownership Act, and shall also mean the initial Project Condominiums and each Condominium which is annexed under the Declaration pursuant to the provisions of Article V of the Declaration.
- j. Condominium Plan. “Condominium Plan” means the certain instrument recorded in the Official records of the Flathead County, Montana, and any other condominium plan for any other lot within the Annexable Property recorded in the Official Records of the Flathead County, Montana, as such Condominium Plans may be modified, revised or amended from time to time.
- k. Declarant. “Declarant” shall be Meadows West Properties, LP, its successors and assigns. Declarant has all rights and obligations of Declarant as set forth in the Declaration.
- l. Declaration of Condominium. “Declaration” or “Declaration of Condominium” means this final declaration and all the parts attached hereto or incorporated by reference as recorded in the records of the Office of the Flathead County Clerk & Recorder and as hereafter amended from time to time.
- m. Majority of the Unit Owners. “Majority” or “Majority of the Unit Owners” means more than 50% in the aggregate of the Unit Owners.
- n. Montana Unit Ownership Act. “The Montana Unit Ownership Act” or “Unit Ownership Act” means Title 70, Chapter 23, et seq., of the Montana Code Annotated, as amended.
- o. Property/Project. “Property” means the real property described in Exhibit “A” of this Declaration, including property that is annexed into the Project, and the Buildings, improvements and structures constructed or to be constructed and all the easements, rights and appurtenances belonging to thereto. “Project” means the completed Condominiums described on the Site Plans or Map, as amended.
- p. Annexable Property. “Annexable Property” means all property located on Lot 2 of The Meadows at Four Mile plat recorded in the office of the clerk and recorder of Flathead County, Montana, that has not already been annexed into the Project.



- q. Unit or Condominium Unit. “Unit” or Condominium Unit” means a part of the Property, including:
 - i. any part of any Building intended for independent ownership and use, as designated in the exhibits of this Declaration, including amendments thereto,
 - ii. an undivided interest in the General Common Elements, and
 - iii. an undivided interest in the Limited Common Elements reserved for certain Units.
 - r. Unit Designation. “Unit Designation” is the combination of numbers and words which identify each designated Unit.
 - s. Unit Owner. “Unit Owner” or “Owner” means the person(s) and/or entity(ties) owning a Unit in fee simple absolute, individually or as co-owner in any real estate tenancy relationship recognized under the laws of the State of Montana.
2. Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and gender-neutral pronouns shall be used interchangeably.
3. Statutory Definitions. Some of the terms defined above are also defined in the Unit Ownership Act. The definitions in the Declaration are not intended to limit or contradict the definitions in the Unit Ownership Act. If there is any inconsistency or conflict, the definition in the Unit Ownership Act will prevail.
4. Construction and Validity of Declaration. The Declaration and the Unit Ownership Act provide the framework by the Condominium is created and operated. In the event of a conflict, between the provisions of the Declaration and the Unit Ownership Act, the Unit Ownership Act shall prevail. In the event of a conflict between the provisions of this Declaration and the Bylaws, the Declaration shall prevail except to the extent the Declaration is inconsistent with the Unit Ownership Act. The creation of the Condominium shall not be impaired and title to a Unit and its interest in the Common Elements shall not be rendered unmarketable or otherwise affected by reason of an insignificant failure of this Declaration or the Survey Map and Plans or any amendment thereto to comply with the Unit Ownership Act.

Article II.

Name of Condominium

1. Name. The name of the Condominium created by this Declaration and the Survey Map and Plans, including annexed property, is The Meadows at Four Mile Condominium II.



Article III.

Real Estate Submitted to Condominium Ownership

1. Submission of Real Property. The purpose of this Declaration is to submit the real property herein described and the improvements constructed thereon to the Condominium form of ownership and use in the manner provided by the Unit Ownership Act. The real property included within the Project, and which is owned by Declarant, is more particularly described and set forth in Exhibit "A" attached hereto and by this reference incorporated in this Declaration. The provisions of this Declaration and the Bylaws recorded simultaneously with this Declaration, plus their amendments, shall be covenants, running with the Property, including every Unit, and shall be binding upon the Unit Owners, their heirs, successors, personal representatives and assigns for so long as the Declaration and Bylaws are in effect.
2. Condominium Units. Each Unit, together with the appurtenant undivided interest in the General Common Elements and any designated Limited Common Elements of The Meadows at Four Mile Condominium II, shall together comprise one Condominium Unit, shall be physically inseparable, and may be conveyed, leased, rented, devised or encumbered as a Condominium Unit with a fee simple interest and as a parcel of real property
3. First Building. Will consist of 2 single floor units. Known as Units A and B in Building 6 of The Meadows at Four Mile Condominium II. The location and general dimensions of said condominium building are depicted on Exhibits attached hereto and by this reference incorporated herein. For identification and descriptive purposes, the following Exhibits are attached and incorporated by this reference, into this Declaration.

Exhibit "A"- Legal description

Exhibit "A1"- Site Plan

Exhibit "A2"- Left and Right Exterior Elevations

Exhibit "A3"- Front and Rear Exterior Elevations

Exhibit "A4"- Floor plan of both units

Exhibit "A5"- Unit A floor plan

Exhibit "A6"- Unit B floor plan

4. Addresses The address for Units will be: 105 Meadows Vista Loop Unit A and 105 Meadows Vista Loop Unit B.



Article IV.

Description of Project

1. Annexable Property. Annexable Property will be any property located on Lot 2 of The Meadows at Four Mile subdivision, that has not been already annexed into the Project. The Declarant will annex new Units as they are built.
2. Units. The Project includes the Property and improvements thereon. The Declarant will construct a maximum of 62 units to be annexed in, as built, into the Project. The General Common Elements on will be part of the Project, including roadways and sidewalks, all of which will be for the use and enjoyment of Declarant, Owners, their families, guests and invitees. Also included will be the use and enjoyment of the General Common Elements within the The Meadows at Four Mile Condominium, including the Clubhouse.
3. Unit Boundaries. The boundaries of the Units are the walls, floors and ceilings of the Units, including all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof; provided, that the Unit Boundaries shall not include those Common Elements specified in Article VI. All spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

Article V.

Annexation and Deannexation

1. Annexation by Declaration. All or any part of the Annexable Property may be annexed by Declarant pursuant to a Declaration of Annexation at any time and from time to time without the consent of the Members. Upon such annexation and at all times thereafter, the Declaration shall govern the ownership, use and transfer of such annexed Annexable property, including the Common Elements, any Condominium Property and the Condominiums therein shown on the Condominium Plan for such Annexable Property. Assessments on the Project Condominiums annexed by such Declaration of Annexation shall commence on the date on which such Declaration of Annexation is recorded in the Office of the Flathead County Clerk and Recorder.
2. Annexation by Consent of Members. The owner of any property, who desires to add it to the scheme of the Declaration and to subject it to the jurisdiction of the Association, may cause the same to be done as hereinafter provided in this Article V upon approval in writing of the Association, pursuant to the affirmative vote or written consent of (a) prior to Transition Date, by Declarant, unilaterally, and (b) after Transition Date, by Members entitled to vote and who collectively own more than sixty-seven percent (67%) of the voting power vested in the Members. Notwithstanding the foregoing, the Declarant may, at any time, annex all or part of the Annexable Property, including Units or other



improvements thereon or that may be constructed thereon, to the Project and subject the annexed property to this Declaration and jurisdiction of the Association.

3. Annexation Procedures. Each Declaration of Annexation shall be recorded in the Office of the Clerk and Recorder, Flathead County, Montana (the “Annexation Date”), and shall contain at least the following:
 - a. A legal description of the property annexed (“Annexation Property”);
 - b. A description of each Condominium Unit within the Annexation Property, which may include referring to a condominium plan filed in the Office of the Clerk and Recorder, Flathead County, Montana;
 - c. The names and addresses of the record Owner(s) of the Annexation Property and any Units located thereon; the names and addresses of the beneficiaries and trustees of all mortgages and trust deeds which constitute liens against the Property and Units as of the date of recording the Declaration of Annexation;
 - d. A statement submitting the Annexation Property to the Declaration, which shall include the title, date of execution, and instrument number of recording; and
 - e. Other provisions that are advisable or necessary so that the Declaration, as modified by Declaration of Annexation, describes unique aspects of the Annexation Property. The Declaration of Annexation shall not be inconsistent or in conflict with the terms and provisions of the Declaration and shall not adversely or materially affect the interests of Owners hereunder except as permitted by the Declaration (i.e. reallocation of ownership interest in the Common Elements and assessments, etc.)
4. Deannexation Procedures. Declarant may deannex from the Project and the Declaration any of the Project owned by the Declarant and located within Annexable Property which has been annexed under the Declaration without the consent of any Owner. Such removal shall be effected by recording a Declaration of Deannexation. Any such Declaration of Deannexation shall identify the property being deannexed from the Project. The property being deannexed shall be considered deannexed from the Project and no longer subject to this Declaration upon recording the Declaration of Deannexation in the Office of the Clerk and Recorder, Flathead County, Montana, (the Deannexation Date)
5. Increase and Reduction of Budget. Not later than sixty (60) days following the Annexation Date, the Board shall prepared a supplemental budget showing any change in shared Project expenses for the current fiscal year as the result of the annexation. The Board may adjust each assessments as of the date the first Unit is deeded to an Owner. In the event of deannexation, not later than sixty (60) days following the Deannexation Date, the Board shall prepared a supplemental budget showing any change in shared



expenses for the current fiscal year as a result of the deannexation. The Board may adjust each assessment as of the Deannexation Date.

6. Declaration of Annexation Not Amendment. No provisions of any Declaration of Annexation recorded pursuant to this Article V shall be deemed to be an Amendment of the Declaration.

Article VI.
Common Elements

1. General Common Elements. "General Common Elements" includes:
 - a. All portions of the Buildings, other than Condominium Units, including all portions of the walls, floors, ceilings, and the grounds and walkways surrounding the Buildings;
 - b. Any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture which:
 - i. lies partially within and partially outside the designated boundaries of a Unit, and
 - ii. which serves more than one Unit or any portion of the Common Elements;
 - c. Foundations, columns, girders, beams, supports, main walls, roofs and similar exterior construction of a Building;
 - d. Central services such as power, light, gas, hot and cold water, hearing, refrigeration, air conditioning, waste disposal, and incinerating;
 - e. Tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use;
 - f. Entries, including covered entries, to the main floor common area in each Building;
 - g. All other elements of each Building necessary or convenient to its existence, maintenance, and safety or normally in common use; and
 - h. Private roads, driveways, walkways and sidewalks within the Project.
2. Use. Each Owner shall have the right to use the Common Elements in common with all other Owners and a right of access from the Owner's Unit to other Common Elements and public streets. The right to use the Common Elements extends to each Owner, and their agents, servants, tenants, family members, invitees, and licensees. The right to use the Common Elements shall be governed by the Unit Ownership Act, this Declaration,



the Bylaws, and the rules and regulations of the Association, including any amendments or supplements thereto

3. Conveyance or Encumbrance of Common Elements. Portions of the Common Elements not necessary for the habitability of a Unit may be conveyed or subjected to a security interest by the Association following written approval of Owners having at least eighty percent (80%) of the votes in the Association, including all Owner(s) of Unit(s) to which the affected Limited Common Element is allocated. Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of an individual interest in the Common Elements shall be void unless the Unit to which that interest is allocated is also transferred.
4. Allocated Interests in General Common Elements. Each Unit Owner shall own an undivided interest in the Common Elements.

Article VII.

Limited Common Elements

1. Limited Common Elements. "Limited Common Elements" includes those common elements designated in this Declaration that are reserved for the use of certain Units to the exclusion of other Units. They include the follow:
 - a. The parking garage assigned, if any, to the Unit;
 - b. The storage area assigned, if any, to the Unit;
 - c. All porches and entrances to upper floor Units shall constitute Limited Common Elements of the upper floor Units to the exclusion of the lower floor Units;
 - d. All sitting porches, decks and balconies associated with the upper floor Units shall be Limited Common Elements for the upper floor Units to the exclusion of the lower floor Units;
 - e. All exterior entrances for each of the main floor Units shall be Limited Common Elements for the main floor Units to the exclusion of the upper floor Units;
 - f. All main floor porches and terraces shall be Limited Common Elements for the main floor Units to the exclusion of the upper floor Units; and
 - g. Each Owner shall be entitled to a full and exclusive right to use any Limited Common Elements designed by the Association as appertaining exclusively to that Owner's Unit. In addition, each Owner shall be entitled to an undivided right to access and use any Limited Common Elements designated by the Association as appertaining to a number of specific Units that includes that Owner's Unit. Generally, Limited Common Elements shall include only those areas designated



to serve a single Unit or specifically identified number of Units, and located outside the immediate boundaries of a Unit. Each Unit shall be subject to the right of the Association to maintain the Limited Common Elements.

2. Reallocation. A Limited Common Element may be reallocated between Units only with the approval of the Board and by an Amendment to the Declaration executed by the Owners of the Units to which the Limited Common Element was and will be allocated. The Board shall approve the request of the Owners or Owners under this section within thirty (30) days, or within such other period provided by the Declaration, unless the proposed reallocation does not comply with the Unit Ownership Act or the Declaration. The failure of the Board to act upon a request within such period shall be deemed approval thereof. The Amendment shall be recorded in the names of the parties and of the Condominium. A Common Element may be reallocated as a Limited Common Element or a Limited Common Element may be incorporated into an existing Unit with the approval of eighty percent (80%) of the Owners, including the Owner of the Unit to which the Limited Common Element will be allocated or incorporated. Such reallocation shall be set forth in an Amendment to the Declaration and where appropriate, Exhibits to the Declaration. Any expenses or costs associated with completing the reallocation (e.g. surveys, document preparation and recording, etc.) shall be paid by the Owner of the Unit to which the Limited Common Element will be allocated.
3. Use. Each Owner shall have the exclusive right to use the Limited Common Elements allocated to the Owner's Unit. The right to use the Limited Common Element extends to the Owner's agents, servants, tenants, family members, invitees and licensees.

Article VIII.

Permitted Uses and Maintenance of Units

1. Residential Use: Timesharing Prohibited. Each Unit is intended for and restricted to residential use only, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such use including a home office that does have nonresident employees or regular visits by customers or clients. Selling the Units as timeshares, as such is defined in the Montana Code Annotated 37-53-101 et seq., M.C.A., is prohibited. Further any leasing or rental of Units may not be for overnight or weekly purposes. The minimum lease or rental term shall be no less than for one (1) month and in no event shall a Unit be leased for more than two (2) terms in any calendar year. Additional limitations to those set forth in the Declaration may be specified in the Bylaws, and in the Rules and regulations of the Condominium.
2. Use of Parking Spaces and Garages. The garages assigned as Limited Common Elements to the Units, and the surface parking spots are to be used for the parking of operable passenger motor vehicles and may be used for parking non-commercial trucks, trailers, or recreational vehicles, or other purposes expressly allowed by Rules and Regulations adopted by the Board. The parking of any other type of vehicle including but not limited

to boats and boat trailers is strictly prohibited. No overnight parking on the street Meadow Vista Loop is allowed. The Board may direct that anything parked or kept in a parking space be removed, and if it is not removed, the Board may cause it to be removed at the risk and cost of the Owner thereof.

