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EXHIBIT F

TO THE DECLARATION FOR

THE FALCON PLACE CONDOMINIUMS

BY-LAWS
OF

FALCON PLACE CONDOMINIUM ASSOCIATION, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF MONTANA

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BYLAWS
OF THE
FALCON PLACE CONDOMINIUM OWNERS ASSOCIATION, INC

ARTICLE I
NAME AND LOCATION

The name of the corporation is the FALCON PLACE CONDOMINIUM OWNERS ASSOCIATION, INC, hereinafter referred to as the "Association". The principal office of the Association shall be located at 439 Grand Ave Suite 113, Bigfork, MT 59911.

ARTICLE II
DEFINITIONS

2.1 The definitions contained in the Declaration are incorporated by reference herein.

2.2 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the Office of the Clerk and Recorder of Flathead County, State of Montana, as they may be amended and restated from time to time.

ARTICLE III
PURPOSE AND APPLICATION

These Articles are and shall be the Bylaws of the FALCON PLACE CONDOMINIUM OWNERS ASSOCIATION. These Bylaws shall, upon being recorded with the Recorder of Flathead County, State of Montana, govern and control the administration of the Association. These Bylaws are a part of the Declaration for the Condominium, which Declaration is made a part hereof by reference. All Unit Owners, their guests and any renters or sublessees present and future shall have the rights and responsibilities described in these Bylaws and shall be subject to the provisions thereof. The acquisition of an ownership interest in a Unit in the Condominium signifies that the Owner accepts, ratifies and agrees to comply with these Bylaws.

ARTICLE IV
MEMBERSHIP

Persons owning a Unit in the Condominium or owning a Unit in the Condominium in any real estate tenancy relationship recognized by the State of Montana shall be a member of the Association. Membership begins concurrently with the acquisition of an ownership interest and terminates at the time such ownership interest is terminated. Such termination shall not relieve any Owner of liability for obligations incurred while a member of the Association. Membership in the Association does not in any way negate or impair any Owner's legal remedies, right to bring action, or defenses to any and all actions involving the Declarant, the Association, other Unit Owners, or the Manager which may arise from or be incidents of Unit ownership.

ARTICLE V
OBLIGATIONS

Each Unit Owner shall be obligated to comply with the Bylaws, all rules made pursuant thereto, the Declaration, and the laws of the State of Montana. Such obligations shall include, but not be limited to, the paying of assessments to the Association. Failure of any Owner to abide by these Bylaws, all rules made pursuant thereto, the Declaration, or the laws of the State of Montana, shall be grounds for appropriate legal action by the Association or by an aggrieved Unit Owner against such noncomplying Owner.

ARTICLE VI
VOTING INTEREST

At any Association meeting each Unit Owner shall have a voting interest equal to his percentage of interest in the Common Elements as set forth in the Declaration.

Such percentage interest shall be the voting interest of each Unit Owner on all matters affecting the general business of the Association, on all matters affecting the Common Elements, assessments for the Common Elements, and on all matters upon which the Association agrees to have voting. Voting may be performed either in person or by proxy at the discretion of the Unit Owner.

Whenever and wherever these Bylaws refer to the term majority interest (Majority Interest), it shall mean a majority in percentage voting interest of the Unit Owners. The term majority vote (Majority Vote) does not mean a vote of a simple majority (i.e. 50%) of the number of Units. It means the vote of a Majority Interest as defined above.

Whenever a quorum is present at a meeting of the Association or the Board of Directors, those present may do any and all acts they are empowered to do unless specific provisions of these Bylaws, the Declaration, or the laws of the State of Montana direct otherwise.

ARTICLE VII
MEETINGS OF OWNERS

A. Regular Meetings. There shall be a regular meeting of the Owners annually in November of each year, commencing in the year the Condominium regime is established, or on such other date properly announced by the Board. A mortgagee shall be entitled to notice, and to the right to attend, only upon a written request of a Unit Owner making a request and providing the name and address of the mortgagee.

