

After recording, please return to:  
Shane Collins Construction, Inc., a Montana corporation  
P.O. Box 11090  
Bozeman, MT 59719

**DECLARATION FOR SKYLINE VISTA CONDOMINIUM**

**CERTIFICATE OF EXEMPTION WILL REPLACE THIS PAGE**

**CERTIFICATE OF NAME**

The undersigned being the duly authorized agent of the Department of Revenue of the State of Montana within the County of Gallatin, herewith executes the following certificate relating to the Skyline Vista Condominium situated on:

Lots 2 and 3 in Block 1 of Cattail Creek Subdivision, Phase 3, in the City of Bozeman, Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder, Gallatin County, Montana. (Plat Reference: J-415)

1. That the name the Skyline Vista Condominium is not the same as, similar to or pronounced the same as a word in the name of any other property or subdivision within Gallatin County, except for the word "Condominium," and
2. All taxes and assessments due and payable for the said Skyline Vista Condominium have been paid to date.

Dated: \_\_\_\_\_

**Department of Revenue:**

By: \_\_\_\_\_

**CERTIFICATE OF FLOOR PLANS AND SITE PLAN**

The undersigned, being a duly registered professional engineer or architect in the State of Montana, having reviewed the floor plans and site plan for Skyline Vista Condominium, attached to this Declaration, herewith certifies the following:

That the floor plans and site plan for Skyline Vista Condominium [Lots 2 and 3 in Block 1 of Cattail Creek Subdivision, Phase 3, in the City of Bozeman, Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder, Gallatin County, Montana. (Plat Reference: J-415)] as duly filed with the Declaration and Bylaws thereof, fully and accurately depict the layout, location, Unit designation and dimensions as built Skyline Vista Condominium and that such floor plans are accurate copies of the plans filed with and approved by the officials and officers of the governing authority having jurisdiction to issue building permits.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Number: \_\_\_\_\_

## **DECLARATION FOR SKYLINE VISTA CONDOMINIUM**

This Declaration for Skyline Vista Condominium (“Declaration”) is hereby made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2020 by Shane Collins Construction, Inc., a Montana corporation, of P.O. Box 11090, Bozeman, MT 59719 (the “Declarant”), whereby lands and property hereinafter described are submitted and subject to the Montana Unit Ownership Act pursuant to Chapter 23, Title 70 of the Montana Code Annotated (“MCA”), as amended.

WHEREAS, Declarant is the owner of the property located in the City of Bozeman, Gallatin County, Montana, that is described as follows (“Property”):

Lots 2 and 3 in Block 1 of Cattail Creek Subdivision, Phase 3, in the City of Bozeman, Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder, Gallatin County, Montana. (Plat Reference: J-415);

WHEREAS, the Property contains residential condominium Units together with parking areas, and other improvements for the common use and enjoyment of the owners, occupants, guests and invitees of said residential condominium Units;

WHEREAS, Declarant has established the Skyline Vista Condominium Unit Owners’ Association, Inc., a Montana nonprofit corporation, to implement, administer, and enforce this Declaration of covenants, conditions and restrictions;

NOW, THEREFORE, Declarant hereby declares that the Property and the Buildings located upon it or to be located upon it shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved subject to the declarations, limitations, covenants, conditions, restrictions, and easements contained in this Declaration, all of which are imposed as equitable servitudes pursuant to a general plan for the development of the Property for the purpose of enhancing and protecting the value and attractiveness of the Property, and every part of it, in accordance with the plan for the improvements of the Property and its division into condominiums. All of the limitations, covenants, conditions, restrictions and easements shall constitute covenants that run with the land and are binding upon, and inure to the benefit of, Declarant, the Skyline Vista Condominium Unit Owners’ Association, Inc., and all parties having or acquiring any right, title or interest in or to any part of the Skyline Vista Condominium.

### **I. CONDOMINIUM; MONTANA UNIT OWNERSHIP ACT; GOVERNING DOCUMENTS**

A. The Condominium shall be known as the Skyline Vista Condominium (the “Condominium”). The Condominium is established in accordance with the Montana Unit Ownership Act, Chapter 23, Title 70, MCA, as amended (the “Act”). The Condominium contains individual Units for residential use, as set forth herein and in the Bylaws for the Skyline Vista Condominium Unit Owners’ Association, Inc. (“Bylaws”), and each Unit is

capable of individual utilization. Each Unit Owner in the Condominium shall have an exclusive right to the Unit Owner's Unit and shall have undivided and inseparable rights to share with other Unit Owners in the Common Elements of the Condominium.

B. The provisions of this Declaration, the Bylaws, the Articles of Incorporation of the Skyline Vista Condominium Unit Owners' Association ("Articles"), and the rules and regulations adopted by the Association, if any, as these instruments may be amended from time to time (collectively referred to as the "Governing Documents"), shall be construed to be covenants running with the Property and shall be binding upon and inure to the benefit of the Declarant, the Association, every Unit, and each Unit Owner, and the Unit Owner's heirs, successors, personal representatives, and assigns for as long as the Governing Documents are in effect.

## II. DEFINITIONS

Unless the context of this Declaration or any Supplemental Declaration expressly provides otherwise, and except as may be specifically set forth in the Act, as amended, the following definitions shall pertain throughout this Declaration and the Bylaws and any interpretation thereof:

A. Additional Property: Shall mean real estate other than the Property which the Declarant may include as part of the Property via the procedures set forth in Section VI.

B. Association or Association of Unit Owners: Shall mean the Skyline Vista Condominium Unit Owners' Association, Inc., a Montana nonprofit corporation, and its successors and assigns.

