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DECLARATION OF CONDOMINIUM UNDER UNIT OWNERSHIP ACT PERTAINING TO FALCON VIEW CONDOMINIUMS

George J. Joseph* does hereby make and submit for filing by the County Clerk and Recorder of Flathead County, Montana, the following Declaration, under the Unit Ownership Act of the State of Montana, Section 70-23-301, Montana Code Annotated:

*wata George Josh Joseph

1. Submission to Condominium Ownership

The purpose of this Declaration is to submit the real property herein described and the improvements constructed thereon to the condominium form of ownership and use in the manner provided by Chapter 23, Title 70, Montana Code Annotated, herein referred to as the "Montana Unit Ownership Act". The real property included within the project, which shall be named Falcon View Condominiums, is located in Flathead County, Montana, is owned by Declarant, and is more particularly described as set forth on Exhibit "A" attached hereto and by this reference made a part hereof as if set forth in full at this point.

2. Definitions

The terms used herein and in Exhibit "D", Statement of Covenants, Conditions, Restrictions and By-Laws of Association of Unit Owners, shall have the meaning stated in the Unit Ownership Act:

a. A "Unit" means a part of the property, including one or more rooms occupying a part of one or more floors, with direct exits to a common area or area leading to a common way. Each Unit includes said part of the building not owned in common with the other Unit Owners of the project. The boundary lines of each Unit are the interior surfaces of its perimeter walls, bearing walls, floors, ceilings, windows and window frames, doors and door frames and trim, and includes both the portions of the building so described and airspace so encompassed.

b. "Unit Owner" means the person, including a corporation, limited liability company, or partnership, owning a Unit in a fee simple absolute individually or as a co-owner in any real estate tenancy relationship recognized under the laws of the State of Montana.

c. "Limited Common Expenses" means: 1) expenses of maintenance, repair, or replacement of Limited Common Elements necessitated by the negligence, misuse or neglect of a Unit Owner to whose use it is limited or a Unit Owner's lessee, guest or agent with any other maintenance, repair or replacement being a common expense; 2) expenses agreed upon as limited common by the Unit Ownership Act or by the By-Laws of the Association.

d. "Association" means the homeowners association, being all Unit Owners acting in a group in accordance with the Declaration and the Statement of Covenants, Conditions, Restrictions, and By-Laws.

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APPROVED 4/26/05 BP

e. "Common Elements" means the general common elements and limited common elements.

f. "General Common Elements" means the following: 1) the land on which the units are located; 2) the foundations and footings, columns, girders, beams, supports, main walls, signs, and roof of said units; 3) any sidewalks, fire escapes, parking areas, access and parking easements, flagpoles, and driveways; 4) installation of central services including but not limited to water and sewer pipes, and systems, electric wiring and conduits (except pipes, electric wire and conduits situated entirely within a single Unit serving only said Unit); 5) all apparatus, which is intended for the common use and all parts of the property which are necessary and convenient for the existence, maintenance and safety of each of the Units.

g. "Limited Common Elements" shall be any flues, chimneys, ducts, cables, conduits, public utility lines, water, sewer, electrical, gas, cable television lines, hot and cold water pipes, with all such utility pipes and lines being limited common elements where they serve only one of the units (where they serve more than one unit they shall be general common elements), and any walkways, doorways, driveways, windows, and land areas designated for the use of one of the units.

h. "Property" means the land described in Exhibit "A" and the building, improvements, and structures thereon, and all easements, rights and appurtenances belonging thereto which are submitted to the unit form of ownership under this Act.

i. "Unit Designation" means the number, letter or a combination thereon designating a Unit in the project as specifically designated a Unit in the project as specifically designated in Exhibit "C".

j. "Common Expenses" means: 1) expenses of administration, maintenance, repair or replacement of the General Common Elements, excepting those expense designated Limited Common Expenses in this Declaration; 2) expenses agreed upon as common by all the Unit Owners; 3) expenses declared to be common by the Unit Ownership Act or by the By-Laws of the Association.

k. "Limited Common Expenses" means: 1) expenses of maintenance, repair, or replacement of Limited Common Elements necessitated by the negligence, misuse or neglect of a Unit Owner to whose use it is limited or a Unit Owner's lessee, guest or agent with any other maintenance, repair or replacement being a common expense; 2) expenses agreed upon as limited common by all of the Unit Owners; 3) expenses declared to be limited common by the Unit Ownership Act or by the By-Laws of the Association.

3. Description of Property

The property, submitted to the Unit Ownership Act, consists of the real property described in Exhibit "A". The Units comprising the Condominium will be located in the one (1) building. The building will contain three (3) levels. The Garden Level and Main Level will have four units each. The Upper Level will have three (3) units. The buildings are located on the above-described property in the manner shown on the plans and specifications attached as Exhibit "C". Said plans and specifications, as certified by Mark T. Johnson, Registered Architect, accurately depict the Units and the building layout, as located on the above-described property, with the square footage and design of each Unit indicated thereon. *See* Affidavit of Mark T. Johnson, Exhibit "B". On Exhibit "C" attached hereto are also the dimensions of each Unit. Each Unit will consist of the square footage indicated on Exhibit "C". Each unit, in the plans submitted herewith, bears an alphabetical letter designation for purposes of identification.

If any portion of the common elements encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. If any portion of a Unit encroaches upon the common elements or upon an adjoining Unit or Units, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the common elements, or on the Units for the purposes of marketability of title. In the event the building or any portion thereof is destroyed and then rebuilt, the Owners of the Unit or Units agree that minor encroachments of parts of the common elements because of such construction shall be permitted and that an easement for such encroachment and the maintenance and repair of the same shall exist.

4. Common Elements

Each Unit Owner shall be entitled to the exclusive ownership, use and possession of his Unit and the percentage of the interest of each Unit Owner in the common elements as set forth below. Each Unit Owner shall have a percentage of undivided interest in the common elements of the Condominium. Such percentage represents his ownership interest in the common elements, his liability for common expenses and taxes, and the voting interest of the Unit Owner or Owners in all matters concerning the Association of Unit Owners.

The percentage of interest in the common elements for the Owners of Units shall be computed by taking the value of each Unit at the date of filing this Declaration and dividing it by the then combined value of all the units having an interest in the common elements of the Condominium.

Such percentage of interest and value for each of the units in the Condominium shall be according to the percentages set forth below, which shall be subject to adjustment when construction of additional units has been completed:

Unit No.	Percentage of Interest In General Common Elements
A	10%
B	10%

C	10%
D	10%
E	10%
F	10%
G	10%
H	10%
J	10%
K	10%

The Common Elements involved in this project include the Common Elements as defined in the Montana Unit Ownership Act, Section 70-23-102. Each Unit Owner shall have the right to use the General Common Elements in common with the other Unit Owner. Each Unit Owner shall be entitled to a one hundred percent (100%) right to use the Limited Common Elements appertaining exclusively to his Unit. The Limited Common Elements shall include the areas designed to serve a single Unit, but not located outside the boundaries hereof. The Unit Owners may add or delete Common Elements pursuant to the method of amendment of this Declaration as described herein. The General Common Expenses and Limited Common Expenses shall be shared and paid as set forth in the By-Laws set forth in Exhibit "D".

5. Use

The use for which each Unit is intended is that of a residential living. Each Unit Owner shall be entitled to the exclusive use of his particular Unit.

6. Process

Services of process in the cases provided Section 70-23-901, Montana Code Annotated, shall be made upon George J. Joseph, 1027 Creekview Drive, Whitefish, Montana 59937, until another designation is filed of record.

7. Units Subject to Declaration, By-Laws, Rules and Regulations and Restrictive Covenants

All present and future owners of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and any Rules and Regulations adopted by the Condominium Association, as these instruments may be amended from time to time by the Condominium Association. This Declaration shall be amended in the same manner as the By-Laws may be amended. Such amendments shall be filed of record with the Flathead County Clerk and Recorder and shall be effective only upon recording. The execution of a purchase contract or contract for deed by a Unit Owner or the acceptance of a deed thereto shall constitute an acceptance of the provisions of such instruments by such Owner. These provisions shall be covenants running with the land and shall bind any person having any interest in such Unit as through the provisions were recited and fully stipulated in each deed and conveyance thereof.