3. Leases and Rental Agreements. Any lease or rental agreement must provide that its terms shall be subject to this Declaration, and the Bylaws, Rules and Regulations of the Association and that any failure by the tenant to comply with the terms of such documents, rules and regulations shall be a default under the lease or rental agreement. If any lease under this Section does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be part of the lease and binding upon the Owner and the tenant by reason of their being stated in this Declaration. The Board may adopt a rule that requires any Owner desiring to rent a Unit to have any prospective tenant (other than a relative of the Owner) screened, at the Owner's cost, by a tenant screening service designated or approved by the Board and to furnish the report of the tenant screening service to the Board or its designee prior to Owner's entering into a lease with the prospective tenant. All leases and rental agreements shall be in writing. Copies of all leases and rental agreements shall be delivered to the Association before the tenancy commences. If any lessee, his guests and invitees violate any provisions the Declaration, Bylaws, Rules or Regulations of the Association, and the Board determines that such violations have been repeated and that a prior Notice to cease has been given, then the Board may give Notice to the lessee or occupant of the Unit. In said Notice, the Board shall inform the Owners to cease such violations, and if any such violations are thereafter repeated, the Board shall have the authority, on behalf and at the expense of the Owner, to evict the tenant or occupant if the Owner fails to do so after Notice from the Board and an opportunity to be heard. The Board shall have no liability to an Owner or tenant for any eviction made in good faith. The Association shall have a lien against the Owner's Unit for any costs incurred by it in connection with such eviction, including reasonable attorneys' fees, which may be collected and foreclosed by the Association in the same manner as Assessments are collected and foreclosed under Title XVI. Other than as stated in this Declaration, there is no restriction on the right of any Owner to lease or otherwise rent his Unit.
4. Maintenance of Units, Common Elements, and Limited Common Elements. Except as provided below, the Association is responsible for maintenance, repair, and replacement of the Common Elements, including, the Limited Common Elements, and each Owner is responsible for maintenance, repair and replacement in each Owner's Unit. The Association shall maintain the private road "Meadow Vista Loop" and provide for snow removal on the private road and sidewalks adjacent to the private road and also Four Mile Drive. The Association will maintain the boulevard along Four Mile Drive.
5. Repair and Maintenance by Owners. Each Owner shall maintain, repair, replace, finish and restore or cause to be so maintained, repaired, replaced and restored, at Owner's sole expense, all portions of Owner's Unit, including, without limitations, shower pans within any Unit bathroom, as well as the windows, doors, light fixtures actuated from switches controlled from, or separately metered to, such owner's Unit, heating, ventilation and air

conditioning equipment located within and/or serving solely such Owner's Unit (including any such equipment located on the roof of the Building on the Property), utility equipment serving solely such Owner's Unit, and the interior surfaces of the walls, ceilings, floors, permanent fixtures and firebox in the fireplace, in a clean, sanitary and attractive condition, in accordance with the Condominium Rules and Regulations, the Maintenance Standards, and the original Construction Design of the Improvements in the Project. It shall further be the duty of each Owner, at Owner's sole expense, to keep Owner's Unit free from excessive moisture, as moisture can lead to the presence or accumulation of mold and mildew in the Unit. Such preventative measures with respect to mold and mildew, which may appear, grow, accumulate or spread in such Owner's Unit. No bearing walls, ceilings, floors or other structural or utility bearing portions of the buildings housing the Units shall be pierced or otherwise altered or repaired, without the prior written approval of the plans for the alteration or repair by the Board or an Architectural Committee appointed by the Board. Each Owner shall be responsible for the periodic structural repair, resurfacing, sealing, caulking, replacement or painting of any deck, patio, or balcony comprising Owner's assigned Limited Common Elements. However, no Owner or his family, tenants or guest shall be allowed to use the decks, balconies or patios for storage purposes. However, items such as outdoor furniture, grills and plants shall be allowed to remain on the decks, balconies and patios. Notwithstanding any other provision herein, each Owner shall also be responsible for all maintenance and repair of any internal or external telephone wiring, wherever located, which is designed to serve only that Owner's Unit, and shall be entitled to reasonable Access over the Common Elements for such purposes, subject to reasonable limitations imposed by the Association. It shall further be the duty of each Owner to pay when due all charges for any utility service, which is separately metered, to that Owner's Unit. An Owner of a Unit shall not change the flooring in any portion of the Unit, which is directly above another Unit from carpeting to a hard surface without the approval of the Board.

6. Inspection Responsibilities of Association. The Association may, as a Common Expense, provide for the inspection of any portion of a Unit or Limited Common Element, the failure of which to maintain properly may cause damage to the Common Elements, Limited Common Elements or another Unit, or cause unnecessary Common Expenses, including but not limited to, fireplace and flue, bathtubs, sinks, toilets, hot water tanks, and plumbing and electrical fixtures. If the inspection discloses the need for repair or replacement, the Association may either require the responsible Owner to make the repair or replacement, or make the repair or replacement itself and allocate the cost thereof, plus interest, to the Owner.
7. Exterior Appearances (Decorations, Modifications, and Attachments). In order to preserve a uniform exterior appearance of the Building, the Board shall provide for the maintenance of the exterior of the Buildings. No Owner may modify the exterior of a building, or screen, doors, awnings, or other portions of any Unit visible from outside the Unit without the prior written consent of the Board. Any decoration of an exterior portion of a Unit must comply with all Rules and Regulations. No solar panels, radio or television antennas, satellite units or dishes or other appliances may be installed on the exterior of a Building without the prior written consent of the Board. Unless otherwise

established by Rule or Regulation of the Board, all portions of curtains, blinds or draperies visible from outside the Units shall be white or off-white, and the Owners shall not replace the glass or screen in the windows or doors of the Units except with materials of similar color and quality to those originally installed.

8. Mold. Each Owner, by acceptance of a Deed to a Unit, acknowledges and understands that there is, and will always be, the presence of certain biological organisms within the Unit. Most typically, this will include the common occurrence of mold and/or mildew. It is important to note that mold and mildew tend to proliferate in warm wet areas. As such, it is each Owner's responsibility to maintain his or her Unit so as to avoid the accumulation of moisture and/or mold and mildew within the Unit. Such mitigation matters should include, without limitations, the frequent ventilation of the Unit, removal of standing water on balcony, patio or deck areas, prompt repair of any leaks, which permit water intrusion into the Unit, and prompt repair of plumbing leaks within the Unit (irrespective of who may have caused such leaks). Each Owner also understands that the presence of indoor plants may also increase moisture and/or mold and mildew. Also, the propping of large pieces of furniture against wall surfaces may lead to mold or mildew accumulation. It is the responsibility of each Owner to monitor and maintain his or her Unit so as to Mitigate and avoid the conditions, which are likely to lead to the existence and/or growth of mold and/or mildew. In the event that mold does appear and/or grow within the Unit, it is also the Owner's responsibility to promptly and properly treat such mold to minimize the spreading thereof and/or unhealthy conditions likely to arise as a result thereof. Such measures frequently include, but are not limited to, cleaning mold-affected surfaces with chlorine bleach. Each Owner is responsible to learn how to clean any affected improvement.
9. Notice Regarding Water Intrusion. Notwithstanding any other provisions herein, in the event that there shall be intrusion of water into any Unit (including, without limitation, as result of any roof, window, siding or other leaks (including, without limitation, plumbing leaks), and whether or nor the cause of such leak constitutes an alleged defect), the Owner shall take all necessary and appropriate action to stop any such water intrusion. Declarant shall thereafter have all of the rights afforded Declarant under this article to inspect the condition, including the right to assess the likelihood of mold or mildew. Nothing herein shall obligate Declarant to take any action, nor shall any rights of Declarant under this subsection constitute an admission or acknowledgment that any causes of any water intrusion are the result of defective construction. Failure of any Owner to timely notify Declarant of any such water intrusion shall be cause to deny future claims against Declarant relating thereto, which claims could have been mitigated had earlier action been taken.
10. Effect on Insurance. Nothing shall be done or kept in any Unit or in any Common Element that will increase the rate of insurance on the Property without the prior written consent of the Board. Nothing shall be done or kept in any Unit or in any Common Element that will result in the cancellation of insurance on any part of the Property, or that would be in violation of a law or ordinance.

11. Use or Alteration of Common and Limited Common Elements. Use of the Common Elements and Limited Common Elements shall be subject to this Declaration and the Rules and Regulations of the Board. Nothing shall be altered or constructed in or removed from any Common Element or Limited Common Element except upon the prior written consent of the Board.
12. Signs. No sign of any kind shall be displayed to the public view on or from any Unit, Limited Common Elements or Common Elements without the prior consent of the Board. The Board may erect, on the Common Elements, a master directory listing Units that are for sale or lease, and the Board may regulate the size and location of signs advertising Units for sale or lease. This section shall not apply to the Declarant who has an easement to post signs, as set forth in XXIII.
13. Pets. Domesticated animals (herein referred to as "pets") may be kept in the Units, subject to Rules and Regulations adopted by the Board. No animals, livestock, or poultry of any kind shall be raised, bred, or kept in any Unit, except that dogs, cats, or other normal household pets, may be kept provided that they:
 - a. shall not be kept, bred, or maintained for any commercial purpose;
 - b. shall not become a nuisance to any other Owner including, without limitation, straying from Owner's Unit or repeatedly barking, howling or making other annoying sounds;
 - c. shall be leashed upon leaving an Owner's Unit; and
 - d. are not identified a dangerous breed by the Board or are not a hybrid with a non-domesticated animal.

Dogs will not be allowed on the Common Elements unless they are on a leash and are being walked to or from the Unit to a public road. All pet owners shall have their dogs and cats vaccinated, licensed and outfitted with visible identification at all times. There shall be no more than either two (2) pets up to twenty (20) pounds each; or one (1) pet of twenty-one (21) to ninety (90) pounds in each Unit.

Any animal that consistently disturbs other Owners shall be considered in violation of the Quiet Enjoyment provisions of the Declaration. Absolutely no exotic animals or pets shall be allowed.

Any variance from the above mentioned restrictions requires Board of Directors approval and consent from the adjoining Unit Owners in the Building in which the pet Owner's Unit is located and is subject to any Rules and Regulations adopted by the Board.

14. Quiet Enjoyment and Offensive Activity. No Owners shall permit anything to be done or kept in the Owner's Unit, or in the Limited Common Elements or Common Elements which would interfere with the right of Quiet Enjoyment of the other residents of the

Condominium. No noxious or offensive activity shall be carried on in any Unit, Limited Common Element or Common Element, nor shall anything be done therein that may be or become an annoyance or nuisance to other Owners. Any and all covenants relating to the noise, annoyance or nuisance during the construction, repair or sale of Units are expressly waived as such may pertain to Declarant in the construction, modification, alteration or improvement of any Units.

Article IX.
Conveyance of Units

1. Conveyance by Owners: Notice Required. The right of an Owner to sell his/her Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction imposed by the Association or the Board, or anyone acting on their behalf. An Owner intending to convey a Unit shall deliver a written Notice to the Board, at least two (2) weeks before closing, specifying (a) the Unit being sold; (b) the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and (c) the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid Assessments and charges outstanding against the Unit, whether or not such information is requested. Promptly upon the conveyances of the Unit, the Unit Owner shall notify the Association of the date of the conveyance and the Unit Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy under Article XX of the name and address of the new Owner and request that the new Owner be made a named insured under each policy. At the time of the first conveyance of each Unit, every mortgage, lien or other encumbrance affecting that Unit and any other Unit or Units or real Property, other than the percentage of undivided interest of that Unit in the Common Elements, shall be paid and satisfied or record, or the Unit being conveyed and its undivided interest in the Common Elements shall be released therefrom by partial release duly recorded or the purchaser of that Unit shall receive title insurance from a licensed title insurance company against such mortgage, lien or other encumbrance.
2. Transfer Assessment. Upon conveyance or transfer of any Unit by an Owner, a transfer Assessment in the amount of One Hundred Fifty Dollars (US\$150.00) must be paid to the Association. Said transfer Assessment shall be paid at the time of closing of the transaction, which results in the conveyance or transfer of the Unit along with any annual Assessments, special Assessments and default Assessments that may be due to the Association at the time of the closing. The amount of transfer Assessment is subject to reasonable change at the discretion of the Board of Directors of the association to cover Association related costs, expenses and fees such as documentation and processing. The transfer Assessment shall not be payable with respect to the transfer of a Unit from the Declarant to the first purchaser of the Unit, but any subsequent transfer of the Unit shall be subject to said transfer Assessment. The transfer Assessment shall not be applied to or be deemed an advance payment of Assessments or otherwise creditable or reimbursable to any Owner.

Article X.
Special Declarant Rights

1. The Declarant reserves the following Special Declarant Rights:
 - a. To complete any Improvements shown on the Survey Map and Plans of the Property and Annexable Property;
 - b. To allocate any unallocated garages or storage areas to Units as Limited Common Elements;
 - c. To maintain sales offices, management offices, signs advertising the Condominium, and models in Units which are not occupied and are for sale by the Declarant, in Units owned by the Declarant, and in the Common Elements of the Condominium;
 - d. To use easements through the Common Elements for the purpose of making improvements within the Project;
 - e. To elect, appoint or remove any Officer of the Association or any Member of the Board during the period of Declarant Control;
 - f. To use any of the common areas for the express use of marketing the property and entertaining potential buyers.
 - g. To annex property into the project and make the improvements thereon subject to the rights and restrictions set forth in this Declaration.
 - h. To create or grant easements as Declarant deems necessary or prudent.

The rights described in this Article shall not be transferred except by instrument evidencing the transfer executed by the Declarant or Declarant's successor and the transferee and recorded in the county in which the Condominium is located.

Article XI.
Entry for Repairs and Maintenance

1. In General. The Association and its agents or employees may enter any Unit and the Limited Common Elements allocated thereto to effect repairs, improvements, replacements, maintenance or sanitary work deemed by the Board to be necessary in the performance of its duties, to do necessary work that the Owner has failed to perform, or to prevent damage to the Common Elements or to another Unit. Except in case of an emergency that precludes advance Notice, the Board shall cause the Unit occupant to be given Notice and an Opportunity to be heard as far in advance of entry as is reasonably practicable. Such entry shall be made with as little inconvenience to the Owner and occupants as practicable. The Board may levy a special Assessment against the Owner of

the Unit for all or part of the cost of work performed on a Unit or Limited Common Elements. The special assessment may be collected as provided in this Declaration for collecting Assessments.

Article XII.
The Association

1. Form of Association. The Owners of Units shall constitute an owners association to be known as The Meadows at Four Mile Condominium II Association, Inc. The Association shall be organized as a nonprofit corporation no later than the date the first Unit in the Project is conveyed. It will be governed by an initial Board of Directors, as elected and specified in its Bylaws. The rights and duties of the Board and of the Association shall be governed by the provisions of the Unit Ownership Act, the Declaration and Bylaws.
2. Bylaws. The Board will adopt Bylaws that may supplement the Declaration and provide for administration of the Association. Property, and other purposes consistent with the Unit Ownership Act and/or the Declaration.
3. Qualification and Transfer. Each Owner of a Unit (including the Declarant) shall be a Member of the Association and shall be entitled to one membership for each Unit owned, which membership shall be considered appurtenant to that Member's Unit. Ownership of a Unit shall be sole qualification for membership in the Association. A membership shall not be transferred upon the transfer of title to the Unit and then only to the transferee acquiring title to the Unit; provided, that if Unit is sold on contract, the contract purchaser shall exercise the rights of the Owner under this Declaration and in the Association, except as hereinafter limited. The contract purchaser of a Unit may assign that Unit's voting rights consistent with this Declaration. Any attempt to make a prohibited transfer of a Unit shall be void. Any transfer of title to a Unit shall automatically transfer membership in the Association appurtenant to the Unit to its new Owner.
4. Powers of the Association. In addition to those actions authorized elsewhere in the Declaration, the Bylaws, the Unit Ownership Act, and the laws of the State of Montana, the Association shall, by sufficient approval of its Members (as stipulated herein), have the power to:
 - a. Adopt and amend the Bylaws, Rules and Regulations;
 - b. Adopt and amend budgets for revenues, expenditures, and reserves and impose and collect Common Expenses and any Assessments from Owners;
 - c. Hire and discharge or contract with Managing Agents and other employees, agents and independent contractors;