B. Number of Directors and Term. Excepting the initial Board of Directors, as appointed in Article VI, subparagraph 6 of the Declaration, the Board of Directors shall consist of members three (3) persons after the initial annual meeting and be increased to five (5) members at the subsequent annual meeting. Directors will be elected and/or appointed as provided herein and must own a condominium Unit, be the designee in writing of an Owner, or be a person designated by the Developer as set forth in these Bylaws. The 3-5 member board will be appointed/elected, subject to the terms contained herein, in the following manner, 3 members shall be elected/appointed at the first annual meeting and 2 elected/appointed at the 2nd annual meeting. The term of each director shall be two (2) years, unless vacated sooner, so that every year Directors are being elected/appointed as provided herein. Each director shall hold office until his term expires and a successor is elected/appointed.

C. Nomination. Nomination for election to the Board may be made by a nominating committee appointed by the Board. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman who shall be a director, and two (2) or more Owners. The nominating committee may be appointed not less than ninety (90) days prior to each annual meeting of the Owners to serve until the close of such annual meeting. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to Owners and to solicit votes. Notice to the Owners of the annual meeting shall include the names of all those who are nominees at the time the notice is sent.

D. Election. The election/appointment of the Board shall be conducted at the annual meetings of the Owners. Subject to the provisions of the Declaration and those herein provided the members at the first annual meeting of the members shall elect one (1) director and the Declarant shall appoint two (2) directors; at the 2nd annual meeting the members shall elect, one (1) director and the Declarant shall appoint one (1) director. For those years, during the Declarant's Control Period as provided herein, where three Directors are elected/appointed to the Board the Owners shall elect one (1) Director and the Declarant shall appoint two (2) and for those years when two (2) Directors are appointed/elected the Owners shall elect one (1) Director and the Declarant shall appoint one (1), so that at no time during the Declarant's Control Period is there less than three (3) Declarant appointed Directors. At such election, the Owners or their proxies may cast their percentage voting interest for each vacancy. The persons receiving the largest number of votes shall be elected. There shall be no cumulative voting. Voting for directors or for their removal shall be by secret written ballot.

E. Removal; Vacancies. Any director may resign by giving notice to the Board. Any director may be removed by the vote of a majority of the voting interests. If a director dies or resigns, the vacancy shall be filled by the Board at a duly held meeting, or by the sole remaining director. The Owners may elect a director at any time to fill any vacancy not filled by the directors. A vacancy created by the removal of a director by the Owners can only be filled by election by the Owners. A successor director shall serve for the unexpired term of his or her predecessor.

F. Initial Board. The initial Board consisting of three (3) persons, none of whom are required to be Unit Owners, shall be appointed by the Declarant in the Declaration, which Board shall serve until the first annual meeting of the Owners at which time a new Board shall be elected, as provided herein.

G. Quorum. No meeting, regular or special, shall be convened to conduct business unless a quorum is present in person. A quorum shall consist of a simple majority of directors being present in person or via conference call. At any time, during any meeting that quorum is not present, such meeting shall be adjourned forthwith.

H. Compensation. No member of the Board of Directors shall receive any compensation for acting as such. Nothing herein, however, shall be construed to preclude compensation being paid to Managers who are hired by the Board of Directors.

ARTICLE IX
MEETINGS OF DIRECTORS

9.1 Regular Meetings. Regular meetings of the Board shall be held quarterly or as often as deemed necessary by the Board at such place, and at such day and hour as may be fixed from time to time by resolution of the Board.