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IN WITNESS WHEREOF, the Declarant have caused this Declaration to be made and executed according to the provisions of the Unit Ownership Act, M.C.A. 70-23-101, et. seq.

DECLARANT

George J. Joseph

STATE OF MONTANA)
:ss
County of Flathead)

On this 24 day of January 2005, before me the undersigned, a Notary Public in and for the state aforesaid, personally appeared George J. Joseph known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the foregoing Declaration.

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

(SEAL)

Notary Public for the State of Montana
Residing in Whitefish, Montana
My Commission Expires 12/16/2006

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Exhibit A

Lot 2 of Southeast Corner a Resubdivision of Lot 2 of Block 10 of First Addition to Whitefish Townsite Company's Five Acre Tracts, according to the plat thereof on file and of record in the office of the Clerk and Recorder, Flathead County, Montana.

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Exhibit B

CERTIFICATE

I, Mark T. Johnson of Mark T. Johnson Architect, Ltd., being a duly licensed registered architect, hereby certify the following:

That the floor plans and specifications for the condominium units to be built and situated on the real property described on Exhibit A attached hereto and incorporated herein, on file and of record with the office of the Clerk and Recorder of Flathead County, Montana, and attached to the Declaration of Condominiums for Falconview Condominiums, truly and accurately depict the layout, location, unit design, dimensions and square footage of the condominium units to be known as Falconview Condominiums and that such floor plans are an accurate copy of the plans filed and approved by the Whitefish City officials having jurisdiction to issue building permits.

DATED this 25 day of Jan., 2005.

MARK T. JOHNSON

Professional Registration No. 1778

STATE OF MONTANA)
:ss
County of Flathead)

Mark T. Johnson, of Mark T. Johnson Architect, Ltd., being first duly sworn upon oath, deposes and says:

That he is the professional architect named in the foregoing certificate; ~~that he~~ has read said Certificate, knows the contents thereof, and the same is true of his own knowledge.

MARK T. JOHNSON

SUBSCRIBED AND SWORN TO before me this 25 day of January, 2005.

(SEAL)

Printed Name: Heather M Amey
Notary Public for the State of Montana
Residing in Whitefish, Montana
My Commission expires: 12/10/2006

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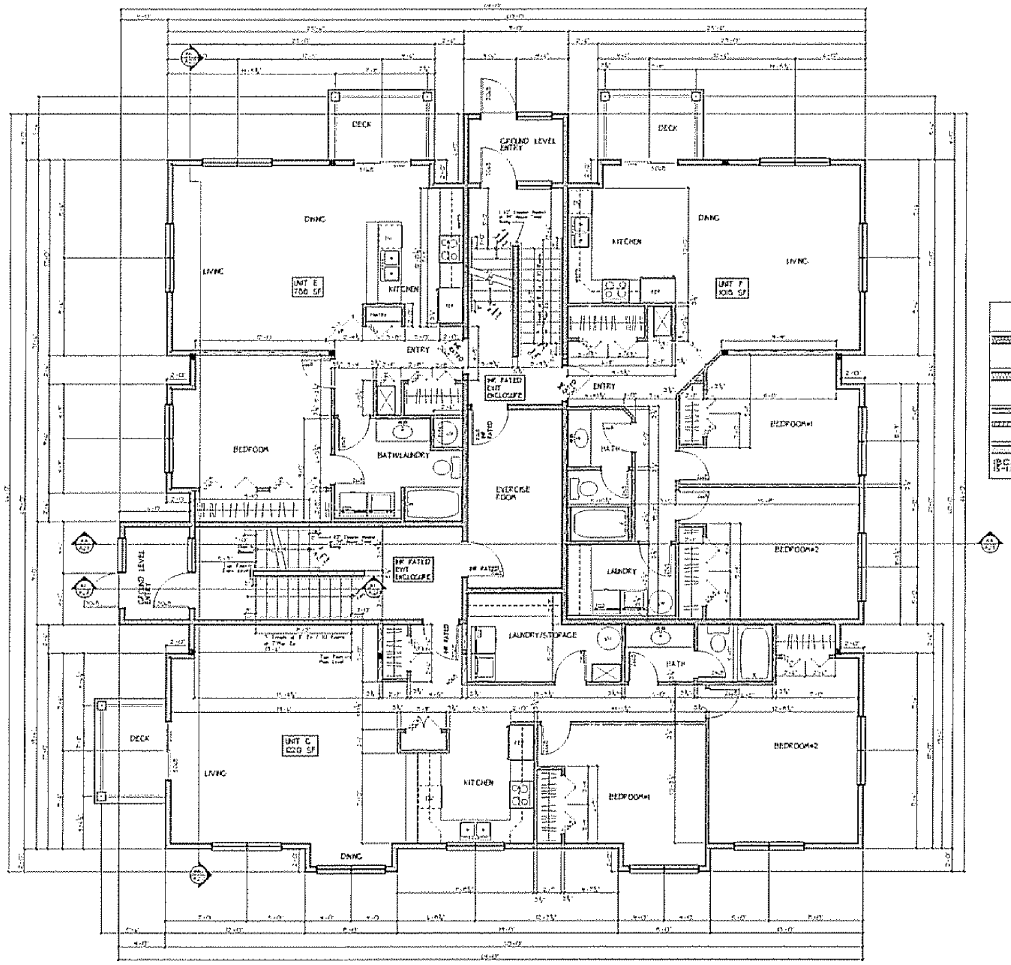
EXHIBIT C



WALL SCHDULE

IBC/2003 IRC/03	

NOTE REFER TO STRUCTURAL PLANS FOR SHEAR WALL LOCATIONS AND PLYWOOD SHEATHING

MAIN LEVEL PLAN

MARK T. JOHNSON ARCHITECT, Ltd
Mark T. Johnson Architect
660 Stone St. Kalispell, MT 59901
(406)755-0354 (406)756-5992 Fax