C. Board or Board of Directors: Shall mean the Board of Directors of the Association as more particularly defined in the Bylaws.

D. Building(s): Shall mean the buildings containing the Units, whether currently existing, contemplated or annexed into the Association in the future.

E. Bylaws: Shall mean the Bylaws promulgated by the Association under this Declaration and the Act and attached hereto.

F. Common Elements: Shall mean both the General Common Elements and Limited Common Elements.

G. General Common Elements: Shall include the following to the extent any such element services all the Units in the Condominium:

1. The grounds under and surrounding the Buildings unless otherwise specified herein;

2. Parking areas, paths, sidewalks and walkways unless otherwise specified herein;
3. Equipment and all other improvements for sewage disposal, water supply, electrical supply, and gas supply, and connections therefore, which serve all of the Units;
4. Information and communication lines and wires, and connections therefore, which serve all of the Units;
5. Landscaping, plants, and other materials and improvements installed or made by the Association separate from and outside of the Buildings containing the Units, including, but not limited to, the irrigation systems for each Building;
6. Common mailbox;
7. Trash and recycling receptacles;
8. Fencing;
9. All other elements which are necessary for the safety, maintenance, and existence of the Condominium.

The percentage of a Unit's interest in the General Common elements equals the Ownership Interest, as defined herein.

H. Limited Common Elements: Shall include the following elements to the extent any such element services less than all Units in the Condominium;

1. All components of the heating system, including flues, chimneys, furnaces, boilers, ducts, air returns, hot water tanks, and fixtures;
2. Attics;
3. Public utility lines, including septic, water, electrical, and gas;
4. Information and communications lines and wires;
5. Conduits, cables, and hot and cold water pipes;
6. Entrances, external stairways, decks, patios, and porches;
7. Footings, foundations, framework, columns, trusses, exterior walls, roofs, supports, and other structural components of the Buildings;
8. Roofs, gutters, and roof drains;

9. Exterior and siding of each Building;

10. Driveway for each Unit;

10. All other fixtures or other portions of any Building which serve only a particular Unit or less than all of the Units.

The percentage of a Unit's interest in a Limited Common Element shall be computed by determining the number of Units that have use of the applicable Limited Common Element and applying the square footage of each Unit (as shown on Exhibit A (Percentage Ownership in General Common Elements)) and dividing such square footage by the square footage of all such Units making use of the particular Limited Common Element.

I. Condominium: Shall mean the Skyline Vista Condominium.

J. Covenants: Shall mean Cattail Creek Subdivision – Phase III Declaration of Covenants and Restrictions Final, recorded October 20, 2005, Document No. 2206253.

K. Declarant's Rights: Shall mean all rights of the Declarant under this Declaration, the other Governing Documents, and the rights of a Declarant under applicable law.

L. Declaration: Shall mean this document and all attachments hereto or incorporated by reference, as supplemented or amended.

M. General Common Expenses: Shall mean expenses and/or applicable reserves of management, administration, general maintenance, repair, or replacement of General Common Elements, expenses agreed upon by the Association of all Unit Owners, and expenses declared common by the Act.

N. Limited Common Expenses: Shall mean the expenses and/or applicable reserves attributable to the maintenance, repair and replacement of Limited Common Elements.

O. Manager: Shall mean the manager, the Board of Directors, management company or any other person or group of persons retained or appointed by the Board, or by the Association of Unit Owners for the purpose of conducting the day-to-day operations of the Condominium.

P. Mortgagee: Shall mean any mortgagee or beneficiary under, or holder of, a trust indenture, a deed of trust, or a mortgage.

Q. Municipal Code: shall mean the Bozeman Municipal Code.

R. Ownership Interest: Shall mean as such term is defined in Section V.A.

S. Property: Shall mean all the existing land at the time of effectiveness of this



Declaration, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, which are herewith submitted to the Act.

T. Subdivision: Shall mean Cattail Creek Subdivision, Phase 3, City of Bozeman, Gallatin County, Montana.

U. Supplemental Declaration: Shall mean as such term is defined in Section VI.E.1.

V. Unit or Units: means an estate in real property consisting of a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Section III.C, and with a direct exit to a public street or highway or to Common Elements leading to a public street or highway.

W. Unit Designation: Shall mean the combination of letters, numbers and/or words which identify the designated Units.

X. Unit Owner and Owner: Means the person or persons owning a Unit in fee simple absolute, or one who is a co-Owner in any real estate relationship that is recognized under the laws of the State of Montana, in one or more Units of the Condominium.

Y. Voting Interests: Shall mean the entire number of votes that are entitled to be cast in a particular circumstance.

### **III. REAL ESTATE; AND EXHIBITS**

A. Description: The Property which is by this Declaration initially submitted and subject to the Act is described as follows:

Lots 2 and 3 in Block 1 of Cattail Creek Subdivision, Phase 3, in the City of Bozeman, Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder, Gallatin County, Montana. (Plat Reference: J-415);

The Association shall initially consist of sixteen (16) separate Units, contained in four (4) separate Buildings. Building 1 situated at 3233 Warbler Way shall consist of four (4) Units being Units A, B, C and D. Building 2 situated at 3233 Warbler Way shall consist of four (4) Units being Units A, B, C, and D. Building 3 situated at 3271 Warbler Way shall consist of four (4) Unit being Units A, B, C and D. Building 4 situated at 3271 Warbler Way shall consist of four (4) Unit being Units A, B, C & D. Each Unit includes its appurtenant undivided interest in the Common Elements and shall be inseparable, and may be conveyed, leased, rented, devised, or encumbered as a condominium Unit in accordance with this Declaration, the other Governing Documents for the Condominium, the Covenants, the Municipal Code, and the applicable law.