- d. Institute, defend, or intervene in litigation or administrative proceeding in its own name on behalf of itself or two or more Unit Owners on matters affecting the Project;
- e. Make contracts and incur liabilities;
- f. Regulate the use, maintenance, repair, replacement, and modification of Common Elements and Limited Common Elements;
- g. Cause additional improvements to be made as a part of the Common Elements;
- h. Acquire, hold, encumber, convey, and dispose of in the Association's name, right, title, or interest to real or tangible and intangible personal property, and to arrange for and supervise any addition or improvement to the Project; provided that:
 - i. if the estimated cost of any separate property acquisition or addition or improvement to the Project exceeds \$10,000.00 and has not been included in the current year's budget, the approval of the Owners holding a majority of the votes in the Association shall be required; and if such estimated cost exceeds \$10,000.00 and has not been included in the current year's budget, the approval of the Owners holding seventy-five percent (75%) of the votes in the Association shall be required;
 - ii. no structural changes shall be made to the Buildings or Common Elements without the approval of Owners holding at least seventy-five percent (75%) of the votes in the Association;
 - iii. no structural change shall be made to a Unit without the approval of the Owner of that Unit; and
 - iv. the beneficial interest in any property acquired by the Association pursuant to this Section shall be owned by the Owners in the same proportion as their respective interest in the common Elements and shall thereafter be held, sold, leased, mortgaged or otherwise dealt with as the Board shall determine.
- i. Grant easements including but not limited to easements for water and sewer lines dedicated to the City of Kalispell as shown on the Survey, Map or Site Plans, grant leases, licenses, and concessions through or over the Common Elements and petition for or consent to the vacation of streets and alleys;
- j. Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements and for services provided to Owners;
- k. Acquire and pay for all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the Condominium;

- l. Impose and collect charges for late payment of Assessments as further provided in Article XVI and, after Notice and an opportunity to be heard by the Board, or by a representative designated by the Board, and in accordance with such procedures as provided in this Declaration, the Bylaws, or Rules and Regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners for violations of this Declaration, the Bylaws, and Rules and Regulations of the Association;
 - m. Impose and collect reasonable charges for the preparation and recording of Amendments to this Declaration;
 - n. Provide for the indemnification of its Officers and Board and maintain directors' and officers' liability insurance;
 - o. Assign its right to future income, including the right to receive Assessments;
 - p. Provide or pay, as part of the Common Expenses, the following utility services to the Units: water and sewer;
 - q. Exercise any other powers conferred by this Declaration or the Bylaws;
 - r. Exercise all other powers that may be exercised in this State by the same type of corporation as the Association; and
 - s. Exercise any other powers necessary and proper for the governance and operation of the Association.
5. Financial Statements and Records. The Association shall keep financial records in accordance with generally excepted accounting principles. All financial statements and other records shall be made reasonably available for examination by any Unit Owner and the Owner's authorized agents. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. The financial statement shall be completed in time for the Association's annual meeting and in any event within one hundred twenty (120) days following the end of the fiscal year. Any mortgagee will, upon written request, be entitled to receive the annual financial statement within one hundred twenty (120) days following the end of the fiscal year. An Owner or mortgagee, at the Owner's or mortgagee's expense, may at any reasonable time conduct an audit of the books of the Board and Association.
6. Inspection of Condominium Documents, Books and Records. The Association shall make available to Owners, mortgagees, prospective purchasers and their prospective mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, Bylaws, Rules and Regulation of the Association, and other books, records, and financial statements of the Association. "Available" shall mean

available for inspection upon request, during normal business hours or under other reasonable circumstances. The Association may require the requesting party to pay a reasonable charge to cover the cost of making the copies.

Article XIII.
Declarant Control Period

Declarant Control Unit Transition Date. Until the Transition Date, the Declarant shall have the right to appoint and remove all Members of the Board.

2. Transition Date. Declarant's Control of the Association shall terminate on the Transition Date. The Transition Date shall occur on the date that the Declarant records in the office of the Flathead County Clerk and Recorder a statement whereby the Declarant voluntarily surrenders control of the Association to the Members and Board.
3. Declarant's Transfer of Association Control. Within ninety (90) days after the Transition Date, the Declarant shall deliver to the Association all property of the Owners and of the Association held or controlled by the Declarant including, but not limited to, the following:
 - a. The original or a photocopy of the recorded Declaration and each Amendment to the Declaration;
 - b. The Certificate of Incorporation and a copy of the Articles as filed with the Secretary of State;
 - c. The Bylaws;
 - d. The minute book, including all minutes and other books and records of the Association;
 - e. Any Rules and Regulations that have been adopted;
 - f. The financial records, including cancelled checks, bank statements, and financial statements of the Association, and source documents from the time of incorporation of the Association through the date of transfer of control to the Owners;
 - g. Association funds or the control of the funds of the Association;
 - h. All tangible personal property of the Association, represented by the Declaration to be the property of the Association and inventory of the property;

- i. The copy of the Declarant's Plans and Specifications utilized in the construction or remodeling of the Project, with a certificate of the Declarant of a licensed architect or engineer that the Plans and Specifications represent, to the best of such Person's knowledge and belief, the actual Plans and Specifications utilized by the Declarant in the construction or remodeling of the Project (which may not include alterations to a Unit done by a Unit Owner other than the Declarant);
 - j. Insurance policies or copies thereof for the Project and the Association;
 - k. Copies of any certificates of occupancy that may have been issued for the Project;
 - l. Any other permits issued by governmental bodies currently applicable to the Project in force or issued within one (1) year before the Transition Date;
 - m. All original warranties that are still in effect for the Common Elements, or any other areas or facilities which the Association has a responsibility to maintain and repair, from the contractor, subcontractors, suppliers, and manufacturers and all owners' manuals or instructions furnished to the Declarant with respect to installed equipment or building systems;
 - n. A roster of Unit Owners and Eligible Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records and the date of closing of the first sale of each Unit sold by the Declarant;
 - o. Any leases of the Common Elements or areas and other leases to which the Association is a party;
 - p. Any employment contracts or service contracts in which the Association is one of the contracting parties, or service contracts in which the Association or the Unit Owners have an obligation or are responsible, directly, to pay some or all of the fee or charge of the person performing the services; and
 - q. All other contracts to which the Association is a party.
4. Audit of Records Upon Transfer. Upon termination of the period of Declarant Control, the records of the Association shall be audited as of the date of transfer by an independent certified public accountant in accordance with generally accepted auditing standards, unless the owners, by a majority vote, elect to waive the audit. The cost of the audit shall be a Common Expense.
5. Termination of Contracts and Leases Made by the Declarant. With respect to contracts that were signed by the parties before the Board elected pursuant to Article XIX, Section 1, takes office, (1) any management contract, employment contract, or lease of recreational or parking areas or facilities or (2) any other contract or lease between the Association and the Declarant may be terminated without penalty by the Association at any time after the Board takes office. In order to terminate such contracts or agreements,

the Board must provide notice to the parties as provided for in the contract or lease or in the absence of such a contractual provision, not less than ninety (90) days notice prior to the termination date. Notwithstanding this Section, termination is not allowed if the result would reduce the size of a Unit.

Article XIV.

The Board of the Association

1. Selection of the Board and Officers. Prior to the Transition Date, Article XIII, Section 1, shall govern election or appointment of the Members to the Board. Within thirty (30) days after the Transition Date, the Owners and Declarant shall elect a new Board. Two (2) Board Members shall be selected by the Declarant for the first term after the Transition Date. The Owners shall select the remaining Board Members. Thereafter the number of Board Members and their terms of services shall be specified in the Bylaws. The Board shall elect Officers in accordance with the procedures provided by the Bylaws. The Members of the Board and Officers shall take office upon election. Terms of service and the removal of Board Members shall be as provided in the Bylaws.
2. Powers of the Board. Except as provided in this Declaration, the Bylaws or Unit Ownership Act, the Board shall at all times act on behalf of the Association. The Board may exercise all powers of the Association, except as otherwise provided in the Declaration, Bylaws, or Unit Ownership Act.
3. Managing Agent. The Board may contract with an experienced professional Managing Agent to assist the Board in the management and operation of the Condominium and may delegate such of its powers and duties to the Managing Agent as it deems to be appropriate, except as limited herein. Any contract with a Managing Agent shall have a term no longer than one (1) year (but may be renewed by agreement of the parties for successive one (1) year periods) and shall be terminable by the Board without payment of a termination fee, either (1) for cause, on thirty (30) days written notice, or two (2) without cause, on not more than ninety (90) days written notice.
4. Limitations on Board Authority. The Board shall not act on behalf of the Association to amend the Declaration in any manner that requires the vote or approval of the Unit Owners pursuant to Article XXV, to terminate the Condominium pursuant to Article XXVI, or to elect Members of the Board or determine the qualifications, powers, and duties, or terms of office of Members of the Board. The Board may, in accordance with the Bylaws, fill vacancies in its membership for the unexpired portion of any term.
5. Right to Notice and Opportunity to Be Heard. Whenever this Declaration requires that an action of the Board be taken after "Notice and Opportunity to be Heard," has been served, the following procedure shall be observed:
 - a. The Board shall give written Notice of the proposed action to all Owners, tenants or occupants of Units whose interest would be significantly affected by the

proposed action. The Notice shall include a general statement of the proposed action and the date, time and place of the hearing, which shall not be less than five (5) days from the date Notice is delivered by the Board. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the Notice), subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision, but shall not bind the Board. The Board shall make its decision after conclusion of the hearing. The affected person shall be notified of the decision in the same manner in which Notice of the meeting was given.

Article XV.
Budget and Assessment

1. Fiscal Year. The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year.
2. Preparation of Budget. Not fewer than thirty (30) days before the end of the fiscal year, the Board shall prepare a budget for the Association for the upcoming year. In preparing its budget, the Board shall estimate the Common Expenses of the Association to be paid during the year, make suitable provisions for accumulation of reserves, including amounts reasonably anticipated to be required for operation, maintenance, repair, and replacement of the Common Elements, and shall take into account any surplus or deficit carried over from the preceding year's budget as well as consider any expected income to the Association. The Declarant will establish the initial budget for the first fiscal year of the Association.
3. Ratification of Budget. The Board of Directors until the time of Transition Date may adopt and implement the budget unless the Board Determines it is in the best interest of the Association to implement the budget adoption process as set forth in this Section. After the Transition Date, within thirty (30) days after adoption of any proposed budget for the Condominium, the Board shall provide a summary of the budget to all the Owners and shall set date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14), nor more than sixty (60) days, after mailing the summary. Unless, at that meeting, the Owners to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board. If the Board proposes a supplemental budget during any fiscal year, such budget shall not take effect unless ratified by the Unit Owners in accordance with this Section.
4. Supplemental Budget. If, at any time during the year, the budget proves to be inadequate for any reason, including nonpayment of any Owner's Assessments, the Board may prepare a supplemental budget for the remainder of the year. A supplemental budget shall be ratified pursuant to the process set forth in Section 3 of this Article.

5. Assessments for Common Expenses. Each Owner covenants and agrees to pay, upon demand, to the Declarant, or its successor or assigns, such Owner's share of such sum as the Declarant, or its successors assigns, from time to time may pay or may be required to pay for the cost of care, maintenance and repair of the Condominium and its Common Elements, including but not limited to, maintenance of and snow removal on the private roads and sidewalks within the Project and the boulevard and sidewalks along Four Mile Drive adjacent to the Project and the roads, paths, boulevards, decorative or ornamental improvements signs, parks, insurance, plantings, waterways, landscaping and other beautification features which the Declaration either has located or may locate on the Condominium, together with the cost of supplying water and electricity thereto and therefore, along with the maintenance of the Clubhouse located on Lot 1 of The Meadows at Four Mile; provided, however, that the Declarant, or its successor or assigns, shall always conduct such operation under this Section on a strictly nonprofit basis. Each Owner shall pay a proportionate share of the total amount of such costs, per Unit owner. The total amount shall be more specifically calculated by the Board on a year-to-year basis. This Section, just as the other Sections contained herein, shall constitute a covenant running with the land.
6. Contribution to Initial Working Capital. In connection with the closing of the sale of each Unit, the first purchaser thereof shall pay to the Association, as a nonrefundable contribution to an initial working capital fund, an amount equal to two (2) times the initial monthly Assessment against the Unit, which amount shall not be considered as an advance payment of regular Assessments. On the Transition Date, the Declarant shall make such contribution for any Units remaining unsold on that date and shall not use any of the working capital funds to defray any of its expenses, reserve contributions, construction costs, or to make up any budget deficits prior to the Transition Date.
7. Special Assessments. For those Common Expenses, which cannot reasonably be calculated and paid on a monthly basis, the Board may levy special Assessments for such expenses against the Units, subject to ratification by the Owners pursuant to Section 3 of this Article.
8. Creation of Reserves: Assessments. The Board shall create reserve accounts for anticipated expenses for repairs, replacements and improvements, which will occur in the future in order to accumulate sufficient funds to pay such expenses when they occur. The operation of reserve accounts and Assessments for reserve accounts shall be further governed by the Bylaws.
9. Notice of Assessments. The Board shall notify each Owner in writing of the amount of the monthly general and special Assessments to be paid for the Owner's Unit and shall furnish copies of all budgets and the Common Expense Liability allocations which apply to the Unit, on which the general and special Assessments are based. The Board shall furnish the same information to an Owner's first mortgagee (hereinafter "Eligible Mortgagee" or sometimes referred to as "mortgagee"), if so requested.

10. Payment of Monthly Assessments. On or before the tenth (10th) day of each calendar month, each Owner shall pay or cause to be paid to the transfer or designated agent of the Association all Assessments against the Unit for that month. Any assessment not paid by the tenth (10th) day of the calendar month for which it is due shall be delinquent and subject to late charges, interest charges and collection procedures as provided in Article XVI. The Association may determine it is in its best interest to alter the payment schedule of Assessments to quarterly payments and will notify Unit Owners if so determined.
11. Proceeds Belong to Association. All Assessments and other receipts received by the Association on behalf of the Condominium shall belong to the Association.
12. Failure to Assess. Any failure by the Board or the Association to make the budgets and Assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owners from the obligation to pay Assessments during that or any subsequent year, and the monthly Assessments amounts established for the preceding year shall continue until new Assessments are established.
13. Certificate of Unpaid Assessments. Upon the request of any Owner or mortgagee of a Unit, the Board will furnish a certificate stating the amount, if any, of unpaid Assessments charged to the Unit. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all purchasers and mortgagees of the Unit who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate.
14. Recalculation of Assessments. If Common Expense Liabilities are reallocated, Common Expense Assessments, Special Assessments, and any installment thereof not yet due shall be recalculated in accordance with reallocated liabilities.

Article XVI.

Lien and Collection of Assessments

1. Unpaid Assessments are a Lien; Priority. The Association has a lien on a Unit for any unpaid Assessment levied against a Unit from the time each Assessment is due. All sums assessed by the Association but unpaid by the Unit Owners shall constitute a lien on such Unit and its interest in the Common Elements prior to all other liens except tax liens and the first mortgage or trust indenture of record as provided by Section 70-23-607 of the Unit Ownership Act.
2. Lien May be Foreclosed; Judicial Foreclosure. The lien arising under this Article may be enforced judicially by the Association or its authorized representative in the manner set forth in Section 70-23-608 *et seq.* of the Unit Ownership Act by the Board, acting on behalf of the Unit Owners. Pursuant to Section 70-23-608 of the Unit Ownership Act, an

action to recover a money judgment for any unpaid Assessment may be brought without foreclosing or waiving the lien securing the Assessment as provided by law.

3. Receiver During Foreclosure. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Unit that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Unit as and when due. If the rent is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental Units in this type of Condominium, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Unit, then to the applicable charges, then to costs, fees and charges of the foreclosure action, and then to the payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this Section and a receiver shall not be appointed less than ninety (90) days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.
4. Joint and Several Liability. In addition to constituting a lien on the Unit, each Assessment shall be the joint and several obligation of the Owner or Owners of the Unit to which the same are assessed as of the time the Assessment is due. In a voluntary conveyance, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.
5. Late Charges and Interest on Delinquent Assessments. The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent Assessments or installments thereof. In the absence of another established non-usurious rate, delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under Montana law.
6. Recovery of Attorneys' Fees and Costs. The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment.
7. Security Deposit. An Owner who has been delinquent in paying his monthly Assessments for three (3) of the five (5) preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three (3) months' estimated monthly Assessments, which shall be collected and shall be subject to penalties for nonpayment as are other Assessments. The deposit shall be held in a

separate fund, credited to such Owner and may be resorted to at any time when such Owner is ten (10) days or more delinquent in paying Assessments.

8. Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law, although not expressed herein, either concurrently or in any order.
9. Mortgagee's Rights. In the event a first mortgagee obtains a Unit pursuant to the remedies in the mortgage or through foreclosure, that first mortgagee will not be liable for more than six (6) months of the Unit's unpaid assessments or charges accrued before the acquisition date of the Unit by the first mortgagee.

Article XVII

Enforcement of Declaration, Bylaws and Rules and Regulations

1. Rights of Action. Each Owner, the Board and the Association shall comply strictly with this Declaration, Bylaws, and Rules and Regulations adopted by the Board, as they may be lawfully amended from time to time, and the decisions of the Board. Failure to comply with all of the foregoing shall be grounds for an action to recover sums due, damages, and for injunctive relief, or any or all of them, maintainable by the Board on behalf of the Association or by an Owner.
2. Failure of Board to Insist on Strict Performance: No Waiver. The failure of the Board or Declarant, in any instance, to insist upon strict compliance with this Declaration, Bylaws, or Rules and Regulations of the Association, or to exercise any right contained in such documents, or to serve any Notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. The receipt by the Board of payment of an Assessment from an Owner, with knowledge of a breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed by the Board.

Article XVIII.

Tort and Contract Liability

1. Declarant Liability. Neither the Association nor any Owner except the Declarant is liable for the Declarant's torts in Connection with any part of the Condominium which the Declarant has the responsibility to maintain. Otherwise, an action alleging a wrong done by the Association must be brought against the Association and not against any Owner or any Officer or Director of the Association.
2. Limitation of Liability for Utility Failure, etc. Except to the extent covered by insurance obtained by the Board, neither the Association, the Board, nor the Declarant shall be liable for the failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust or sand which may leak or flow from outside or from any parts of the Buildings, or from any of their pipes, drains, conduits, appliances, or

equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

3. No Personal Liability. So long as a Board Member, or Association Committee Member or Association Officer, or the Declarant or any Authorized Agent of those parties has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no person shall be personally liable to any Owner, or to any other person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person; provided, that this Section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board.
4. Construction Defects. Actions for construction defects shall be governed by Section 70-19-427, M.C.A. That chapter contains important requirements that must be followed before a party may file a lawsuit for defective construction against the seller or builder of their Unit. There are strict deadlines and procedures under Montana law, and failure to follow those guidelines may affect a party's ability to file a lawsuit.
5. Action by Association. Any action anticipated by the Association against the Declarant or any third party shall not be initiated without the Association first calling a special meeting of the Owners, following the provisions set forth in the Bylaws in doing so. In the Notice provided to the Owners of the special meeting, the action anticipated shall be clearly detailed as a topic of discussion for said meeting. The Association shall not file said action until the meeting is held, and the Owners have assented to the filing of said action.

Article XIX. *Indemnification*

1. Indemnification. Each Board Member, Association Committee Member, Association Officer, the Declarant and any Authorized Agent thereof shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which such person may be a party, or in which such person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not such person holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of such person's duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approved such settlement and reimbursement as being for the best interest of the Association.

Article XX.
Insurance

1. General Requirements. Commencing not later than the time of the first conveyance of a Unit to a person other than the Declarant, the Association shall maintain, to the extent reasonably available, a policy or policies and bonds necessary to provide (a) property insurance; (b) commercial general liability insurance; (c) worker's compensation insurance to the extent required by applicable law; (d) directors and officers liability insurance; and (e) any other such insurance as the Board deems advisable. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from insurance carriers that are generally acceptable for similar projects, and authorized to do business in the State of Montana. Further timely written notice of a lapse, cancellation or material modification of any policy maintained for the Condominium shall be proved to the Eligible Mortgagees, if so requested.
2. Property Insurance. The property insurance shall, at the minimum, provide all risk or special cause of loss coverage in an amount equal to the full replacement costs of the Common Elements, Limited Common Elements, equipment, fixtures, appliances, improvements in the Units installed by the Declarant, and personal property of the Association. The policy shall provide a separate loss payable endorsement in favor of the mortgagee of each Unit. The policy may, in the discretion of the Board, cover improvements or betterments installed by the Unit Owners. The Association or insurance trustee, if any, shall hold insurance proceeds in trust for the Owners and their mortgagees, as their interest may appear. Each Owner and the Owner's mortgagee, if any, shall be beneficiaries of the policy in accordance with the interest in Common Elements appertaining to the Owner's Unit. Certificates of insurance shall be issued to each Owner and mortgagee upon request.
3. Commercial General Liability Insurance. The liability insurance coverage shall insure the Board, Association, Owners, Declarant, and any Authorized Agent thereof, and cover all of the Common Elements in the Condominium, and shall cover liability of the insureds for property damage and bodily injury and death of persons arising out of the operation, maintenance, and use of the Common Elements, employers' liability insurance, automobile liability insurance, and such other risks as are customarily covered with respect to residential condominium projects of similar construction, location and use. The limits of liability shall be in amounts generally required by mortgagees for projects of similar construction, location and use, but shall be at least \$1,000,000.00 combined single limit for bodily injury and property damage per occurrence and \$2,000,000.00 general aggregate.
4. Insurance Trustee; Power of Attorney. The named insured under the policies referred to in Sections 2 and 3 of this Article shall be the Association, as trustee for each of the Owners in accordance with their respective interests in the Common Elements. The insurance proceeds may be made payable to any trustee with which the Association enters into an insurance trust agreement, or any successor trustee, who shall have the exclusive authority to negotiate losses under the policies. Subject to the provisions of

Section 6 of this Article, the proceeds must be disbursed first for the repair or restoration of the damaged property, and Unit Owners and lienholders are not entitled to receipt payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated. Each Owner appoints the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other action necessary to accomplish such purposes.

5. Owner's Individual Insurance. An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for the Owner's own benefit.

6. Use of Insurance Proceeds. Any portion of the Condominium for which insurance is required under this Article which is damaged or destroyed shall be repaired or replaced promptly by the Association pursuant to Article XXI, unless: (a) the Condominium is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (c) Owners holding at least eighty percent (80%) of the votes in the Association, including every Owner of a Unit or Limited Common Element which will not be rebuilt, and Owners other than the Declarant holding at least eighty percent (80%) of the votes in the Association excluding votes held by the Declarant, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If all of the damaged or destroyed portions of the Condominium are not repaired or replaced (a) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (ii) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to lienholders, as their interests may appear; and (iii) the remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to the interest in Common Elements of each Unit. If the Unit Owners vote not to rebuild any Unit as set forth herein, that Unit's Allocated Interests are automatically reallocated upon the vote as if the Unit had been condemned under Article XXII, and the Association promptly shall prepare, execute, and record Amendment to this Declaration reflecting the reallocations. Notwithstanding the Provisions of this Section, Article XXVI and the determinations of the Board within the parameters of that Article governs the distribution of insurance proceeds if the Condominium is terminated.

Article XXI.

Damage and Repair or Damage to Property

1. Initial Board Determination. In the event of damage to any Common Element or to any portion of a Unit or its Limited Common Elements, equipment or appliances covered by the Association's insurance policy, the Board shall promptly, and in all events within thirty (30) days after the date of damage, make the following determinations with respect thereto, employing such advice as the Board deems advisable necessary.
 - a. The nature and extent of the damage, together with an inventory of the Improvements and Property directly affected thereby;
 - b. A reasonably reliable estimate of the cost to repair the damage, which estimate shall, if reasonably practicable, be based upon two (2) or more firm bids obtained from responsible contractors;
 - c. The expected insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer; and
 - d. The amount, if any, by which the estimated cost of repair exceeds the expected insurance proceeds, and amount of the Assessment that would have to be made against each Unit if the excess costs were to be paid as a Common Expense and assessed against all the Units in proportion to their Common Expense Liability.

2. Notice of Damage. The Board shall promptly, and in all events within thirty (30) days after the date of damage, file a proof of loss claim with the insurance company if the loss is covered by insurance and abide by all terms and conditions of its insurance policies, unless the Board determines it would not be in the best interest of the Association to file a proof of loss claim. The Board shall then provide each Owner with written Notice describing the damage affects a material portion of the Condominium, the Board shall also send the Notice to each mortgagee; and if the damage affects a Unit the Board shall send the Notice to the mortgagee of that Unit. If the Board fails to do so within the thirty (30) day period, any Owner or mortgagee may make the determination required under Section 1 of this Article and give the notice required under this Section.

3. Definitions: Damages, Substantial Damage, Repair, Emergency Work. As used in this Article:
 - a. Damage shall mean all kinds of damage, whether of slight degree or total destruction.
 - b. Substantial Damage shall mean that, in the judgment of a majority of the Board, the estimated Assessment determined under Section 1.d of Article XXI for any single Unit exceeds ten percent (10%) of the full, fair market value of the Unit before the damage occurred, as determined by the then current Assessment for the purpose of real estate taxation.

- c. Repair shall mean restoring the improvement to substantially the condition they were in before they were damaged, with each Unit and the Common Elements having substantially the same boundaries as before. Modifications to conform to applicable governmental rules and regulations or available means of construction may be made.
- d. Emergency Work shall mean work that the board deems reasonably necessary to avoid further damage or substantial diminution in value to the Improvements and to protect the owners from liability from the condition of the site.
- e. Execution of Repair.
 - i. The Board shall promptly repair the damage and use the available insurance proceeds therefore as provided in Section 6 of Article XX. If the cost of repair exceeds the available insurance proceeds, the Board shall impose Assessments against all Units in proportion to their Common Expense Liabilities in an aggregate amount sufficient to pay the excess costs.
 - ii. The Board shall have the authority to employ architects and engineers, advertise for bids, let contractors and others, and take such other action as is reasonably necessary to make the repairs. Contracts for the repair work shall be awarded when the Board, by means of insurance proceeds and sufficient Assessments, has provided for paying the cost. The Board may authorize the insurance carrier to make the repairs if the Board is satisfied that the work will be done satisfactorily, and if such authorization does not contravene any insurance trust agreement or requirement of law.
- f. Damage Not Substantial. If the damage as determined under Section 3 of Article XXI is not substantial, the provision of this Section shall apply.
 - i. Either the Board or the requisite number of Owners, within fifteen (15) days after the Notice required under Section 2 of Article XXI has been given, may but shall not be required to, call a special Owner's meeting in accordance with the Bylaws to decide whether to repair the damage.
 - ii. Except for emergency work, no repairs shall be commenced until after the fifteen (15) day period and until after the conclusion of the special meeting if such special meeting is called within fifteen (15) days.
 - iii. A decision not to repair or rebuild may be made in accordance with Section 6 of Article XX.
- g. Substantial Damage. If the damage determined under Section 3 of Article XXI is substantial, the provisions of this Section shall apply.

- i. The Board shall promptly, and in all events within thirty (30) days after the date of damage, call a special Owner's meeting to consider repairing the damage. If the Board fails to do so within thirty (30) days, then notwithstanding the provisions of the Bylaws, any Owner or first mortgagee of a Unit may call and conduct the meeting.
- ii. Except for emergency work, no repairs shall be commenced until the conclusion of the special Owner's meeting.
- iii. At the special meeting, the following consent requirements will apply:
 1. The Owners shall be deemed to have elected to repair the damage in accordance with the original Plan unless the Owners of at least eighty percent (80%) of the total voting power of the Condominium other than that held by the Declarant, but including every Owner of a Unit which will not be rebuilt and every Owner of a Unit to which a Limited Common Element which will not be rebuilt is allocated, have given their written consent not to repair the damage.
 2. The unanimous consent of all Owners will be required to elect to rebuild it in accordance with a plan that is different from the original plan.
 3. In addition to the consent by the Owners specified above, any election not to repair the damage or not to rebuild substantially in accordance with the original Plan will require the approval of eligible holders of mortgages on Units that have at least fifty-one percent (51) of the votes subject to eligible holders of mortgages.
 4. Failure to conduct the special meeting provided for under Section 3.g.i. of this Article within ninety (90) days after the date of damage shall be deemed a unanimous decision to repair the damage in accordance with the original Plan.
- iv. Effect of Decision Not to Repair. In the event of a decision under either Section 3.f.iii. of this Article or Section 3.g.iii. of this Article not to repair the damage, the Board may nevertheless expend so much of the insurance proceeds and common funds as the Board deems reasonable necessary for emergency work (which emergency work may include, but is not necessarily limited to, removal of the damaged improvements and clearing, filling and grading the land), and the remaining funds, if any, and the Property shall thereafter be held and distributed as provided in Section 6 of Article XX.

Article XXII
Condemnation

1. Consequences of Condemnation; Notices. If any Unit or portion thereof, or the Common Elements or Limited Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority then written notice of the proceeding or proposed acquisition shall promptly be given to each Owner and mortgagee and the provisions of this Article shall apply.
2. Power of Attorney. Each Owner appoints the Association as attorney-in-fact for the purpose of representing the Owners in condemnation proceedings and negotiations, settlements and agreements with the condemning authority for acquisition of Common Elements, or any part thereof, from the condemning authority. The Board may appoint a trustee to act on behalf of the Owners in carrying out the forgoing functions in lieu of the Association. Should the Association not act, based on their right to act pursuant to the Section, the affected Owners may individually or jointly act their own behalf.
3. Condemnation of a Unit. The proceeds from the condemnation of a Unit shall be paid to the Owner, mortgagee or lien holder of the Unit, as their interest may appear. Upon acquisition, unless the decree otherwise provides, that Unit's Allocated Interests are automatically reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, and the Association shall promptly prepare, execute and record an Amendment to this Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this Section is thereafter a Common Element.
4. Condemnation of Common Element or Limited Common Element. If part of the Common Elements is acquired by condemnation, the portion of the award attributable to the Common Elements taken shall be paid to the Owners based on their respective interests in the Common Elements, or to lienholders, as their interests may appear. Any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of the acquisition, or to lienholders, as their interest may appear. If the Board determines that a particular Owner's interest in the Common Element diminished with respect to the other Owners, by the acquisition of a Common Element, the Declaration may be amended to adjust that Owner's Common Expense Liability allocation, or to remove the allocation of a Limited Common Element to that Owner's Unit, as the case may be.
5. Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XXI.

Article XXIII.
Easements

1. In General. Each Unit has an easement in and through each other Unit, and the Common And Limited Common Elements for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operations of the Condominium and of each Unit.
2. Encroachments. To the extent not provided by the definition "Unit" in the Declaration and in the Unit Ownership Act, each Unit and all Common and Limited Common Elements are hereby declared to have an easement over all adjoining Units and Common and Limited Common Elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the Property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and Common and Limited Common Elements so long as the encroachments shall exist, and the rights and obligations of Owner shall not be altered in any way by the encroachment; provided, however, that no event shall a valid easement for encroachment be created in favor of a Unit if the encroachment was caused by the willful act with full knowledge of the Owner. The encroachments described in this Section shall not be constructed to be encumbrances affecting the marketability or title to any Unit.
3. Easement Specifically Reserved by the Declarant. Declarant, for itself and its successors, assigns, agents, employees, contractors, subcontractors and other authorized personnel, reserves, an exclusive easement in, over and through the Condominium and the improvements to the Common Elements. The use of the easements described above in this subsection shall not unreasonably interfere with or diminish the rights of Owners, permitted users, or Declarant to occupy the Condominium Units, the Limited Common Elements appurtenant thereto, and the Common Elements.
4. Easements for Sales, Resales, Customer Service and Related Purposes. Declarant, for itself and its successors, assigns, agents, employees, contractors, subcontractors and other authorized personnel, reserves an exclusive easement in gross in, over and through those portions of the Condominium Project for the purpose of (i) marketing and selling the Condominiums; (ii) maintaining customer relations and providing post-sales services to Owners; (iii) displaying signs and erecting, maintaining and operating, for sales and administrative purposes, model Units and a customer relations, customer services and sales office complex in the Condominium project; and (iv) showing the Units; provided, however that use of such easement shall not (1) interfere with or diminish the rights of Owners to use and occupancy of the Condominium Units and the Common Elements by the Association as reasonably required to perform its obligations hereunder all as provided in the Declaration and the Rules and Regulations.
5. Utility Easements Granted by the Declarant. The Declarant grants to each company or municipality providing utility services to the Condominium or to the Owners of Units in the

Condominium an easement for installation, construction, maintenance, repair and reconstruction of all utilities serving the condominium or the Owners, including, without limitations, such utility services as water, sanitary sewer, electricity, gas, cable television and telephone, data cables, and an easement for access over and under the Common Elements of the condominium to the utility service facilities.