Falcon View Condominiums
Whitefish, Montana

MARK	DATE	MARK	DATE

REVISIONS

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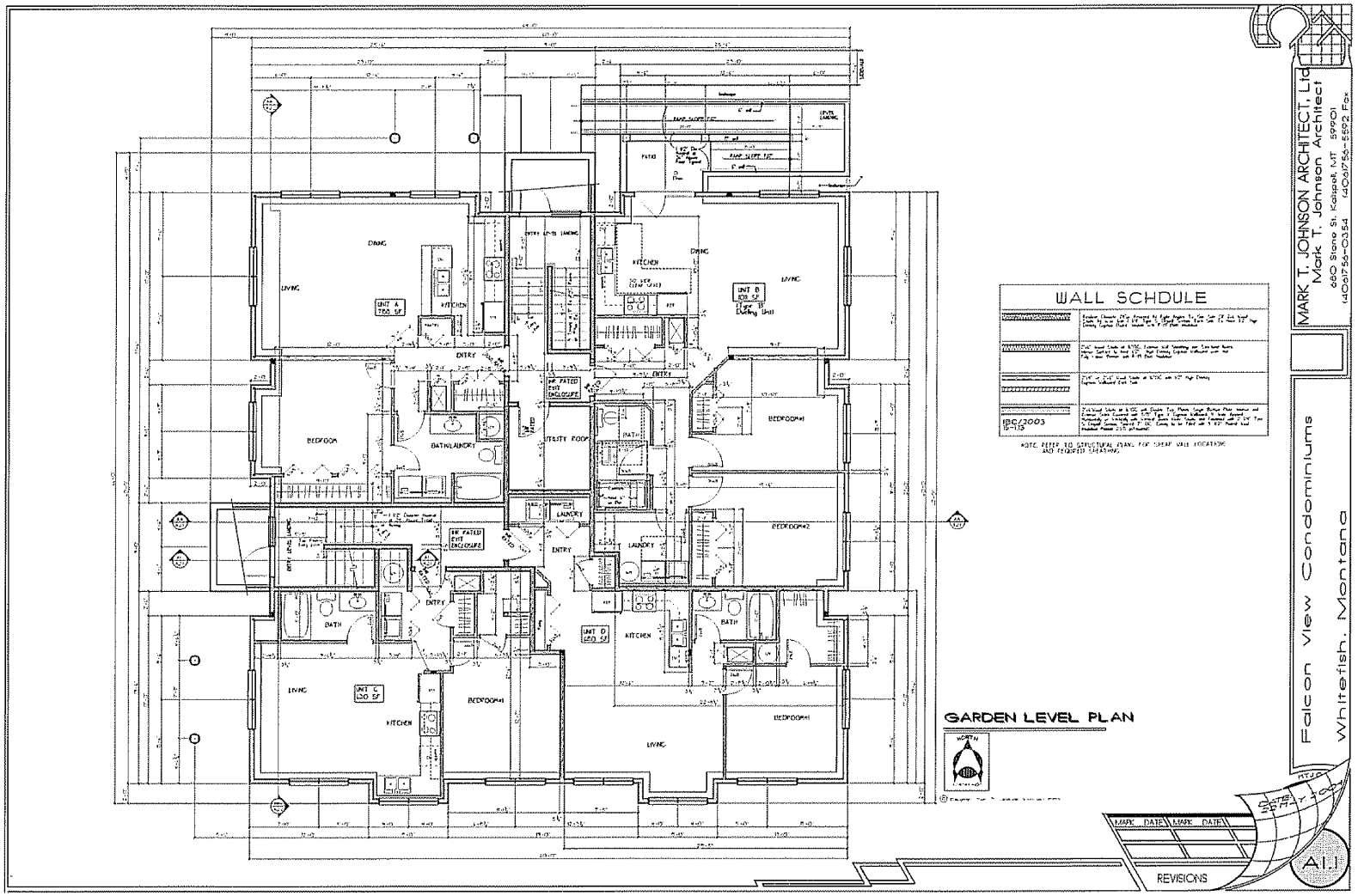

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Plat Room
Flathead County, Montana
800 S. Main St.
Kalispell, MT 59901
(406) 758-5510

This Form is for Subdivisions & Condominiums Only

BY: Mark Johnson

FOR: George Josh Joseph DATE 1/25/05

DESCP: Falcon View Condominiums PURPOSE Condo

YEARS	ASSESSOR #
2000 THRU 2004	0306208
_____ & TO DATE	_____

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) JAN 26 2005

Exhibit D

STATEMENT OF COVENANTS, CONDITIONS, RESTRICTIONS, AND BY-LAWS OF THE ASSOCIATION OF UNIT OWNERS OF

FALCONVIEW CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

INTRODUCTION - - PLAN OF UNIT OWNERSHIP

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Section 1. The provisions of these Statement of Covenants, Conditions, Restrictions and By-Laws ("By-Laws") apply to the use and occupancy of FALCONVIEW CONDOMINIUM, a condominium project located on the real property described on Exhibit 'A' to the Declaration of Condominium pertaining to "FALCONVIEW CONDOMINIUM" and by this reference made a of as if set forth in full at this point, as shown in the official records of the Flathead County Clerk and Recorder, and as shown on the plans submitted with the Declaration pursuant to the requirements of Chapter 23. Title 70 of the Montana Code Annotated, hereinafter referred to as the "Unit Ownership Act."

ARTICLE II

NAME AND OFFICES OF ASSOCIATION

Section 1. The name of this association shall be FALCONVIEW CONDOMINIUM ASSOCIATION INC., with business offices located at 104 Colorado Avenue, Whitefish, Montana 59937. The FALCONVIEW CONDOMINIUM is located at 104 Colorado Avenue, Whitefish, Montana 59937. The registered agent for FALCONVIEW CONDOMINIUM ASSOCIATION INC. is Sean S. Frampton, 341 Central Avenue, Whitefish, Montana 59937.

ARTICLE III

DEFINITIONS

Section 1. Statutory Definitions. Except as expressly stated herein and unless the contents hereof requires otherwise, the terms used in these By-Laws shall be those set forth in Section 70-23-102, of the Montana Unit Ownership Act, or, if defined in the Declaration of Condominium, as defined in the Declaration. The terms "declarant" and "developer" shall mean and refer to George J. Joseph, his successors and assigns.

ARTICLE IV

MEMBERSHIP AND VOTING

Section 1. All owners of units in FALCONVIEW CONDOMINIUM shall be members of the FALCONVIEW CONDOMINIUM ASSOCIATION, INC. hereinafter referred to as the

"Association". The owner of any unit shall automatically become a member of the Association and shall remain a member thereof until such time as the ownership of such unit ceases for any reason at which time the corresponding membership in the Association shall automatically cease; provided, however, that soon extent and for such purposes, including voting, as shall be provided by the terms of any appropriate written document filed with the Board of Directors of the Association, the mortgagee, trust indenture beneficiary, or contract seller of any unit declared in default under such instrument shall be deemed to be the owner thereof.

Section 2. The share of a co-owner in the funds and assets of the Association cannot be assigned. pledged or transferred in any manner except as an appurtenance to his or her unit in the condominium.

Section 3. Voting shall be on a percentage basis, and the percentage of the vote to which the owner is entitled is the percentage assigned to such owner's unit or units in the Declaration.

Section 4. No co-owner shall be entitled to vote at any meeting of the Association until he or she has presented evidence of ownership of a unit in the condominium project to the association. The vote of each co-owner may be cast by the individual representative designated by the co-owner in the notice required in Section 5 below or by a proxy given by that individual's representative.

Section 5. Each co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the association and receive all notices and other communications from the Association on behalf of the co-owner. The notice shall state the name and address of the individual representative designated, the number of the condominium unit or units owned by the co-owner, and the name and address of each person, firm, c corporation, partnership, association, trust or other entity who is the co-owner. The notice shall be signed and dated by the co-owner. The individual representative designated may be changed by the co-owner at any time by filing a new notice in the manner provided in these bylaws.

Section 6. Votes may be cast in person or by proxy or by writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the secretary of the Association at or before the appointed time or each meeting of the members the association. Cumulative voting shall not be permitted.

Section 7. A majority, except where otherwise provided in these bylaws, shall consist of more than 50 percent of those qualified to vote and present in person or by proxy (or by written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically in these bylaws, a majority may be required to exceed the simple majority set forth above.

Section 8. The method or formula used to determine the percentage of value of units in the project for other than voting purposes, and any provisions relating to the ability or terms under which a co-owner may, rent a unit, may not be modified without the consent of each

affected co-owner and mortgagee. A co-owners condominium unit dimensions or appurtenant limited common elements may not be modified without the co-owner's consent.

ARTICLE V

MEETINGS OF MEMBERS

Section 1. There shall be an annual meeting of voting members of the Association on the first Monday of the second month after the end of each fiscal year of the Association at a time and place designated in the written notice thereof delivered to voting members by the Board of Directors at least ten (10) days prior to the date of said meeting. At the annual meeting, the Board of Directors shall present a written statement to each voting member of the financial condition of the Association, itemizing receipts and disbursements for the preceding calendar year with the allocation thereof to each Unit Owner and a budget and assessments for the prior year. Any voting owner not present shall receive said statement within ten (10) days after the annual meeting. The first annual meeting shall not occur until after the special meeting of owners as set forth in Article VI.

Section 2. Special meetings may be called 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 at least ten (10) days prior to the date of such meeting to all voting owners. Such written notice may be initiated by a majority of the Board of Directors or by fifty percent (50%) of the unit votes. Such notices shall specify the date, time and place of the meeting as well as all matters to be considered.

