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P.O. Box 717
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PAULA ROBINSON FLATHEAD COUNTY MONTANA

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APPROVED 10-19-06

DECLARATION OF THE VILLAS AT JUNIPER BAY CONDOMINIUM NUMBER NO. 1

This Declaration is hereby made and entered into this tenth day of October, 2006, by Juniper Bay, LLC, a Nevada Limited Liability Company, qualified to do business in Montana as JB Properties, LLC, of 1610 Meadow Wood Lane, Reno, NV 89502, hereinafter referred to as "Declarant", whereby lands and property hereinafter described are submitted and subject to the Montana Unit Ownership Act pursuant to Section 70-23-101, et. seq., Montana Code Annotated.

ARTICLE 1
Definitions

Unless the context expressly provides otherwise, the following definitions shall pertain throughout this Declaration and in the interpretation thereof.

1.1 **General Common Elements.** Includes all those elements which are for the use of all owners and invitees of owners of the "THE VILLAS AT JUNIPER BAY CONDOMINIUM NUMBER 1". Specifically included are: the water system, sewer lines to and through the buildings, landscaping, natural areas, trees, shrubs, the land on which the building is situated, unless constituting a limited common element, common area walkways, sidewalks, footings, foundations, framework, columns, trusses, supports, roof, exterior and interior structural walls, gutter and vertical roof drains, electrical lines, gas lines, telephone lines, television cable, water lines, sewer lines, and connections serving all of the units, outdoor lighting, structural components of the building, other materials and improvements, the designated parking areas, driveways, sidewalks, lawn areas, underground sprinklers, curbs, shrubbery, sod, and other elements necessary for the safety, maintenance and existence of the condominium. Such general common elements shall be common elements only to the extent that they are actually and physically shared or a necessary, integral portion of the structure of a unit or part of a party wall. Portions of the property, building and structure ARE NOT common elements if they are totally and exclusively utilized only by a single unit.

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 1 of 62
Order: 456 Comment:

1.2 Common Expenses. Means expenses of administration, maintenance, repair, or replacement of general common elements, expenses agreed upon by the Association of Unit Owners, expenses set out herein, and expenses declared common by the Unit Ownership Act. Taxes, telephone, utilities and individual heating and air conditioning units for each Unit shall be the sole responsibility of the Unit Owner and shall not be included in common expenses.

1.3 Limited Common Elements. As used in this Declaration, shall mean those common elements which are reserved for the use of fewer than all of the Owners, or invitees of the "THE VILLAS AT JUNIPER BAY CONDOMINIUM NUMBER 1". Specifically, as to any given Unit Owner or Owners, limited common elements shall mean the following common elements which are located within or affixed to the building on the real property known as the "THE VILLAS AT JUNIPER BAY CONDOMINIUM NUMBER 1". These include the window or replacement, heating and air conditioning units or furnaces, equipment and accessories, and any flues, chimneys, ducts, cables, conduits, public utilities lines, water, sewer, electrical, gas, and cable television lines, hot and cold water pipes, and all such utilities pipes and lines, being limited common elements where they service only one of the Units, entrances, decks, any storage area designated for or accessible only to one Unit, and fixtures and/or portions of the building servicing only a particular Unit or less than all of the Units, *provided that* all structural components, roofing and side walks and driveways shall remain common elements. Each unit owner shall be individually responsible for the maintenance, repair and replacement of their individual, limited, common elements.

1.4 Limited Common Expenses. Means the expenses attributable to the maintenance, repair and replacement of limited common elements.

1.5 Declaration. Means this document and all parts attached hereto or incorporated by reference.

1.6 Manager. Means the manager, any other person or group of persons retained or appointed by the Unit Owners for the purpose of conducting the day-to-day operation of the "THE VILLAS AT JUNIPER BAY CONDOMINIUM NUMBER 1". The manager may, but need not be a Unit Owner.

1.7 Property. Means all the land, buildings, improvements and structures thereon and all easements, rights and appurtenances belonging thereto, which are herewith submitted to the Unit Ownership Act.

1.8 Unit. Shall be the separate unit of "THE VILLAS AT JUNIPER BAY CONDOMINIUM NUMBER 1" and is a parcel of real property and includes common elements.

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 2 of 62
Order: 456 Comment:

1.9 Unit Owner or Owners. Means the person or persons owning a fee simple absolute, or one who is a co-owner in any real estate relationship that is recognized under the laws of the State of Montana, in one or more Units of THE VILLAS AT JUNIPER BAY CONDOMINIUM NUMBER 1.

1.10 **Association:** Means the Villas at Juniper Bay Homeowners' Association.

ARTICLE 2
Name

The property subject to this Declaration shall be known as the "THE VILLAS AT JUNIPER BAY CONDOMINIUM NUMBER 1". The address is: 396 North Juniper Bay Road Villa 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15.

ARTICLE 3
Real Estate

Description. The real property which is by this Declaration submitted and subject to the Montana Unit Ownership Act is described in Exhibit "E"

ARTICLE 4
General Description of Building

4.1 Building. The buildings subject to this Declaration and located on the above-described real estate are five (5) separate buildings each consisting of three (3) units. Attached hereto and incorporated are the following exhibits:

EXHIBIT "A-1" - Plat of Juniper Bay, LLC property to be included in project.
EXHIBIT "A-2" - Site Plan for Juniper Bay Condominium No. 1 showing initial phase to be constructed on that portion of the Juniper Bay, LLC property West of Juniper Road.
EXHIBIT "B" - Site Elevations: Buildings 1 and 3

1. East Elevation
2. North Elevation
3. West Elevation
4. South Elevation
5. Floor Plan Top Level Unit A (The Bay View)
6. Floor Plan Main Level Unit B (The Sweet Cherry)
7. Floor Plan Lower Level Unit C(The Sunrise)

EXHIBIT "C" – Buildings 2, 4 and 5

1. East Elevation
2. North Elevation
3. West Elevation
4. South Elevation
5. Floor Plan Top Level Unit A (The Bay View)

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 3 of 62
Order: 456 Comment:

6. Floor Plan Main Level Unit B (The Sweet Cherry)
7. Floor Plan Lower Level Unit C(The Sunrise)

EXHIBIT "D" - bylaws

EXHIBIT "E-1" - Legal description of condominium project real property west of North Juniper Road, Somers, Montana.

EXHIBIT "E-2" - Legal description of condominium project real property East of North Juniper Road, Somers, Montana, also known as the Lakeshore Property.

4.2 Units. Each building contains three residential units. Each unit shall be subject to the provisions of this Declaration and all or any covenants running with the land to which this Condominium Declaration is subject. These restrictions, covenants and provisions, shall be binding upon the Unit Owners, their heirs, successors, personal representatives and assigns, for so long as this Declaration of Condominium is in effect.

ARTICLE 5
Description of Units

5.1 Designation and Square Footage of Units. There are five, residential building, each having three units, sharing a common wall. Each unit is located at 396 North Juniper Bay Road and their individual addresses will designated by their respective "Villa" number. The units, their square footage and percent ownership of common elements is set forth below (NOTE: Each unit shall have the same percent ownership as all other units.):

		Square Feet	Percent
Building 1			
Unit A	(Villa 1)	1559	6⅔%
Unit B	(Villa 2)	1569	6⅔%
Unit C	(Villa 3)	1265	6⅔%
Building 2			
Unit A	(Villa 4)	1559	6⅔%
Unit B	(Villa 5)	1569	6⅔%
Unit C	(Villa 6)	1265	6⅔%
Building 3			
Unit A	(Villa 7)	1559	6⅔%
Unit B	(Villa 8)	1569	6⅔%
Unit C	(Villa 9)	1265	6⅔%
Building 4			
Unit A	(Villa 10)	1559	6⅔%
Unit B	(Villa 11)	1569	6⅔%
Unit C	(Villa 12)	1265	6⅔%
Building 5			
Unit A	(Villa 13)	1559	6⅔%
Unit B	(Villa 14)	1569	6⅔%

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 4 of 62
Order: 456 Comment:

Unit C	(Villa 15)	1265	6⅔%
Total Square feet in Project		21,965	100%

5.2 Location. The specific location of each of these units in relation to each other is determined by review of the floor plans previously referenced and attached to this Declaration. Refer to Exhibit "A" for the relative location of each building to the others.

5.3 Unit Boundaries. Each Unit shall include the part of the building containing the Unit that lies within the boundaries of the Unit as described above and as more particularly appears on the floor plans attached.

5.3.1 Upper and Lower Boundaries. The upper and lower boundaries of the Units shall be following boundaries extended to an intersection with the perimetrical boundaries:

5.3.2 Upper Boundary. The plane of the under side of the ceiling of each Unit.

5.3.3 Lower Boundary. The plane of the surface of the floor of each Unit, not including carpeting, tile or other floor coverings.

5.4 Perimetrical Boundaries. The perimetrical boundaries of the Units shall be the following boundaries extended to an intersection with the upper and lower boundaries:

5.4.1 Exterior Building Walls. The intersecting vertical planes adjacent to and including the interior sheathing or wall covering of the outside walls bounding a Unit. (The interior surface of the outside walls.)

5.4.2 Interior Building Walls. The vertical planes of the center line of the walls between the Units extended to an intersection with the other perimetrical boundaries.

5.4.3 Finished and Unfinished Surfaces. The owners of the respective units own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding the Unit. The owner shall not be deemed to own pipes, wires, conduits, or other public utility lines running through said respective Units which are utilized for, or serve more than one (1) Unit, except as tenants in common with the other Unit Owners as heretofore provided. Said owner shall be deemed to own the interior walls and partitions which are contained in said Owner's respective Unit, (expect where the same are structural or bearing walls, which shall be

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 5 of 62
Order: 456 Comment:

common elements), and also shall be deemed to own the finished surfaces of the perimeter walls, floors, and ceilings, including plaster, paint, wallpaper, etc.

5.5 Declarant Reserved Rights to Alter Floor Plan or Interest. Declarant expressly reserves the right to amend this Declaration in all respects, including the right to add, subtract, change or alter the floor plans and percentage interest owned by each unit. See also Article 19.

ARTICLE 6
General Common Elements

6.1 Common Elements. The general common elements are generally described pursuant to Article I Paragraph 1.1 of this agreement.

6.2 Common Element Easements. A non-exclusive right in ingress and egress and support through the common elements is appurtenant to each unit and all of the common elements are subject to such right.

6.3 Use of Common Elements. Upon the recording of this Declaration, there shall be appurtenant to each Unit a non-exclusive and perpetual right and easement to use the Common Elements in common with all other persons entitled to use the Common Elements, as may be required for the purposes of access, ingress and egress to and from the Property, and the use, occupancy and enjoyment of the Units and the Common Elements for their intended purposes as provided herein. Such right and easement shall extend to each Owner or Occupant.

Such right and easement shall be subject to such limitations, restrictions, and Rules and Regulations as may from time to time be promulgated by the Board.
The Board shall have authority to lease, convey easements or rights of way or grant other rights with respect to the Common Elements consistent with the overall character and use of the Property. Each Owner in accepting the deed or other instrument creating in such Owner the interest required to be deemed an Owner, whether or not it be so expressed in the deed or other instrument, expressly consents to such leases, easements, rights-of-way or other rights, and authorizes and appoints the Association as attorney-in-fact of such Owner to execute any and all instruments conveying or creating such leases, easements, rights-of-way or other rights.

6.4 Public Utilities. Easements and rights in, on, over, across, under or through the Property for the installation and maintenance of lines, cables, wires, conduits, pipes or other devices for electricity, cable television, power, telephone, public sewers, storm water drains, water systems, sprinkling systems, sanitary sewer, drainage facilities, water

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 6 of 62
Order: 456 Comment:

heating, gas, and any similar public or quasi-public improvements, facility or other public utilities needed to serve the Property are hereby reserved by the Association, together with the right to grant and transfer the same.
The Association shall have the power to grant and convey in the name of all of the Owners as their attorney-in-fact to any other Person easements and rights-of-way in, on, over, across, under or through the Common Elements for the purpose of constructing, erecting, operating or maintaining lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone, public sewers, stolen water drains, water systems, sprinkling systems, water heating, gas, and any similar public or quasi-public improvements, facility or other public utilities needed to serve the Property, and each Owner in accepting the deed or other instrument creating in such Owner the interest required to be deemed an Owner, whether or not it be so expressed in the deed or other instrument, expressly consents to such easements and rights-of-way and authorizes and appoints the Association as attorney-in-fact of such Owner to execute any and all instruments conveying or creating such easements or rights-of-way.

6.5 **Easements for Encroachments.** If any portion of the Common Elements now encroaches or shall hereafter encroach upon any Unit, or if any Unit now encroaches or shall hereafter encroach upon any other Unit or the Common Elements, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Elements or the Units. Encroachments referred to herein include, but are not limited to, encroachments as a result of the manner in which the Buildings have been constructed, settling, shifting, alteration, replacement, repair, or restoration of the Property or any part thereof.

6.6 **Owners' Right to Ingress and Egress and Support.** Each Owner shall have the right to ingress and egress over, upon and across the Common Elements necessary for access to his Unit and shall have the right to the horizontal and lateral support of his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

6.7 **Parking.** Owner shall be allowed to park in any marked parking space within the Project except those designated and marked as handicapped parking space unless Owner has a handicapped permit. Except for the designation of handicapped parking, as may be required by local, state or federal law, no assigned parking or private parking shall be allowed or permitted. Owner hereby acknowledges that the general public may use the parking lot.

6.8 **Private Deck or Balcony.** Each Owner of a Unit with a private balcony, deck or basement (private meaning normal access is through the interior of Owner's Unit) shall have and enjoy an exclusive easement for use of the balcony, deck or basement appurtenant to that Unit as shown on the Plans, subject to all of the applicable provisions

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 7 of 62
Order: 456 Comment:

of this Declaration. The Owner shall keep the balcony and deck free of accumulations of snow. The Owner shall not install any walls, enclosures, awnings or plantings on any balcony or deck, except with the prior written approval of the Association.

6.9 Equipment on Roof. The Association, on behalf of itself or other Owners, shall have the sole right to erect on the roof of the Building, heating and air conditioning units and other equipment approved by Association including radio or television aerials, antennas and satellite dishes (not to exceed 24 inches in diameter) for its use and the use of other Owners in the Building and shall have the right of access for installation and repair of all such equipment.

6.10 Right of Entry. Upon twenty-four (24) hours written notice or without notice in the event of an emergency, the Association and its authorized agents may visit and examine any Unit at any reasonable hour of the day and workers may enter at any time when authorized by the Association or the Association's agents, to make or facilitate repairs in any part of the Building and to remove such portions of the walls, floors and ceilings of the Unit as may be required for the purpose of making repairs. The Association shall at its own cost and expense restore the premises to their proper and usual condition, unless the need for such repairs is caused by the negligence or intentional act of the Owner.

If the Owner is not present to open and permit entry into the Unit when necessary or permissible hereunder, the Association or its agents may enter the Unit without rendering the Association or such agents liable to any claim or cause of action for damages by reason thereof (if during such entry the Association uses reasonable care to the Owner's property) and without in any manner affecting the obligations and covenants of this Declaration. The right and authority hereby reserved does not impose any responsibility or liability whatsoever for the care or supervision of the Unit or any of the pipes, fixtures, or appliances except as may be herein specifically provided.

6.11 Association's Right to Use of Common Elements. The Association shall have a nonexclusive easement to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration. Further, subject to the approval of the Board, the Association may allow and permit the use of the Common Elements, but limited to Parking areas and adjacent sidewalks and walkways, for community events, provided that the sponsor of any such event shall provide the Association with written indemnification in a form approved by the Board, and further provided that the event sponsor shall provide liability insurance with the Association listed as a named insured in an amount and form as determined by the Board.