B. Buildings: Subject to the expansion provisions of Section VI herein, the initial

Units comprising the Association are contained in four (4) Buildings.

C. Unit Boundaries: Each Unit shall include the part of the Building containing the Unit that lies within the boundaries of the Unit, which boundaries are as follows:

1. Each Unit as separately shown, numbered, and designated on Exhibit B (Site Plan) hereto consists of the space bounded by and contained within the unfinished interior surfaces of that Unit's walls, floors, and ceilings, along with the windows, window frames, doors, door frames, and interior trim appurtenant to the Unit.

2. Where an interior wall divides two or more Units from each other, each Unit includes the portion of such wall that extends into the Unit from the unfinished interior surface of the wall; the space between the unfinished interior surfaces shall be a General Common Element.

D. Interior Surfaces; and Utilities: The Owners of the respective Units own the undecorated and/or unfinished surfaces of the perimeter walls, floors, and ceilings of such Owners' respective Units. The Owner owns pipes, wires, conduits, or other public utility lines from the point that such pipes, wires, conduits, or other public utility lines enter the Unit, including the independent water shut off valve and sewer connection.

E. Garage: Each Unit shall contain the attach

F. Site Plan: The site plan as depicted in Exhibit B shall show the location of each Unit on the Property and each Building designation.

G. Construction Materials: Each Unit will be built with the materials depicted and described in Exhibit C hereto.

H. Floor Plans: Each Unit was built consistent with the floor plans specified in Exhibit D, and shall show the floor plans, the area of each Unit, and the dimensions and the designation for each Unit.

I. Exhibits: For identification and descriptive purposes, the following Exhibits are attached and by reference hereto incorporated into and made a part of this Declaration:

1. Exhibit A (Percentage Ownership in General Common Elements): Showing the percentage ownership in General Common Elements appurtenant to each Unit.

2. Exhibit B (Site Plan): Showing the site plan of the Condominium and the location of the Buildings containing condominium Units on the Property.

3. Exhibit C (Construction Material): Showing construction material

descriptions of the Units.

4. Exhibit D (Floor Plans): Showing the floor plan, the area, and the dimensions and the unit designation for each Unit.

#### **IV. ENCROACHMENTS; EASEMENTS; AND INTERIOR REMODELING**

A. Encroachments: If any portion of the General Common Elements or Limited Common Elements encroaches upon a Unit, a valid easement for such 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 General Common Elements, or Limited Common Elements, or upon an adjoining Unit(s), 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 General Common Elements, the Limited Common Elements, or on the Units for the purpose of marketability of title. In the event a 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 General Common Elements or Limited 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.

##### **B. Easements.**

1. Structural Easements: Every portion of a Unit which contributes to the structural support of a Building shall be burdened with an easement of structural support for the benefit of the Limited Common Elements and the other Units.

2. Easements of Access: Every Owner is hereby granted and reserved a perpetual, non-exclusive easement for the purpose of reasonable ingress and egress from such Owner's Unit to, through and from all public and private ways which adjoin the Property through, over and across the sidewalks, walkways, driveways, and roads, however, that no Owner may remove, relocate, or cause to be removed or relocated, any portion of the sidewalks or walkways now or hereafter located upon such Owner's Unit.

Each of the Association and the Declarant is hereby granted and reserved perpetual, non-exclusive easements to, through, over and across the Property for the purposes of exercising the rights, performing the functions, and discharging the responsibilities, permitted or required to be performed or discharged by any of the Association or the Declarant to any provisions of this Declaration.

The Association shall also have reasonable access to all Units containing crawl spaces for purposes of accessing the crawl spaces to maintain, repair and replace utilities that are the responsibility of the Association to maintain, repair

or replace as provided this Declaration.

3. Easement for Utilities: Easements are reserved throughout the Property as may be required for utility services. Declarant reserves the right to grant easements for utilities or service lines across the Property for the appropriate government agencies or utility companies. Each Unit may have its air space penetrated by electrical wires and lines, gas lines, mechanical equipment including air handling ducts, hot and cold water lines, waste water lines and vents and other utility and mechanical lines, pipes or equipment. These lines, where such lines serve only one Unit, shall be an appurtenance to such Unit, however, where such lines serve more than one Unit, such lines shall be part of the Common Elements as Limited Common Elements or General Common Elements depending upon how many Units are being served thereby. Such items shall be so installed and maintained that such items shall not unreasonably interfere with the use of the Unit air space by the Owners of the same Building and shall wherever possible be located in any space available between the actual ceiling and a dropped ceiling or within a wall. A non-exclusive easement shall exist through, over and across each Unit for inspection, installation, maintenance, replacement, and repair of such utility lines and mechanical equipment for the use of all of the Unit Owners or the Unit Owners being serviced by the air space being penetrated by such lines and/or equipment to a minimum, ingress and egress for the purpose of such inspection, installation, maintenance, replacement or repair of such easement rights shall only be done under the direction and approval and with the authority of the Association and/or the Manager, unless an emergency exists in which event any action may reasonably be taken which is justified under the circumstances to minimize damage which would otherwise occur as a consequence of such emergency.

4. Municipal Service Easements: Declarant hereby grants a perpetual non-exclusive easement to the applicable municipal entity, if any, over the Property to enforce all applicable laws, ordinances and regulations, and for the purpose of providing police and fire protection and such other municipal services as the Association may request and the local governing agencies may agree to furnish.