Section 3. The presence in person or by proxy of 50 percent of the co-owners qualified to vote shall constitute a quorum, for holding a meeting of the members of the association, except for voting on questions specifically required in these bylaws to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting that person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast. All decisions of the association shall be by a majority of the quorum, except as specifically provided in these bylaws.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. The business and property of the Association shall be managed under the direction of a Board of Directors consisting of four (4) Directors who shall be elected by the members of the Association. The number of directors may be increased to any number or decreased to any number but not less than three (3) upon unanimous vote of the members. Each Director shall be an owner of a unit in FALCONVIEW CONDOMINIUMS. Each Director shall be elected for a term of one (1) year.

Section 2. Within thirty (30) days after there are two Unit Owners other than the developer. the developer or his designated representative shall call and chair a special meeting of the owners. Written notice of said special meeting shall be given to all voting owners at least ten (10) days prior to the meeting. At soon special meeting, a Board of Directors shall be elected to serve until the first annual meeting of voting owners. At the first annual meeting of owners, the first Board of Directors shall be replaced by Directors duly elected at the meeting. Such Directors shall then serve until the next annual meeting. Prior to the election of the first Board of Directors, the developers shall exercise all the powers of the Board of Directors.

Section 3. An annual meeting of the Board of Directors shall be held on the first Monday of the second month after the end of the fiscal year of the Association after the members meeting.

Section 4. Special meetings of the Board of Directors may be called by the Chairperson or in his or her absence by the Secretary/Treasurer. By unanimous consent of the Directors, a special meeting may be held without notice at any time or place.

Section 5. Notice of all regular and 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 5 days prior to the time fixed for the meeting. Such notice shall specify the time and place of meeting, and in the case of special meetings shall state the purpose or purposes thereof. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting.

Section 6. A quorum for the transaction of business at any regular or special meeting of the Directors shall consist of three (3) members of the Board. All votes of directors must be by majority of the total number of Directors on the Board. The only exception shall be as stated in Article VIII, Section 5.

Section 7. The Directors shall elect the officers of the Association specified in Article VII of the By-laws at the Directors' meeting following each annual meeting of the members of the Association. An officer may be removed at any time by a unanimous vote of the full Board of Directors of the Association.

Section 8. Any vacancy or vacancies on the Board of Directors may be filled by the remaining Directors at any special or regular Directors' meeting after the death, incapacity, removal, or resignation of any Director.

Section 9. The Board of Directors shall have the responsibility for, and authority to do all things necessary for:

(a) The maintenance, upkeep and repair of the general and limited common elements, including any common elements which may be shared with other owners outside of the Association. e.g., roads, the maintenance, upkeep and repair of any access and parking easement. the purchase, maintenance and replacement of any equipment and provision of

all water and utility services required for the common elements, and payment for the expense thereof, including the method of approving payment vouchers.

(b) The employment of personnel necessary for the maintenance, upkeep and repair of the common elements.

(c) The manner of collecting from the Unit Owners their shares of the common expenses, fees and reserve funds.

(d) The method of adopting and of amending administrative rules and regulations governing the details of the operation and use of the common elements.

(e) The formulation, adoption of rules and regulations and enforcement of restrictions on and requirements respecting the use and maintenance of units and the use of the common elements, designed to prevent unreasonable interference with the use by the Unit Owners of their respective units and of the common elements.

(f) Provision at each unit of all water, sewer, and such other utility services and utilities as the Board shall deem necessary either at the expense of such unit or as a common expense as determined by the Board.

(g) Preparation and adoption at least thirty (30) days before the beginning of each fiscal year of a budget and schedule of assessments for such year.

(h) The filing of any state and federal tax returns as may be required for the Association.

(i) The payment of any real and personal property taxes and assessments on the common elements.

(j) As a directive to the Directors in order to complement and supplement the above responsibilities and authority, it is specifically provided that the following shall be maintained in the same condition as at the time of the filing of the Declaration of Condominium for FALCONVIEW CONDOMINIUM, reasonable wear and tear excepted: parking lot, access and parking easement, landscaping and lighting, highway and building signs, building exterior, and exterior lighting.

Section 10. The Board of Directors shall have the authority to engage the services of a manager or management service for administration, set his or her compensation, and specify his or her authority. The manager may be discharged by a unanimous vote of the full Board of Directors. The management contract for any employed manager shall not be for a term of more than two (2) years and shall contain provisions allowing for its termination by either party without cause with not more than ninety (90) days notice and without payment of any termination fee or penalty. Only one manager or management service shall be hired at one time.

Section 11.

(a) The Board of Directors, or the manager with its authority, shall cause the property to be insured against loss or damage by fire and related casualty ("blanket all risk") in an amount representing the full insurable value thereof as determined by the Board. The cost for such insurance shall be a part of the common expense. The carrying of such insurance shall not preclude any Unit Owner from carrying insurance at his own cost for his own benefit, subject to the conditions set forth in sub-section (f) of this section; the interior of any unit shall not be insured by the Association and insurance thereon shall be an Unit Owner's individual responsibility.

(b) All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees and contract sellers of units. Copies of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums; shall be delivered to all owners, mortgagees, and contract sellers of units at least ten (10) days prior to the expiration of the then current policies. Periodically, the Board of Directors shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the property, including all of the units and the common elements, without deduction for depreciation for the purpose of determining the amount of fire insurance to be effective pursuant to this section.

(c) The Board of Directors, or the manager of its authority, shall cause public liability arc property damage insurance to be carried, insuring the Association and the Unit Owners for liability for personal injuries to or the death of any person, or damage to property resulting from the ownership, use or occupancy of the property, with policy limits in excess of the minimum to be determined by the Board. The policy shall have a cross liability endorsement to cover liabilities of the Unit Owners as a group to one another. The cost of such insurance shall be a part of the common expenses and the carrying of such insurance shall not preclude any Unit Owner from carrying like insurance at his own Cost for his own benefit, provided that such insurance shall contain waivers or subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insureds.

(d) In the event of a loss exceeding $1,000.00, all Association insurance proceeds will be paid to the designee of the Board of Directors as Trustee for disbursement. The Association or its designated Trustee shall be a named insured on all insurance policies purchased by the Association as hereinabove authorized. Each policy shall contain a standard mortgagee clause in favor of each mortgagee or contract sellers of any units which shall provide that proceeds shall be payable to such mortgagee, beneficiary, or contract seller as its interest may appear.

(e) The Board of Directors shall review the adequacy of limits of coverage of insurance policies and report annually its opinion regarding same to the membership of the Association at its annual meeting.

(f) Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation and provided that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

(g) The Board of Directors may maintain fidelity bonds to cover all officers, Board members, or managers who handle funds, naming this Association as obligee.

(h) If the project is damaged by fire or other casualty which is insured against and such damage is not in excess of 50% of replacement costs of the project, the Board of Directors shall use the proceeds to rebuild or repair such damaged portion in accordance with the original plans and specifications. If such damage exceeds 50% of the replacement costs, then the decision to repair or restore shall be determined by the voting members of the Association at a meeting called for that purpose, which meeting must be held not more than 45 days after the occurrence of the damage referred to. If all of the voting members vote by written ballot in favor of repairing or restoring, any insurance proceeds available shall be used for that purpose. In either event of repair, if the insurance proceeds are insufficient to pay all the costs of repairing, the board shall levy a special assessment on all Unit Owners as a general common expense. If a decision is made not to rebuild, the insurance proceeds and any sale or other proceeds shall be made payable to the unit holders in accordance with their respective undivided interest in the common elements after first paying out of each respective shares of a Unit Owner, to the extent sufficient, any liens on a Unit Owner's undivided interest.

(i) The Association is irrevocably appointed as agent for each Unit Owner and for each owner of a mortgage or other lien upon a unit and for each owner of any other interest in the condominium property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

Section 12. All checks, drafts, notes, acceptances. conveyances, contracts are other instruments shall be signed on behalf of the Association by such person or person 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 instrument, by the President or the Secretary/Treasurer.