9.2 Special Meetings. Special meetings of the Board may be called by the president, vice president or manager.

9.3 Notice. Notice of the time and place of regular and special meetings of the Board shall be given to each director and Owner at least ten (10) days prior to the meeting. In case an emergency Board meeting is required the notice period shall be waived and a meeting may be called by the President of the Association by notifying all Board members via telephonic or electronic means. The purpose for said emergency meeting must be stated in the minutes of the meeting. The presence or participation of a board member at a meeting shall constitute a waiver of any notice requirement. For a special meeting, the notice shall specify the time and place of the meting and the nature of any special business to be considered. The notice shall be given to each director and Owner by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, including a voice message system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail or other electronic means, either directly to the director or Owner or to a person at the director or Owner's office or home who would reasonably be expected to communicate such notice promptly to the director or Owner. All such notices shall be given or sent to the director or Owner's address, email address, or telephone number as shown on the records of the Association.

9.4 Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

9.5 Open Meetings. All meetings of the Board shall be open to all Owners. The Board shall permit any Owner to speak at any meeting of the Association or the Board, except for meetings of the Board held in executive session. The Board shall establish a reasonable time limit for all Owners to speak before a meeting of the Board.

9.6 Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. Matters involving Owner discipline shall be held in executive session and the Owners involved are entitled to attend. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE X
POWERS AND DUTIES OF THE BOARD

The Board of Directors shall have the following powers and duties:

A. To review and direct the officers and Manager to assure that the policies of the Association are being accomplished in a reasonable and prudent manner and that the requirement for the operation of the Property as set forth in the Governing Documents and the laws applicable to the Property are fulfilled to the extent reasonable and appropriate;

B. To cause the Common Elements to be maintained as required by the Declaration;

C. To call annual meetings of the Owners and give due notice thereof;

D. To conduct elections of the Board of Directors;

E. To enforce the provisions of the Declaration and Bylaws of the Condominium by appropriate action;

F. To promulgate and adopt rules and regulations for the use of the Common Elements and for the occupancy of the Units so as not to interfere with the peace and quiet of all the Unit Owners. Such rules must be approved by Majority Vote of the Unit Owners at any regular or special meeting of the Owners;

G. To provide for the management of the Condominium, by hiring or contracting with suitable and capable management and personnel for the day-to-day operation, maintenance, upkeep and repair of the Common Elements;

H. To levy assessments as allowed by the Declaration, these Bylaws and the State of Montana, and to provide for the collection, expenditure and accounting of said assessments;

I. To pay for the expenses of the maintenance, repair and upkeep of the Common Elements and other expenses incurred by the Association in performing its duties under the Governing Documents;

J. To delegate authority to the Manager for the conduct of Association business, to carry out the duties and powers of the Board; however, such authority shall be precisely defined with ultimate authority at all time residing in the Board of Directors;

K. To provide a means of hearing grievances of Unit Owners and to observe all due process requirements imposed upon owners associations for condominiums;

L. To meet at regularly scheduled times and hold such meetings open to all Unit Owners or their agents;

M. To prepare an annual budget for the Association in order to determine the amount of the assessments payable by the Unit Owners to meet the Common Expenses and allocate and assess such charges among the Unit Owners according to their respective percentage interests in the Common Elements, and to mail such budget to the Unit Owners on or before the date of the annual meeting;

N. To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operation or maintenance expenses, costs, or additional capital expenses, or because of emergencies;

O. To take appropriate legal action to collect any delinquent assessments, payments or amounts due from Unit Owners or from any person or persons owing money to the Association, and to levy a penalty and charge interest on unpaid amounts due and owing;

P. To defend in the name of the Association any and all lawsuits wherein the Association is a party defendant;

Q. To enter into contracts with third parties to carry out the duties herein set forth, for and on behalf of the Board and the Association;

R. To establish a bank account for the Association, and to keep therein all funds of the Association. Withdrawal of monies from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors;

S. In general, to act for and carry on the administration and affairs of the Association as authorized and prescribed by the Declaration and to do all those things which are necessary and reasonable in order to carry out the governance and operation of the Condominium;