5. Implied Easements: Declarant hereby acknowledges that, due to the length and complexity of this Declaration, certain omissions may have occurred in connection with the grants of various easements including, but not limited to, those easements for access, ingress and egress, use and enjoyment, utilities, light and air, support and maintenance. Declarant, therefore, hereby grants any easement omitted herein which easement is reasonably implied from and by the provisions and scheme of this Declaration and is reasonably necessary for the purpose of furthering the beneficial purposes and intentions of Declarant as expressed in this Declaration.

6. Acceptance of Easements: Each Owner, by accepting a deed to a Unit

or recording a notice of purchaser's interest for a contract for deed for a Unit, agrees for themselves and their licensees, invitees, and successors and assigns, to be subject to all easements created by this Declaration and the other Governing Documents for the Condominium and the Covenants.

C. Interior Remodeling: Each Unit Owner shall have the exclusive right to paint, repaint, repair, tile, install flooring, or otherwise maintain, finish, and refinish the inner surfaces of the walls, ceilings, floors, windows, and doors bounding such Owner's Unit, and the interior thereof, so long as such Owner does not affect the structural integrity of the Building containing the Unit.

## **V. OWNERSHIP INTEREST AND VOTING**

A. Percentage of Ownership Interest. Each Unit Owner shall be entitled to the exclusive ownership, use and possession of the applicable Unit. Additionally, each Unit Owner shall have a percentage of undivided interest in the General Common Elements of the Association. Such percentage of undivided interest in the General Common Elements represent such Owner's Ownership Interest (the "Ownership Interest") in the General Common Elements and such Owner's liability for General Common Expenses. The Ownership Interest is as shown on Exhibit A (Percentage Ownership in General Common Elements).

B. Voting Interest: The Declarant shall have four (4) votes for each Unit owned by the Declarant. Each Unit Owner shall have one (1) vote per Unit owned.

## **VI. DECLARANT'S RIGHTS**

A. The right is reserved by Declarant, for its agents, and prospective purchasers and tenants, the right of ingress, egress and transient parking in and through the Property. Such rights shall exist at any time the above-mentioned parties are engaged in the sale or leasing of Units on the Property, and no charge shall be made with respect thereto. In connection therewith, Declarant hereby reserves a non-exclusive easement to, through, over and across the Property for the purpose of exercising the rights reserved to Declarant pursuant to this Declaration. Such rights of Declarant shall continue until the sale of all Units on the Property unless Declarant, by written notice to the Association, elects to terminate such rights prior to such date.

B. The Declarant reserves the right to change the interior design and arrangement of any Unit, so long as the Declarant owns the Unit so altered. No such change shall increase the number of Units or alter the boundary of the General Common Elements without recording an amendment to this Declaration.

C. Expansion Provisions: Declarant may, in its sole discretion, at any time and from time to time in the future, annex Additional Property into the Condominium and submit such Additional Property to the terms, conditions and provisions of this Declaration, in the manner

hereinafter provided. Such expansion plans will be in compliance with all applicable law and regulations, including the Covenants, and the Municipal Code. Notwithstanding anything to the contrary herein, Declarant shall not be obligated to annex to this Declaration any portion of Additional Property, regardless of how or by whom improved.

1. The annexation of any part of Additional Property to this Declaration shall be made by filing of record in the office of the Office of the Clerk and Recorder of Gallatin County, Montana, a "Supplemental Declaration" describing the portion of Additional Property to be annexed and containing such agreements, consents, and information as set forth below. Immediately upon such recording, that portion of Additional Property annexed as provided herein shall be subject to the terms, covenants, conditions, easements, and restrictions of this Declaration and the jurisdiction of the Association with the same force and effect as though such portion was a part of the Property when this Declaration was recorded.

2. At the time the Declarant, or its successors or assigns, elects to file such Supplemental Declaration to this Declaration, all then existing Owners hereby covenant and agree that the Declarant shall act as the attorney in fact for each Owner and may execute such amendment papers on behalf of each Owner, and further each Owner agrees that such amendment may reduce such Owners' Ownership Interest in the General Common Elements.

3. It is hereby acknowledged by this Declaration that there shall be a covenant running with the Property which shall be binding upon the Owners of the then existing Units who, upon acquiring title to such Unit, by this covenant agree and consent to the filing of such Supplemental Declaration and join in the same, and by this covenant agree and consent to the appointment of the Declarant as such Owners' attorney-in-fact so that the Declarant may in such Declarant's discretion simply file the Supplemental Declaration on Declarant's own initiative, having been herein given the power and authority to make such amendment for and on behalf of all subsequent Unit Owners in the Association.

4. Except as otherwise specifically provided in this Declaration or in such Supplemental Declaration, all of the provisions, terms and definitions herein contained shall, upon recording of the same, be deemed expanded to include the Additional Property.

D. Transfer of Declarant's Rights. The Declarant's Rights may be transferred by the Declarant in whole or in part provided that (i) the transfer shall not reduce an obligation or enlarge a right beyond that which Declarant has under this Declaration and the other Governing Documents for the Property and the Condominium, and (ii) any such transfer shall only be effective if it is in a written instrument signed by Declarant and the transferee and recorded in

the Public Record.