Section 13. At a meeting called expressly for that purpose, ore or more Directors, or the entire Board of Directors, may be removed, with or without cause, by a vote of all the Unit Owners. If less than the entire Board is to be removed, no one of the Directors may be removed if the votes cast against his or her remove would be sufficient to elect him or her if then cumulatively voted at an election of the entire Board of Directors or, if there be classes of Directors. at an election of the class of Directors of which he or she is part.

Section 14. The Board or its manager may enter any Unit when necessary in connection with any maintenance, repair or construction for which the Board is responsible and for inspection where there is reasonable cause either that a covenant set out in this statement has been. violated or that a condition exists which is noxious, offensive, or dangerous to the other Unit Owners and for correction of the above. Such entry shall be made with as little inconvenience to the occupants as practicable, and any damage caused thereby shall be repaired by the Board, at the expense of the Common Expense Fund.

Section 15. The Board shall have the authority to negotiate and enter into on behalf of the Association any agreements it deems necessary for the best interests of the Association, including any agreements with other Associations or persons or entities for maintenance, repair and use of any common entities or facilities shared with others.

ARTICLE VII

OFFICERS

Section 1. The officers of this Association shall be a President (also referred to as Chairperson), and a Secretary/Treasurer, each of whom shall be elected for a term of one (1) year by the Board of Directors and shall hold office until their successors are duly elected and qualified. There is no requirement that an officer be a Unit Owner. The Board may appoint such committees and committee chairpersons as appears necessary in its judgment.

Section 2. 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 Secretary/Treasurer.

Section 3. 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 records and papers, and shall have custody of all money arc securities of the Association and shall give bond in such amount as is required by the Directors, conditioned upon the faithful performance of the duties of this office. The Secretary/Treasurer shall keep regular cooks of account and shall submit them, together with all of his or her vouchers, receipts, records and other pacers 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 VIII

FINANCE

Section 1. The funds of the Association shall be deposited in such bank or banks, building and loan or savings and loan associations as the Directors shall designate and shall be withdrawn only upon the check or order of an officer of the Association duly authorized by the

Board of Directors, or by a manager if so authorized. Common expenses, unless stated otherwise herein, shall be charged to Unit Owners according to the percentage of undivided interest of each in the common elements. Limited common expenses shall be charged to the Unit Owner to whose use it is limited.

Section 2. The Directors shall establish an Operating Fund into ,which the monthly estimated cash requirement assessments shall be deposited upon receipt from Unit Owners and from which payment of operating expenses shall be made.

Section 3. The Directors may also establish a Reserve Fund for contingencies to be used to meet any deficiency in the Operating Funds which may result from any inadequate estimated cash requirement or as a result of delinquencies in the payment of operating assessment by Unit Owners, or as a result of the purchase of a unit ownership pursuant to Section 78-23-609, Montana Code Annotated, Said fund shall be created and maintained by increasing the estimated cash requirements assessments to each Unit Owner by and amount not to exceed ten percent (10%) thereof and such increase snail be the "Reserve Fund Assessment", provided, however, that said reserve fund assessment shall not be made or shall be discontinued when there is on deposit therein a total sum equal to twenty-five percent (25%) of the estimated cash requirements for the then current year but said assessments may be resumed when the amount in said reserve fund falls below said twenty-five percent (25%). The funds assessed for the Reserve Fund shall be deposited in a separate special account.

Section 4. The directors may also establish a special assessment for capital improvements or other expenses which the Board may determine to be in the best interests of the Association. Any funds assessed as a special assessment shall be deposited in a separate special account.

Section 5. In the event of default by any Unit Owner in paying the Board of Directors of all or part of any assessment (which include, but are not limited to the assessments specified in Section 1, 2, 3, and 4 of this Article) when due, the Board of Directors shall have the right to a lien against the unit of the nonpaying owner and the owner's interest in the common elements as set forth in the Unit Ownership Act. The Board shall record the lien as set forth in Section 70-23-607, Montana Code Annotated. The Board shall also have the right to assess a late penalty amounting to $10.00 per month for fees unpaid after the tenth day of any due date. Furthermore, when a Unit Owner is declared to be in default, such Unit Owner shall be obligated to pay interest at the rate often percent (10%) per annum on such assessment from the due date thereof together with all expenses including any reasonable attorney fees incurred by the Board of Directors in any efforts to collect such unpaid expenses. After a Unit Owner is more than 60 days delinquent the Board shall give the owner and any mortgagee or contract seller a 15-day notice of the delinquency and demanding payment of all amounts due to date. After the 15-day period, the Board of Directors shall have the right and duty to attempt to recover such amounts together with interest thereon and the expenses of the proceeding including attorney's fees in an action brought against such Unit Owner or by foreclosure of the lien on such unit granted by Section 70-23-607, Montana Code Annotated. Liens for expenses shall be subordinate to a mortgage or trust indenture previously given on any unit interest, and it shall be unnecessary for the holder of such mortgage or trust indenture to participate in any action resulting from liens for common

expenses. If a delinquent Unit Owner is on the Board of Directors, he or she may not vote on any matters regarding his or her delinquency.

Section 6. In any action brought by the Board of Directors to foreclose a lien on a unit or units because of unpaid assessments, the Unit Owner shall be required to pay a reasonable rental for the use of his or her unit or units and the plaintiff in such action shall be entitled to the appointment of a receiver to collect such rental. The Board of Directors or the Manager acting on behalf of the Unit Owners shall have the power to purchase such unit or units at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. A suit to recover the money judgment for unpaid expenses shall be maintainable without foreclosing or waiving the lien securing the same, provided, however. that no such suit or judgment shall be brought against a purchaser who obtains title as a result of foreclosure of the first mortgage or trust indenture for costs not incurred by him as an owner.

Section 7. The Board of Directors shall promptly provide any Unit Owner who makes a request in writing with a written statement of his or her unpaid assessments.

Section 8. The Directors shall have the authority to borrow money to meet any deficiency in the payment of Association expenses or to meet any emergency that may arise in the management of the property.

Section 9. The Board of Directors or the manager shall keep detailed records of the action of the Board of Directors and the manager, minutes of the meetings of the Board, minutes of the meetings of the Unit Owners, and financial records and books of account of the condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each unit relating to a single owner. which among other things shall contain the account of each assessment against such unit, the date when due. the amounts paid thereof, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the condominium shall be rendered by the Board of Directors to all Unit Owners but not later than ten (10) days prior to the annual meeting as set forth in Article V, Section 1, and to all mortgagees, trust indenture beneficiaries or contract sellers of units who have requested the same, as soon as is reasonably practical after the end of each fiscal year.

ARTICLE IX

OWNER'S RIGHTS AND OBLIGATIONS

Section 1. Each Unit Owner shall be entitled to the exclusive ownership interest and possession of his or her unit, and its appurtenant limited common elements.

Each Unit Owner shall be entitled to an undivided interest in the common elements as described the Declaration of Condominium and, except as stated in such Declaration, such undivided interest shall not be altered unless all Unit Owners having an interest in the common elements agree thereto and record and amendment to the Declaration setting forth the altered percentage of each Unit Owner having an interest. The undivided interest of a Unit Owner in common elements shall not be separated from me unit to which appertains.

Each Unit Owner may use the common elements in accordance with the purposes for which they are intended but may not hinder or encroach upon the lawful rights of other Unit Owners.

Each Unit Owner shares in the use of the sewer utilities. The Association is responsible for all repair work that needs to be done to the sewer system.

Section 2. The common profits of the common elements of the property shall be distributed among and the common expenses shall be charged to the Unit Owners according to the percentage of undivided interest of each in the common elements; except that Limited Common Expenses shall be allocated and payable by the owner(s) to whom their use is limited unless the expense is otherwise allocable by the Declaration or By-Laws, as special use assessments, subject to all provisions regarding assessments set forth in these articles.

Section 3. No Unit Owner may exempt himself or herself from liability for assessments by waiver of the use or enjoyment of any of the common elements or by abandonment of his or her unit.