6.12 Use of Common Elements. There shall be no obstruction of the Common

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 8 of 62
Order: 456 Comment:

Elements, nor shall anything be stored on any part of the Common Elements without the prior written consent of the Association, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Elements except upon the prior written consent of the Association.

6.13 Percentage of Interest. Each Unit Owner shall own an undivided proportionate interest in and to the common elements, as set forth in Paragraph 5.1.

ARTICLE 7
Limited Common Elements

7.1 Limited Elements. The limited common elements and definition thereof is set forth pursuant to Paragraph 1.3 of this Agreement. Unit owners shall own an undivided proportional interest in and to these limited, common elements, based upon the number of units sharing the limited, common elements.

ARTICLE 8

Use Restrictions

8.1 Use shall be limited to a single-family dwelling only. No commercial use shall be permitted.

8.2 The use and occupation of these condominiums shall additionally be subject to all of the covenants contained herein INCLUDING the requirement that each unit shall be an individual member and shall be responsible for their own homeowners' association dues.

8.3 Additional Covenants and Conditions.

8.3.1 Property shall be used for residential purposes only. No property will be used for any commercial or agricultural purpose. Property shall not be used for any licensed day care facility, preschool or any other self-contained business or enterprise which normally produces additional traffic above and beyond normal, residential use. This shall not prohibit a licensed professional from working out of his home, provided traffic and parking does not exceed the space allocated to a unit. Signage and advertising is prohibited.

8.3.2 Units may be leased or rented for time period of not less than 30 consecutive days. "Vacation rentals" are prohibited. "For sale signs" are allowable within the guidelines, rules and regulations issued by Declarant

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 9 of 62
Order: 456 Comment:

and/or by the Association.

8.3.3 The Owners Association shall have the authority to issue and enforce rules and regulations for use and maintenance of the common elements.

8.3.4 No noxious or offensive activities shall be carried on upon any lot, nor shall anything be done thereon which may become a nuisance to the neighborhood.

8.3.5 No automobiles shall be parked in any space which is not in operating condition for a period in excess of 10 days.

8.3.6 No livestock or any other animals shall be kept or maintained on the property. However, dogs cats or birds, may be kept upon said property as house pets, provided such pets are not kept, bred or maintained for sale or commercial purposes and provided they are not a nuisance to neighbors or the neighborhood. No animal may be kept on the property if it is dangerous, unmanageable or uncontrolled.

8.3.7 Kennels are prohibited. All household pets SHOULD be restrained by direct control by leash, tether or other restraint. If a pet engages in any annoying activity, such as excessive barking, biting, harassing persons in the neighborhood, eating or disturbing garbage, destroying vegetation or any other obnoxious activity, any owner or the Board may give the owner of such animal ten (10) days' written notice to restrain the animal from the activity. In such case, the owner shall be required to restrain their animal by tether or leash or keep the animal inside their residence or otherwise correct the deficiency. If the owner then fails to comply, any resident or the Board may resort to any legal means to remedy the nuisance activities caused by the animal including, but not limited to, having the animal picked up and removed by law enforcement authority.

8.3.8 **Parking of Recreational Vehicles:** Recreational vehicles such as campers, motor homes and trailers shall not be parked on the condominium property for more than twenty-four hours and then for the sole purpose of loading and unloading the same

ARTICLE 9
Association and Membership

9.1 **Association.** The Juniper Bay Unit Owner's Association shall serve as the condominium association for this project. The Association shall meet, vote and operate

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 10 of 62
Order: 456 Comment:

under the authority of this document, Montana law, and the Bylaws of the Association, attached hereto and incorporated herein in Exhibit D.

9.2 Membership. Every Owner shall be a member of the Association and shall remain a member for the period of the Owner's ownership of a Unit. No Owner, whether one or more persons, shall have more than one membership per Unit owned, but all of the persons owning a Unit shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Unit. If title to a Unit is held by more than one person, such Owners shall designate one person as their representative and appoint such person as their proxy for voting purposes. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Unit. Each Owner's percentage of ownership in the Association shall be equal to the fractional or percentage interest allocated to the Unit owned by each respective owner as provided in Section **5.1** herein.

9.3 Powers. The Association shall have all the powers of a nonprofit corporation under applicable law, subject only to such limitations on the exercise of such powers as are set forth in the Articles, the Bylaws, this Declaration and the Rules and Regulations. The Association shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under the Act or this Declaration, the Articles and the Bylaws, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association, including, without limitation, the following: (A) make provisions for the maintenance, repair, replacement, administration and operation of the Common Elements and improvements thereon (including furnishings and equipment related thereto) and for keeping the same in good, clean, attractive and sanitary condition, order and repair; (B) obtain common area public liability and property coverage (casualty) insurance and dispose of such insurance proceeds; (C) obtain utilities for the Common Area or common utilities for the Units; (D) levy and collect Assessments and perfect and enforce liens for such Assessments, (E) pay taxes, and other liabilities which are or would become a lien on any portion of the Common Elements; (F) enter into contracts including, but not limited to, management contracts; (G) adopt, amend and repeal Rules and Regulations as it deems reasonable (H) perform any other duties set forth in this Declaration; (I) Grant or release easements to common elements or to or for others, (J) propose annual budgets and assessments and (K) take any other actions that the Association determines are in the best interest of the Owners or the Project.

9.4 Discretionary Power. The Board shall have discretionary power to prescribe the manner of maintaining and operating the buildings. Every determination made by the Board shall be final and conclusive as to all Owners, and any expenditures made by the Association's officers or managing agent, under the direction or with the approval of the Board shall, as against the Owners, be deemed necessarily and properly made for such

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 11 of 62
Order: 456 Comment:

purposes.

9.5 **Voting.** The votes in the Association shall be allocated based upon the Member's interest in the Common Elements as set forth in Section 5.1 herein. When more than one person holds an interest in any Unit, the voting of such Unit shall be exercised as such persons among themselves determine, but in no event shall more than one vote be cast with respect to any Unit. If any Owner or Owners cast(s) a vote representing a certain Unit, it will, in the absence of prompt protest from the other Owners of such Unit during the meeting at which such vote is cast, thereafter be conclusively presumed for all purposes that such Owner or Owners were acting with the authority and consent of all other Owners of the same Unit.

9.6 **Board of Directors.** The governing body of the Association shall be the Board elected pursuant to the Bylaws. Except as otherwise provided in this Declaration, the Bylaws, or the Rules and Regulations, the Board may act in all instances on behalf of the Association.

9.7 **Qualifications of Directors.** Each Director shall be a Member or a spouse of a Member (or if a Member is a legal entity such as a corporation, partnership, limited liability company, limited liability partnership, trust, or other entity, a Director may be an officer, director, employee, authorized agent, partner, member, beneficiary or trustee of such Member) and shall be current in the payment of any the Association assessment attributable to such Member. If a Director shall cease to meet such qualifications during such Director's term, such Director will thereupon cease to be a Director, and such Director's place on the Board shall be deemed vacant.

9.8 **Manager.** The Board may employ a responsible person or entity as manager to manage, operate and maintain the Common Elements, with all of the administrative functions and such other powers and duties as the Board may delegate from time to time and for such fees as the Board may establish consistent with other provisions of this Declaration.

9.9 **Board's Determination Binding.** Subject to the right of any Owner to institute an action at law or in equity, in the event of any dispute or disagreement between any Owners, or any question of interpretation or application of the provisions of this Declaration, the Articles, the Bylaws, or the Rules and Regulations, the determination thereof by the Board shall be final and binding on each and all of such Owners.

9.10 **Right of the Association to Enter Units.** The Association acting through the Board or its duly authorized agent shall have the right at all times upon reasonable notice (and at any time in case of an emergency) to enter upon or in any Unit to abate any infractions, to make repairs, or to correct any violation of this Declaration, Bylaws and Rules and Regulations and in connection therewith shall have the further right to assess

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 12 of 62
Order: 456 Comment:

all costs incurred against the Owner, such Assessment to be secured by a lien as provided in this Declaration. If, in the case of an emergency, it becomes necessary to break into a Unit because no means of access was provided by the Occupant or Owner, the Association, its directors, officers and agents shall not be liable for any damage done to the Unit as a result of the exercise of this right of entry. The party exercising this right of entry shall see that reasonable measures are taken to secure the Unit until either the Occupant or Owner shall be notified that the Unit has been entered.

9.11 Rules and Regulations. The Board may adopt, repeal, amend or modify Rules and Regulations in furtherance of the Bylaws or Declaration. Any Owner desiring to propose amendments, modifications, new Rules and Regulations or repeal of existing Rules and Regulations must do so by written submission to the Board for its action.

9.12 Reserve Fund. The Association may maintain a reserve fund for maintenance, repair and replacement of those Common Elements that must be maintained, repaired or replaced on a periodic basis, and such reserve shall be funded as part of the regular Assessments.

9.13 Books and Records. The Association shall keep complete, accurate and correct books of account at the office of the managing agent or at such other place as the Board may from time to time determine. The Association shall provide an annual budget for approval at an annual meeting. The Association shall additionally provide an annual, written treasurer's report, summarizing all income and expenses by category and providing a statement of cash on hand, receivables and payables. Any unit owner may demand copies of any and all minutes, records, contracts, checks, bank statements and any other business or financial record of the Association. All records are subject to audit at Association expense.

9.14 Action by Owners. To the extent permitted by the Act, all actions required to be taken by the Owners, shall be taken by the Association acting as such unit owners' association, by and through its directors and officers.

9.15 Personal Liability. No member of the Board, or any officer of the Association, or any manager, or Declarant (including any and all partners, officers, directors, employees, or authorized agents of Declarant or its partners, affiliates, or parent company or its subsidiaries or affiliated companies), shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by such person, acted in good faith without willful or intentional misconduct.

9.16 Association Immunities. The Association shall not be liable for any failure of

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 13 of 62
Order: 456 Comment:

heat, water supply, electric current, telephone or other service supplied by the Association hereunder, or for injury or damage to person in the Building resulting from gas, electricity, water, rain or snow which may leak or flow from outside or from any part of the Building or from any part of its pipes, drains, conduits, appliances or equipment or from any other place unless caused by or due to the negligence of the Association. Furthermore, Association shall not be liable for any damages arising from any act or neglect of any Owner.

The Association and its agents shall not be responsible for any of the loss of property within or without the Unit by theft or otherwise. If the Association furnishes to an Owner any storage space or any other facility outside the Unit, the same shall be furnished gratuitously by the Association and the use of the facility shall be entirely at the risk of the Owner, and the Association shall not be liable for any loss of property therein, for any damage or injury whatever to person or property. Storage space may be used only for the storage of non-toxic and nonflammable material. No diminution or abatement of Assessments, or other compensation, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Building or its appliances.

ARTICLE 10
Assessments

10.1 Agreement to Pay Assessment. Each Owner of any Unit, by the acceptance of a deed therefore, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association the Assessments (including the Regular Assessments, Capital Improvement Assessments and Special Assessments) made by the Association for the purposes provided in this Declaration.

10.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purposes of promoting the health, safety and welfare of the Owners, the management, maintenance, care, operation, repair, preservation, and replacement of the Property, enhancing the quality of life and the value of the Property including, but not limited to, the improvement and maintenance of the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements, or in furtherance of any other duty or power of the Association, including but not limited to the following:

(a) Such expense items as: Water and Sewer, Insurance, Electricity (public areas), Repairs and maintenance, Supplies, Painting public area, Real

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 14 of 62
Order: 456 Comment:

estate taxes, Legal and Accounting, Landscape maintenance, and Snow removal.

(b) Expenses or costs paid by the Association pursuant to any operating agreement or similar agreement covering the Building and Common Elements regarding the operation, management, repair and/or maintenance of areas, property and/or equipment used in common with the Building and Common Elements, such as but not limited to the parking lot, landscape areas, sidewalks and elevators.

(c) Expenses and liabilities incurred by the Association under this Declaration.

(d) Debt retirement, if any.

(e) Creation of a reasonable contingency, or reserve for capital improvements, repairs, and maintenance or for other building or corporate purposes.

10.3 Regular Assessments. The Board may, from time to time, by resolution:

(a) Set the amount of the regular Assessment or increase or decrease the amount previously fixed or determined, for any year.

(b) Include in the regular Assessment for any year any liabilities or items of expense which accrued or became payable in a previous year, or which should have been included in the Assessments for a previous year but were not included therein, and also any sums which the Board deems necessary to provide as a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

(c) Each Owner shall pay the regular Assessment in the amount and in installments as set by the Board. Failure of the Board to fix the regular Assessment for any given year shall not be deemed a waiver or modification in any respect of the covenants or provisions to pay the Assessments or any installment thereof for that or any subsequent year, provided such Assessments shall ultimately be fixed by the Board.

10.4 Capital Improvement Assessments. In addition to regular Assessments, the Board may levy in any fiscal year a Capital Improvement Assessment for the purpose of defraying, in whole or in part, the cost of any construction or replacement of a described capital improvement of the Common Elements (which capital improvement may take place over a period of years), including the necessary fixtures and personal property

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 15 of 62
Order: 456 Comment:

related thereto, or for any other lawful Association purpose. The Board shall not impose a Capital Improvement Assessment without the prior approval of the Owners of Eighty Percent (80%) of the Common Elements either at a meeting of Owners or by written ballot, or by a combination of approval at a meeting and written ballot.

10.5 Special Assessments. Special Assessments shall be levied by the Board against a Unit and its Owner for:

(a) Costs incurred in bringing an Owner and such Owner's Unit into compliance with the provisions of this Declaration, the Bylaws, or Rules and Regulations, for misconduct, other failure to comply, or as the result of emergency circumstances;

(b) Any other charge designated as a Special Assessment in this Declaration, Bylaws, or the Rules and Regulations; and

(c) Attorneys' fees, interest and other charges relating thereto as provided in this Declaration.

10.6 Apportionment of Regular and Capital Improvement Assessments. Regular and Capital Improvement Assessments shall be fixed at an amount for each Unit, in accordance with the Owner's percentage interests in the Common Elements.

10.7 Reduction or Abatement of Regular Assessments. In the event the amount budgeted to meet expenses for a particular fiscal year proves to be excessive in light of the actual expenses, the Board in its discretion may either reduce the amount of the Regular Assessments or may abate collection of Regular Assessments as it deems appropriate.

10.8 No Offsets. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in this Declaration, or a claim that an Owner does not use any portion of the Common Elements.

10.9 Statement of Payment. The Association shall, upon demand, furnish to any Owner liable for Assessments a statement in writing signed by an officer or authorized agent of the Association setting forth whether the Assessments relating to a specified Unit have been paid and the amount of delinquency, if any. A reasonable charge, may be collected by the Board for the issuance of each such statement. Each statement shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 16 of 62
Order: 456 Comment:

10.10 Creation of Lien and Personal Obligation For Assessments. The Assessments, together with interest thereon, late charges, attorneys' fees, court costs and all other costs of collection incurred by the Association in collecting or attempting to collect delinquent assessments, whether or not suit is filed, shall be a continuing lien upon the Unit against which each such Assessment is made in favor of the Association. Each such Assessment, together with such interest, late charges, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Unit at the time the Assessment becomes due.

10.11 Rights of Purchaser at Foreclosure Sale. Any First Mortgagee who acquires title to a Unit by virtue of foreclosing the First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, will take the Unit free of any claims for unpaid Association Assessments, interest, late charges, costs, expenses and attorneys' fees against the Unit which accrue prior to the time such First Mortgagee or purchaser acquires title to the Unit, and the amount of the extinguished lien may be reallocated and assessed to all Units as a common expense at the direction of the Board.