1. Upon transfer of the Declarant's Rights, the liability of a transferor is as follows:
  - a) A transferor is not relieved of any obligation or liability arising before the transfer.
  - b) A transferor has no liability for any act or omission or any breach of a contractual or warranty obligation arising from and after the date of such transfer.
2. Upon transfer of the Declarant's Rights, the liability of a transferee is as follows:
  - a) A transferee of the Declarant's Rights is subject to all obligations and liabilities imposed on the Declarant by this Declaration and the Governing Documents arising from and after the date of such transfer.

## **VII. USE, OCCUPANCY AND MAINTENANCE**

A. Leasing: An Owner may lease said Owner's Unit. An Owner who chooses to lease said Unit shall have a written lease with the Owner's tenants that complies with Montana law, local ordinances and zoning districts. The Owner shall provide a copy of the Governing Documents for the Condominium, the Covenants, and applicable portions of the Municipal Code to the tenant. The Owner of a Unit shall be responsible for any violation of the Governing Documents for the Property or the Condominium, including any fines, by their tenants. A minimum lease term may be adopted by the Association.

B. Use of Units: The use of all of the Units in the Condominium shall be for residential uses only that satisfy the then current municipal, county, state and federal applicable laws and regulations, including the applicable Covenants, and Municipal Code. Each Owner shall be obligated to maintain and keep in good order and repair the interior of such Owner's Unit. Specific limitation on use of the Units is as follows:

1. Nothing shall be done or kept in any Unit which will increase the rate of insurance on the Building(s), other structures or contents thereof, without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in the Owner's Unit which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law. No waste will be permitted in the Units.
2. No nuisances shall be allowed in the Units, nor shall any use or practice be allowed in the Units which is a source of annoyance to Unit Owners or which

interferes with the peaceful possession and proper use of the Units by the Unit Owners. No immoral, improper, offensive or unlawful use shall occur within a Unit and all valid laws, Covenants, Municipal Code, and ordinances of all government bodies having jurisdiction thereof shall be observed. No storage of junk outside a Unit.

3. Nothing shall be done in any Unit which will impair the structural integrity of a Building, or which would structurally change a Building, except as is otherwise provided herein.

4. No Unit may be further divided.

5. No Unit may be used for commercial or industrial purposes. However, home occupations or professions may be conducted within the Unit by the Owner or occupant of the residence, provided that there are no employees on the premises, and there is no advertising of any product, work for sale, or service provided to the public in the Unit. No advertising or directory signs relating to the home occupation shall be allowed. No child care centers shall be allowed. All such home occupations or professions must comply with the requirements of the Municipal Code regarding such activities, and all required licenses must be obtained prior to commencing such activities.

6. No Owner, guest or invitee may use or occupy a Unit in such a manner as to create a nuisance or disturb or interfere with the peaceful use, occupancy or enjoyment of any other Owner, guest or invitee of a Unit.

7. No animals shall be kept or raised in the Common Elements. No more than two (2) pets may be kept in any Unit. No pet may be kept or raised for commercial purposes. The Board may from time to time adopt rules and regulations governing the keeping of pets in the Units. Such rules and regulations may, without limitation, (i) prohibit certain species of pets or pets of more than a specified weight from being kept in the Units, including, but not limited, to exotic or dangerous species or (ii) require leashes or other approved restraints while a pet is on the Common Elements. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from a Unit upon three (3) days' written notice from the Board to the Owner of the Unit containing such pet, and the decision of the Board shall be final. For purposes hereof, a "pet" is a domesticated animal kept as for pleasure or as a service animal. Dogs shall be kept on leashes and other pets shall be kept in appropriate carriers while on the Common Elements.

All dogs, cats and other pets shall be strictly controlled by their owners to prevent any interference or harassment of wild birds or animals in the Subdivision or on surrounding or adjacent properties. If any animals are caught or identified chasing or otherwise harassing wildlife or people, or have become a nuisance or annoyance to neighboring property owners, the Association or any owner shall



have the authority to have such animal or animals impounded in accordance with the City of Bozeman animal control regulations.

8. Except for signage placed by Declarant, no "For Sale", "For Rent" or any other sign of any kind or other form of solicitation or advertising or window display shall be maintained or permitted on the Property unless approved, in writing, by the Board and the Declarant.

9. Subject to applicable federal, state or local laws, ordinances or regulations, no mast, satellite dish, antennae or other structure for transmitting or receiving messages or programs by radio or television shall be erected, permitted or maintained in or upon any part of the exterior of the Buildings or the Property without the prior written approval of the Board.

10. No clothes, sheets, blankets, laundry of any kind, or other similar articles shall be hung out on any part of the Common Elements except as permitted by rules and regulations of the Board. The Property shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. All rubbish shall be deposited in such areas and such receptacles as shall be designated by the Board.

11. The use and enjoyment of the Property shall be subject to reasonable rules and regulations duly adopted by the Board from time to time. Without limiting the foregoing, the Board may levy a reasonable fine upon the Owners for a violation of any provision of this Declaration and/or a rule or regulation.

C. Use of Common Elements: Except as limited by the Governing Documents, a Unit Owner shall have the right to use the Common Elements for all purposes incident to the use of and occupancy of the respective Unit and such other incidental uses permitted by this Declaration which rights shall be appurtenant to and run with the whole Unit. There is a common trash and recycling disposal site and receptacle located on the Property for use by all Owners and such Owners' occupants. Such disposal and removal of common trash shall be a General Common Expense. Specific limitations on use of the Units and Common Elements are as follows:

1. There shall be no obstruction of the Common Elements, nor shall anything be stored in or on the Common Elements without the prior consent of the Association.