Section 4. Each Unit Owner shall comply with these By-Laws and with any administrative rules and regulations adopted pursuant thereto with the Declaration, and with any covenants, conditions and restrictions in the deed to his or her unit. Failure to comply therewith shall be grounds for an action maintainable by the Association or by an aggrieved Unit Owner.

Section 5. A Unit Owner shall make no alteration or perform any other work on his or her unit which would jeopardize the soundness or safety of the entire property, reduce the value thereof, or impair any easement or hereditament unless the consent of all of the other Unit Owners affected is first obtained.

Section 6. All necessary work of maintenance, repair and replacement of the common elements and additions or improvements to the common elements shall be carried out only as provided by these By-Laws and under the supervision of the Board of Directors of the Association.

Each Unit Owner shall maintain their respective unit to the standards established from time to time by the Board of Directors which standards shall not be less than the condition of the unit at the time of filing Declaration, reasonable wear and tear excepted, and shall accomplish all repairs or maintenance within thirty (30) days following receipt of written notice from the Board of its designated manager of any such repairs required to comply with such standards.

Section 7. In the event any owner of the Units shall wish to sell and shall have received a bona fide offer from a prospective purchase, the remaining owners shall be given written notice thereof, together with an executed copy of such offer and the terms thereof. Such notice and copy shall be given to the Board of Directors or through a person named by the Board of Directors, and any other Unit Owner shall have the right to purchase the subject unit upon the sale terms and conditions as set forth in the offer therefore, or find another buyer willing to make a

comparable offer, provided written notice of such election to purchase or fund another buyer is given to the selling owner, and a matching down payment or deposit is provided to the selling owner during the twenty (20) day period immediately following the delivery of the notice of the bona fide offer and copy therefore to purchase. In the event any owner shall attempt to sell his Unit without affording to a majority of the other Owners the right of first refusal herein provided, such sale shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser.

In no case shall the right of first refusal reserved herein affect the right of an Owner to subject his unit to a mortgage, trust, deed, or other security instrument.

The failure of or refusal by the other Owners to exercise the right to purchase shall not constitute or be deemed to be a waiver of such right to purchase when an Owner receives any subsequent bona fide offer from a prospective purchaser.

ARTICLE X

USE OF UNITS AND COMMON ELEMENTS

Section 1. The units and common elements shall, in addition to all of the other provisions of the Declaration, be occupied and used only subject to the following covenants and restrictions:

(a) Dwelling Units: All units in FALCONVIEW CONDOMINIUM shall be used primarily residential purposes and activities.

(b) Use of Limited Common Elements: There will be no use or occupancy of any limited common elements appurtenant to a unit except by the Unit Owners of such unit.

(c) Maintenance of Units: Every owner shall, at his or her own expense at all times, repair, maintain, and keep his or her unit, including without limitation all internal installations therein such as water, electricity, gas, telephone, sewer, sanitation, air conditioning, lights and all other fixtures and accessories belonging to such unit and the interior decorated or furnished surfaces of all walls, floors and ceilings of such unit, roofing, siding materials, paint, windows and doors in good order and condition except as otherwise provided by law or the Declaration, and shall be liable for all loss or damage whatsoever caused by his or her failure to perform any such work diligently, and in case of such failure upon reasonable notice to perform shall reimburse to the Association promptly on demand all expenses incurred by it in performing any such work authorized by the Board of Directors or the manager. Every Unit Owner and occupant shall reimburse the Association promptly on demand all expenses incurred by it in repairing or replacing any uninsured loss or damage or dilapidation to the units or any appurtenant limited common elements caused by the negligence, misuse, or neglect of such owner or occupant or any agent or guest of them and shall give prompt notice to the manager of any such loss or damage or other defect when discovered.

(d) Obstructions: There shall be no obstruction of the common elements or shall anything be stored in or on the common elements, except with the express written consent of the Board of Directors.

(e) Laws and Sanitary Condition: Every Unit Owner and occupant shall at all times keep his or her unit in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association.

(f) Waste: No Unit Owner or occupant shall make or suffer any waste or unlawful, improper or offensive use of his or her unit or the common elements nor alter or remove any equipment of the common elements.

(g) Additions to Common Elements: No Unit Owner or occupant shall make any additions or alterations to any common elements of the property, nor place or maintain thereon any signs or posters whatsoever, except in accordance with plans and specifications approved by all Unit Owners or with the express written consent of the Board of Directors.

(h) Garbage: No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the project outside of the disposal facilities which may be provided for such purpose. Except as provided by separate action of the Directors, all garbage shall be kept within the unit except on days designated for garbage collection.

(i) Impairment of Structure, Utilities, or Insurance: Nothing shall be allowed, done or kept in any unit or common element of the project which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

(j) Structural Integrity: Nothing shall be done in any unit or in, on, or to the common elements which will impair the structural integrity of the buildings or which would structurally change the buildings, except as is otherwise specifically provided herein.

(k) Moving Damages: All damage to common elements caused by the moving or carrying of articles therein shall be the responsibility of, and shall be paid for by the Owner of such articles.

(l) Pets: Dogs are permitted on the premises. Pet owners are responsible for keeping the dog(s) on a leash at all times and removing and disposing of pet waste.

(m) Protrusions: No owner, lessee, or licensee shall install wiring for electrical or telephone installation, television antenna, machines or air-conditioning units or the like on the exterior of the project, or which protrude through the walls or the roof of the project except as authorized by the Board of Directors.

(n) Awnings and Signs: No draperies, shades, awnings, or the like shall be used except as shall have been installed or approved by the Board of Directors, and no signs of any kind shall be placed in or on the windows, doors, facades, or other exterior surfaces of the building other than business signs similar to those on the premises at the time of the Declaration.

(o) Entry: Each Unit Owner shall provide the Board of Directors with such key or keys as are necessary to gain access to his or her unit, and any Owner altering lock or installing new lock on any door providing access to his or her unit shall provide a key or keys to such new or altered lock to the Board of Directors.

(p) Parking: Each Unit Owner shall be permitted to use two parking spaces.

(q) Rules and Regulations: There shall be no violation of the Rules and Regulations for the use of units or the common elements adopted by the Board and furnished in writing to the owners.

Section 2. In addition to any other remedy hereunder or given by law, the Board, upon unanimous concurrence shall be authorized to enforce compliance with the Declaration, these By-Laws, the Unit Ownership Act, or any covenants, conditions or restrictions of the Rules and Regulations as the Board may provide in its Rules and Regulations. Such remedy may include appropriate fines, upon reasonable notice. Any attorney fees for obtaining compliance shall be paid by the noncomplying Unit Owner.

ARTICLE XII

AMENDMENT

Section 1. No amendment of the By-Laws shall be effective unless approved by a vote of all of the Unit Owners and until a copy of the By-Laws, as amended, certified by the presiding officer and Secretary of the Association, is recorded with the Clerk and Recorder of Flathead County, Montana.

Section 2. An amendment may be proposed at any regular meeting of the Board of Directors by a Director or it may be proposed by written petition of fifty percent (50%) of the votes at a regular or special meeting of the Board of Directors or owners. Such proposed amendment(s) shall be sent by registered or certified mail to each Unit Owner, and shall be voted upon by Unit Owners by secret ballot at an election to be set by the Board of Directors no more than one (1) month after such amendment is proposed.

ARTICLE XIII

RECORDING

Section 1. A copy of By-Laws shall be recorded simultaneously with the Declaration of Condominium for the FALCONVIEW CONDOMINIUM.

ARTICLE XIV

MISCELLANEOUS

Section 1. All notices to the Board of Directors shall be sent by registered or certified mail in care of the manager or if there is not manager, 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 Unit Owners shall be sent postage prepaid to the address furnished by each Unit Owner, with copies to all mortgagees or contract sellers.

Section 2. The invalidity of any part of these By-Laws shall not affect or impair in any manner the validity, enforceability, or effect of the balance of these By-Laws.