ARTICLE 11
Effect of Nonpayment of Assessments and Remedies

11.1 Delinquency. Any Assessment which is not paid when due is delinquent. Whenever an Assessment is delinquent, the Board may at its option invoke any or all of the remedies provided for herein and any other remedy authorized by applicable law.

11.2 Late Charge. If any Assessment is not paid within ten (10) days after the date when it becomes due and payable, the Owner shall be obligated to pay a late charge in the sum of $35.00, or such other amount as may be established by the Board. The amount of such late charge until paid shall constitute part of the Assessment lien as provided for in this Declaration.

11.3 Interest. In addition to Late Charges, if any Assessment is not paid when it is due and payable, interest at the rate of ten percent (10%) per annum or such other interest rate as then may be in effect as established by the Board may be assessed on the amount owing from the date due until such time as it is paid.

11.4 Action at Law. The Association shall have the right, at its option, to enforce collection of any delinquent Assessments in any manner allowed by law. The Association may bring an action to recover a delinquent Assessment personally against the Owner obligated to pay same or to foreclose the Assessment lien in the manner provided by law for foreclosure of a realty mortgage; provided, however, that the Association's choice of one remedy shall not prejudice or constitute a waiver of the

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 17 of 62
Order: 456 Comment:

Association's right to exercise the other. All costs of collection, whether or not a lawsuit is commenced, shall be assessed against the delinquent Owner and such Owner's Unit and reasonable attorneys' fees, court costs and collection costs will thereafter be added to the amount in delinquency (plus interest and/or late charges, if appropriate).

1.5 Notice of Lien. The recording of this Declaration constitutes record notice and perfection of the Assessment lien which is a continuing lien upon the Unit against which the Assessment is made as provided for in the Bylaws and this Declaration. The Association may, at its option, record a notice of such Assessment lien. The Association shall first make written demand on the Owner for payment of all delinquent Assessments and related charges secured by the Assessment lien. If not paid within ten (10) days of the date of the demand, the Association may proceed with recording a notice of such Assessment lien, and may charge the Owner of the applicable Unit a lien fee in an amount established or approved by the Board.

11.6 Foreclosure Sale. Any foreclosure and sale provided for in this Declaration is to be conducted in accordance with applicable provisions relating to the foreclosure of realty mortgages in the State of Montana.

11.7 Suspension of Votes. The Board shall suspend for the entire period during which an Assessment remains delinquent the obligated Owner's right to vote on any matter at regular or special meetings of the Association.

11.8 Personal Liability of Purchaser for Assessments. A purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to purchaser's rights to recover from the seller the amount paid by the purchaser for such assessments.

11.9 Construction Lien Rights. No labor performed or materials furnished for use in connection with any Unit with the consent or at the request of an Owner or his agent, contractor or subcontractor shall create any rights to file a statement of construction lien against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished. Each Owner (the indemnifying Owner) shall indemnify and hold harmless each of the other Owners and the Association from and against liability or loss arising from the claim of any lien arising from work done for or at the request of the indemnifying Owner or his agents. Such indemnity may be enforced by a Special Assessment.

ARTICLE 12
Maintenance and Alterations

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 18 of 62
Order: 456 Comment:

12.1 Maintenance and Repair of Units. Each Owner shall keep the interior of the Unit in good repair. If Tenant refuses or neglects to make such repairs or to restore the Unit to good condition within ten (10) days after written notice from the Association, such repairs or restoration may be made by the Association, which shall have the right, by its officers or authorized agents, to enter the Unit for that purpose and to collect the cost of such repairs or restoration as a Special Assessment for the Unit.
In addition to keeping the interior of the Unit in good repair, the Owner shall be responsible for the repair, maintenance or replacement of all interior components of the Unit, including but not limited to, plumbing, plumbing fixtures, electrical wiring, electrical fixtures, lighting fixtures, and the heating and air conditioning units (including the condensing unit which is a part thereof and located on the roof). Further, Owner shall also be responsible for the maintenance of any private deck or balcony adjoining Tenant's Unit, including but not limited to keeping the area in clean, safe and orderly mariner, and timely removal of accumulations of snow. However, the Association shall be responsible for the structural repairs of any private decks or balconies, and the repair, re-painting and re-staining of the decks or balconies, as needed, except where such repair, re-painting or re-staining is caused by or is attributable to the neglect of Owner.

12.2 Maintenance and Repair of Common Elements. The Association shall keep in good repair the Common Elements, including but not limited to the foundation, roof, exterior walls, decks and balconies (except as set forth in Section 4.1), demising walls (walls between units, but excluding interior walls not shared by another unit and excluding the surfaces of all interior walls and ceilings from the wooden studs out), supports, beams, terraces, sidewalks, common area decks, railings, gutters, fences, basement, entrances, parking lot, landscaped areas, street and court doorways, main halls, courtyard, main stairways, windows, elevator, and all main and principal pipes for carrying water throughout the Building, and the main drain pipes and electrical conduits, together with all plumbing, heating, cooling and other apparatus intended for the general service of the Building, except those which are the duty of the Owner to maintain and keep in good repair as provided in this Declaration.
The Owner shall give the Association prompt notice in writing of any accident or defect known to the Owner that requires repairs. All such repairs shall be at the expense of the Association, unless the repairs were necessary because of Owner's intentional act, negligence, or carelessness, or improper use of equipment by the Owner or any of the Owner's employees, agents, business invitees, or tenants, in which case the expense shall be paid by the Owner.

The Association shall maintain and manage the exterior of the Building and keep the elevators and public halls, courtyard, basement, stairways, landscaped areas and parking lot clean and properly lighted and provide employees and/or contractors necessary in the judgment of the Board of Directors for the care and service of the Building. The

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 19 of 62
Order: 456 Comment:

covenants by the Association herein contained are subject, however, to the discretionary power of the Board of Directors of the Association to prescribe the manner of maintaining and operating the Building and to determine the Assessments of the Association, and are further subject to the provisions that no diminution or abatement of Assessments or other compensation accruing to the Association shall occur for the failure by the Association to perform the same or for the interruption or curtailment of service, when such failure, interruption or curtailment shall be due to accident or to necessary or desirable alterations or repairs, or to some other cause not caused by Association's negligence.

12.3 Alterations. An Owner may make non-structural alterations within such Owner's Unit, but an Owner shall not make any structural or exterior alterations of the Common Elements or Limited Common Elements, except as otherwise permitted by the Board.

ARTICLE 13
Damage or Destruction

13.1 Board to Act. In the event of damage to or destruction of all or part of the Common Elements, or other Property covered by insurance written in the name of the Association, the Board shall arrange for and supervise the prompt repair and restoration of the damaged areas. Each Owner shall have the right to supervise the repair or restoration of the interior of the Owner's Unit.

13.2 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Project, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems to be reliable and complete of the costs of repair and reconstruction to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before.

13.3 Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the part of the Project that is damaged or destroyed. As attorney-in-fact for the Owners, the Association may, subject to requirements for the approval of Capital Improvement Assessments provided by this Declaration, take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary in connection with that action.

13.4 Funds for Repair and Reconstruction. The proceeds received by the Association from any casualty or hazard insurance shall be used for the purpose of repair, replacement and reconstruction.

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 20 of 62
Order: 456 Comment:

13.5 Insurance Proceeds Sufficient to Repair. In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association as attorney-in-fact to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right and power as attorney-in-fact for all the Owners to cause the repair and restoration of the improvements. Assessments shall not be abated during the period of insurance adjustments and repair and reconstruction.

13.6 Insurance Proceeds Insufficient to Repair. If the insurance proceeds are insufficient to repair and reconstruct the improvements, such damage or destruction shall be promptly repaired and reconstructed by the Association as attorney-in-fact for all the Owners, using the proceeds of insurance and the proceeds of a Capital Improvement Assessment to be made against all of the Owners and their Units. Any such Capital Improvement Assessment shall be due and payable within thirty (30) days after written notice. The Association shall have full authority, right and power as attorney-in-fact to cause the repair, replacement or restoration of the improvements using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the Capital Improvement Assessment.

In addition to any other remedies provided by this Declaration or applicable law, the Association as attorney-in-fact shall have the absolute right and power to sell the Unit of any Owner refusing or failing to pay such Capital Improvement Assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Unit of the delinquent Owner shall be sold by the Association as attorney-in-fact pursuant to the provisions of this Section. The delinquent Owner shall be required to pay to the Association the costs and expenses for filing the notice, interest at the on the amount of the Capital Improvement Assessment at the rate provided for delinquent assessments and all reasonable attorneys' fees. The proceeds derived from the sale of such Unit shall be used and disbursed by the Association as attorney-in-fact in the following order:

(a) For payment of real property ad valorem taxes, special assessment liens duly imposed by a governmental subdivision and customary expenses of sale;

(b) For payment of the balance of the lien of any First Mortgage affecting the Unit subject to any priority lien granted to the Association by law;

(c) For payment of unpaid Association Assessments, including the Capital Improvement Assessment, together with interest, costs, late charges, expenses and attorneys' fees;

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 21 of 62
Order: 456 Comment:

(d) For payment of junior. Mortgages affecting the Unit in the order of and to the extent of their priority; and

(e) For payment of the balance remaining, if any, to the Owner of the Unit.

13.7 Repairs. All repairs and reconstruction contemplated by this Article shall be performed substantially in accordance with this Declaration, the Plat and the original plans and specifications for the Project, unless other action is approved by the Owners of Units to which seventy-five percent (75%) of the undivided ownership of the Common Elements is appurtenant.

13.8 Notice of Damage or Destruction. In the event that any portion of Project encompassing more than one Unit is substantially damaged or destroyed by fire or other casualty, then written notice of the damage or destruction shall be given by the Association to the Owners of the affected Units within a reasonable time following the event of casualty damage.

ARTICLE 14
Insurance

14.1 Liability Coverage.

A. Owner shall obtain and keep in force a liability policy of insurance protecting Owner and Association against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Unit and all areas appurtenant thereto. If a Unit is used strictly and solely for residential living and is not leased or rented), then the $1,000,000 per occurrence coverage shall be reduced to $500,000 per occurrence.

B. Association shall obtain and keep in force comprehensive general liability insurance, including contractual liability coverage, providing coverage for bodily injury, death and property damage. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $2,000,000 per occurrence, or such greater amount as the Association may establish from time to time. The policy shall contain the "Amendment of the Pollution Exclusion Endorsement" for damage caused by heat, smoke or fumes from a hostile fire.

14.2 Property Coverage.

A. Owners shall obtain and keep in force a policy or policies in the name of the Owner with losses payable to the Owner, subject to the rights of any mortgagee,

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 22 of 62
Order: 456 Comment:

insuring loss or damage to the Unit, including but not limited to, all interior construction, and interior components of the Unit, including but not limited to, interior walls and partitions, sheet rock, paint, wall coverings, plumbing, plumbing fixtures, electrical wiring, electrical fixtures, lighting fixtures and any and all other current or future alterations, modifications, utility installations, trade fixtures, furniture, work product and any other real or personal property contained with the walls of the Unit. The amount of such insurance shall be equal to the full replacement cost of the interior construction and interior components, as the same shall exist from time to time, but in no event more than the commercially reasonable and available insurable value thereof with a deductible not to exceed $1,000 per occurrence, or such deductible as the Association may establish from time to time. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake), including coverage for debris removal and the enforcement of any applicable requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Unit as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount.

B. Association shall obtain and keep in force a policy or policies in the name of Association with loss payable to Association insuring loss or damage to the Building and Common Elements. The amount of such insurance shall be equal to the full replacement cost of the Building and Common Elements, as the same shall exist from time to time, but in no event more than the commercially reasonable and available insurable value thereof with a deductible not to exceed $5,000 per occurrence, or such other deductible as the Association may establish from time to time. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake), including coverage for debris removal and the enforcement of any applicable requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Unit as the result of a covered loss. Notwithstanding anything to the contrary herein, Association's coverage will extend only to the building shell and not to any interior improvement constructed by the Owner, it being the requirement and the responsibility of the Owner under this Declaration to provided coverage for all interior improvements. The Association shall not be required to name Owner as an additional named insured. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount.

14.3 Adjacent Premises. The Owner shall pay for any increase in the premiums for the Building and Common Elements and the increase in the premiums for any other Owners of Units if said increase is caused by Owner's acts, omissions, use or occupancy

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 23 of 62
Order: 456 Comment:

of the Unit and/or Building.

14.4 No Representation of Adequate Coverage. The Association strongly recommends that each Owner provide the Owner's insurance agent with a copy of the insurance requirements under this Declaration to ensure that Owner obtains adequate coverage. However, the Association makes no representation, expressed or implied that the limits or forms of any insurance coverage required to be carried by the Owner under this Declaration is adequate to cover Owner's property, business operations or obligations under this Declaration. The risk of any inadequate insurance coverage (under insured), on the part of the Owner, lies with the Owner.

14.5 Insurance Policies. All insurance required under this Declaration, for both Association and Owner shall be by companies duly licensed or admitted to transact business in the state of Montana, and maintaining during the policy term a "General Policyholders Rating" of at least B+, V, as set forth in the most current issue of "Best's Insurance Guide". Owner shall not do or permit to be done anything which invalidates the required insurance policies. Owner shall, within 10 days of the date that Owner acquires a Unit, deliver to Association certificates evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after thirty (30) days prior written notice to Association. Owner shall, at least thirty (30) days prior to the expiration of such policies, furnish Association with evidence of renewal thereof, or Association may order such insurance and charge the cost thereof to Owner, which amount shall be payable by Owner to Association as a Special Assessment upon demand. Such policies shall be for a term of at least one year. If either party shall fail to procure and maintain the insurance required to be carried by it, the other party may, but shall not be required to, procure and maintain the same.

14.6 Waiver of Subrogation. Without affecting any other rights or remedies, Association and Owner each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Association or the Owner, as the case may be, so long as the insurance is not invalidated thereby.

14.7 Indemnity. Except for Association's gross negligence or willful misconduct, Owner shall indemnify, protect, defend and hold harmless the Association, and its agents, partners or affiliates from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Unit by

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 24 of 62
Order: 456 Comment:

Owner. If any action or proceeding is brought against Association by reason of any of the foregoing matters, Owner shall upon notice defend the same at Owner's expense by counsel reasonably satisfactory to Association and Association shall cooperate with Owner in such defense. Association need not have first paid any such claim in order to be defended or indemnified.

14.8 Receipt of Insurance Proceeds. Except in a case where a Mortgagee or any other person shall have the legal right to receive insurance proceeds directly, all insurance proceeds and recoveries under policies maintained by the Association shall be paid to and received by the Association or its designated representative, to be held in trust for the benefit of the Association, all Owners and all Mortgagees of any Unit or all or any part of the Property as their respective interests may appear. Subject to the rights of any Mortgagee, the Association shall have the right, acting alone, to adjust or settle any claim by it under any insurance maintained by it.

Notwithstanding any provision contained herein to the contrary, the rights of and lien priority of any First Mortgagee shall not be affected by any loss, damage or destruction and shall continue in any insurance proceeds payable with respect to the Unit subject to such Mortgage in accordance with the provisions of such Mortgage.

14.9 Other Insurance by the Association. The Association shall also have the power and authority to obtain and maintain other and additional insurance coverage, including, but not limited to, property coverage (casualty) insurance covering personal property of the Association, fidelity bonds or insurance covering employees and agents of the Association and insurance indemnifying officers, directors, employees and agents of the Association. Notwithstanding any other provisions of this Declaration, the Association shall continuously maintain in effect such property coverage (casualty) and liability insurance and fidelity bonds or comparable insurance in order to conform this Declaration to the requirements of the Act or the requirements of a mortgage lender, insurer or any Federal, state or local governmental agency, which may include the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, or the Veterans Administration, so long as any of such entities is a Mortgagee or Owner of a Unit, except to the extent that such coverage is not available or has been waived in writing by such entities.