2. Nothing shall be done or kept in the Common Elements, which will increase the rate of insurance on the Building(s), other structures or contents thereof, without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law. No waste will be permitted in the Common Elements.

3. No nuisances shall be allowed upon the Property or Common Elements, nor shall any use or practice be allowed which is a source of annoyance to Unit Owners or which interferes with the peaceful possession and proper use of the Property or the Common Elements by its Unit Owners. No immoral, improper, offensive or unlawful use shall be made of the Property or Common Elements nor any part thereof and all valid laws, Covenants, Municipal Code and ordinances of all government bodies have jurisdiction thereof shall be observed. No storage of junk in the Common Elements or storage of unregistered vehicles or trailers on the Property or in the Common Elements.

5. Nothing shall be done in, on or to the Common Elements which will impair the structural integrity of a Building, or which would structurally change a Building, except as is otherwise provided herein.

6. Nothing shall be altered or constructed in or removed from the Common Elements, except with the approval of the Board or a majority affirmative vote of the Owners consenting to such alteration or removal.

#### **VIII. ARCHITECTURAL CONTROL**

A. General Review and Approval: No Building, Unit, wall, deck, porch, or other structure shall be commenced, erected or maintained upon the Property or any improvement thereon, nor shall any exterior addition to or change or alteration therein be made to a Unit or Building, without the prior written consent of the Declarant or the Board.

#### **IX. THE ASSOCIATION**

A. Association Membership: An Owner of a Unit in the Condominium shall automatically, upon becoming the Owner of said Unit, be a member of the Association and shall remain a member of the Association until such time as such Owner's ownership of the Unit ceases for any reason, at which time, such Owner's membership in said Association shall automatically cease. The membership shall be limited to Unit Owners as defined in this Declaration.

B. Function: It shall be the function of the Association to:

1. Adopt Bylaws for the governance of the Association.
2. Make provisions for the general management and/or repairs and maintenance of the Association, including all Buildings, all structures, all snow removal and landscaping.
3. Levy assessments as provided for in the Declaration, Bylaws and Act.
4. Adopt and implement a policy for the affairs of the Association.

5. Maintain the Common Elements.
6. Adopt rules and regulations for the governance of the Units, Buildings, Property and Common Elements.
7. Enter into contracts to hire personnel for the management of the affairs of the Association and the maintenance and repair of the Common Elements.

C. Voting: On all matters, unless excluded by this Declaration, to be decided by the Association, each Unit Owner shall have one (1) vote per Unit owned and the Declarant shall have four (4) votes per unit owned. Only the Owner of a Unit shall have voting privileges. However, an Owner may appoint, in writing, another person to represent the Owner, in which case such person may vote and represent the Owner's interest as specified in the Bylaws. Except as otherwise provided in the Act, this Declaration or the Bylaws, a majority of the total Voting Interests present in person or by proxy at any meeting when a quorum is present shall be sufficient to act on matters brought before the Association.

## **X. ASSESSMENTS**

A. Creation of Lien and Personal Obligation: The Declarant, for each Unit, hereby covenants, and each Owner of a Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be and is deemed to covenant and hereby agrees to pay to the Association such assessments or other charges or payments as are levied pursuant to the provisions of this Declaration or the Governing Document. Such assessments, or other charges or payments, together with interest thereon and costs of collection, if any, as herein provided, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such assessment is made. Each such assessment, or other charge or payment, together with such interests and costs, shall also be the personal obligation of the Owner of such Unit at the time when the assessment or other charge or payment is due.

B. Purpose of Assessments: The assessments levied by the Association shall be exclusively for the purposes of promoting the recreation, health, safety, and welfare of members of the Association, to administer the affairs of the Association, and to pay the General Common Expenses and Limited Common Expenses.

C. Assessments: Each year at least sixty (60) days before the end of the Association's fiscal year, and at least thirty (30) days before final adoption thereof, the Board shall furnish each Owner with a proposed budget for the ensuing fiscal year which shall show the following, with reasonable explanations and itemizations, regarding the Assessments:

- (1) The estimated General Common Expenses; and
- (2) The estimated amount, if any, to maintain adequate reserves for General Common Expenses.

D. Payment of Assessments: Within thirty (30) days of the Association providing the Owners notice of the Annual Assessment each Owner of a Unit shall pay to the Association, either monthly, quarterly or annually as determined by the Board, that portion of the assessments, which is payable by such Owner shall be calculated based upon the Owner's Ownership Interest. The Association may also assess Owners for Limited Common Expenses which shall be calculated pursuant to Section II.H.

E. Special Assessment: The Board may levy a special or separate assessment (i) to pay (or build up reserves to pay) extraordinary expenses incurred (or to be incurred) by the Condominium Association for a specific purpose including, without limitation, to make major repairs, additions, alterations or improvements to the Common Elements, or (ii) to cover an unanticipated deficit under the current or prior year's budget. A separate or special assessment shall be approved, in advance, by action of the Owners. Each Owner shall be responsible for the payment of the amount of the special assessment multiplied by his Unit's Ownership Interest. The Board shall serve notice of a separate or special assessment on all Owners who will be required to pay such separate or special assessment by a statement in writing giving the amount and reasons therefor, and the separate or special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the current or prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

F. Annual Report: Within a reasonable time after the close of the Condominium Association's fiscal year, the Board shall furnish each Owner with a financial statement and balance sheet for the fiscal year.