T. To establish rules and regulations for conduct, behavior and use of the Property;

U. To make repairs, alteration and improvements to the Common Elements consistent with managing the condominium in a first class manner and in the best interests of the Unit Owners;

V. To arrange, keep, maintain, and renew the insurance for the Association as set forth in the Declaration;

W. To allow first lienholders to inspect Association and Board records; and

X. To establish a fiscal year for accounting purposes.

ARTICLE XI
OFFICERS

11.1 Enumeration of Officers. The officers of this Association shall be a president, and vice president, who shall at all times be directors, a secretary, and treasurer, and such other officers as the Board may from time to time by resolution create. The same person may fill the office of secretary and treasurer.

11.2 Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Owners.

11.3 Term. The Board shall elect the officers of this Association annually and each shall hold office for one (1) year and until his or her successor is elected.

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

11.5 Resignation and Removal. Any officer may be removed from office (but not from the Board, if he or she is also a director) either with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, or the Manager. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

11.6 Vacancies. The Board may fill a vacancy in any office. The officer appointed to such vacancy shall serve the remainder of the term of the office he or she replaces.

11.7 Duties. The duties of the officers are as follows:

11.7.1 President. The president shall preside at all meetings of the Owners and Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. The president shall have the general powers and duties of management usually vested in the office of the president of a Montana non-profit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

11.7.2 Vice-President. The vice president shall act in the place and stead of the president in the event of his or her absence, or inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

11.7.3 Secretary. The secretary shall supervise the recording of the votes and the maintenance of the minutes of all meetings and proceedings of the Board and the Owners; keep or have kept appropriate current records showing the Owners together with their addresses, and shall perform such other duties as required by the Board.

11.7.4 Treasurer. The treasurer shall cause the receipt and deposit in appropriate bank accounts all monies of the Association and the disbursement of such funds as directed by the Board; shall keep and have kept proper books of account; and shall supervise the preparation of budgets and financial statements.

ARTICLE XII
MANAGEMENT

The Manager shall generally operate and manage the condominium for and on behalf of the Unit Owners and shall have such other powers and authority as the Board may designate. The Association shall enter into a management agreement with Manager or the Developer. The terms and conditions of such management will be set forth in a management agreement between the Association and Manager or the Developer. For purposes of termination, cause is defined as actual fraud, misappropriation of funds or gross mismanagement. The Manger or any member of the Board or Association handling Association funds or having power to withdraw or spend such funds shall be bonded. The Board or the Chairman may perform all functions and duties herein provided for the Manager, if the Board should decide not to have a Manager.

A. Accounts. The receipts and expenditures of the Association shall be under the direction of the Manager, who shall have maintained records of the financial affairs of the condominium. Such records shall also detail all assessments made by the Association and the status of payments of said assessments by all Unit Owners. All records shall be available for examination during normal business hours to any Unit Owner or his assigned representative. Receipts and expenditures shall be classified as appropriate into common expenses and shall include a provision for:

1. Current expenses: Which shall include all receipts and expenditures to be made within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserve or to betterments.

2. Reserves for Deferred Maintenance: Which shall include funds for maintenance items that occur less frequently than annually.

3. Betterments: Which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that shall be a part of the Common Elements.

B. The Manager shall prepare and submit to the Board a budget, each year, which must be approved then and adopted by the Board. The budget shall include the estimated funds required to defray the common expenses and to provide and maintain funds for the foregoing accounts according to good accounting practices. Copies of the budget and proposed assessments shall be transmitted to each Owner on or before the annual meeting for the year preceding the year for which the budget is made. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each Owner.

C. A financial report of the accounts of the Association shall be made annually by an accountant or the Business Manager and a copy of the report shall be furnished to each Owner at the annual meeting.