ARTICLE 15
Utilities, Meters and Easements

15.1 Easement. Wherever sanitary sewer or water connections or electricity, gas, telephone or other similar lines or pipes are installed within the properties, which connections, lines or pipes, or any portion thereof, lie in or upon a unit other than the unit served by said connections, lines or pipes, the owners of any unit served by said connections, lines or pipes shall have the right and are hereby granted an easement to the

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 25 of 62
Order: 456 Comment:

full extent necessary therefor, at reasonable hours, to enter upon the lot or unit within the properties in or upon which said connections, lines or pipes, or any portion thereof lie, to repair, replace and generally maintain said connections, lines and pipes, as and when the same may be necessary.

15.2 Common Connections, Lines or Pipes. Wherever sanitary sewer or water connections, or electricity, gas or telephone lines or pipes, are installed within the properties, which connections serve more than one unit, the owner of each unit served by said connections, lines and pipes shall be entitled to the full use and enjoyment of such portions of said connections, lines and pipes as service his unit.

15.3 Construction Easement. Easements over the properties for the installation and maintenance of electric, telephone, water, gas and sanitary sewer lines, pipes and facilities, and for drainage facilities, as shown on the floor plan of the properties and as may be hereafter required or needed to service the properties, or any units, are hereby reserved by and for the benefit of all units, together with the right to grant and transfer the same, and the right to amend the same. Every portion of a unit which contributes to the structural support of the building shall be burdened with an easement of structural support for the benefit of the common elements.

ARTICLE 16

Party Walls

16.1 General Rules of Law to Apply. Each wall which is built as a part of the original construction of the units and placed on the dividing line between the units shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

16.2 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

16.3 Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omission.

16.4 Weatherproofing. Notwithstanding any other provision of this Article, an owner

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 26 of 62
Order: 456 Comment:

who by his negligence or willful act causes the party wall to exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

16.5 Right to Contribution Runs with Land. The right of any owner to contribution from any owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

ARTICLE 17
Miscellaneous

17.1 Dispute Resolution. In the event of any dispute between the Unit Owners on any matter or issue, the Unit Owners shall endeavor to resolve the matter between themselves through direct discussion or negotiation, with or without the assistance of representatives. In the event the dispute cannot be resolved, then the owners shall engage in mediation before a neutral mediator. In the event the dispute cannot be resolved through mediation, the matter shall be submitted to binding arbitration under the terms of the Montana Uniform Arbitration Act. Following failure of mediation, any party may give the other party notice of the appointment of a neutral arbitrator (who shall not be the mediator). Any objection to the appointment of the arbitrator must be given within another ten days. If there is no objection, the parties shall proceed to arbitration as quickly as possible. If there is any objection to the appointment of the named arbitrator, then the parties shall meet with the arbitrator for the sole purpose of determining the appointment of an arbitrator. The arbitrator shall additionally have the authority to appoint a new arbitrator for the purpose of arbitration if that issue is disputed. The arbitrator shall have the full authority to resolve any and all disputes between the Unit Owners regarding unit ownership or interpretation or enforcement of these covenants, PROVIDED that the manager may employ any of the remedies for enforcement of payment of assessments as provided in these covenants.

17.2 Association as Attorney in Fact. Each and every Owner hereby irrevocably constitutes and appoints the Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place and stead for the purpose of dealing with the Common Elements, including upon their damage, destruction, condemnation or obsolescence as provided herein. In addition, the Association, or any insurance trustee or substitute insurance trustee designated by the Association, is appointed as attorney-in-fact under this Declaration for the purpose of purchasing and maintaining insurance as provided herein, including: (a) the collection and appropriate disposition of the proceeds of such insurance; (b) the negotiation of losses and the execution of releases of liability; (c) the execution of all documents; and (d) the performance of all other acts necessary to accomplish such purpose. The Association, or any insurance trustee, shall hold or otherwise properly dispose of any insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. As attorney-in-fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 27 of 62
Order: 456 Comment:

contract, assignment, deed, easement, waiver or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Association as attorney-in-fact. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointment of the attorneys-in-fact as provided above. Each Owner's appointment of the Association as attorney-in-fact as provided in this Section is a power coupled with an interest, and no further document or instrument is necessary to evidence the Association's appointment. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointments of the attorneys-in-fact as provided above.

17.3 Attorneys' Fees. In the event any action is instituted to enforce any of the provisions contained in this Declaration, Bylaws, or Rules and Regulations, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment reasonable attorneys' fees and costs of suit.

17.4 Unsegregated Real Property Taxes. Until such time as real property taxes have been segregated by the County Assessor of Flathead County for the Units, the taxes shall be paid by the Association on behalf of the Owners. In connection with such payment, the proportionate share of such tax or installment thereof for a particular Unit shall be determined by multiplying the tax or installment in question by the respective percentage interest of such Unit in the Common Elements. The Association may levy a Special Assessment against any Owner who fails to pay his or her share of any real property taxes pursuant to this Section.

17.5 Transfer Fee and Notification of Sale. Concurrently with the consummation of the sale or other transfer of any Unit, a unit owner, broker or title company or escrow officer shall notify the Association in writing that a unit sale is to close or be conveyed to another. The current owner and new purchaser are jointly liable for a transfer fee of $100.00 for a transfer by sale. No transfer fee is due or owing for transfers to trusts or entities owned by the previous unit owner or to a spouse or children. A written notice shall be given to the Association, setting forth the name of the transferee and his transferor, the street address of the Unit purchased or acquired by the transferee, a single address as the mailing address of the transferee, the date of the sale or transfer, and the name and address and telephone and facsimile numbers of the transferee's Lender, if any. Prior to the receipt of such written notice, all notices required or permitted to be given by the Association to the Owner shall be deemed to be duly made or given to the transferee if duly and timely made and given to the transferee's predecessor in interest.

ARTICLE 18
Amendments

The restrictions contained herein shall be appurtenant to and run with the land and shall continue indefinitely. The Association may revise these covenants at any time as

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 28 of 62
Order: 456 Comment:

follows:

18.1 The Board or any owner may propose any revision, addition or deletion of a covenant(s) at any time. For any proposed change, the Board will give written notice of a proposed change to each member of the Association at least 30 days prior to the Association's regular annual meeting. The proposed changes may be summarized.

18.2 At the annual meeting, the precise, proposed change(s) will be distributed to each member in attendance.

18.3 The Association will discuss the merits of each proposed change.

18.4 The Association will provide each member in attendance with a written ballot for each proposed change.

18.5 The members will vote by written ballot. The ballots will be counted by the Association's secretary and by at least one other individual appointed to assist the secretary.

18.6 The results of the ballot(s) will be announced at those meetings, with the number of members voting in favor of the proposed change(s) and the number of members voting against the proposed change(s).

18.7 If seventy-five percent (75%) of all votes, or such majority as may be required under then current Montana law, vote in favor of a proposed change, then that change has passed and the covenants will be revised to reflect the change. Votes may also be cast in person, by proxy, via facsimile, electronically either at a meeting for the purpose of the vote or within six (6) months of the meeting.

18.8 The president and secretary shall give written certification, under oath, that these steps have been followed and that a change(s) have been approved.

18.9 The change(s), together with the certification, shall be recorded with the Flathead County Clerk and Recorder's office.

18.10 The effective date of all changes shall be 30 days from the date they are recorded, or as specified within the proposed change.

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 29 of 62
Order: 456 Comment:

ARTICLE 19
Declarant Reserved Rights

19.1 General Provisions. Until the expiration of the Period of Declarant Control, defined as that period prior to the sale of 80% of the then available units (pursuant to this or any Amended or Restated Declaration), Declarant will reserve certain authority and rights as set forth in this article.

19.2 Completion of Improvements. The right to complete improvements as indicated on any Plat or amended Plat filed with respect to the property;

19.3 Easements. The right to use easements through the common area on the property, for the purpose of making improvements on the property.

19.4 Association Directors and Officers. The right to appoint any officer or director as provided in this Declaration or the Bylaws.

19.5 Amendment, Adjustment and Annexation. Declarant reserves the right to amend this Declaration and any Plat in connection with the exercise of any Development right or any other special Declarant Right. This may include the addition or annexation of additional buildings, units, properties, lots and additional common areas and revision of roads and easements. Declarant may also revise the percentage ownership of the various unit owners and units and amend the divisions of units within buildings, PROVIDED THAT Declarant may not terminate public utility services or legal access to any lot owner's property. Each Owner, by accepting a deed to a Unit, agrees to the provisions concerning expansion of the Project, and agrees and consents to the adjustment of voting interest, ownership interest in Common Elements, and allocation of Assessments that will take place in the event of an expansion or alteration of units or floor plans. Each owner hereby appoints Declarant as it special, limited attorney in fact for execution of all future Amendments to this Declaration for this purpose.

19.6 Recording. Upon the recordation of any such Declaration of Expansion, the definitions used in this Declaration will be expanded automatically to encompass and refer to the Project as expanded. Such Declaration of Expansion may add supplemental covenants peculiar to the Expansion Property in question, or delete or modify provisions of this Declaration as it applies to the Expansion Property added. However, this Declaration may not be modified with respect to that portion of the Property already subject to this Declaration, except as provided below for amendment.

19.7 Declarant's Rights Incident to Construction. Declarant, for itself and its successors and its assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across the Common Area and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements on the Property or other real property owned by Declarant; provided, however, that no such rights will be exercised by Declarant in such

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 30 of 62
Order: 456 Comment:

a way as to unreasonably interfere with the occupancy, use, enjoyment or access to an Owner's Lot by that Owner or his family, tenants, employees, guests, or invitees.

19.8 Dues and Assessments. Declarant shall not be liable for any dues or assessments for any of the lots Declarant continues to own after the period of Declarant control expires. This provision shall not apply to any donee, grantee or purchaser of any of Declarant's units. This provision is not assignable.

19.9 Right to Withdraw Property from Condominium Project. This condominium project consists of two phases, the first phase is located to the west of North Juniper Road, Somers, Montana and the second phase is located on the east side of North Juniper Road. This latter property is referred to as the Lakeshore Property. Declarant retains the right to withdraw the Lakeshore property from the condominium project at any time prior to the construction of additional units on the Lakeshore Property.

ARTICLE 20
Rights of Mortgagees

20.1 Priority of First Mortgagees. No breach of this Declaration, nor the enforcement of any lien provision herein, shall affect, impair, defeat or render invalid the lien or charge of any First Mortgage made in good faith and for value encumbering any Unit, but all of the provisions of this Declaration shall be binding upon and effective against any Owner whose title to a Unit is derived through foreclosure, trustee's sale, deed in lieu or foreclosure or otherwise.

20.2 Relationship to Assessment Liens.

A. The lien provided for in this Declaration for the payment of Assessments shall be subordinate to the lien of any First Mortgage which was recorded prior to the date any such Assessment becomes due.

B. If any Unit which is subject to a monetary lien created by this Declaration is also subject to the lien of a First Mortgage, then the foreclosure of any lien created by this Declaration shall not operate to affect or impair the lien of such First Mortgage.

C. Any First Mortgagee who obtains title to a Unit by reason of any foreclosure, or deed or assignment in lieu of foreclosure, or any person who obtains title at a private or judicial foreclosure sale, shall take title to such Unit free of any claim for unpaid Assessments against such Unit which accrued prior to the time such First Mortgagee or purchaser takes title to such Unit, except for liens or claim for a share of such Assessments resulting from a pro rata reallocation of such Assessments to all Units within the Property.

D. Nothing in this Section shall be construed as releasing any person from the personal obligation to pay for any Assessments levied pursuant to this Declaration during the period such person is an Owner.

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 31 of 62
Order: 456 Comment:

20.3 Required Mortgagee Approval. Any Mortgagee who receives a written request to approve additions or amendments to this Declaration or the Articles or Bylaws, which additions or amendments are not material, who does not deliver or mail to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request. Any addition or amendment to this Declaration, Articles or Bylaws shall not be considered material if it is for the purpose of correcting technical errors or for clarification only.

20.4 Other Rights of Mortgagees. Any Mortgagee shall, upon written request to the Association, be entitled:

(a) To inspect current copies of this Declaration (and any amendments), the Association's Articles, Bylaws, Rules and Regulations, and other books and records of the Association during normal business hours; and

(b) To receive an annual financial statement of the Association (as audited or reviewed by a certified public accountant, at Mortgagee's request and expense) within one hundred twenty (120) days following the end of the Association's fiscal year.

20.5 Notices of Action. Upon written request to the Association identifying the name and address of the Mortgagee and the Unit number or address, any Mortgagee will be entitled to timely written notice of:

(a) Any condemnation or casualty loss which affects a material portion of the Property or any Unit on which there is a first lien held by such Mortgagee;

(b) Any delinquency in the payment of Assessments or charges owed by an Owner of a Unit subject to the lien of a Mortgagee, which remains uncured for a period of sixty (60) days; and

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

20.6 Liens Prior to First Mortgage. All taxes, assessments and charges which may become liens prior to a First Mortgage under local law relate only to the individual Unit and not to the Property as a whole.

20.7 No Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey such Owner's Unit is not subject to any right of first refusal or similar restriction under this Declaration.

IN WITNESS WHEREOF, the Declarant has herein set its hand as of the date and year first above written.

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 32 of 62
Order: 456 Comment:

JUNIPER BAY, LLC

By: Lyle E. Martin

Mary LaMeres-Pomin

State of NEVADA)
:ss
County of WASHOE)

This instrument was acknowledged before me on October 12, 2006, by Lyle Martin known to me to be a member of Juniper Bay, LLC.

Amber Becker
(Print Name below)
Amber Becker
Notary Public for the State of NEVADA

AMBER BECKER
NOTARY PUBLIC
STATE OF NEVADA
Date Appointment Exp: 05-04-2009
Certificate No: 05-90546-2

Residing at Reno, Nevada

My commission expires 5/4/09

State of NEVADA)
:ss
County of WASHOE)

This instrument was acknowledged before me on October 12, 2006, by Mary LaMeres-Pomin known to me to be a member of Juniper Bay, LLC.

Amber Becker
(Print Name below)
Amber Becker
Notary Public for the State of NEVADA

AMBER BECKER
NOTARY PUBLIC
STATE OF NEVADA
Date Appointment Exp. 05-04-2009
Certificate No: 05-90546-2

Residing at Reno, Nevada

My commission expires 5/4/09

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 33 of 62
Order: 456 Comment:

EXHIBITS ATTACHED

EXHIBIT "A-1" - Plat of Juniper Bay, LLC property to be included in project.

EXHIBIT "A-2" - Site Plan for Juniper Bay Condominium No. 1 showing initial phase to be constructed on that portion of the Juniper Bay, LLC property West of Juniper Road.