G. Reserve: The Association shall segregate and maintain a special reserve accounts to be used solely for making capital expenditures in connection with the Common Elements, including a reserve fund for replacements. The Board shall determine the appropriate level of the reserve based on a periodic review of the useful life of improvements to the Common Elements and equipment owned by the Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Elements or the purchase of equipment to be used by the Association in connection with its duties hereunder. The reserve may be built up by separate or special assessments or out of the Annual Assessment as provided in the budget. If the Board chooses not to provide for the buildup of reserves for a particular anticipated expenditure or if the buildup of reserves that the Board does provide for in its budgets does not result in sufficient funds to pay for the expenditure when the expenditure must be made, then (i) neither the Board nor any of its past or present members shall be liable to the Association or the Owners for failing to provide for sufficient reserves and (ii) the Board shall have the right and power (subject to the procedural requirements of the Act, this Declaration or the Bylaws) to either levy a separate or special assessment to raise the funds to pay the expenditure or to borrow funds to pay the expenditure and repay the borrowed funds out of future Annual Assessments, separate assessments or special assessments.

H. Initial Capital Contribution: Upon the closing of the sale of each Unit by the

Declarant to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount equal to three (3) months of the current year's Annual Assessment for the Unit, which amount shall be held and used by the Association for its working capital needs and start-up costs.

I. Non-Payment of Assessments: Any assessments or other charges or payments which an Owner is required to make or is liable for hereunder which are not paid when due shall be deemed delinquent. If an assessment or other charge or payment is not paid within fifteen (15) days after the due date, it shall bear interest from the due date at the contract rate permitted in Montana, but not to exceed twelve percent (12%) per annum, and the Board (i) may bring an action against the Owner personally obligated to pay the same, together with interest, costs and reasonable attorneys' fees of any such action, which shall be added to the amount of such assessment or other charge or payment and shall be included in any judgment rendered in such action and (ii) may enforce and foreclose any lien which it has or which may exist for its benefit. In addition, the Board may in its discretion charge reasonable late fees for the late payment of assessments or other charges. No Owner may waive or otherwise escape liability for the assessments or other charges or payment provided for herein by nonuse, abandonment or transfer of his Unit.

J. Liens and Foreclosures: All sums assessed but unpaid for the share of Annual Assessments or Limited Common Expenses chargeable to any Unit shall constitute a lien on such Unit superior to all other liens and encumbrances, except only for tax and special assessment liens on the Unit in favor of any assessing authority, and all sums unpaid on a first mortgage or a first trust indenture of record, including all unpaid obligatory sums as may be provided by such encumbrance. To evidence such lien, the Manager, if any, or the Board shall have prepared a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of accrued interest and late charges thereon, the name of the Owner of the Unit and a description of the Unit. Such notice shall be signed and verified by one of the officers of the Association or by the Manager, or the Manager's authorized agent, and shall be recorded with the Office of the Clerk and Recorder of Gallatin County. Copies of such notice shall be mailed to the Owner against whose interest the lien has been filed and the Mortgagee of any first lien of record. Such lien shall attach from the date of recording such notice. Such lien may be enforced by the foreclosure of the defaulting Owner's Unit by the Association in the manner provided in the Act and as provided by the foreclosure of a mortgage on real property upon the recording of a notice of claim thereof. In any such foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. Suit to recover a money judgment for unpaid General Common Expenses and/or Limited Common Expenses shall be maintainable without foreclosure or waiving the lien securing the same. In any such proceeding the Owner may be required to pay the costs, expenses and attorney's fees incurred in filing a lien, and in the event of foreclosure proceedings, additional costs, expenses and attorney's fees incurred.

K. Bidding at Foreclosure: The Board of Directors of the Association on behalf of

the other Unit Owners shall have the power to bid on the Unit at a foreclosure or other legal sale and to acquire and hold, lease, mortgage and vote the votes appurtenant to, convey or otherwise deal with the same. Any Mortgagee holding a lien on a Unit may pay, but shall not be required to pay, any unpaid General Common Expenses and/or Limited Common Expenses payable with respect to any such Unit, and upon such payment such Mortgagee shall have a lien on said Unit for the amounts paid of the same rank as the lien of such Mortgagee's encumbrance without the necessity of having to file a notice or claim of such lien.

L. Statement of Account: Upon seven (7) days' notice to the Board and the payment of a reasonable fee, if any, which may be set by the Board, any Owner shall be furnished with a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from the Owner as of the date of the statement. The statement shall be executed by a duly authorized officer or agent of the Association and shall be binding on the Association.

## **XI. AMENDMENT**

A. Amendment of this Declaration may be made in the following manner:

1. By Declarant: Declarant reserves the right and power to record an amendment to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of Fannie Mae, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee First Mortgages covering Unit, (iii) to bring this Declaration into compliance with the Act, (iv) to correct errors, omissions, inconsistencies or ambiguities in this Declaration or any Exhibit thereto or any supplement or amendment thereto, and (v) to comply with the requirements of any governmental authority which has jurisdiction over the Property. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to an amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute and record amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Section shall terminate five (5) years from such time as the Declarant no longer holds or controls title to a portion of the Condominium.

2. By Owner: At any regular or special meeting of the Association such amendment may be proposed as a resolution by any Owner. Upon adoption of the resolution by a majority vote of those Owners present representing a quorum pursuant to the Bylaws, the amendment shall be made subject for consideration at the next succeeding meeting of the Association with notice thereof, together with a copy of the amendment to be furnished to each Owner no later than thirty (30) days in advance of such meeting. At such meeting, the

amendment shall be approved upon receiving the favorable vote of sixty-seven percent (67%) of the aggregate Voting Interests of the Association and the consent of the Declarant so long as the Declarant owns a Unit. If so approved, it shall be the responsibility of the Association to file the amendment with the Office of the Clerk and Recorder of Gallatin County, Montana.