ARTICLE XIII
AMENDMENT OF BYLAWS

These Bylaws may be amended as provided in the Declaration and at any regular or special meeting of the Owners providing that a copy of the proposed revision is included in the notice of such meeting. Upon approval by Sixty-Seven percent (67%) of the aggregate Percentage of Interest of the Unit Owners, the amendment shall be declared adopted. The Secretary shall as soon as practicable after adoption, prepare a copy of these Bylaws as amended for certification by the President and Secretary of the Association. Such amended and certified Bylaws shall then be filed in the corporate records of the Association or recorded in the office of the Clerk and Recorder of the County of the State of Montana in which the Project is located, if the Bylaws are recorded. Bylaws as amended shall become effective at the time of such recording.

ARTICLE XIV
ASSESSMENTS

In accordance with the percentage of interest in the Common Elements as set forth in the Declaration, each Unit Owner shall be assessed for General Common Expenses. Such assessments shall be collected and paid according to the terms and under the procedures more particularly set forth in the Declaration. Notice of each owner's assessments shall be mailed to said owner at his address of record.

ARTICLE XV
BOOKS AND RECORDS

15.1 Inspection by Owners. The Owners' register (including names, mailing addresses and voting rights), books of account and minutes of meetings of the Owners, of the Board, and of committees shall be made available for inspection and copying by any Owners, or by his or her duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as an Owner, at the office of the Association or at such other place as the Board shall prescribe.

15.2 Rules for Inspection. The Board shall establish reasonable rules with respect to:

15.2.1 Notice to be given to the custodian of the records by the Owner desiring to make the inspection;

15.2.2 Hours and days of the week when such an inspection may be made; and

15.2.3 Payment of the cost of assembling and reproducing copies of documents requested by an Owner.

15.3 Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents, at the expense of the Association.

ARTICLE XVI
NOTICE OF DEFAULT TO LIEN HOLDERS

A first lienholder, upon request, will be entitled to written notification from the Association of any default in the performance by the individual Unit borrower of any obligation under the Governing Documents that is not cured within sixty (60) days. A mortgagee shall be entitled to notice only upon a written request of a Unit Owner making a request and providing the name and address of the mortgagee.

ARTICLE XVII
NOTICES – DAMAGES

The Owners Association shall notify all first lienholders in writing of any loss to, or taking of, the common elements of the condominium if such loss or taking exceeds $10,000.00 or damage to an individual Unit securing a mortgage held by the first lienholder exceeds $1,000.00. A mortgagee shall be entitled to notice only upon a written request of a Unit Owner making a request and providing the name and address of the mortgagee.

ARTICLE XVIII
THE DECLARATION

The Developer has filed, a Declaration whereby the properties known as the Falcon Place Condominiums are submitted and subject to Section 70-23-101, et seq., MCA 2005. The Declaration shall govern the acts, powers, duties and responsibilities of the Association and in the event these Bylaws or any subsequent amendment thereto and the Declaration are in conflict, the Declaration shall prevail.

DECLARANT: Falcon Development, Inc.

By: _____
As: President

ASSOCIATION PRESIDENT:

X _____

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BYLAWS
OF THE
FALCON PLACE CONDOMINIUM OWNERS ASSOCIATION, INC

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2.1 The definitions contained in the Declaration are incorporated by reference herein.

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These Articles are and shall be the Bylaws of the FALCON PLACE CONDOMINIUM OWNERS ASSOCIATION. These Bylaws shall, upon being recorded with the Recorder of Flathead County, State of Montana, govern and control the administration of the Association. These Bylaws are a part of the Declaration for the Condominium, which Declaration is made a part hereof by reference. All Unit Owners, their guests and any renters or sublessees present and future shall have the rights and responsibilities described in these Bylaws and shall be subject to the provisions thereof. The acquisition of an ownership interest in a Unit in the Condominium signifies that the Owner accepts, ratifies and agrees to comply with these Bylaws.