Article XXIV.
Procedure for Altering Units

1. Submission of Proposal to subdivide Unit. No Unit or Units shall be subdivided either by agreement or legal proceedings.
2. Minor Alterations. No Unit may be altered in any way except in accordance with this Article. An Owner may make any improvements or alterations to the Owner's Unit that do not affect the structural integrity or mechanical or electrical systems or lessen the support of any portion of the Condominium or cause a substantial change in the aesthetic character of the Unit. An Owner may not change the appearance of the Common Elements or the exterior appearance of a Unit without permission of the Association pursuant to the procedures of Section 3 of this Article.
3. Substantial Alterations and/or Improvements. Any proposal by any Owner that contemplates substantial alteration of one or more Units must be subject to approval by the Board. The Owner must submit the proposed alterations and/or improvements to the Board and shall include the plans and specifications for the proposed alterations and/or improvements. To complete such alterations and/or improvements, the Owner must use licensed and bonded contractors and carry insurance that is satisfactory to the Board. Accordingly, in the submission for a request for approval of alterations and/or improvements to the Board, the Owner must also include the names of all licensed and bonded contractors and information concerning the insurance to be obtained for completion of the alteration and/or improvements. The Board shall approve or reject an Owner's request under this Section within sixty (60) days of receipt of the request. The failure of the Board to act upon a request within such period shall be deemed approval thereof.
4. Procedure After Approval. Upon approval of a proposal under this Article, the Owner making it may proceed according to the proposed plans and specifications; provided that the Board may, in its sole discretion, require that the Board administer the work or that provisions for the protection of other Units or Common Elements or that reasonable deadlines for completion of the work be inserted in the contracts for the work. The changes in the Survey Map Plans and Declaration shall be placed of record as Amendments thereto.

Article XXV.

Amendment of Declaration, Survey, Map and Site Plans, Articles or Bylaws

1. Procedures. Except in cases of Amendments that may be executed by the Declarant under the Declaration or the Unit Ownership Act, the Declaration, the Survey Map and Plans, the Articles and the Bylaws for the Condominium may be amended only by vote or agreement of the Owners, and or/as specified in this Article or as provided for in the Bylaws. An Owner may propose Amendments to the Declaration or the Survey Map and Plans, the Articles or the Bylaws for the Condominium to the Board. A majority of the members of the Board may cause a proposed Amendment to be submitted to the Members of the Association for their consideration. If an Amendment is proposed by Owners with twenty-five percent (25%) or more of the votes in the Association, then, irrespective of whether the Board concurs in the proposed Amendment, it shall be submitted to the Members of the Association for their consideration at their next regular or special meeting for which timely Notice must be given when such an Amendment is to be considered at such meeting.

2. Percentages of Consent Required. Except as otherwise provided herein or by the Unit Ownership Act, the percentages of consent of Owners and mortgages required for adoption of Amendments to the Declaration, the Survey Map and Plans, the Articles and the Bylaws for the Condominium are as follows:
 - a. An Amendment that creates or increases special Declarant Rights, increases the number of Units, changes the boundaries of any Unit, the Allocated Interest of a Unit, the uses to which any Unit is restricted, the easement granted to Declarant (as set forth herein), the levels of insurance that the Association must carry or the level or maintenance/alteration/improvement work performed (as required herein) shall require the vote or agreement of the Owner of each Unit particularly affected, and the Owners holding at lease ninety percent (90%) of the votes in the Association, excluding votes held by the Declarant.

 - b. All the other Amendments shall be adopted if consented to by sixty-seven percent (67%) of the Owners, including Owners holding at least sixty-seven percent (67%) of the votes in the Association, excluding votes held by the Declarant.

 - c. An eligible Mortgagee who receives a written request to consent to an Amendment who does not deliver or post to the requesting party a negative response with sixty (60) days shall be deemed to have consented to such requests, provided the request was delivered by certified or registered mail, return receipt request.

 - d. An Amendment of a material adverse nature to Eligible Mortgagees must be consented to by fifty one percent (51%) of Eligible Mortgagees of the Units subject to mortgages.

3. Limitations on Amendments. No Amendment may restrict, eliminate, or otherwise modify any Special Declarant Right provided in the Declaration or the Survey Map or Site Plans.
4. Adopted Amendments. Upon the adoption of an Amendment and the obtaining of any necessary consent of Eligible Mortgagees, an Amendment to the Declaration. Bylaws, Articles or the Survey Map or Site Plans shall become effective when it is recorded in the real property records in the county in which the Condominium is located. Such Amendments shall be prepared, executed, recorded and certified for that purpose or, in the absence of designation, by the president of the Association. No action to challenge the validity of an Amendment adopted by the Association pursuant to this Article may be brought more than one (1) year after the Amendment is recorded. An Amendment to the Articles shall be effective upon filing the Amendment with the Secretary of State. An Amendment to the Bylaws shall be effective upon adoption and recording.

Article XXVI.

Termination of Condominium

1. Action Required. Except as provided in Articles XX and XXI, the Condominium may only be terminated only by agreement of Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated and with the consent of Eligible Mortgagees of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and in accordance with the Unit Ownership Act. An Eligible Mortgagee who receives a written request to consent to termination who does not deliver or post to the requesting party a negative response within sixty (60) days shall be deemed to have consent to such request, provided the request was delivered by certified or registered mail, return receipt requested.
2. Unit Ownership Act Governs. The provisions of the Unit Ownership Act relating to termination of a condominium, a set forth in Section 70-23-301, et seq., of the Unit Ownership Act, as it may be amended, shall govern the termination of the Condominium, including, but not limited to, the disposition of the real property in the Condominium and the distribution of proceeds from the sale of the real property.

Article XXVII.

Notices

1. Form and Delivery Notice. Unless provided otherwise in this Declaration, all Notices given under the provisions of this Declaration or the Bylaws or Rules and Regulations of the Association shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the Notice must be sent via certified, return receipt mail and shall be deemed to have been delivered upon the date of postmark of the mail. Such Notice must be addressed to the person entitled to such Notice at the most recent address known to the Board. Notice to the Owner of any Unit shall be sufficient if mailed to the Unit if the Owner has not given the Board any other mailing address. Mailing addresses may be changed by Notice in writing to the Board. Notices to the Board shall be given to

the Declarant until the Transition date, and thereafter shall be given to the president or secretary of the Association.

2. Notices to Eligible Mortgagees. An Eligible Mortgagee is a mortgagee that has filed with the secretary of the Board a written request that it be given copies of the Notices listed below. The request must state the name and address of the Eligible Mortgagee and the identifying number or address of the Unit on which it has (or insures or guarantees) a mortgage. Until such time thereafter that the Eligible Mortgagee withdraws the request or the mortgage held, insured or guaranteed by the Eligible Mortgagee is satisfied, the Board shall send to the Eligible Mortgagee timely written notice of the following:
 - a. any proposed Amendment of the Declaration or Survey Map and Plans for the Condominium effecting a change in: (i) the boundaries of any Unit, (ii) the exclusive easement rights, if any, appertaining to any Unit, (iii) the interest in the Common Elements or the liability for the Common Expenses of any Unit, (iv) the number of votes in the Association allocated to any Unit, or (v) the purposes to which a Unit or the Common elements are restricted;
 - b. any proposed termination of Condominium status, transfer of any part of the Common Elements, or termination of professional management of the Condominium;
 - c. any condemnation loss or casualty loss that affects a material portion of the Condominium or that affects any Unit on which an eligible Mortgagee has a first mortgage;
 - d. any delinquency which has continued for sixty (60) days in the payment of Assessments or charges owned by an Owner of a Unit on which an Eligible Mortgagee had a mortgage;
 - e. any lapse in, cancellation, or material modification of any insurance policy maintained by the Association pursuant to Article XX; and
 - f. any proposed action that would require the consent of a specified percentage of Eligible Mortgagees pursuant to any other Articles contained herein.
3. Guarantor. For purposes of Units subject to mortgages that are guaranteed, the Eligible Mortgagee shall provide the Board the name and address of any guarantor who shall likewise be entitled to receive notice of the foregoing and provide to the guarantor the Unit Owner name and Unit address subject to the foregoing.

Article XXVIII.
Owner's Roster

Each Owner's use, and the Declarant's use, of the roster of names of Owners is limited to only being used for purposes directly related to the Owner's interest in the Condominium Project. Such roster of Owner's names shall not be used for any commercial-related or solicitation-related purpose.

Article XXIX.
Severability

The provisions of this declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remaining provision or provisions comply with the Unit Ownership Act.

Article XXX.
Effective Date

This Declaration shall take effect upon recording.

Article XXXI.
Project Documents

The Project Documents shall consist of this Declaration; the Bylaws of The Meadows at Four Mile Condominium II, Association, Inc. any Rules and Regulations of The Meadows at Four Mile Condominium II Association, Inc. adopted pursuant to the Bylaws; and the Floor Plans for the Project and any amendments or supplements thereto.

Article XXXII.
Service of Process


The person who receives service of the process and mailing address as required by law is as follows: Marvin Galts, 315 Parkway Drive, Kalispell MT 59901.

Article XXXIII.
Arbitration

Any controversy or claim relating to or arising out of the Declaration or any other information document for the Condominium or out of the operation of the Condominium, in general, shall be settled by arbitration in Kalispell, Montana in accordance with the then current rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof, except those controversies or claims relating to the enforcement and collection of any Assessments owed by an Owner. No arbitration shall be required for collection thereof.

IN WITNESS WHEREOF, the undersigned, Owner and Declarant, has hereunto executed this Declaration this 24 day of May, 2017.


Meadows West Properties, LP


Westcraft Homes, Inc., Manager
Marvin Galts, President

STATE OF MONTANA
COUNTY OF FLATHEAD

On this 24 day of May, 2017, before me, the Notary Public in and for the said state, personally appeared Marvin Galts, know to me to be the President of Westcraft Homes, Inc., which is the Manager of Meadows West Properties, LP whose name is subscribed to the within instrument, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.


Notary Public in and for the State of Montana

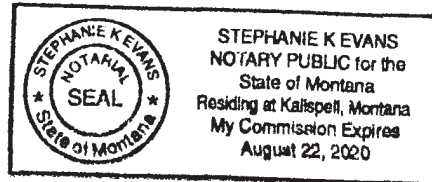


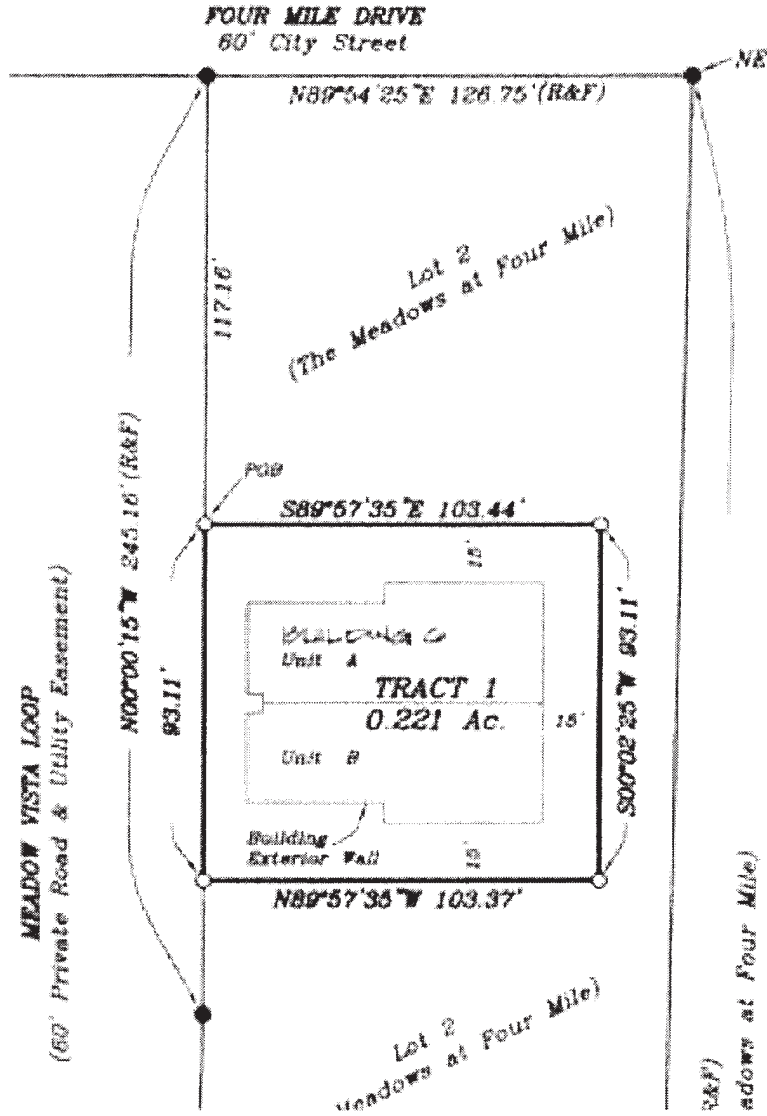
EXHIBIT "A"

A TRACT OF LAND, SITUATED LYING AND BEING IN GOVERNMENT LOT 2 OF SECTION 1, TOWNSHIP 28 NORTH, RANGE 22 WEST, P.M.M., FLATHEAD COUNTY, MONTANA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS TO WIT:

COMMENCING AT THE NORTHEAST CORNER OF LOT 2 OF THE PLAT OF THE MEADOWS AT FOUR MILE (RECORDS OF FLATHEAD COUNTY, MONTANA) WHICH IS A FOUND IRON PIN ON THE SOUTHERLY R/W OF FOUR MILE DRIVE; THENCE ALONG SAID R/W S 89°54'25" W 126.75 FEET TO A FOUND IRON PIN ON THE EASTERLY R/W OF A 60 FOOT PRIVATE ROAD AND UTILITY EASEMENT KNOWN AS MEADOW VISTA LOOP. THENCE ALONG SAID R/W S 00°00'15" E 117.16 FEET TO A SET IRON PIN AND THE TRUE POINT OF BEGINNING OF THE TRACT OF LAND HEREIN DESCRIBED: THENCE LEAVING SAID R/W S 89°57'35" E 103.44 FEET TO A SET IRON PIN; THENCE S 00°02'25" W 93.11 FEET TO A SET IRON PIN; THENCE N 89°57'35" W 103.37 FEET TO A SET IRON PIN ON THE EASTERLY R/W OF SAID MEADOW VISTA LOOP; THENCE ALONG SAID R/W N 00°00'15" W 93.11 FEET TO THE POINT OF BEGINNING.