EXHIBIT "B" - Buildings 1 and 3

1. East Elevation
2. North Elevation
3. West Elevation
4. South Elevation
5. Floor Plan Top Level Unit A (The Bay View)
6. Floor Plan Main Level Unit B (The Sweet Cherry
7. Floor Plan Lower Level Unit C(The Sunrise)

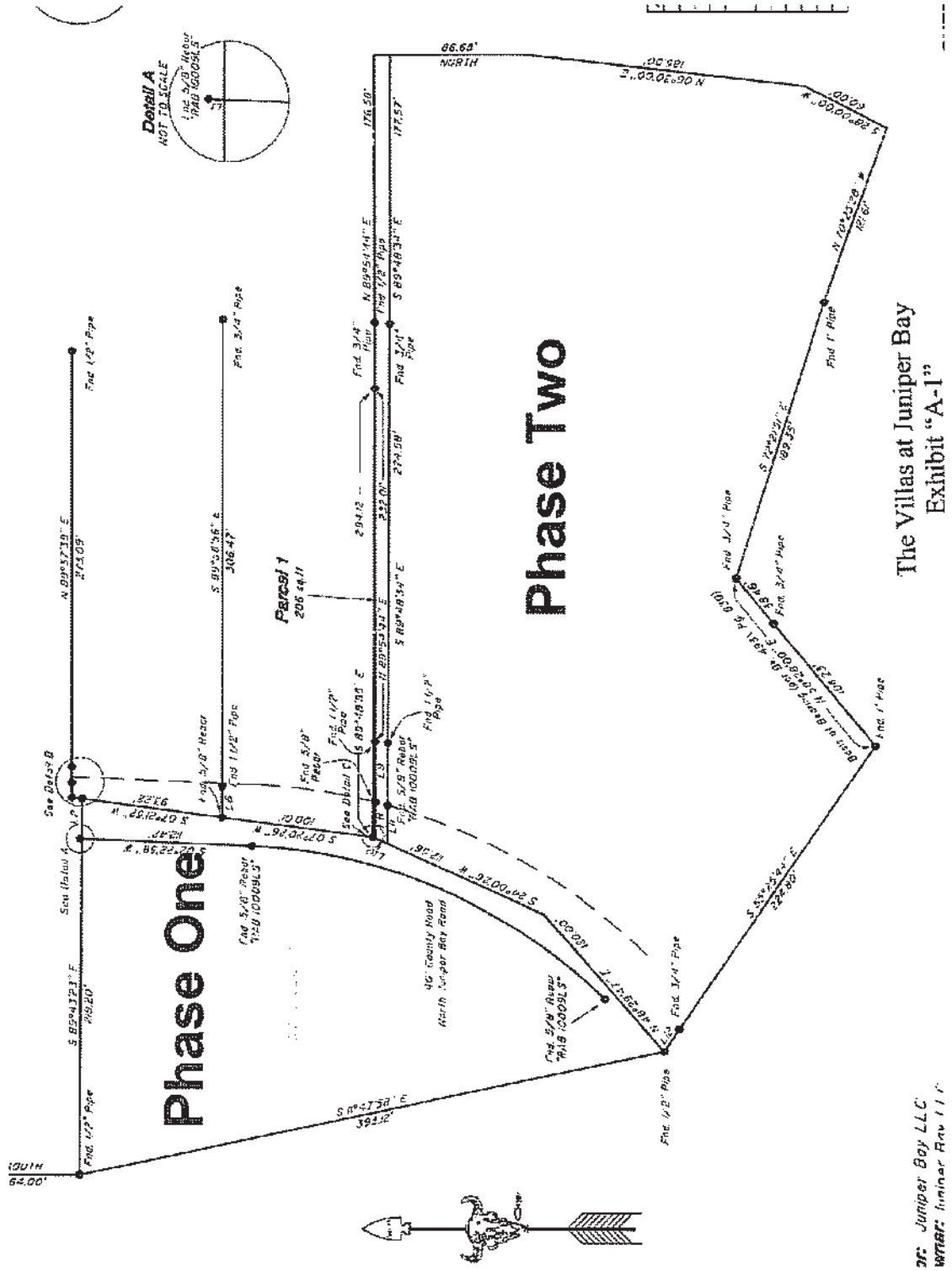
EXHIBIT "C" – Buildings 2, 4 and 5

1. East Elevation
2. North Elevation
3. West Elevation
4. South Elevation
5. Floor Plan Top Level Unit A (The Bay View)
6. Floor Plan Main Level Unit B (The Sweet Cherry
7. Floor Plan Lower Level Unit C(The Sunrise)

EXHIBIT "D" - bylaws

EXHIBIT "E-1" - Legal description of condominium project real property west of North Juniper Road, Somers, Montana.

EXHIBIT "E-2" - Legal description of condominium project real property East of North Juniper Road, Somers, Montana, also known as the Lakeshore Property.


Phase One
Phase Two
Parcel 1
206.44 ft
Detail A
NOT TO SCALE
See Detail A
See Detail B
See Detail C
See Detail D
66.63'
NORTH
Fnd 1/2" Pipe
Fnd 3/4" Pipe
Fnd 1" Pipe
Fnd 5/8" Rebar
Fnd 1/2" Pipe
Fnd 3/4" Rebar
Fnd 5/8" Rebar
Fnd 5/8" Rebar
Fnd 5/8" Rebar
Fnd 5/8" Rebar
Fnd 1/2" Pipe
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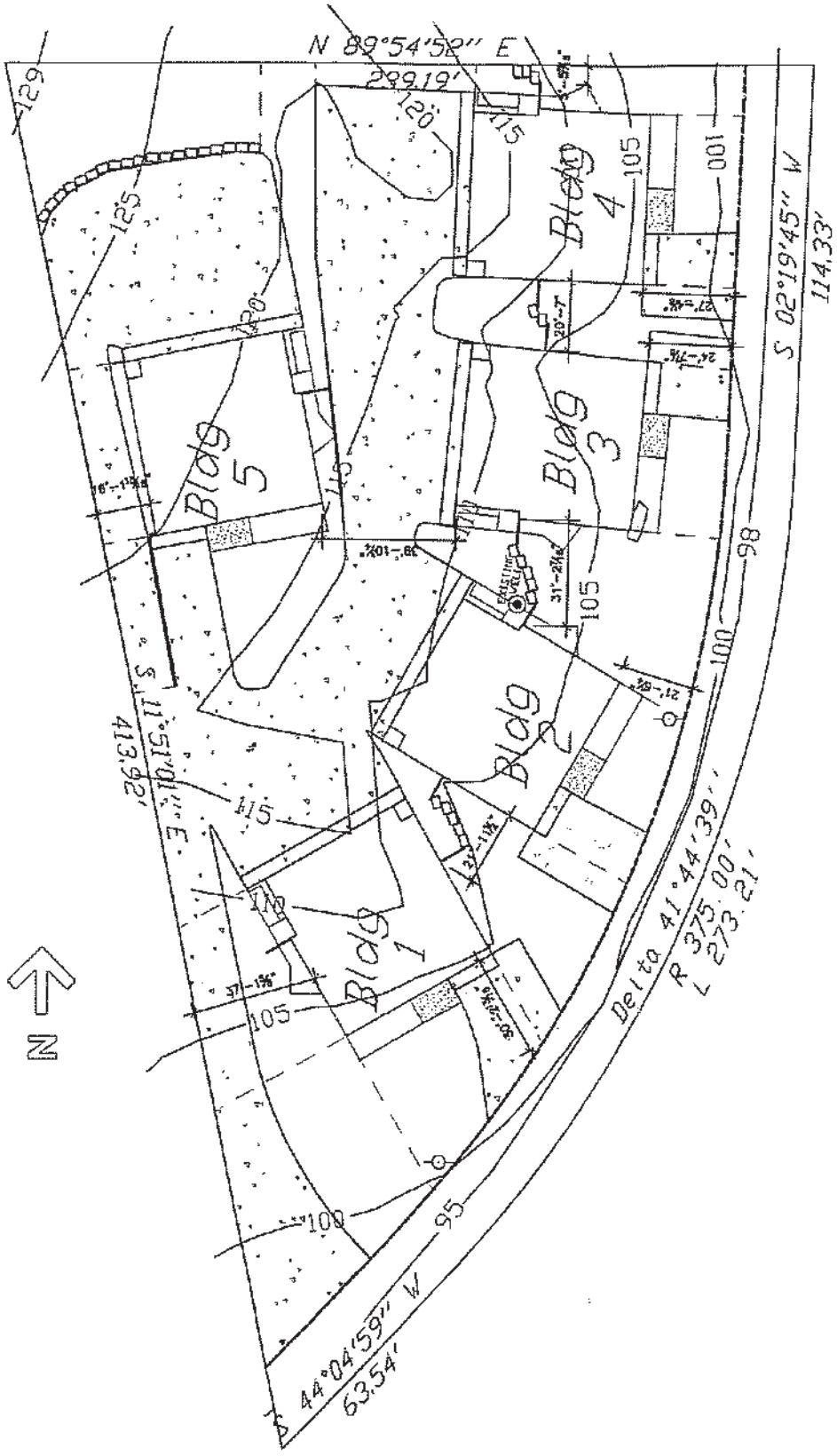
Fnd 3/4" Pipe
Fnd 3/4



The Villas at Juniper Bay
Exhibit "A-2"
Footprint Phase One

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 37 of 62
Order: 456 Comment:

THE VILLAS AT JUNIPER BAY, BLDG 1,3

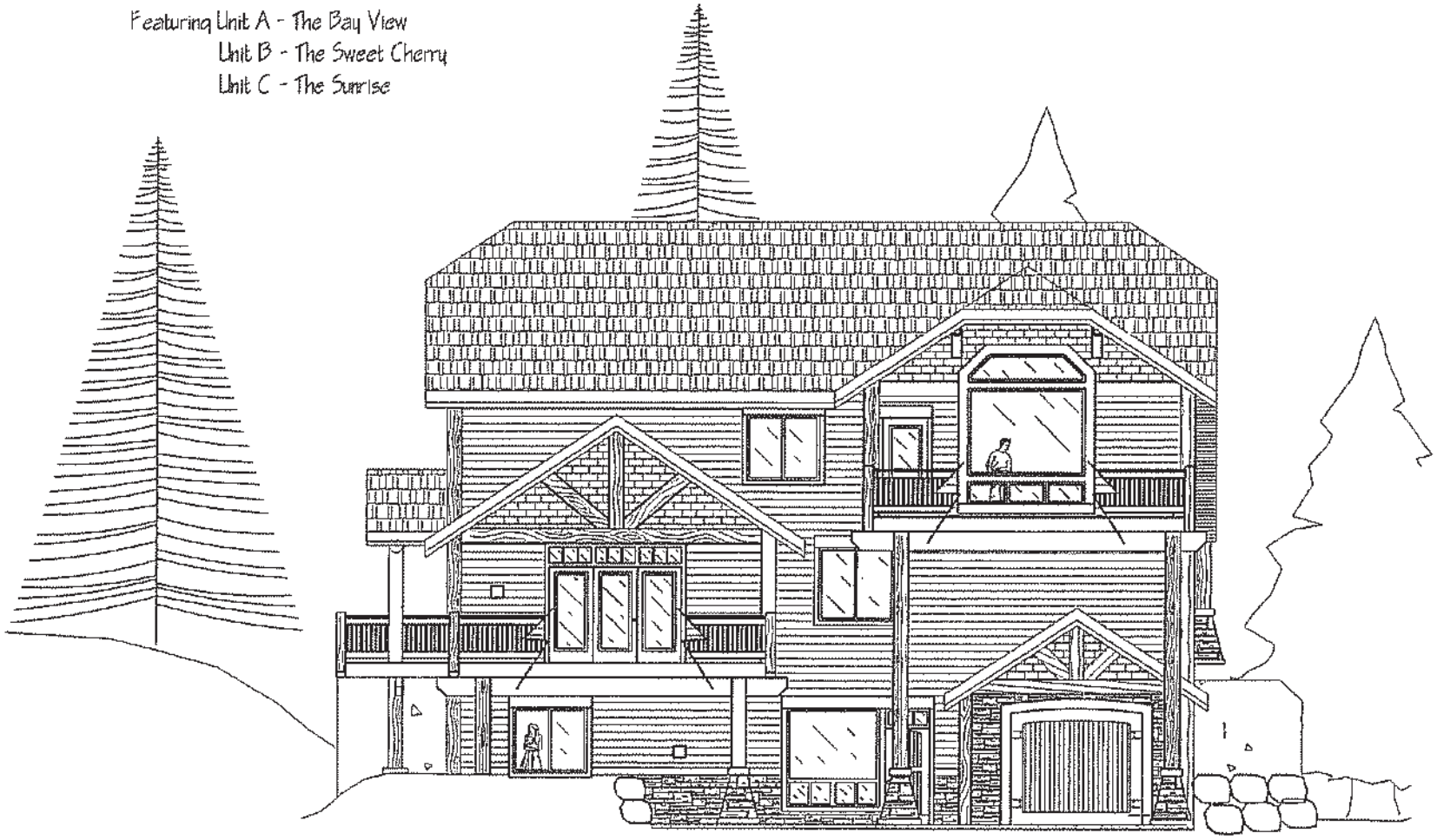
THE

EAST ELEVATION

Approximately 4323 sq.ft. of Living Space
1183 sq.ft Garage
780 sq.ft. Decks/ Patio/ Sidewalk/ Stairs

Featuring Unit A - The Bay View
Unit B - The Sweet Cherry
Unit C - The Sunrise

The Villas at Juniper Bay
Exhibit "B-1" - Bldgs. 1 & 3
East Elevation



2006292 9420

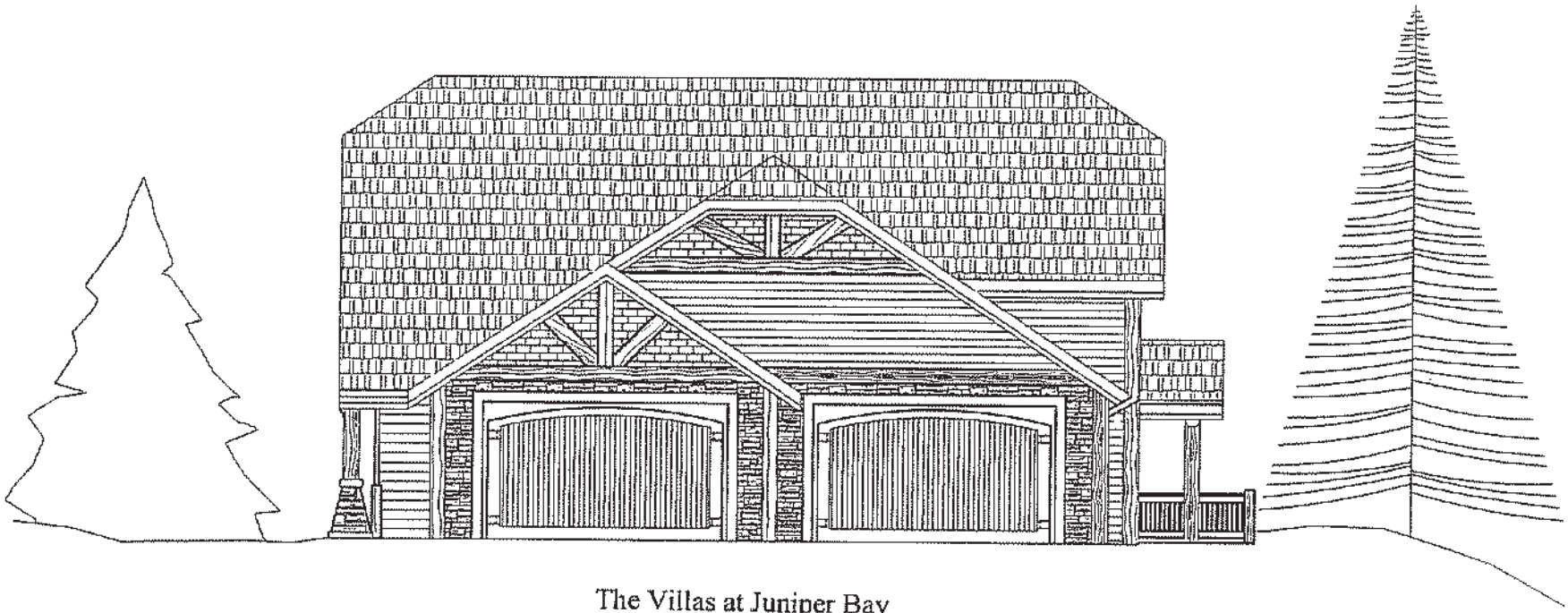
THE VILLAS AT JUNIPER BAY, BLDG 1, 3

THE NORTH ELEVATION

The Villas at Juniper Bay
Exhibit "B-2" - Bldgs. 1 & 3
North Elevation

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 39 of 62
Order: 456 Comment:

THE VILLAS AT JUNIPER BAY, BLDG 1, 3
THE
WEST ELEVATION



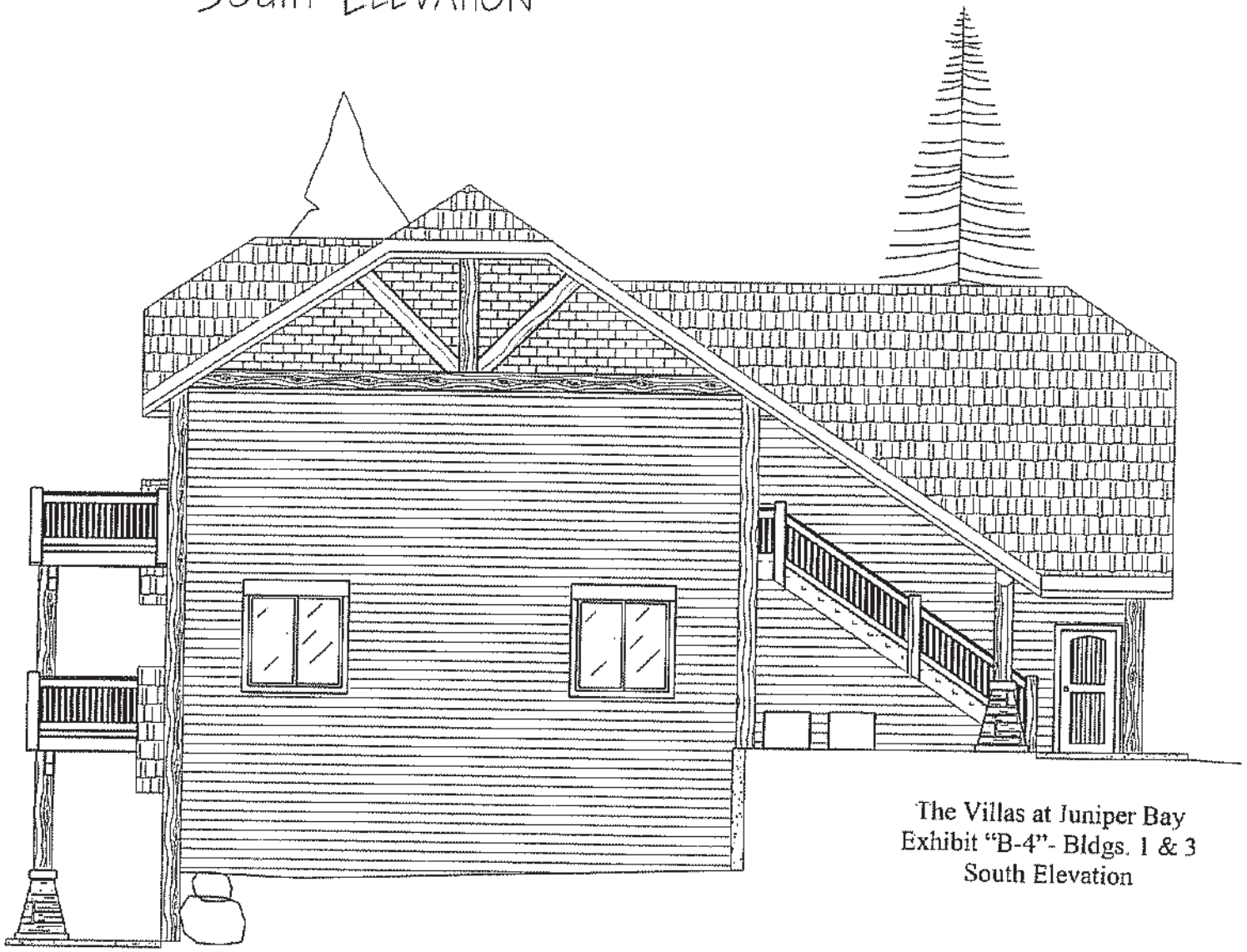
The Villas at Juniper Bay
Exhibit "B-3" - Bldgs. 1 & 3
West Elevation

2006292 09420

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 40 of 62
Order: 456 Comment:

THE VILLAS AT JUNIPER BAY, BLDG 1, 3

THE SOUTH ELEVATION



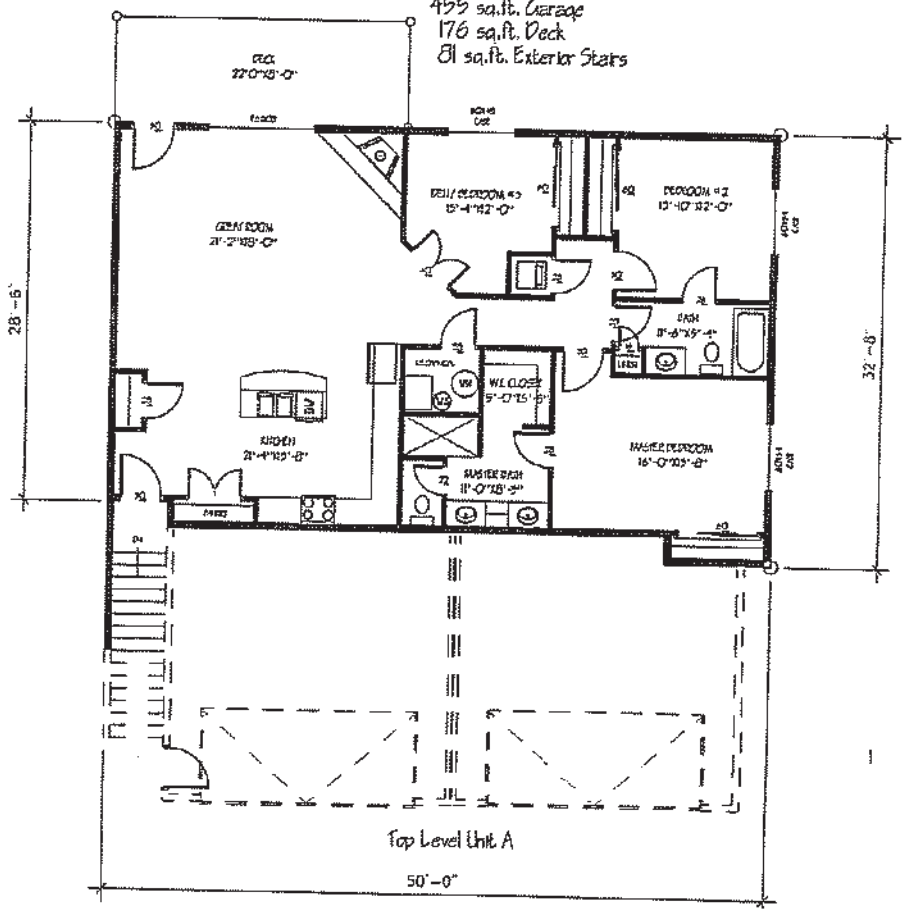
The Villas at Juniper Bay
Exhibit "B-4"- Bldgs. 1 & 3
South Elevation

2006292 09420

THE VILLAS AT JUNIPER BAY, BLDG 1, 3

THE BAY VIEW

Approximately 1559 sq.ft. of Living Space
455 sq.ft. Garage
176 sq.ft. Deck
81 sq.ft. Exterior Stairs



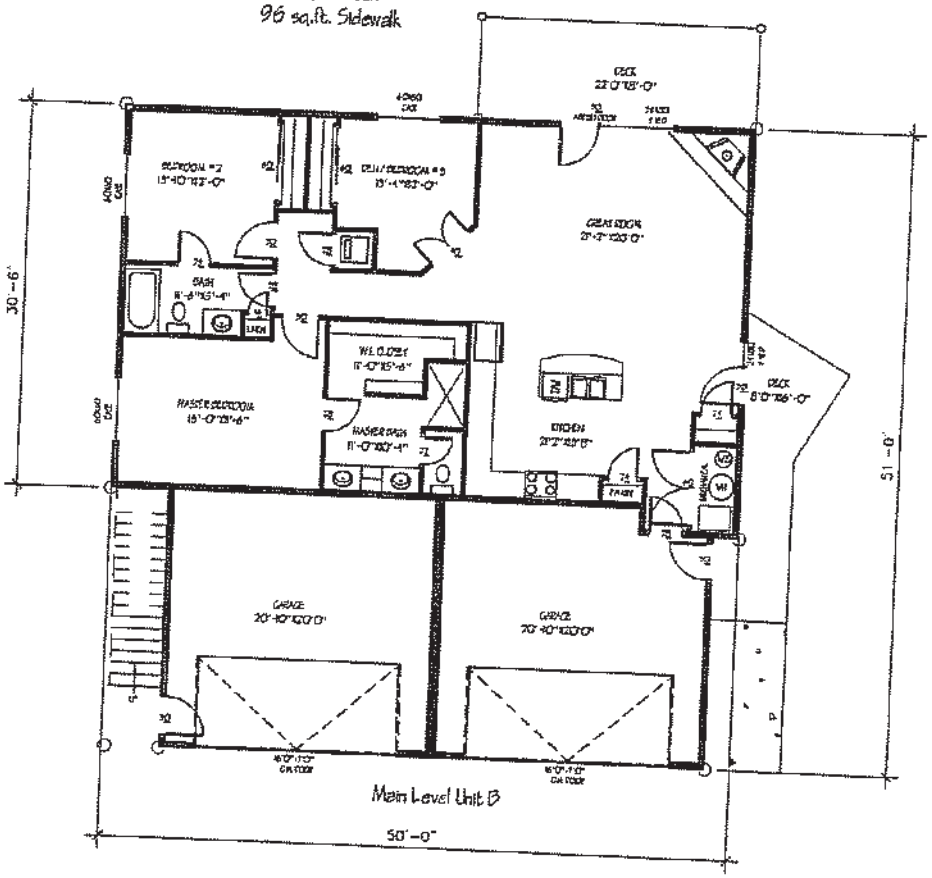
The Villas at Juniper Bay
Exhibit "B-5"- Bldgs. 1 & 3
Floor Plan Unit A

2006292 09420

THE VILLAS AT JUNIPER BAY, BLDG 1, 3

THE
SWEET CHERRY

Approximately 1569 sq.ft. of Living Space
441 sq.ft. Garage
262 sq.ft. Deck
96 sq.ft. Sidewalk



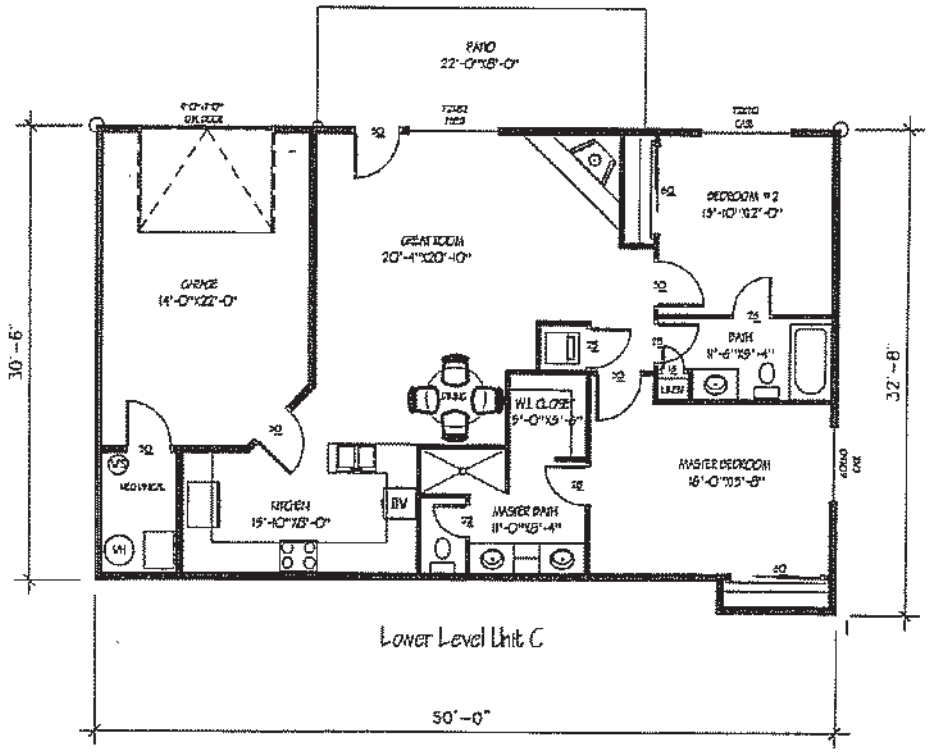
The Villas at Juniper Bay
Exhibit "B-6" - Bldgs. 1 & 3
Floor Plan Unit B

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 42 of 62
Order: 456 Comment:

THE VILLAS AT JUNIPER BAY, BLDG 1, 3

THE
SUNRISE

Approximately 1265 sq.ft. of Living Space
303 sq.ft. Garage
198 sq.ft. Patio



Lower Level Unit C

The Villas at Juniper Bay
Exhibit "B-7 - Bldgs. 1 & 3
Floor Plan Unit C

THE VILLAS AT JUNIPER BAY, BLDG 2, 4, 5

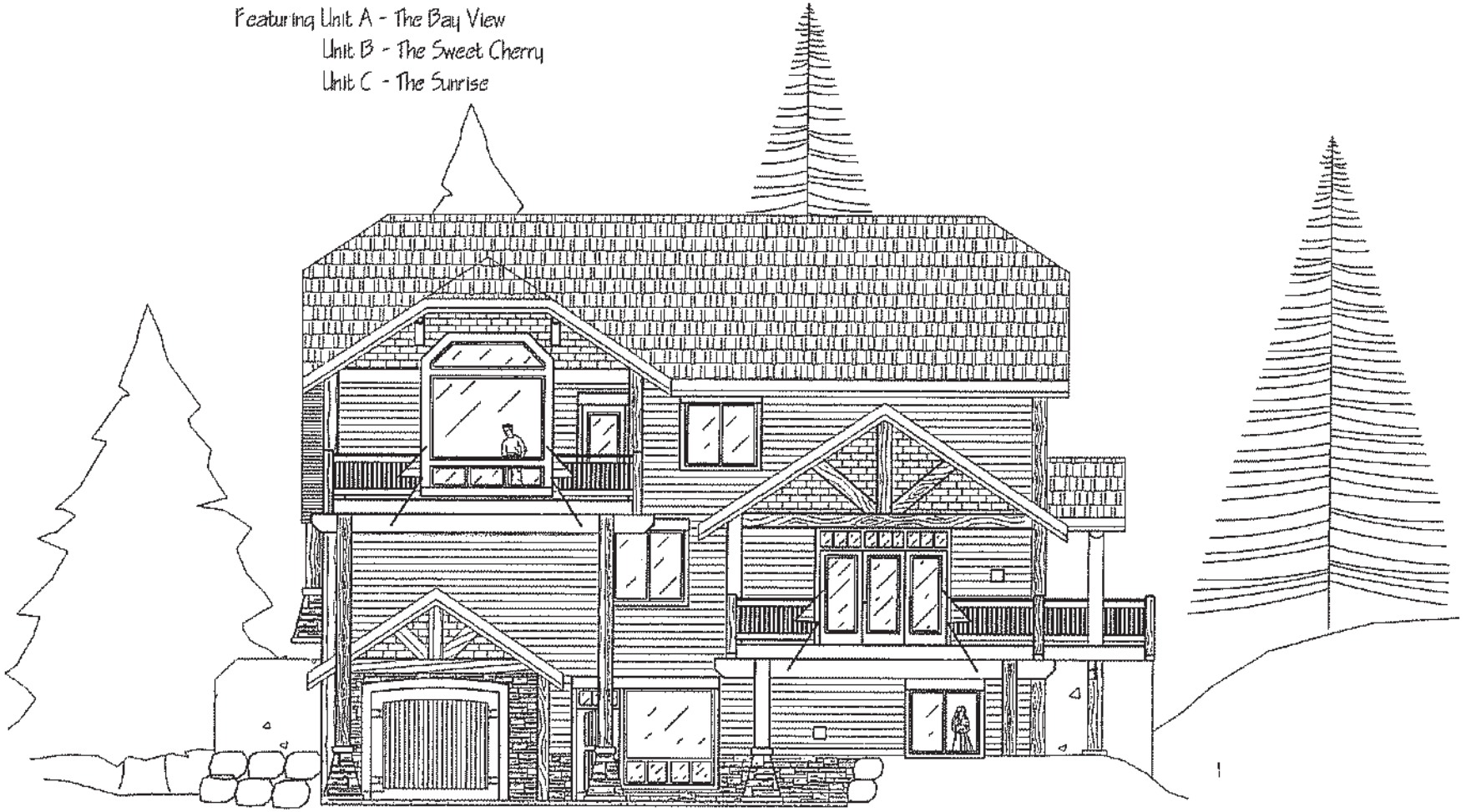
THE

EAST ELEVATION

Approximately 4323 sq.ft. of Living Space
1183 sq.ft. Garage
780 sq.ft. Decks/ Patio/ Sidewalk/ Stairs