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ARTICLE V
OBLIGATIONS

Each Unit Owner shall be obligated to comply with the Bylaws, all rules made pursuant thereto, the Declaration, and the laws of the State of Montana. Such obligations shall include, but not be limited to, the paying of assessments to the Association. Failure of any Owner to abide by these Bylaws, all rules made pursuant thereto, the Declaration, or the laws of the State of Montana, shall be grounds for appropriate legal action by the Association or by an aggrieved Unit Owner against such noncomplying Owner.

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Such percentage interest shall be the voting interest of each Unit Owner on all matters affecting the general business of the Association, on all matters affecting the Common Elements, assessments for the Common Elements, and on all matters upon which the Association agrees to have voting. Voting may be performed either in person or by proxy at the discretion of the Unit Owner.

Whenever and wherever these Bylaws refer to the term majority interest (Majority Interest), it shall mean a majority in percentage voting interest of the Unit Owners. The term majority vote (Majority Vote) does not mean a vote of a simple majority (i.e. 50%) of the number of Units. It means the vote of a Majority Interest as defined above.

Whenever a quorum is present at a meeting of the Association or the Board of Directors, those present may do any and all acts they are empowered to do unless specific provisions of these Bylaws, the Declaration, or the laws of the State of Montana direct otherwise.

ARTICLE VII
MEETINGS OF OWNERS

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C. Nomination. Nomination for election to the Board may be made by a nominating committee appointed by the Board. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman who shall be a director, and two (2) or more Owners. The nominating committee may be appointed not less than ninety (90) days prior to each annual meeting of the Owners to serve until the close of such annual meeting. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to Owners and to solicit votes. Notice to the Owners of the annual meeting shall include the names of all those who are nominees at the time the notice is sent.

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9.4 Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

9.5 Open Meetings. All meetings of the Board shall be open to all Owners. The Board shall permit any Owner to speak at any meeting of the Association or the Board, except for meetings of the Board held in executive session. The Board shall establish a reasonable time limit for all Owners to speak before a meeting of the Board.

9.6 Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. Matters involving Owner discipline shall be held in executive session and the Owners involved are entitled to attend. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE X
POWERS AND DUTIES OF THE BOARD

The Board of Directors shall have the following powers and duties:

A. To review and direct the officers and Manager to assure that the policies of the Association are being accomplished in a reasonable and prudent manner and that the requirement for the operation of the Property as set forth in the Governing Documents and the laws applicable to the Property are fulfilled to the extent reasonable and appropriate;

B. To cause the Common Elements to be maintained as required by the Declaration;

C. To call annual meetings of the Owners and give due notice thereof;

D. To conduct elections of the Board of Directors;

E. To enforce the provisions of the Declaration and Bylaws of the Condominium by appropriate action;

F. To promulgate and adopt rules and regulations for the use of the Common Elements and for the occupancy of the Units so as not to interfere with the peace and quiet of all the Unit Owners. Such rules must be approved by Majority Vote of the Unit Owners at any regular or special meeting of the Owners;

G. To provide for the management of the Condominium, by hiring or contracting with suitable and capable management and personnel for the day-to-day operation, maintenance, upkeep and repair of the Common Elements;

H. To levy assessments as allowed by the Declaration, these Bylaws and the State of Montana, and to provide for the collection, expenditure and accounting of said assessments;

I. To pay for the expenses of the maintenance, repair and upkeep of the Common Elements and other expenses incurred by the Association in performing its duties under the Governing Documents;

J. To delegate authority to the Manager for the conduct of Association business, to carry out the duties and powers of the Board; however, such authority shall be precisely defined with ultimate authority at all time residing in the Board of Directors;

K. To provide a means of hearing grievances of Unit Owners and to observe all due process requirements imposed upon owners associations for condominiums;

L. To meet at regularly scheduled times and hold such meetings open to all Unit Owners or their agents;

M. To prepare an annual budget for the Association in order to determine the amount of the assessments payable by the Unit Owners to meet the Common Expenses and allocate and assess such charges among the Unit Owners according to their respective percentage interests in the Common Elements, and to mail such budget to the Unit Owners on or before the date of the annual meeting;