SHOWN AS TRACT 1 OF CERTIFICATE OF SURVEY NO. 20554

EXHIBIT "A1" SITE PLAN



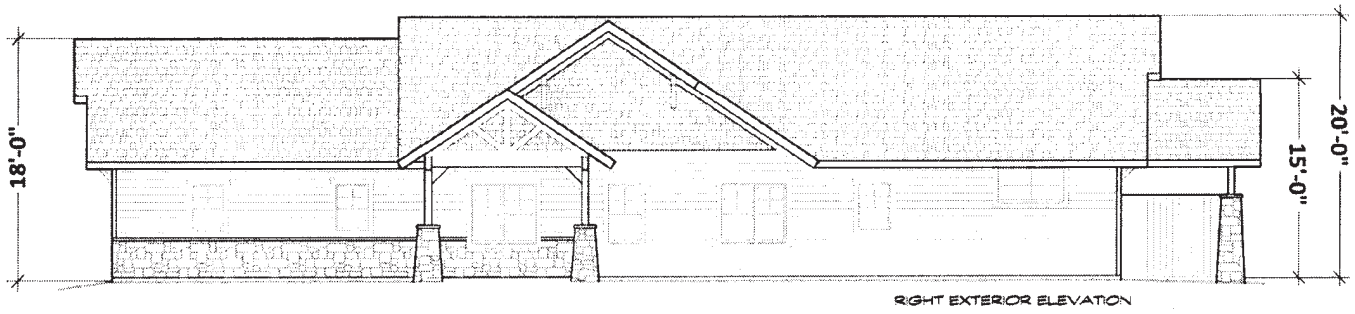
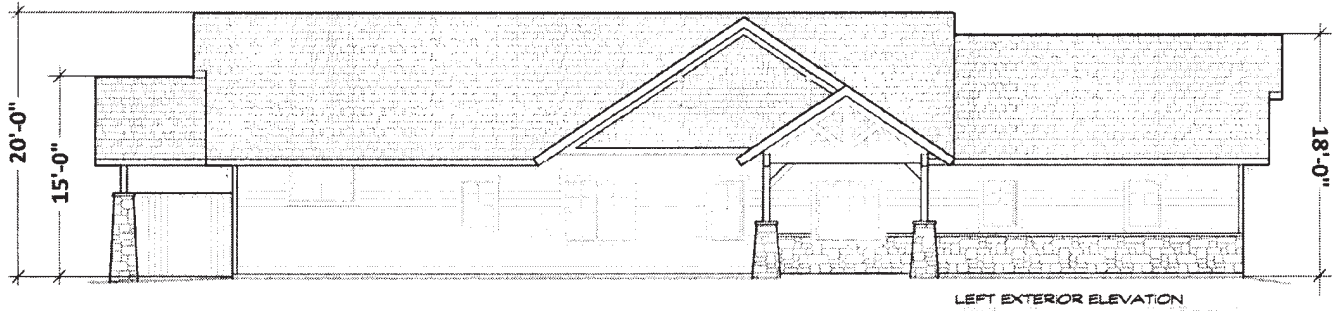
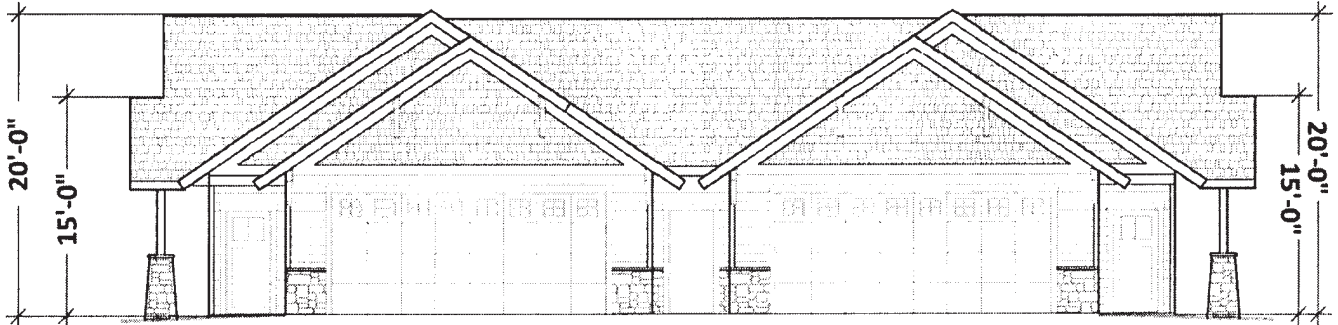
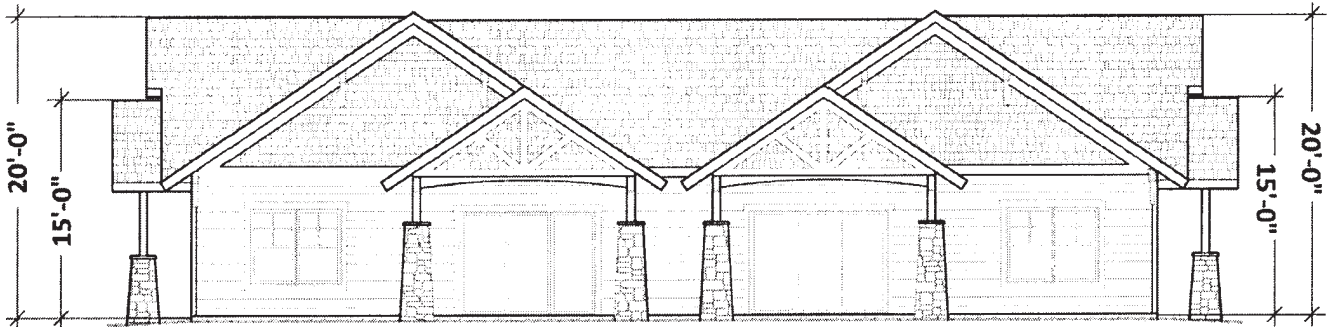


EXHIBIT "A2" LEFT AND RIGHT EXTERIOR ELEVATIONS



FRONT EXTERIOR ELEVATION



REAR EXTERIOR ELEVATION

EXHIBIT "A3" FRONT AND REAR EXTERIOR ELEVATIONS

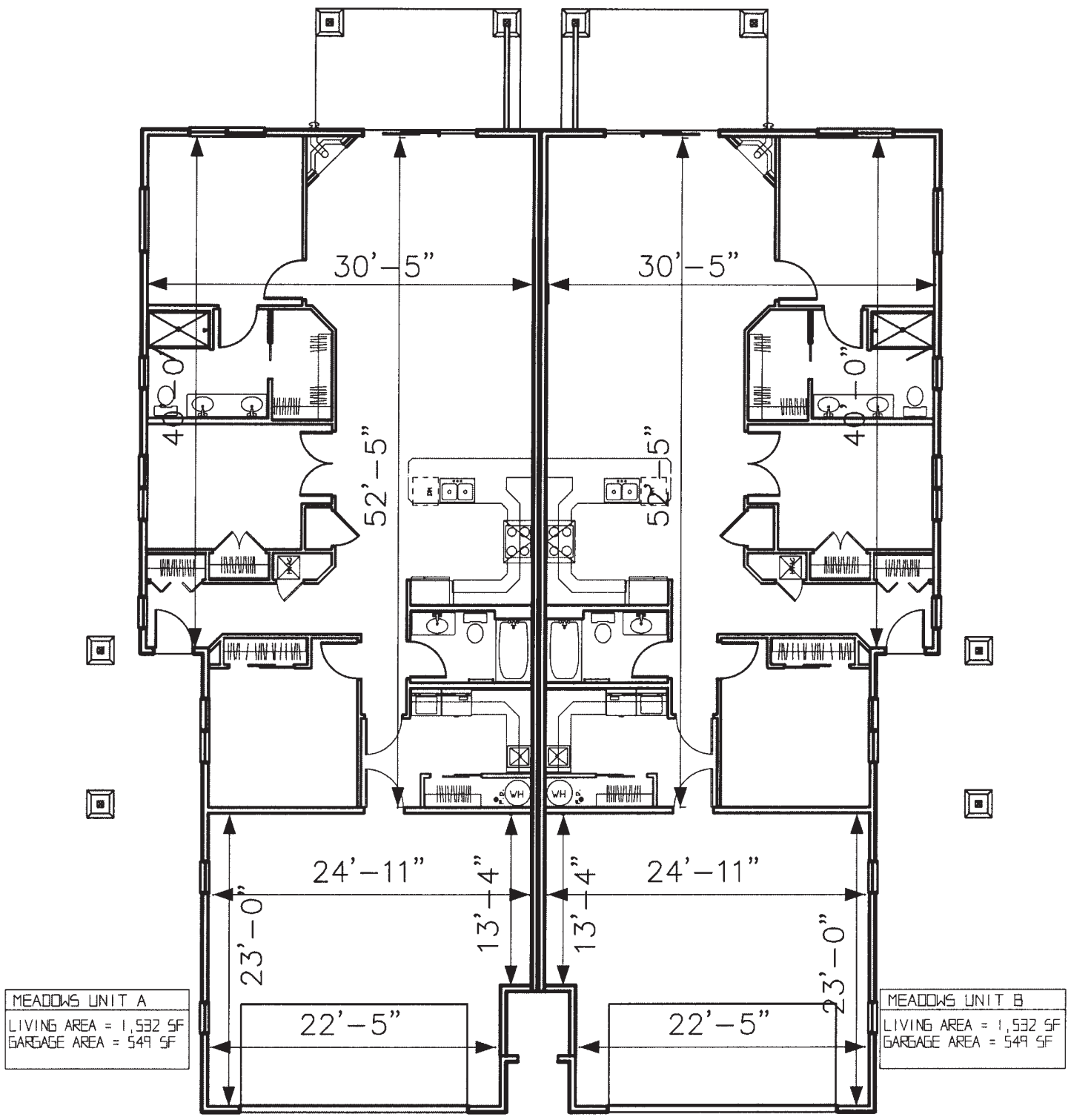
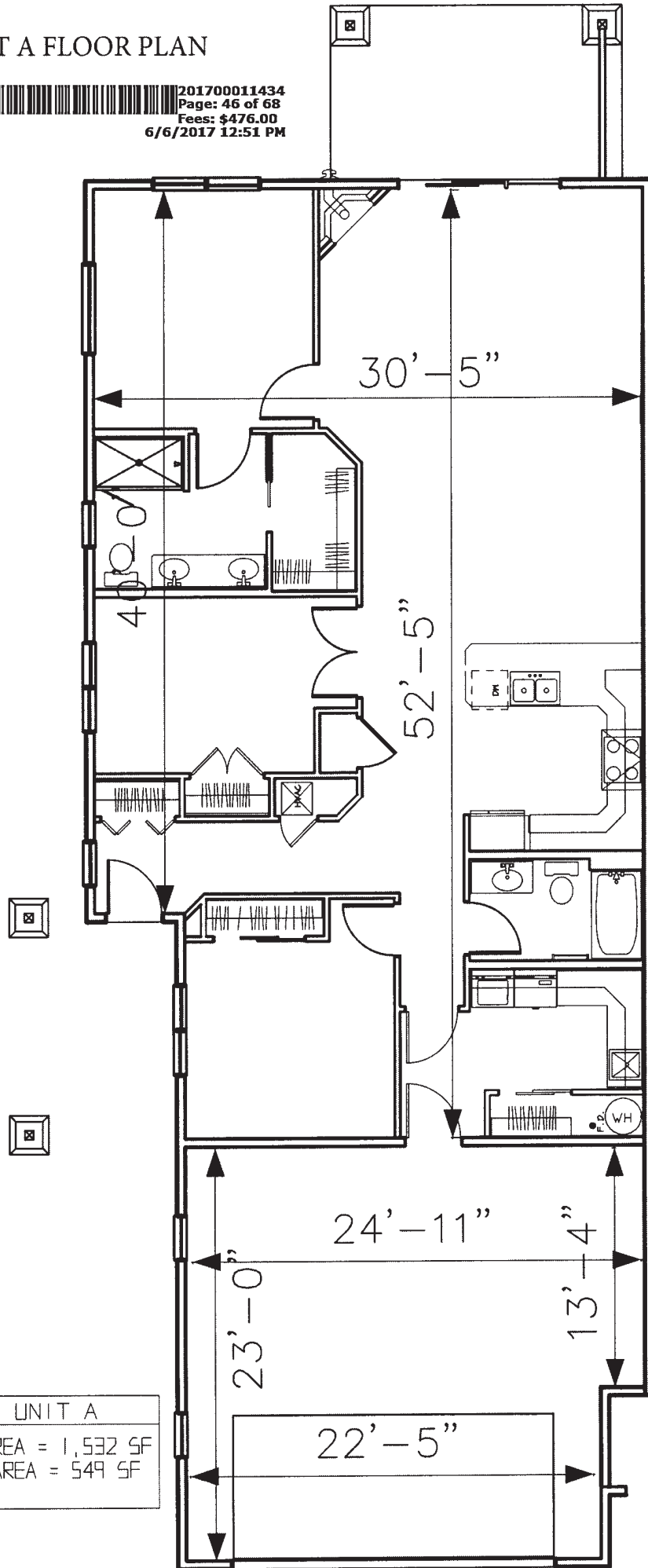


EXHIBIT "A4" FLOOR PLAN OF BOTH UNITS

EXHIBIT "A5" UNIT A FLOOR PLAN



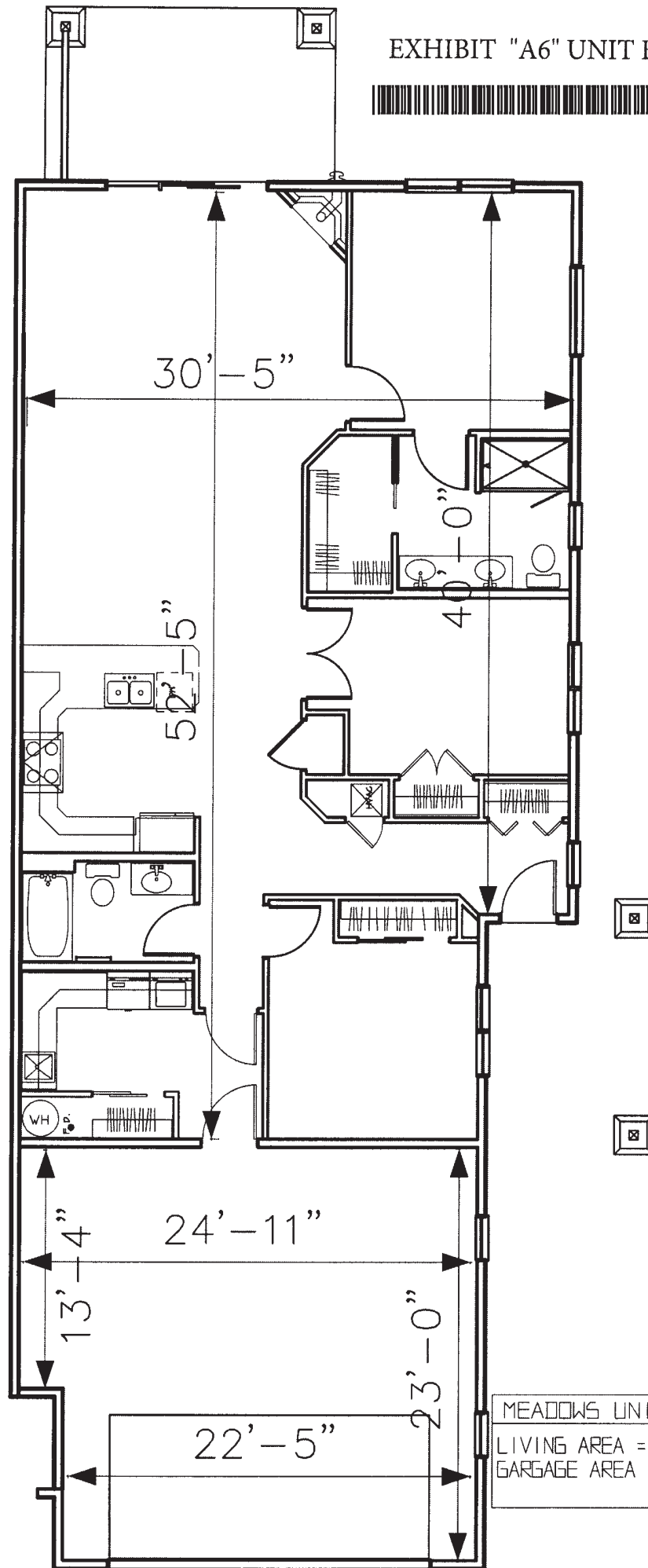
201700011434
Page: 46 of 68
Fees: \$476.00
6/6/2017 12:51 PM



| |
|------------------------|
| MEADOWS UNIT A |
| LIVING AREA = 1,532 SF |
| GARAGE AREA = 549 SF |

EXHIBIT "A6" UNIT B FLOOR PLAN

201700011434
Page: 47 of 68
Fees: \$476.00
6/6/2017 12:51 PM



MEADOWS UNIT B
LIVING AREA = 1,532 SF
GARAGE AREA = 549 SF

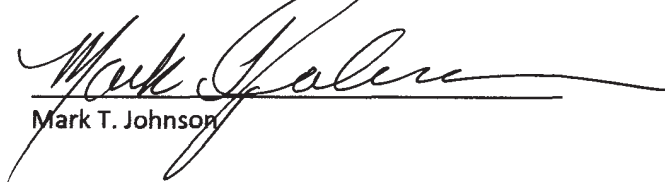
ARCHITECT'S CERIFICATION

I, Mark T. Johnson of Kalispell, MT being a duly licensed registered professional Architect, hereby certify the following:

That I have reviewed the floor plans attached to the Declaration and that they are an accurate copy of the plans filed with and approved by any governmental officers having jurisdiction to issue building permits.