Section 3. No restriction, condition, obligation, or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches thereof which may occur.

Section 4. Where the word "mortgagee" appears in these By-Laws, it shall include a trust indenture beneficiary or contract seller as well.

ARTICLE XV

CONFLICTS

Section 1. These By-laws are set forth to comply with the requirements of the Unit Ownership Act. In case any of these By-Laws conflict with the provisions of such statutes or of the Declaration of Condominium, the provisions of such statutes or of the Declaration of Condominium, as the case may be, shall control.

IN WITNESS WHEREOF, the undersigned, as Developers, and the first President and Secretary of the FALCONVIEW CONDOMINIUM have hereunto executed these By-Laws, and certify them to be a true copy of the By-Laws adopted by such Association.

Signed this 24 day of January, 2005.

President – George J. Joseph

Signed this 24 day of January, 2005.

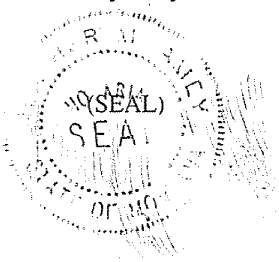
2005028 15500

Secretary/ Treasurer – George J. Joseph

State of Montana)
:ss
County of Flathead)

On this 24 day of January, 2005, before me the undersigned, a Notary Public in and for the state aforesaid, personally appeared GEORGE J. JOSEPH, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledgment to me that he executed the foregoing Declaration.

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



Heather M Amey

Printed Name: Heather M Amey
Notary Public for the State of Montana
Residing in Whitefish, MT
My Commission: 12/10/2006

2005028 15500

CERTIFICATION BY DEPARTMENT OF REVENUE

I the undersigned, Stephanie Jackson 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 28th day of January 2005.

Stephanie Jackson

STATE OF MONTANA COUNTY OF FLATHEAD) ss
RECORDED IN THE RECORDS OF FLATHEAD COUNTY, STATE OF MONTANA, COPY,
AT THE REQUEST OF Morrison Frampton
Jan 28 2005 3:50 O'CLOCK P 168 00 00 PAID
PAM A. ROBINSON, CLERK AND RECORDER BY
Micki Grosbach DEPUTY
RETURN
DOCUMENT #

Morrison & Frampton
341 Central Ave
Whitefish MT 59937

2005028 15500

2005040 /6010

S

AMENDMENT TO DECLARATION OF CONDOMINIUM UNDER UNIT OWNERSHIP ACT PERTAINING TO FALCON VIEW CONDOMINIUMS

This Amendment made this 9 day of February, 2005, by George Josh Joseph, (hereinafter "Declarant") as the Declarant of the Covenants, Conditions and Restrictions and By-Laws (hereinafter "By-Laws") for Falcon View Condominiums, for itself, grantees, and assigns:

Whereas, Declarant filed its By-Laws on January 28, 2005, as Doc. No. 200502815500, records of the Clerk and Recorder, Flathead County, Montana; and

Whereas, Declarant, as the sole Unit Owner, desires to amend the Declaration pursuant to its authority as found in the By-Laws Article XII Section 1 and 2;

Now, therefore, Declarant amends the Declaration as follows:

3. Description of Property

The property, submitted to the Unit Ownership Act, consists of the real property described in Exhibit "A". The Units comprising the Condominium will be located in the one (1) building. The building will contain three (3) levels. The Main Level and Upper Level will have three units each. The Garden Level will have four (4) units. The buildings are located on the above-described property in the manner shown on the plans and specifications attached as Exhibit "C". Said plans and specifications, as certified by Mark T. Johnson, Registered Architect, accurately depict the Units and the building layout, as located on the above-described property, with the square footage and design of each Unit indicated thereon. *See* Affidavit of Mark T. Johnson, Exhibit "B". On Exhibit "C" attached hereto are also the dimensions of each Unit. Each Unit will consist of the square footage indicated on Exhibit "C". Each unit, in the plans submitted herewith, bears an alphabetical letter designation for purposes of identification.

Declarant

By: _____
George Josh Joseph

STATE OF MONTANA)
: ss.
COUNTY OF FLATHEAD)

The foregoing instrument was acknowledged before me this 9 day of February, 2005, by George Josh Joseph.

Heather M Amey
Notary Public for the State of Montana
Residing at Whitefish MT
My Commission Expires 12/10/06

(SEAL)

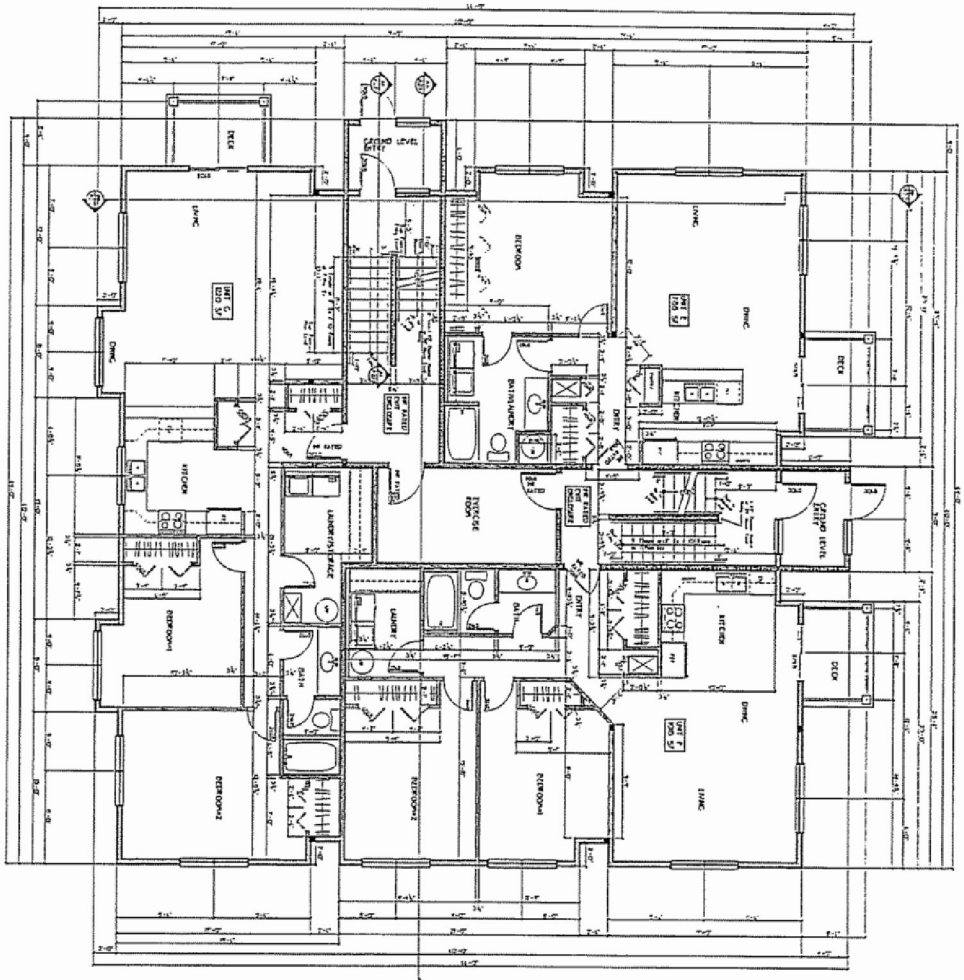
HEATHER M. AMEY NOTARY PUBLIC STATE OF MONTANA NO. ARIA SEAL