N. To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operation or maintenance expenses, costs, or additional capital expenses, or because of emergencies;

O. To take appropriate legal action to collect any delinquent assessments, payments or amounts due from Unit Owners or from any person or persons owing money to the Association, and to levy a penalty and charge interest on unpaid amounts due and owing;

P. To defend in the name of the Association any and all lawsuits wherein the Association is a party defendant;

Q. To enter into contracts with third parties to carry out the duties herein set forth, for and on behalf of the Board and the Association;

R. To establish a bank account for the Association, and to keep therein all funds of the Association. Withdrawal of monies from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors;

S. In general, to act for and carry on the administration and affairs of the Association as authorized and prescribed by the Declaration and to do all those things which are necessary and reasonable in order to carry out the governance and operation of the Condominium;

T. To establish rules and regulations for conduct, behavior and use of the Property;

U. To make repairs, alteration and improvements to the Common Elements consistent with managing the condominium in a first class manner and in the best interests of the Unit Owners;

V. To arrange, keep, maintain, and renew the insurance for the Association as set forth in the Declaration;

W. To allow first lienholders to inspect Association and Board records; and

X. To establish a fiscal year for accounting purposes.

ARTICLE XI
OFFICERS

11.1 Enumeration of Officers. The officers of this Association shall be a president, and vice president, who shall at all times be directors, a secretary, and treasurer, and such other officers as the Board may from time to time by resolution create. The same person may fill the office of secretary and treasurer.

11.2 Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Owners.

11.3 Term. The Board shall elect the officers of this Association annually and each shall hold office for one (1) year and until his or her successor is elected.

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

11.5 Resignation and Removal. Any officer may be removed from office (but not from the Board, if he or she is also a director) either with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, or the Manager. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

11.6 Vacancies. The Board may fill a vacancy in any office. The officer appointed to such vacancy shall serve the remainder of the term of the office he or she replaces.

11.7 Duties. The duties of the officers are as follows:

11.7.1 President. The president shall preside at all meetings of the Owners and Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. The president shall have the general powers and duties of management usually vested in the office of the president of a Montana non-profit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

11.7.2 Vice-President. The vice president shall act in the place and stead of the president in the event of his or her absence, or inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

11.7.3 Secretary. The secretary shall supervise the recording of the votes and the maintenance of the minutes of all meetings and proceedings of the Board and the Owners; keep or have kept appropriate current records showing the Owners together with their addresses, and shall perform such other duties as required by the Board.

11.7.4 Treasurer. The treasurer shall cause the receipt and deposit in appropriate bank accounts all monies of the Association and the disbursement of such funds as directed by the Board; shall keep and have kept proper books of account; and shall supervise the preparation of budgets and financial statements.

ARTICLE XII
MANAGEMENT

The Manager shall generally operate and manage the condominium for and on behalf of the Unit Owners and shall have such other powers and authority as the Board may designate. The Association shall enter into a management agreement with Manager or the Developer. The terms and conditions of such management will be set forth in a management agreement between the Association and Manager or the Developer. For purposes of termination, cause is defined as actual fraud, misappropriation of funds or gross mismanagement. The Manger or any member of the Board or Association handling Association funds or having power to withdraw or spend such funds shall be bonded. The Board or the Chairman may perform all functions and duties herein provided for the Manager, if the Board should decide not to have a Manager.

A. Accounts. The receipts and expenditures of the Association shall be under the direction of the Manager, who shall have maintained records of the financial affairs of the condominium. Such records shall also detail all assessments made by the Association and the status of payments of said assessments by all Unit Owners. All records shall be available for examination during normal business hours to any Unit Owner or his assigned representative. Receipts and expenditures shall be classified as appropriate into common expenses and shall include a provision for:

1. Current expenses: Which shall include all receipts and expenditures to be made within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserve or to betterments.