That the floor plans attached full and accurately depict the layout, location, Unit designation, and dimensions of each Unit of The Meadows at Four Mile Condominium II.

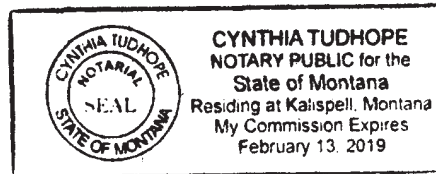
Dated this 14 day of APRIL, 2017


Mark T. Johnson

State of Montana
County of Flathead

SUBSCRIBED AND SWORN before me this 14 day of April, 2017 by Mark T. Johnson.


Printed Name: Cynthia Tudhope
Notary Public for the State of Montana
Residing in: Kalispell, MT 59901
Commission expires: 02-13-2019





Planning Department
201 1st Avenue East
Kalispell, MT 59901
Phone: (406) 758-7940
Fax: (406) 758-7739
www.kalispell.com/planning

SUBDIVISION EXEMPTION REVIEW

DATE: 4-6-17

TO: Flathead County Plat Room
800 South Main Street
Kalispell, MT 59901

FROM: Kalispell Planning Department

The City of Kalispell Planning Department has reviewed the survey described below.

| | |
|-----------------------------------|--|
| Surveyor: | Sands Surveying |
| Owner: | Meadows West Properties, LP |
| Purpose: | Condos |
| Property Address (if applicable): | N/A |
| Legal Description: | COS in govt. Lot 2 Sec 1, T28N, R22W, PM, M, Flathead County, Montana |

The survey complies with applicable City of Kalispell zoning and subdivision regulations and is exempt from local subdivision review. This exemption does not constitute an approval under health, floodplain or other applicable regulations. 15' front setback needs to be maintained per DUD

Sincerely,

City of Kalispell
Planning Department

**APPROVAL/CONSENT OF MORTGAGEE OR LIENHOLDER TO
Declaration of Condominium Under The Unit Ownership Act And
Covenants, Conditions and Restrictions for
The Meadows at Four Mile Condominium II**

Dated this 21 day of April, 2017

Name of Mortgagee:

Glacier Bank

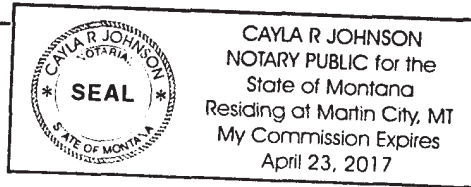
By Will Astle

Its V.P.

State of Montana
County of Flathead

This Instrument was acknowledged before me on this 21 day of April, 2017 by
Will Astle the V.P. of Glacier Bank as Mortgagee.

[Signature]
Notary Public



CERTIFICATION BY DEPARTMENT OF REVENUE

The foregoing Declaration of Condominium has been reviewed in accordance with Section 70 23-304 of The Montana Code Annotated. The Undersigned representative for the Department of Revenue, Bruce A. O., hereby verifies that the name Meadows at Four Mile Condominium II, Complies with Section 70-23-303 of the Montana Code Annotated and that all taxes and assessments due or payable pertaining to the property described, in the preceding Declaration have been paid.

Dated this 10th day of June, 2017

State of Montana
Department of Revenue.

By: Bruce A. O.

BYLAWS OF
THE MEADOWS AT FOUR MILE CONDOMINIUM II, ASSOCIATION , INC.

ARTICLE I
NAME AND LOCATION

Section 1.01 The name of the corporation is The Meadows at Four Mile Condominium II, Association, Inc. (the "Association"), a Montana nonprofit corporation. The principal office and address of the corporation is located at 315 Parkway Drive #4, Kalispell, MT 59901.

ARTICLE II
DEFINITIONS, PURPOSES AND ASSENT

Section 2.01. *Definitions.* The definitions in the Declaration of Condominium Under the Unit Ownership Act and Covenants, Conditions and Restrictions for The Meadows at Four Mile Condominium Association, Inc. as amended from time to time and recorded in the office of the Clerk and Recorder of Flathead County, Montana (the "Declaration"), will apply to these Bylaws, and all defined terms used in these Bylaws will have the same meaning as the defined terms used in the Declaration, unless the defined terms in these Bylaws or the context of these Bylaws clearly indicate otherwise.

Section 2.02. *Purposes.* The specific purposes for which the Association is formed are (i) to provide for the maintenance, presentation, and control of the Common Elements in the unit ownership project known as The Meadows at Four Mile in Flathead County, Montana (the "Condominium Project" or "Condominium Plan"); (ii) to promote the health, safety, and welfare of the Owners and users of the Condominium Project; and (iii) to govern the Condominium Project pursuant to the provisions of the Montana Unit Ownership Act (the "Unit Ownership Act").

Section 2.03 *Assent.* All present or future Owners, their families, present or future tenants, and their guests and invitees, and any other person using the facilities of the Condominium Project in a manner are subject to the condominium documents of record, include these Bylaws and Declaration, and any rules and regulations adopted by the Board of Directors ("Condominium Documents"). The acquisition or rental of any of the Units in the Condominium Project or the occupancy of any of the Units will constitute ratification and acceptance of these Bylaws and Declaration as well as an agreement to comply with those rules and regulations.

ARTICLE III MEMBERSHIP

Section 3.01. *Membership.* Ownership of a Unit is required in order to qualify for membership in the Association.

Section 3.02. *Representation on Board of Directors.* If title to a Unit is held by a firm, corporation, partnership, association, other legal entity or any combination thereof, or if any individual or entity holds title to more than one Unit, then in either case, that individual or entity may appoint, by a writing furnished to the Association, a delegate to represent each such Unit as a candidate for, and if elected, as a member of, the Board of Directors. Such delegate will not vote as a member of the Association unless such person is appointed by a proxy executed in conformance with these Bylaws to cast the voting interest of the Unit which he represents.

Section 3.03. *Responsibilities of Members.* Any person, including Declarant, on becoming an Owner, will automatically become a Member and be subject to these Bylaws. Such membership will terminate without any formal Association action whenever such person ceases to own a Unit, but such termination will not relieve or release any such former Owner from any liability or obligation incurred under the Declaration or in any way connected with the Association during the period of such ownership, or impair any rights or remedies which the Board of Directors or others may have against such former Owner arising out of ownership of the Unit and membership in the Association and the covenants and obligations incident thereto.

Section 3.04. *Membership Certificates.* No certificates of stock will be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards to Owners. Such membership card will be surrendered to the Secretary of the Association whenever ownership of the Unit designated on the card terminates.

Section 3.05. *Classes of Membership.* Initially, the Association will have one class of voting membership, composed of all Owners, and including Declarant. The Board may establish additional classes of membership from time to time, except no additional classifications shall be created during the Period of Declarant Control unless the Declarant agrees in writing to any new or different class.

Section 3.06. *Voting Privileges.* All Members will be entitled to vote on Association matters on the basis of one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons will be Members. The vote for such Unit will be exercised by one person or alternative persons as the Owners among themselves determine. If more than one of the multiple Owners are present at a meeting in person or by proxy, the vote allocated to their Unit may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to his Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. Any Owner of a Unit that is leased may assign his voting right to the tenant,

provided that the tenant is appointed to vote on behalf of the Owners by proxy and the proxy is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right

Section 3.07. *Proof of Membership.* Any person or entity, on becoming an Owner, will furnish to the Manager or to the Secretary of the Association a photocopy or a certified copy of the recorded instrument vesting that person or entity with an ownership interest, which instrument will remain in the files of the Association. An Owner will not be deemed a Member of the Association in good standing and will not be entitled to vote at any annual or special meeting of the Members unless this requirement is first met.

Section 3.08. *Suspension of Membership.* During any period in which a Member shall be in default in payment of any assessment levied by the Association, the voting right of such member may be suspended by the Board of Directors until such assessment and any associated penalty, interest or fine has been paid.

ARTICLE IV

ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

Section 4.01. *Place and Frequency of Meetings.* Meetings of the Members will be held at least once each year at such place, within or without the State of Montana, as the Board of Directors may determine.

Section 4.02. *Annual Meetings.* The first annual meeting of the Members will be held within one year after the date of the transition of the Board of Directors being elected by the Members or within two years of the adoption of these Bylaws, whichever event occurs first. Each subsequent annual meeting of the Members will be held on a date and at a time set by the Board of Directors. The purpose of the annual meetings is for the election of the Board and the transaction of such other business of the Association as may properly come before the meeting.

Section 4.03. *Special Meetings.* Special meetings of the Members may be called at any time by the President of the Association, or by a majority of the Board of Directors, or upon written request of Members who are collectively entitled to vote at least 20% of all of the votes in the Association.

Section 4.04. *Notice of Meetings.* Written notice stating the place, day, and time of the meeting and the agenda for the meeting will be delivered not less than 10 nor more than 50 days before the date of the meeting, personally or by mail, or fax or otherwise as permitted by the Montana Non-Profit Corporation Act, by or at the direction of the President, or the Secretary, or the persons calling the meeting, as provided in these Bylaws, to the registered mailing address for notice (as provided in the Declaration) of each Member entitled to vote at such meeting. Delivery is presumed to have occurred 3 business days after mailed notice is postmarked and sent.

Section 4.05. *Quorum.* A quorum is deemed present throughout any meeting of the Association if Members entitled to cast (or proxies entitled to cast) 60% of the

total votes of the Association are present at the beginning of the meeting. If, however, such quorum is not present or represented at the meeting, the Members entitled to vote at the meeting will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented by proxy. No such subsequent meetings shall be held more than 60 days following the preceding meeting.

Section 4.06. *Actions Binding on Members.* A majority' of votes cast by Members constituting a quorum in person or by proxy will be sufficient to make decisions binding on all Owners, unless a different number or method of voting is expressly required by statute or by the Declaration, the Articles, or these Bylaws.

Section 4.07. *Majority of Owners.* As used in these Bylaws, the term "majority" will mean those votes, Owners, or other groups as the context may indicate totaling more than 50 percent of the total number.

Section 4.08. *Voting by Mail* Voting by mail is permitted for election of the Board of Directors, amendment of the Articles, adoption of a proposed plan of merger, consolidation or dissolution pursuant to the provisions of the Montana Nonprofit Corporation Act, each as amended from time to time, or other questions that come before the Association. In the case of a vote by mail, the Secretary will give written notice to all Members, which notice will include (i) a proposed written resolution setting forth a description of the proposed action, (ii) a statement that the Members are entitled to vote by mail for or against such proposal, (iii) a statement of a date not less than 20 days after the date such notice will have been given by which all votes must be received, and (iv) the specified address of the office to which all votes must be sent. Votes received after that date will not be effective. Delivery of a vote in writing to the designated office will be equivalent to receipt of a vote by mail at such address for the purpose of this section.

Section 4.09. *Proxies.* Any Member may cast such Member's vote in person or by proxy, but no proxy will be valid if it is not dated or if it purports to be revocable without notice. Further, no proxy will be valid after eleven months from the stated date of its execution unless otherwise provided in the proxy or unless voluntarily revoked upon notice, amended, or sooner terminated by operation of law. Finally, no proxy will be valid unless filed with the Secretary of the Association at or before the appointed time of the meeting at which the proxy will be voted.

Section 4.10. *Designation of Voting Representative by Non-Individual Owners—Requirement for Proxy.* If title to a Unit is held in whole or in part by a firm, corporation, partnership, association, other legal entity, the voting privilege appurtenant to that ownership may be exercised only by a proxy executed on behalf of such party or parties, filed with the Secretary of the Association, and appointing and authorizing one person or alternate persons to attend all annual and special meetings of the Members and to cast the vote allocated to that Unit at the meeting.

Section 4.11. *Designation of Voting representative by Multiple Owners--Use of Proxy.* If title to a Unit is held by more than one Owner, each Owner may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy an Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association.

Section 4.12. *Waiver of Notice.* Waiver of notice of a meeting of the Members will be deemed the equivalent of proper notice. Any Member may waive, in writing, notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, will be deemed waiver by such Member of notice of the time, date and place of the meeting unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting will also be deemed waiver of notice of all business transacted at the meeting unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 4.13. *Order of Business.* The order of business at all meeting of the Owners shall be as follows:

- a) Roll call;
- b) Proof of notice of meeting or waiver of notice;
- c) Reading of minutes of preceding meeting;
- d) Reports of officers;
- e) Reports of committees;
- f) Election of Directors(annual meeting);
- f) Unfinished business; and
- g) New business

Section 4.14 *Suspension of Membership.* In the event voting rights of a Member are suspended, such vote as the Member would be entitled to shall not be counted for any purpose including for the purpose of determining whether a quorum has been achieved or whether any required majority or any other vote required has been achieved.

Section 4.15 *Action Without a Meeting.* Any action which may be taken by the vote of the Members at a regular or special meeting may be taken without a meeting if consent in writing, setting forth the action so taken, is signed by of all of the Members.

ARTICLE V BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 5.01. *Number, Qualification and Initial Board.* The affairs of this Association will be managed by a Board of not less than three and no more than nine Directors. Except as provided below regarding Directors appointed by Declarant, the Directors will be Members of the Association or the delegates of Members appointed by proxy under Article IV above. The number of the Board of Directors will be established from time to time by amendment to these Bylaws.

Section 5.02. *Directors During Declarant Control.* During the Period of Declarant Control (ie prior to the Transition Date) the Board of Directors will be selected by Declarant and will serve at the sole discretion of Declarant. During the Period of Declarant Control, the Declarant may appoint or remove Directors by written notice given to the Association. The Directors selected by Declarant need not be Members of the Association. Unless Declarant directs otherwise, and subject to these Bylaws, the initial Board of Directors named herein will continue to serve throughout the Transition Date which ends the Period of Declarant Control. Declarant will surrender its right to select the Board of Directors upon termination of the Period of Declarant Control, as provided below or in the Declaration.

Section 5.03. *Election of Directors After Period of Declarant Control.* Upon termination of the Period of Declarant Control an election for the Board of Directors will occur in accordance with the Declaration, wherein the Declarant will commence the process of turning control of the Association over to the Members. Subsequently, Directors will be elected by the Members at each annual meeting of the Members. At the first general election of the Board by Members and at subsequent elections, the Members may cast as many votes as they are entitled to exercise under the provisions of Section 3.06 above. Voting for Directors will be by secret written ballot.

Section 5.04. *Term of Office of Directors After Period of Declarant Control or Transition Date.* The term of office for the initial Directors elected by the Members will be fixed at the time of their election as they themselves will determine in order to establish a system of three-year terms in which at least one-third of the Board is elected each year, and the Board will identify in which year the directorships for each category of representation are subject to election. For example, if the number of Directors on the initial Board is set at three pursuant to Section 5.01 above, one Director will serve for a one-year term, one Director will serve for a two-year term, and one Director will serve for a three-year term. At the expiration of the initial term of office of each respective Director, a successor will be elected to serve three years. Each Director will hold office until such Director's successor is elected by the Members and qualified to take over the office.

Section 5.05. *Removal of Directors.* Any Director other than one appointed by Declarant may be removed, with or without cause, at any regular or special meeting of the Members by two-thirds of the votes of the Members voting in person or by proxy at a meeting at which a quorum is present. A Successor to any Director removed may be elected at such meeting to fill the vacancy created by removal of the Director. A Director whose removal is proposed by the Members will be given notice of the proposed removal at least 10 days prior to the date of such meeting and will be given an opportunity to be heard at such meeting. Any Director appointed by Declarant may be removed, with or without cause, at any time by Declarant, and a successor to any Director so removed may be appointed by Declarant.