APPROVED 9/9/05 BK

0306208

2005040 16010

EXHIBIT C



MAIN LEVEL PLAN

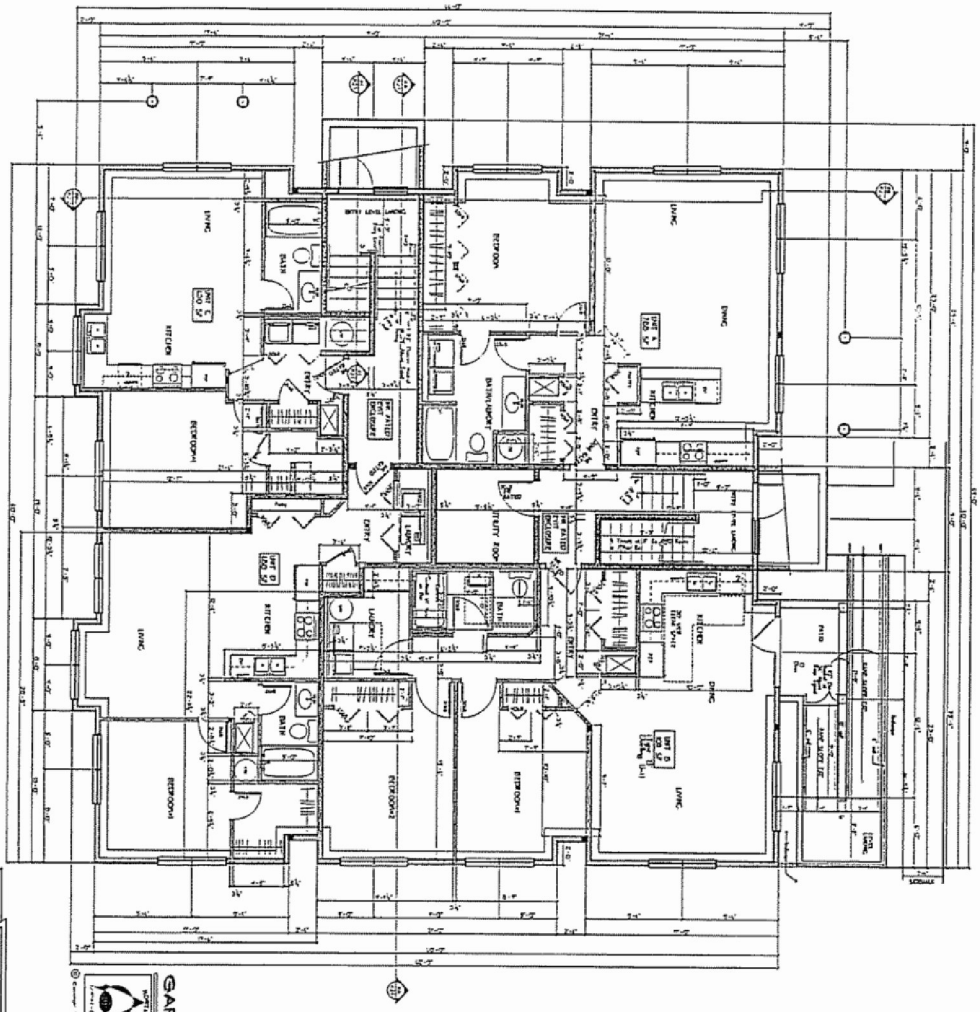
WALL SCHDULE

Falcon View Condominiums

Whitefish, Montana

MARK T. JOHNSON ARCHITECT, Ltd
Mark T. Johnson Architect
660 Stone St. Kalispel, MT 59901
(406)756-0354 (406)756-5592 Fax

2005040 16010



GARDEN LEVEL PLAN

WALL SCHDULE

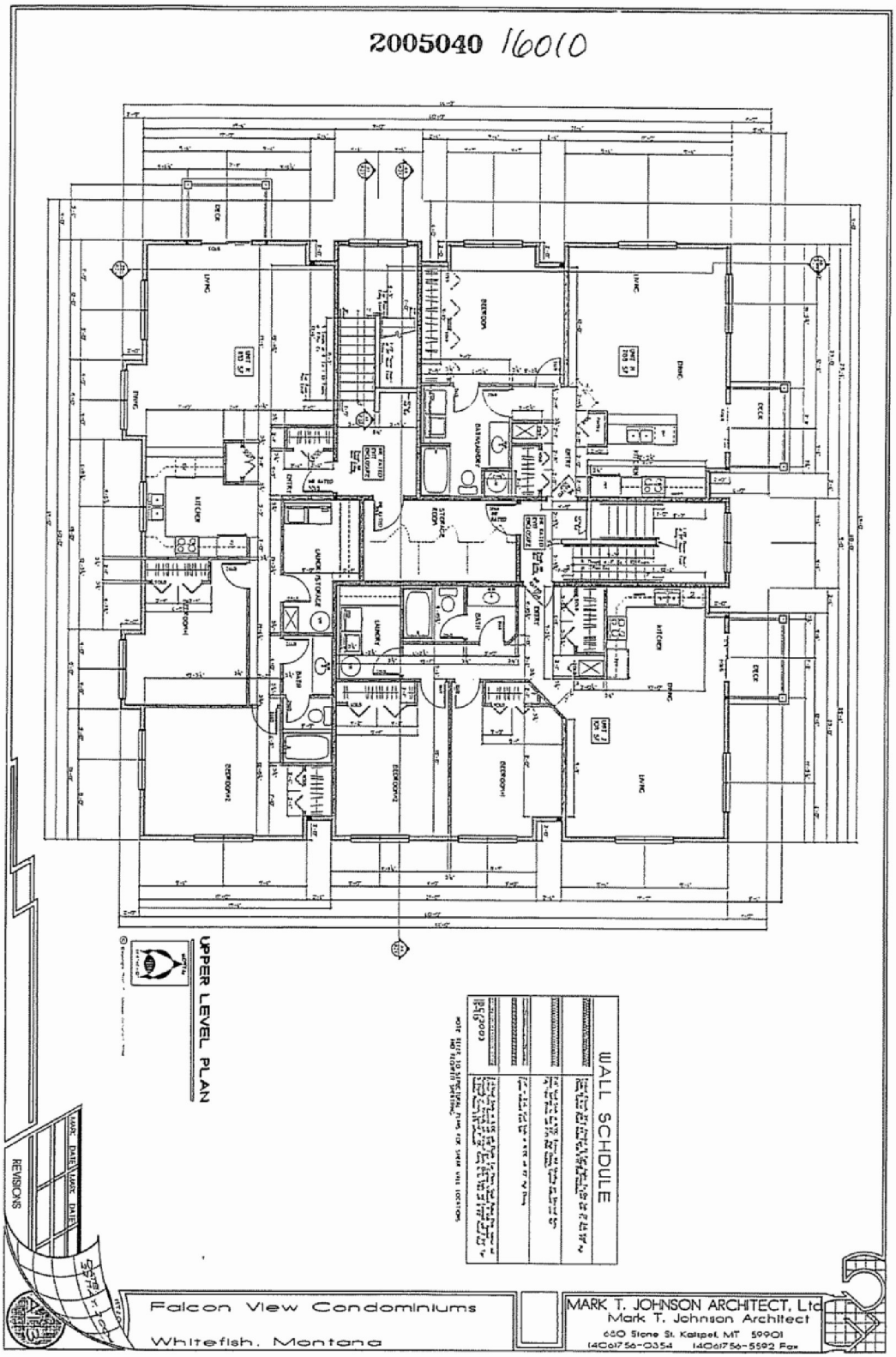
REVISIONS

Falcon View Condominiums

Whitefish, Montana

MARK T. JOHNSON ARCHITECT, Ltd
Mark T. Johnson Architect
680 Stone St. Kalispell, MT 59901
1406)756-0354 1406)756-5592 Fax

2005040 16010



STATE OF MONTANA
County of Flathead
RECORDED AT THE REQUEST OF Morrison & Frampton
THIS 4 DAY OF Feb, 2005 AT 4:01 O'CLOCK AND
RECORDED IN THE RECORDS OF FLATHEAD COUNTY, STATE OF MONTANA.

FEE $ 24- PD.

Paula Robinson
(Flathead County Clerk and Recorder)

RECEPTION NO. 2005040 16010

RETURN TO Morrison & Frampton
341 Central Ave Wfsh MT 59937

Char Terry
(Deputy Clerk)