2. Reserves for Deferred Maintenance: Which shall include funds for maintenance items that occur less frequently than annually.

3. Betterments: Which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that shall be a part of the Common Elements.

B. The Manager shall prepare and submit to the Board a budget, each year, which must be approved then and adopted by the Board. The budget shall include the estimated funds required to defray the common expenses and to provide and maintain funds for the foregoing accounts according to good accounting practices. Copies of the budget and proposed assessments shall be transmitted to each Owner on or before the annual meeting for the year preceding the year for which the budget is made. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each Owner.

C. A financial report of the accounts of the Association shall be made annually by an accountant or the Business Manager and a copy of the report shall be furnished to each Owner at the annual meeting.

ARTICLE XIII
AMENDMENT OF BYLAWS

These Bylaws may be amended as provided in the Declaration and at any regular or special meeting of the Owners providing that a copy of the proposed revision is included in the notice of such meeting. Upon approval by Sixty-Seven percent (67%) of the aggregate Percentage of Interest of the Unit Owners, the amendment shall be declared adopted. The Secretary shall as soon as practicable after adoption, prepare a copy of these Bylaws as amended for certification by the President and Secretary of the Association. Such amended and certified Bylaws shall then be filed in the corporate records of the Association or recorded in the office of the Clerk and Recorder of the County of the State of Montana in which the Project is located, if the Bylaws are recorded. Bylaws as amended shall become effective at the time of such recording.

ARTICLE XIV
ASSESSMENTS

In accordance with the percentage of interest in the Common Elements as set forth in the Declaration, each Unit Owner shall be assessed for General Common Expenses. Such assessments shall be collected and paid according to the terms and under the procedures more particularly set forth in the Declaration. Notice of each owner's assessments shall be mailed to said owner at his address of record.

ARTICLE XV
BOOKS AND RECORDS

15.1 Inspection by Owners. The Owners' register (including names, mailing addresses and voting rights), books of account and minutes of meetings of the Owners, of the Board, and of committees shall be made available for inspection and copying by any Owners, or by his or her duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as an Owner, at the office of the Association or at such other place as the Board shall prescribe.

15.2 Rules for Inspection. The Board shall establish reasonable rules with respect to:

15.2.1 Notice to be given to the custodian of the records by the Owner desiring to make the inspection;

15.2.2 Hours and days of the week when such an inspection may be made; and

15.2.3 Payment of the cost of assembling and reproducing copies of documents requested by an Owner.

15.3 Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents, at the expense of the Association.

ARTICLE XVI
NOTICE OF DEFAULT TO LIEN HOLDERS

A first lienholder, upon request, will be entitled to written notification from the Association of any default in the performance by the individual Unit borrower of any obligation under the Governing Documents that is not cured within sixty (60) days. A mortgagee shall be entitled to notice only upon a written request of a Unit Owner making a request and providing the name and address of the mortgagee.

ARTICLE XVII
NOTICES – DAMAGES

The Owners Association shall notify all first lienholders in writing of any loss to, or taking of, the common elements of the condominium if such loss or taking exceeds $10,000.00 or damage to an individual Unit securing a mortgage held by the first lienholder exceeds $1,000.00. A mortgagee shall be entitled to notice only upon a written request of a Unit Owner making a request and providing the name and address of the mortgagee.

ARTICLE XVIII
THE DECLARATION

The Developer has filed, a Declaration whereby the properties known as the Falcon Place Condominiums are submitted and subject to Section 70-23-101, et seq., MCA 2005. The Declaration shall govern the acts, powers, duties and responsibilities of the Association and in the event these Bylaws or any subsequent amendment thereto and the Declaration are in conflict, the Declaration shall prevail.

DECLARANT: Falcon Development, Inc.

By: _____
As: President

ASSOCIATION PRESIDENT:

X _____