Section 5.06. *Vacancies.*

(a) *During Period of Declarant Control.* During the Period of Declarant Control, if a Director appointed by Declarant dies, becomes disabled or resigns, Declarant will appoint a new Director to serve the balance of the term of the resigning, disabled or deceased Director; and if a Director elected by the Members dies, becomes disabled or resigns, the remaining Directors will appoint a new Director from among the Members other than Declarant to serve the remainder of the term of the resigning, disabled or deceased Director representing Members other than Declarant.

(b) *Following Period of Declarant's Control.* After the expiration or termination of the Period of Declarant Control, any vacancy occurring on the Board may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. The term of the Director so elected will be coincident with the term of the replaced Director.

Section 5.07. *Compensation.* No Director will receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his duties as a Director.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 6.01. *Regular Meetings.* Regular meetings of the Board of Directors will be held at such regular times as set by the Board of Directors, at such place and hour as may be fixed from time to time by resolution of the Board. Should a regularly scheduled meeting fall upon a legal holiday, then that meeting will be held at the same time on the next day, which is not a legal holiday.

Section 6.02. *Special Meetings.* Special meetings of the Board of Directors will be held when called by the President of the Association, or by any two Directors, after not less than 3 days notice to each Director.

Section 6.03. *Quorum.* A quorum is deemed present throughout any meeting of the Board of Directors if persons entitled to cast 50% or more of the votes on the Board are present at the beginning of the meeting.

Section 6.04. *Actions Binding on Directors.* Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present will be regarded as the act of the Board.

Section 6.05. *Waiver of Notice.* Attendance of a Director at any meeting will constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Before, at, or after any meeting of the Board of Directors, any member of the Board may waive in writing notice of such meeting, and such waiver will be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the waiver of notice of such meeting.

Section 6.06. *Action Taken Without a Meeting.* The Directors will have the right to take any action which they could take at a meeting in the absence of a meeting by obtaining the written approval of all the Directors. Any action so approved will have the same effect as though taken at a meeting of the Directors.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.01. *General.* The Board of Directors will have the powers and duties necessary for the administration of the affairs of the Association. Except as provided by these Bylaws or the Declaration, the Board of Directors may do all such acts and things which are not specifically required to be done by the Members and may otherwise act in all instances on behalf of the Association.

Section 7.02. *Specific Powers and Duties.* Without limiting the generality of powers and duties set forth in Section 7.01 above, the Board of Directors will have the following powers and duties, in each case subject only to applicable requirements of the Montana Nonprofit Corporation Act:

- (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration.
- (b) To establish, make, amend from time to time, and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use, and occupancy of the Units and the Common Elements, subject to the provisions of the Declaration. A copy of such rules and regulations will be delivered or mailed to each Member promptly after adoption and each Member agrees to acknowledge and abide by the same thereafter and if such rules and regulations are amended to acknowledge and abide by the amendments effective 30 days after a copy of the amendments are delivered or mailed to each Member.
- (c) To keep in good order, condition, and repair all the Common Elements and all items of personal property, if any, used in the enjoyment of the Common Elements. No approval of the Members is required for expenditures for these purposes, except as otherwise required by the Declaration or these Bylaws.

- (d) To fix, determine, levy, and collect the prorated Annual Assessments to be paid by each of the Members towards the gross expenses of the Condominium Project, and to adjust, decrease, or increase the amount of the Assessments, and to credit any excess of Assessments over expenses and cash reserves to the Members against the next succeeding Assessment period.
- (e) To levy and collect Special Assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All Special Assessments will be in statement form and will set forth in detail the various expenses for which the Special Assessments are being made.
- (f) To levy and collect Default Assessments for violation of the Association Documents or because the Association has incurred an expense on behalf of a Member under the Association Documents.
- (g) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided in the Declaration and these Bylaws; and to exercise other remedies for delinquent Assessments as set forth in the Declaration.
- (h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary; provided, however, that the Board will not borrow more than \$10,000 or cause the Association to be indebted for more than \$20,000 at any one time without the prior approval of a majority of votes of Members present and voting in person or by proxy on the issue.
- (i) To enter into contracts within the scope of their duties and powers.
- (j) To establish a bank account for the operating account of the Association and for all separate funds as required or deemed advisable by the Board of Directors.
- (k) To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof by Members or their Mortgagees at convenient weekday business hours.
- (l) To cause any and all access roads, parking areas, and roadways in and to the Condominium Project and across the Property to be maintained to the extent those facilities are within the jurisdiction or control of the Association, subject to the provisions of the Declaration.
- (m) To cause the maintenance of the lawn, trees, shrubs, and other vegetation and any sprinkler or other irrigation systems located on the Common Elements for the benefit of the Members.
- (n) To delegate to the Manager or any other person or entity such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by someone other than by the Association, and to agree to assess to the Members a

reasonable fee for such services, except that the duties set forth in subparagraphs (d), (e), (f) and (h) of this Section 7.02 and duties reserved to the Board by law will not be so delegated.

Section 7.03. *Manager.* The Board of Directors may employ for the Condominium Project a professional management agent or agents as Manager for compensation established by the Board of Directors to perform such duties and services as the Board of Directors will authorize. The Board of Directors may delegate to the Manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs (d), (e), (f), (h) and (n) of Section 7.02 of this Article and duties reserved to the Board by law. Declarant, or an affiliate or employee of Declarant, may be employed as Manager.

Section 7.04. *Accounts and Reports.* The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) A segregation of accounting duties should be maintained, and disbursements by check in any amount greater than \$2,500.00 will require two signatures. Cash disbursements will be limited to amounts of \$250.00 or less.

(b) Cash accounts of the Association will not be commingled with any other accounts.

(c) No remuneration will be accepted by the Board of Directors or the Manager from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise (except that such persons may be employees of Declarant during the Period of Declarant Control). Anything of value received will be for the benefit of the Association.

(d) Any financial or other interest that the Manager or a member of the Board of Directors may have in any firm (other than Declarant) providing goods or services to the Association will be disclosed promptly to the Board of Directors.

(e) Commencing at the end of the calendar quarter in which the first Unit is sold by Declarant and closed, and continuing on a quarterly basis, financial reports will be prepared for the Board of Directors containing the following preceding three months;

i. An income statement reflecting all income and expense activity for the preceding three months.

ii. A balance sheet as of the last day of the quarter.

iii. A delinquency report listing all Owners who have been delinquent during the preceding three-month period in paying the periodic installments of Assessments and who remain delinquent at the time of the report, and describing the status of any action to collect such installments which remain delinquent.

(f) A balance sheet as of the last day of the Association's fiscal year and an operating statement for the fiscal year will be distributed to the Members. At the written request of an Owner or First Mortgagee, such statements will be audited at the requesting party's expense. Any such audited statements will be delivered to any Owner requesting the report and to the Association upon payment of a reasonable fee for copying.

i An account status report reflecting the status of all accounts in an "actual" versus "approved" budget format with a budget report reflecting any actual or pending obligations that are in excess of budgeted amounts by an amount exceeding the operating reserves or 10% of a major budget category (as distinct from a specific line item in an expanded chart of accounts) will be prepared for the Board periodically upon the Board's request and will be made available to all Members.

Section 7.05. *Hearing Procedure.* The Board will not impose a fine, suspend voting, or suspend any rights of a Member or other occupant for violations of rules and regulations or of the provisions of the Condominium Documents unless and until the procedure below is followed:

(a) *Demand.* Written demand to cease and desist from the alleged violation will be served upon the alleged violator specifying:

- i the alleged violation
- ii the action required to abate the violation; and
- iii a time period of not less than 10 days during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after

(b) *Notice.* At any time within 12 months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate will serve the violator with written notice of a hearing to be held by the Board. The notice will contain the following:

- i the nature of the alleged violation;
- ii the time and place of the hearing, which time will not be less than 10 days from the giving of the notice;
- iii an invitation to attend the hearing and produce any statement, evidence, and witness on the Member's behalf; and
- iv the proposed sanction to be imposed

(c) *Hearing.* The hearing will be held pursuant to the notice, affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction under these Bylaws, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement will be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. Written and oral evidence may be presented. The presenting party will provide copies of any written evidence to the other party or parties. The decision of the Board will be final.

(d) *Appeal.* The Board may in its discretion appoint a Hearing Committee to hear the matter. In such event the above procedure will apply except that either party may appeal the decision of the Hearing Committee to the Board by written notice to the Hearing Committee, the other party and the Board. The Board will consider the minutes of the hearing and report the decision of the Board within a reasonable period of time not exceeding 60 days after receipt of the notice. The decision of the Board will be final. These procedures will not be necessary in order to impose any sanction, fine or penalty for nonpayment of any delinquent Assessment nor for the suspension of voting rights for Members, as Members or as Directors.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 8.01. *Enumeration of Officers.* The officers of the Association will be a President, Vice-President, Secretary and Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 8.02. *Election of Officers.* The election of officers will take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.03. *Term.* The officers of the Association will be elected annually by the Board, and each will hold office for one year or until his successor is duly elected and qualified, unless he sooner resigns, or is removed, or is otherwise disqualified to serve.

Section 8.04. *Special Appointments.* The Board may elect such other officers as the affairs of the Association may require, each of whom will hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 8.05. *Resignation and Removal.* Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later

time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary *to* make it effective.

Section 8.06. *Vaancies*. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy will serve for the remainder of the term of the officer replaced.

Section 8.07. *Multiple Offices*. Any two or more offices may be held by the person except the offices of President and Secretary.

Section 8.08. *Duties* The duties of the officers are as follows:

(a) *President*. The President will preside at all meetings of the Association and the Board of Directors; will see that orders and resolutions of the Board are carried out; will sign all leases, mortgages, deeds, and other written instruments; will co-sign all promissory notes; cause to be prepared and will execute, certify and record amendments to the Declaration on behalf of the Association; and will exercise and discharge such other duties as may be required of the President by the Board.

(b) *Vice-President*. The Vice-President will act in the place and stead of the President in the event of his absence, inability, or refusal to act, and will exercise and discharge such other duties as may be required by the Board.

(c) *Secretary*. The Secretary will record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and place it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records listing the Members together with their addresses; and perform such other duties as required by the Board.

(d) *Treasurer*. The Treasurer will receive and deposit in appropriate bank accounts all monies of the Association and will disburse such funds as directed by resolution of the Board of Directors; sign all checks of the Association unless the Board specifically directs otherwise, and co-sign all promissory notes of the Association; keep proper books of account; at the direction of the Board, cause an annual audit of the Association books to be made by a public accountant at least once in every three fiscal years; and prepare an annual budget and a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver or make copies available of each to the Members.

(e) *Amendments to Condominium or Association Documents*. The Secretary and the President shall be authorized *to* prepare, execute, certify, file and/or record amendments properly adopted pursuant to the Bylaws, Declaration or by law.

ARTICLE IX COMMITTEES

The Board of Directors may appoint a Hearing Committee as described in Article VII above, and other committees as the Board deems appropriate in carrying out its purposes. Following the Period of Declarant Control provided in the Declaration, the Board may also appoint the Design Review Committee.

ARTICLE X INDEMNIFICATION

To the fullest extent permitted by law, the Association will indemnify every member of the Board of Directors, and every officer, employee and agent of the Association and every person who serves at the request of the Association as a manager, director, officer, employee, fiduciary, or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust or other enterprise or employee benefit plan against liability asserted against or incurred by such person in such capacity or arising out of that person's capacity as such.

In the event of a settlement, indemnification will be provided only in connection with such matters covered by this settlement as to which the Association is advised by counsel that indemnification is permitted by applicable law. The foregoing rights will not be exclusive of other rights to which such member of the Board of Directors or officer or other person may be entitled. All liability, loss, damage, cost and expense arising out of or in connection with the foregoing indemnification provisions will be treated and handled by the Association as a Common Expense.

Nothing in the Declaration shall, however, be deemed to obligate the Association with respect to any duties or obligations assumed or liabilities incurred by such person under and by virtue of such Declaration as an Owner of a Unit covered thereby.

ARTICLE XI NONPROFIT CORPORATION

The Association is not organized for profit. No member of the Association, member of the Board of Directors, or person from whom the Association may receive any property or funds will receive or will be lawfully entitled to receive any pecuniary profit from the operations of the Association, and in no event will any part of the funds or assets of the Association be paid as a dividend or be distributed to, or inure to the benefit of, any member of the Board of Directors. Notwithstanding the foregoing, (i) reasonable compensation may be paid to any Member or Manager acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, (ii) any Member or Manager may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, and any Director may be reimbursed for actual expenses incurred in the performance of his duties.

ARTICLE XII OBLIGATIONS OF OWNERS

Section 12.01 *In General.* Each Member shall always endeavor to observe and promote the cooperative purpose for the accomplishment of which the Condominium Project was built, and each Owner shall comply strictly with all provisions of the Declaration.

Section 12.02 *Use of Common Elements and Limited Common Element.* Each Member shall use the Common Elements and Limited Common Elements in accordance with the purpose for which they were intended without hindering or encroaching on the Lawful rights of other Members

Section 12.03 *Compliance with Covenants, Bylaws, and Rules and Regulations.* Each Member of the Association shall comply strictly with the Declaration, these Bylaws and with the rules and regulation adopted relating to the Condominium Project, as they may be lawfully amended form time to time.

Section 12.04 *Right of Entry.* A Member shall permit the Manager or other person authorized by the Board of Directors the right of access to the Member's Unit and appurtenant Limited Common Elements from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of the common Elements or at any time deemed necessary, by the Manager or Board of Directors for the making of emergency repairs or to prevent damage to any part of the common elements. A Member shall further permit the Manager or other person authorized by the Board of Directors to enter his Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services of to the Units and Limited Common Elements of other Members; provided that requests for entry are made in advance and such entry is at a time convenient to the Member. In case of an emergency, such right of entry shall be immediate.

ARTICLE XIII AMENDMENTS

Section 13.01 *Amendments*

a) Bylaws (and amendments thereto) for the administration of the Association and the Condominium Project, and for other purposes not inconsistent with the Unit Ownership Act or with the intent of the Declaration, shall be adopted by the Board at its first meeting. Thereafter until the period of Declarant Control ends the Board of Directors may amend these Bylaws so long as there is unanimous agreement to do so amongst the Board of Directors. Thereafter the Bylaws may be amended by the Association by concurrence of Members of Units to which seventy-five percent (75%) of the *votes* in the Association are allocated and who are present and entitled to *vote* at a regular or special meeting.

b) Notwithstanding Article XIII, Section 13.01 a, if the Condominium is subject to a mortgage held by HUD, FHA, or VA, these bylaws may not be amended by Declarant at any time prior to the Transition Date without the prior approval of the HUD, FHA, and VA agencies. The Bylaws may be amended at any time by majority vote of the Board with prior approval from the HUD, FHA, and VA agencies. After the Transition Date, any Unit Owner or Members who desire that these Bylaws be amended may cause a proposal amended to be submitted to the Members of the Association for their consideration. If an amendment is proposed by Members of 20% or more of the Units, then irrespective of whether the Board concurs in the proposed amendment it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice may be given.


c) Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of Members entitled to *vote*, after notice has been given to all persons (including Mortgagees) entitled to receive notice of a meeting of the Association, and such notice shall be delivered to each Member and named Mortgagee at least ten (10) days prior to such meeting. These Bylaws may not be amended so as to render them inconsistent with the Declarations.

ARTICLE XIV MISCELLANEOUS


Section 14.01. *Fiscal Year*. The fiscal year of the Association will begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year will begin on the date of incorporation.

Section 14.02. *Conflicts of Documents*. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles will control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

The undersigned members of the initial Board of Directors have executed these Bylaws this 24 day of May, 2017.


Marvin Galts, President


Brenda Wilkins, Vice President


Cindy Tudhope, Secretary/Treasurer

APPROVED BY DECLARANT: Meadows West Properties, LP


Marvin Galts, President of Westcraft Homes, Inc, Manager

State of Montana
County of Flathead

On this 24 day of May 2017, before me the undersigned, a Notary Public for the state of Montana, personally appeared Marvin Galts, Brenda Wilkins, and Cindy Tudhope, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal the day and year first above written.


Notary Public for the State of Montana