Featuring Unit A - The Bay View
Unit B - The Sweet Cherry
Unit C - The Sunrise

The Villas at Juniper Bay
Exhibit "C-1" - Bldgs. 2, 4 & 5
East Elevation



2006292 09420

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 44 of 62
Order: 456 Comment:

The Villas at Juniper Bay
Exhibit "C-2" - Bldgs. 2, 4 & 5
North Elevation

THE VILLAS AT JUNIPER BAY, BLDG 2, 4, 5
THE
NORTH ELEVATION

2006292 09420

THE VILLAS AT JUNIPER BAY, BLDG 2, 4, 5
THE
WEST ELEVATION

The Villas at Juniper Bay
Exhibit "C-3" - Bldgs. 2, 4 & 5
West Elevation

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 46 of 62
Order: 456 Comment:

THE VILLAS AT JUNIPER BAY, BLDG 2, 4, 5
THE
SOUTH ELEVATION

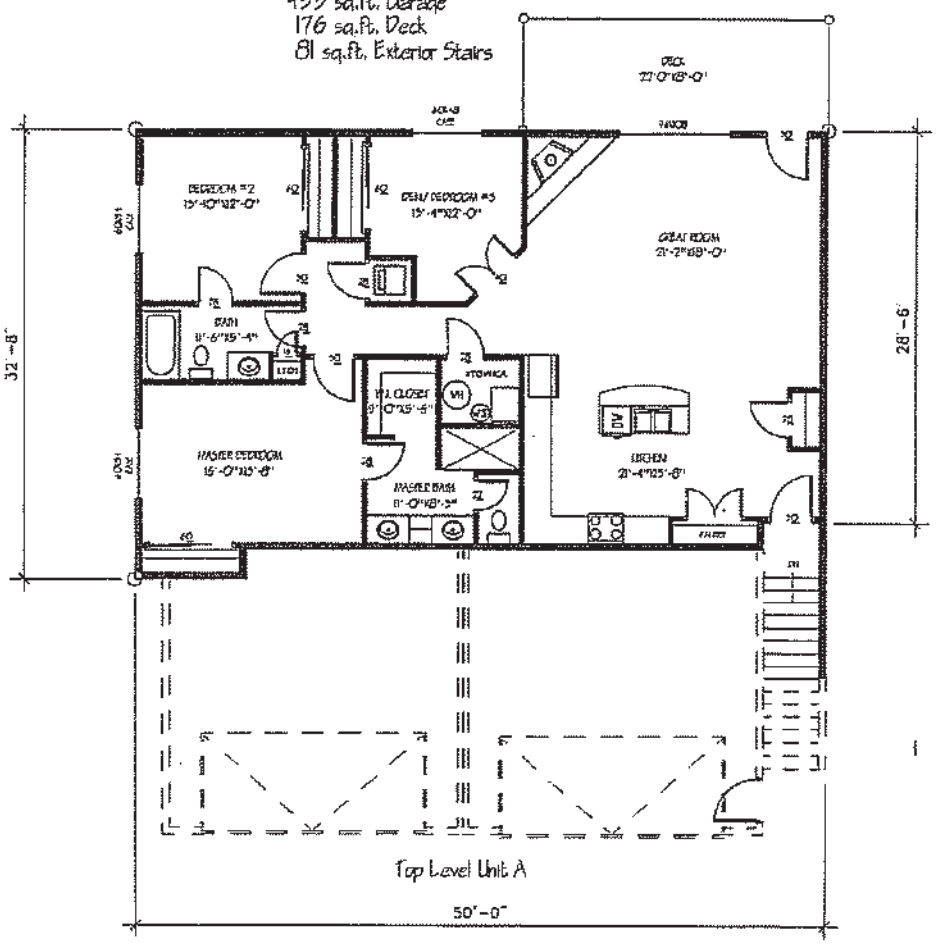
The Villas at Juniper Bay
Exhibit "C-4" - Bldgs. 2, 4 & 5
South Elevation

The Villas at Juniper Bay
Exhibit "C-5" - Bldgs. 2, 4 & 5
Floor Plan Unit A

THE VILLAS AT JUNIPER BAY, BLDG 2, 4, 5

THE
BAY VIEW

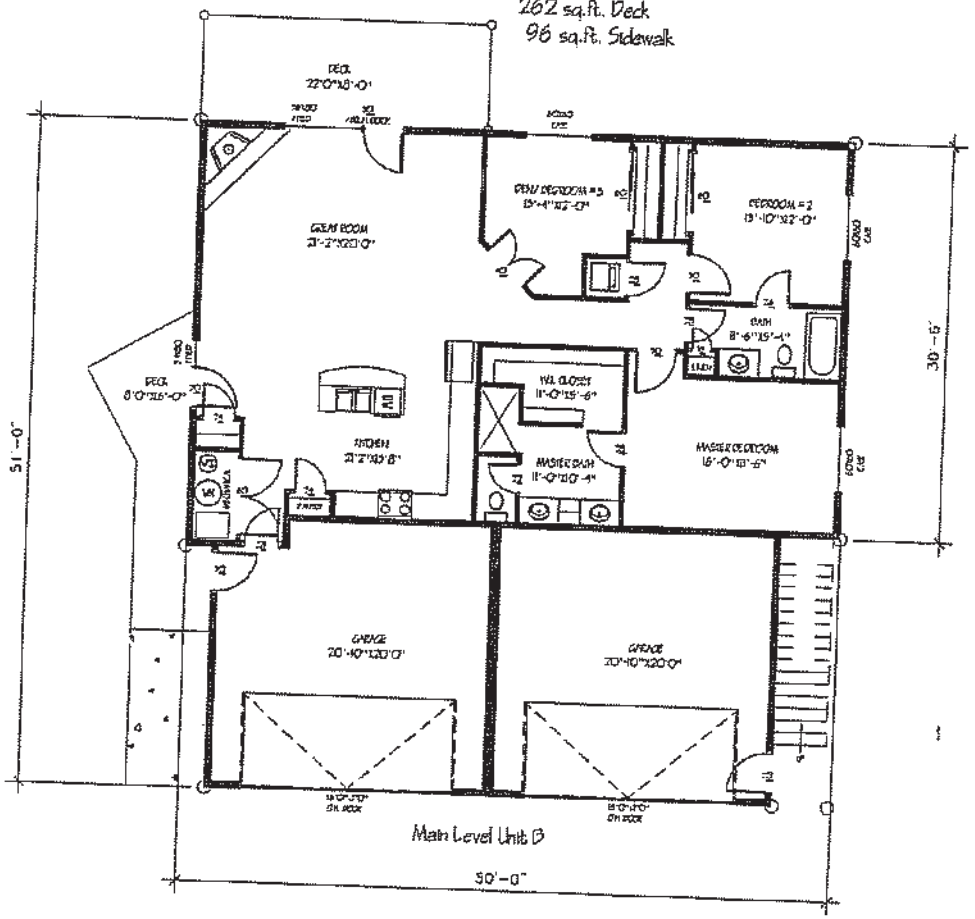
Approximately 1559 sq.ft. of Living Space
455 sq.ft. Garage
176 sq.ft. Deck
81 sq.ft. Exterior Stairs



The Villas at Juniper Bay
Exhibit "C-6" - Bldgs. 2, 4 & 5
Floor Plan Unit B

THE VILLAS AT JUNIPER BAY, BLDG 2, 4, 5
THE
SWEET CHERRY

Approximately 1569 sq.ft. of Living Space
441 sq.ft. Garage
262 sq.ft. Deck
96 sq.ft. Sidewalk

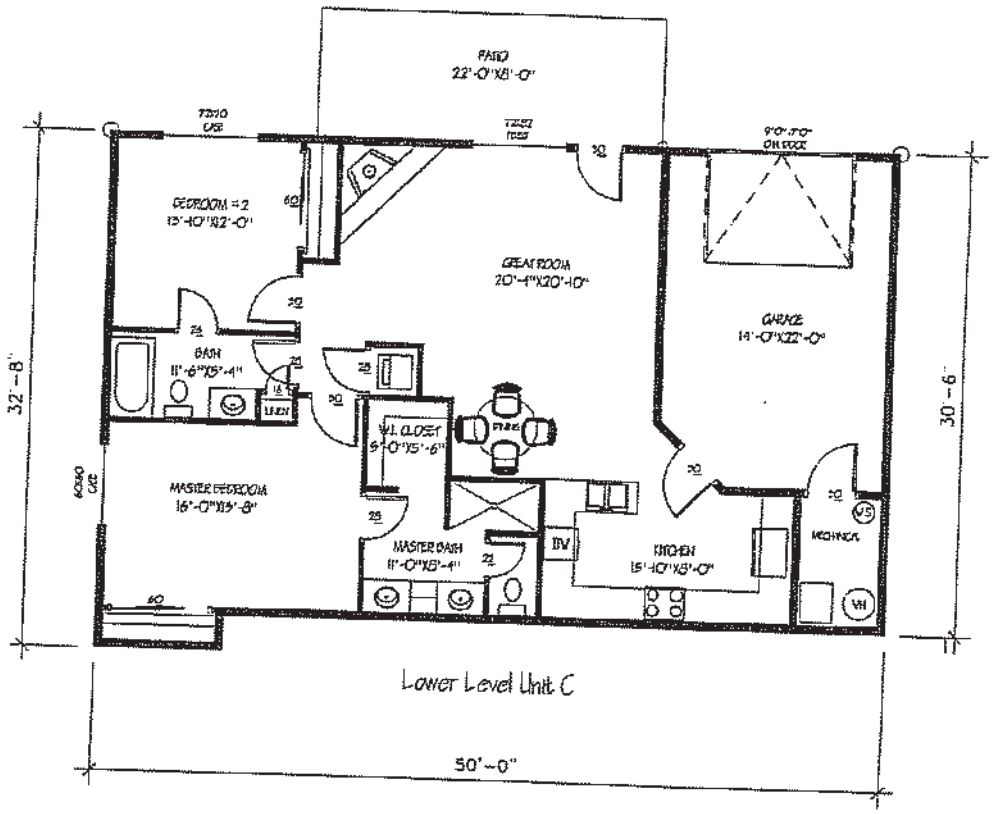


Main Level Unit B

THE VILLAS AT JUNIPER BAY, BLDG 2, 4, 5

THE
SUNRISE

Approximately 1265 sq.ft. of Living Space
303 sq.ft. Garage
198 sq.ft. Patio



Lower Level Unit C

The Villas at Juniper Bay
Exhibit "C-7" - Bldgs. 2, 4 & 5
Floor Plan Unit C

2006292 09420

BYLAWS
OF
VILLAS AT JUNIPER BAY HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
INTRODUCTION

1.1 The provisions of these Bylaws govern the internal affairs of this corporation and its members as applicable to the operation, administration, use and occupancy of Villas at Juniper Bay Home Owners' Association, Inc., located on the real property in Flathead County, Montana, described as follows:

See Exhibits "E-1" and "E-2" attached and incorporated

1.2. These Bylaws were adopted by this corporation, a nonprofit corporation, organized under the laws of Montana, and in accordance with the Internal Revenue Code, Section 504(c)(7) as amended, pertaining to owners associations.

ARTICLE II
PRINCIPAL OFFICE

The principal office of the corporation shall be maintained at 3577 Highway 93 North, Kalispell, MT 59901 or a such other place as the directors may select.

ARTICLE III
DEFINITIONS

Unless the context expressly provides otherwise, the following definitions shall pertain throughout this Declaration and in the interpretation thereof.

3.1 All Votes. Means all possible votes of the units, whether or not present and whether or not voting.

3.2 Association or Association of Unit Owners. Means all of the Unit Owners acting as a group and in accordance with duly adopted By-Laws and this Declaration.

3.3 Board or Board of Directors. Means the Board of Directors of the Association as more particularly defined in the By-Laws.

The Villas at Juniper Bay
Exhibit "D"
Bylaws

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 51 of 62
Order: 456 Comment:

particularly defined in the By-Laws.

3.4 Building. Means the building or buildings containing the various condominium units.

3.5 By-Laws. Means the By-Laws, Covenants and Restrictions promulgated by the Association under this Declaration and the Unit Ownership Act.

3.6 General Common Elements Includes all those elements which are for the use of all owners and invitees of owners of the Villas at Juniper Bay Homeowners' Association. Specifically included are: landscaping, natural areas, trees, shrubs, the land on which the buildings are situated, unless constituting a limited common element, common area walkways, sidewalks stairs and elevator, footings, foundations, framework, columns, trusses, supports, roof, exterior and interior structural walls, gutter and vertical roof drains, all or any centralized heating and air conditioning facilities, all or any hot water heaters supplying hot water to all facilities, electrical lines, gas lines, telephone lines, television cable, water lines and systems, sewer lines and systems, and connections serving all of the units, skylights, signs, outdoor lighting, structural components of the building, other materials and improvements, driveways, the designated parking areas, sidewalks, lawn areas, underground sprinklers, benches, curbs, shrubbery, sod, and other elements necessary for the safety, maintenance and existence of the condominium.

General common elements shall also include all entryways to the condominium building and windows appurtenant to common stairwells and hallways in the condominium building.

3.7 Common Expenses: Mean expenses of administration, maintenance, repair, or replacement of general common elements, expenses agreed upon by the Association of Unit Owners, expenses set out herein and in the By-Laws, and expenses declared common by the Unit Ownership Act. Taxes, telephone, utilities and individual heating and air conditioning units for each Unit shall be the sole responsibility of the Unit Owner and shall not be included in common expenses.

3.8 Limited Common Elements: As used in this Declaration, shall mean those common elements, which are reserved for the use of fewer than all of the Owners, or invitees of the Villas at Juniper Bay Homeowners' Association. Specifically, as to any given Unit Owner or Owners, limited common elements shall mean the following common elements, which are located within or affixed to the building on the real property known as the Villas at Juniper Bay Homeowners' Association.

The window repair or replacement, cables, conduits, public utilities lines, water, sewer, electrical, gas, and cable television lines, and hot and cold water pipes, and all such utilities pipes and lines, being limited common elements where they service only one of the Units, entrances, decks, any storage area or basement designated for or accessible only to one Unit, and fixtures and/or portions of the building servicing only a particular Unit or less than all of the Units, provided that all structural components and roofing within a limited common area shall remain a general common element. A percentage of the separate Unit's interest in the limited common elements shall be

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 52 of 62
Order: 456 Comment:

computed by determining the number of Units that have use of the limited common elements, and taking the square footage of each such Units making use of the particular limited common element. Such percentage shall be the same as the percentages used to compute the percentage of interest of the Unit Owners in the common elements as are set forth in this Declaration.

3.9 Limited Common Expenses. Means the expenses attributable to the maintenance, repair and replacement of limited common elements.

3.10 Declaration. Means this document and all parts attached hereto or incorporated by reference.

3.11 Manager. Means the manager, the Board of Directors, management corporation, or any other person or group of persons retained or appointed by the Board, or by the Association or Unit Owners for the purpose of conducting the day-to-day operation of the Villas at Juniper Bay Homeowners' Association.

3.12 Property. Means all the land, buildings, improvements and structures thereon and all easements, rights and appurtenances belonging thereto, which are herewith submitted to the Unit Ownership Act.

3.13 Record Officer. Means the county officer charged with the duty of filing and recording the deeds, mortgages, and all other instruments and documents relating to this Declaration and the property to which it is subject.

3.14 Unit. Shall be the separate commercial units located within the building comprising the condominium complex of the Villas at Juniper Bay Homeowners' Association Condominium Owners Association, Inc. and is a parcel of real property and including common elements.

3.15 Unit Designation. Each unit shall be designated by a separate suite address as indicated in Article 5.1.

3.16 Unit Owner or Owners. Means the person or entity owning a fee simple absolute, or one who is a co-owner in any real estate relationship that is recognized under the laws of the State of Montana, in one or more Units of the Villas at Juniper Bay Homeowners' Association. The unit owner or owners shall have the number of votes allocated to that unit.

ARTICLE IV
ADOPTION OF DECLARATION OF COVENANTS

These Bylaws adopt by reference the above-described Declaration of Covenants in their entirety, and render the provisions thereof applicable to the corporation and its members.

A copy of said Declaration of Covenants shall be retained in the corporation=s permanent records, but need not be appended hereto as an exhibit.

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 53 of 62
Order: 456 Comment:

ARTICLE V
MEETINGS AND MEMBERS

5.1 Membership shall be as set forth in the Articles of Incorporation.

5.1.1 The owners association shall have not less than one (1) annual meeting upon 30 days written notice to each unit owner. The notice of the meeting shall include a written agenda for the meeting and a written treasurer's report. The president and board of directors shall determine the precise agenda for the meeting; however, the agenda shall include at a minimum the following items:

5.1.2 Role call of owners, call of meeting to order and determination of quorum.
5.1.3 Review, discussion and approval of treasurers report for prior year. (This report shall include at a minimum, all income and expenses itemized by category and a financial statement showing all assets and liabilities by category.)
5.1.4 An itemized budget and proposed assessments for the following year.
5.1.5 Election of officers and directors.

5.2 Special meetings may be called at any time for the purpose of considering matters which require the approval of members. Such a special meeting shall be called by written notice mailed by the Board of Directors at least 10 days prior to the date of such meeting to all members. Such written notice may be initiated by the majority of the Board of Directors.

5.3 The presence at any meeting in person or by proxy of members owning 2/3 of the total interests shall constitute a quorum. Unless otherwise expressly provided herein or in the Covenants, any action may be taken at any meeting of the members upon the affirmative vote of members or their proxies owning a majority of the total interests present or represented by proxy at the meeting.

5.4 Voting on any issue may be conducted by mail so long as sufficient ballots are returned representing the votes of sufficient owners who have constituted a quorum.

5.5 Voting rights shall be as set forth in the Declaration of Covenants, as provided in Covenant No. ____

ARTICLE VI
BOARD OF DIRECTORS

6.1 Initially the business and property of the Association shall be managed under the direction of the Incorporator acting as a one member Board of Directors, or his appointed successor. Upon the election of the first elected Board of Directors, the number of Directors shall increase to three who shall be elected for a term of three years, subject to the limitations set forth in Section 2 of this Article relating to the lengths of terms of the first elected Board of Directors. There shall

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 54 of 62
Order: 456 Comment:

thenceforth be three directors unless or until this Bylaw is amended.

6.2 The Incorporator shall call an organizational meeting of members to be held within 90 days after the closing of the sale of two-thirds of the lots within ***. At the organizational meeting of members, a three member Board of Directors shall be elected to terms as follows: One Director shall be elected for a term of three years: One director shall be elected for a term of two years and One director shall be elected for a term of one year. Any Director may be removed at any meeting of members by due and proper vote at that meeting, providing proper notice of such resolution or vote had been mailed to all members at least 10 days prior to said meeting. The Board may increase the number of directors to five.

6.3 A regular meeting of the Board of Directors shall be held within five (5) days of the adjournment of the organizational meeting of members, and annually thereafter immediately after the adjournment of the annual meeting of members. This Bylaw shall be the only notice required for such annual meetings.

6.4 Special meetings of the Board of Directors may be called by the President or in his or her absence, by the Vice-President. By unanimous consent of the Directors, a special meeting may be held, without notice, at any time or place. The Directors may vote to meet more frequently or at regular time intervals.

6.5 Notice of all special meetings, except those specified in the second sentence of Section 4 of this Article, shall be mailed to each Director by the Secretary at least five days prior to the time fixed for the meeting. Such notice shall specify thee time and place of meeting, and shall state the purpose of the meeting. Before or at any meeting, any Director may in writing waive notice of such meeting. Directors may attend meeting, waive notice and vote in person, by written proxy, by teleconference or by other electronic means.

6.6 A quorum for the transaction of business at any regular or special meeting of the Directors shall consist of a majority of members of the Board. Any business may be transacted by the signature and consent of all Directors, in lieu of a meeting for that purpose.

6.7 The Organizational Directors shall elect officers of the Association to serve until the first meeting of the regular Directors. The Directors shall elect the officers of the Association specified in these Bylaws at the Directors meeting following the organizational meeting of members and following each annual meeting of the members of the Association. An officer may be removed at any time by a majority vote of the full Board of Directors of the Association.

6.8 Any vacancy or vacancies on the Board of Directors may be filled by the remaining Directors in any special or regular Directors meeting. Death, incapacity, or resignation of any Director shall cause his office to become vacant. Such appointment shall be for the remaining term of the vacancy filled, but shall be confirmed by the members at the next annual meeting.

6.9 The Board of Directors shall have the responsibility for, and authority to do all things

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 55 of 62
Order: 456 Comment:

necessary for the accomplishment of the matters specified in the Declaration of Covenants.

6.10 Directors shall not be compensated.

6.11 All checks, drafts, notes, acceptances, vouchers, conveyances, contracts and other instruments shall be approved and signed on behalf of the Association by such person or persons as shall be provided by general or special resolution of the Board of Directors, or in the absence of any such resolution applicable to such instruments, by the President or Vice-President or Secretary/Treasurer.

ARTICLE VII
OFFICERS

The officers of the corporation shall be a President, a Vice-President , and a Secretary/Treasurer, each of whom shall be elected for a term of one year and shall hold office until their successors are duly elected and qualified. Officers shall be members and shall attend and vote at Director=s meetings. The Board may appoint committees and committee chairpersons

6.1 The President shall preside at all Directors= and members= meetings: shall have general supervision over the affairs of the Association: and shall perform all such other duties as are incident to the office. In case of the absence or disability of the president his or her duties shall be performed by the Vice-President.

6.2 The Secretary/Treasurer shall issue notices of all Directors= and members= meetings and shall attend and keep the minutes of the same; shall have charge of all Association books and records and papers: and shall have custody of all money and securities of the Association: and shall give bond in such amount as required by the Directors, conditioned upon the faithful performance of the duties of the office. The Secretary/Treasurer shall keep regular books of account and shall submit them, together with all of his or her vouchers, receipts, records or other papers to the Directors for their examination and approval, at least quarterly or as often as they may require additionally: and shall perform all other duties as are incident to this office

ARTICLE VII
FINANCE AND ASSESSMENTS

7.1 The funds of the Association shall be deposited in such bank or banks, savings and loan associations, or other financial institutions as the Directors shall designate and shall be withdrawn only upon check or order of an officer of the Association duly authorized by the Board of Directors, or by a Manager/Agent if so authorized.

7.2 The Directors shall establish and collect the assessments specified in the Declaration of

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 56 of 62
Order: 456 Comment:

Covenants pursuant to the terms and conditions stated therein. In the event of default by any owner in paying the assessments specified above, the Board of Directors shall exercise any or all of the remedial procedures stated in the Declaration of Covenants, or any other available legal remedy.

ARTICLE IX
AMENDMENTS

No amendment of these Bylaws shall be effective unless approved by the affirmative vote of 75% of the members.

ARTICLE X
MISCELLANEOUS

10.1 All notices to the Board of Directors shall be sent postage prepaid to the office of the Board of Directors as may be designated from time to time, said notices to be effective upon receipt, and all notices by the Board of Directors to owners shall be sent by the Board or its agent postage prepaid to the most recent address furnished by each owner.

10.2 The invalidity of any part of these Bylaws shall not affect or impair in any manner the validity, enforce ability, or effect of the balance of these Bylaws. Similarly, any invalidity in the Declaration of Covenants shall not affect the balance thereof.

10.3 No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to be abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches thereof which may occur. Similarly, any failure to enforce the provisions of the Declaration of Covenants shall not be deemed to be a waiver.

10.4 Upon dissolution or final liquidation of the corporation, obligations shall be paid and assets distributed in conformity with the Montana Non-Profit Corporation Act and/or Section 501 of the Internal Revenue Code, as amended.

ARTICLE XI
CONFLICTS

In case any of these Bylaws conflict with the provisions of federal or state statutes, the Declaration of Covenants, the provisions of such statue or of the said Declarations, as the case may be, shall control.

Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 57 of 62
Order: 456 Comment:

IN WITNESS WHEREOF, the undersigned, as the initial board of directors of Villas at juniper Bay Homeowners' Association, Inc., has hereunto executed and hereby certify these Bylaws as duly adopted by said corporation this _____ day of _____, 2006.

_____ _____

_____ _____

_____ _____

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Description: Flathead,MT Document - Year.Date.Time 2006.292.9420 Page: 58 of 62
Order: 456 Comment:

EXHIBIT "E-1"

The description below refers to real property of the Declarant which is primarily west of North Juniper Road, Somers, Montana.

The following described premises, in Flathead County, MT, TO WIT:

TRACT 1:

That portion of Government Lot 1 of Section 35, Township 27 North, Range 21 West, Principal Meridian, Montana, Flathead County, Montana, described as follows:

Commencing at the Northwest corner of Government Lot 1 of said Section 35, thence South and along the westerly boundary of said Government Lot 1 a distance of 664.00 feet to the TRUE POINT OF BEGINNING; thence

East 239.25 feet to the centerline of North Juniper Bay Road a 40 foot County Road; thence along said road S 0r25'28" W a distance of 114.25 feet to the beginning of a 375.00 foot radius curve to the right; thence thru a central angle of 41°45'15" an arc length of 273.28 feet; thence
S 44°10'42" W a distance of 63.55 feet; thence leaving said centerline N 11°46'01" W a distance of 413.90 feet to the Point of Beginning.

Shown as Tract 1 of Retracement Certificate of Survey No. 16394

TRACT 2:

That portion of Government Lot 1 of Section 35, Township 27 North, Range 21 West, Principal Meridian, Montana, Flathead County, Montana, described as follows:

Commencing at the Northwest corner of Government Lot 1 of said Section 35; thence South and along the westerly boundary of said Government Lot 1 a distance of 664.00 feet; thence

East a distance *of* 239.25 feet to the centerline of North Juniper Bay Road a 40 foot County Road; thence along said road
S 02°25'28" W a distance of 114.25 feet to the beginning of a 375.00 foot radius curve to the right; thence thru a central angle of 12°22'58" an arc length of 81.04 feet to the TRUE POINT OF BEGINNING; thence
East a distance of 511.79 feet more or less to the low water mark of Flathead Lake; thence S 10°18'41" E and along said low water mark a distance of 10.03 feet thence West a distance of 516.34 feet more or less to the beginning of a 375.00 foot radius curve concave westerly having a radial bearing of N 73°37'37" W and being the centerline of North Juniper Bay Road; thence northeasterly thru a central angle of 1°33'57" an arc length of 10.25 feet to the Point of Beginning

Shown as Tract 2 of Retracement Certificate of Survey No. 16394

EXHIBIT "E-2"

The description below refers to property of the Declarant which is located east of North Juniper Road, Somers, Montana.

TRACT 1:
A tract of land in Government Lot 1 of Section 35, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana, described as follows:

Beginning at a point which is 1054 feet South and 1400 feet East of the Section corner common to Sections 26, 27, 34 and 35; thence
South 55°30' East 247 feet; thence
North 50°30' East 142.5 feet; thence
South 72°15' East 300 feet to the shore of Flathead Lake; thence along the lakeshore
North 28° East 60 feet; thence
North 6°30' East 185 feet; thence
North 100 feet; thence leaving lakeshore
West 517 feet; thence
South 24° West 115 feet; thence
South 45° West 120 feet to the Place of Beginning.

TRACT 2:
A tract of land in Government Lot 1 of Section 35, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana, described as follows:

Commencing at a point on the West boundary of said Government Lot One, which point is
South 89°46' East 1320 feet and
South 0°01' West, 664 feet from the Northwest corner of said Section Thirty-five; thence
East 245.5 feet; thence
South 7°20' West, 194.6 feet to a point of the beginning of the tract to be described herein; thence
South 7°20' West, 5.4 feet; thence
East 517 feet to the Government meander line of Flathead Lake; thence
North 10°28' West, 5.4 feet along the Government meander line of Flathead Lake, to a point which bears due East of the Point of Beginning; thence
West 500 feet to the Point of Beginning.

ALSO conveyed herein is all land that may be situated between the government meander line and the low water mark of Flathead Lake, between the Northerly and Southerly boundaries of the aforesaid tract extended Easterly.

2006292 09420

Plat Room
Flathead County, Montana
800 S. Main St.
Kalispell, MT 59901
(406) 758-5510

This Form is for Subdivisions & Condominiums Only

BY: JUNIPER BAY LLC

FOR: JUNIPER BAY LLC

DATE: 10/18/06

DESCP: THE VILLAS AT JUNIPER BAY CONDO
ON TR 7EA, TR 7J& 7C, TR 7E & 7BA
IN SEC 35 T 27 R 21

PURPOSE: CONDO

YEARS	ASSESSOR #
2001 THRU 2005	0546350 & 0088200

I hereby certify that there are no outstanding taxes on the property assigned the assessor numbers listed above, for the years indicated for each assessor number.

Deputy Treasurer
(seal)

OCT 18 2006

2006292 09420

CERTIFICATION BY DEPARTMENT OF REVENUE

I the undersigned, Tami Kingery being the agent of the Department of Revenue for Flathead County, Montana, as described in 70-23-304 MCA do approve the attached declaration as to the facts that the name is proper under 70-23-303 MCA and that the taxes due and payable on the property have been paid.

Dated this 19th day of October 2006

Signature Tami Kingery