B. Nothing in this Section XI affects in any way Declarant's right to amend the Declarations as part of the Declarant's Rights set forth in Section VI.

## **XII. CHANGES, MAINTENANCE, REPAIRS, AND LIENS**

A. Alterations by Unit Owners: The interior plan of a Unit may be changed by the Unit Owner with the exception of the bearing walls which may not be moved. No change in the boundaries of Units shall encroach upon the boundaries of another Unit or the Common Elements except by amendment to this Declaration.

1. A change in the boundaries between Units shall be set forth in an amendment to this Declaration. In addition to compliance with the provisions of Section XI above, such amendment must further set forth and contain plans for the Units concerned, showing the Units after the change in boundaries, and attached to the amendment as exhibits. Such an amendment shall be signed and acknowledged by the Owners of the Units concerned, as well as those Owners with an interest in any Common Elements affected together with words of conveyance in the amendment conveying interest acquired in the Units or Common Elements by such change. The amendment shall also be approved by the Board of Directors of the Association and signed and acknowledged by all Mortgagees of the Units concerned.

B. Maintenance by Unit Owner: Each Unit Owner shall maintain and keep in repair the interior of such Owner's own Unit, including the fixtures thereof and all windows, window frames, doors, and door frames of such Unit as well as the heating, ventilation, electrical, and plumbing systems. In addition, all fixtures, utility lines and equipment installed in the Unit commencing at a point where the utilities enter the Unit shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the Building or impair any easement. Each Unit Owner shall also keep all areas and Limited Common Elements appurtenant to such person's Unit in a clean and sanitary condition. The right of each Owner to repair, alter, and remodel is coupled with the obligation to replace any finishes or other materials removed with similar type or kinds of materials. No acts of alteration, repairing or remodeling by any Unit Owner shall impair in any way the structural integrity of the Unit of the adjoining Owners or the structural integrity of the Limited Common Elements or General Common Elements.

C. Exterior Alterations: No Unit Owner may change, alter or remodel the exterior of such Owner's Unit without the prior written approval of the Declarant or the Board.

D. Maintenance by the Association: The Association shall take all necessary steps, including but not limited to, painting, landscaping and lawn care, roof maintenance and repairs, repair and maintenance of exterior walls, entrances, cement repairs, ice and snow removal, and replacement or repair of all broken or worn parts, to insure that the Buildings comprising the Association shall not unnecessarily deteriorate, and the Association shall also provide maintenance, repair and replacement of the parking areas and driveways, provided, however, that the Association shall not bear any responsibility for maintaining, repairing or replacing windows, doors, HVAC systems and any items specifically addressed in this Declaration as being the responsibility of the Owner to maintain, repair and replace shall be the sole responsibility of the applicable Owner to maintain, repair and replace. The Association, or its agent, shall annually inspect the Buildings and proceed, or shall notify the applicable Owner to proceed, with any necessary maintenance or repairs. Failure by the Association to make annual inspections and/or proceed with any necessary maintenance shall give any Mortgagee the right to order such work done and bill the Association; provided, however, said Mortgagee shall provide advance written notice to the Association of such intent by the said Mortgagee and allow the Association reasonable time to perform such work. Any Mortgagee or representative of the same, upon written request, shall have the right to join in the annual inspection made by the Association and suggest needed repairs and maintenance necessary to preserve the security value of the respective Unit.

E. Maintenance of Common Elements Prior to Conveyance to Association: Notwithstanding the retention by Declarant of title to all or any portion of the Property designated as Common Elements, the Association shall pay or reimburse the Declarant for all real estate taxes and all other costs and expenses arising out or incident to the ownership, maintenance and repair of such portion of the Common Elements that is available for use by the Owners to the same extent as such costs and expenses would be an obligation of the Association if the Association were the record owner thereof.

F. Liens for Alterations: Labor performed and materials furnished and incorporated into a Unit with the consent of or at the request of the Owner, such Owner's agent, or such Owner's contractor or subcontractor shall be the basis for the filing of a lien against the Unit or the Owner consenting to or requesting the same. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit or against the Common Elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Unit at such Owner's request.

### **XIII. INSURANCE**

A. Required Coverages: The Association shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

1. Blanket property insurance covering "risk of direct physical loss" on a



“special form” basis (or comparable coverage by whatever name determined) for all insurable improvements to the extent the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then “broad form” coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current applicable building ordinances and codes;

2. Commercial general liability insurance insuring the Association and its members for damage or injury caused by the negligence of the Association or any of its members, employees, agents or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and umbrella coverage) shall have a limit of at least one million dollars (\$2,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall contain such additional coverages or limits;

3. Workers compensation insurance and employer’s liability insurance, if and to the extent required by law, as applicable;

4. Directors’ and officers’ liability coverage;

5. Commercial crime insurance, if available and determined by the Board as necessary, including fidelity insurance covering all persons responsible for handling Association funds in an amount determined by the Board’s business judgment but not less than an amount equal to one-sixth of the annual income of the Association plus reserves on hand, or such lesser amount as is commercially reasonably obtainable. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation; and

6. Such additional insurance as the Board, in the exercise of its business judgment, determines advisable.

B. Policy Requirements: From time to time, the Association shall arrange for a review of the sufficiency of its insurance coverage by one or more qualified persons, at least one of who must be familiar with insurable replacement costs in Bozeman, Gallatin County, Montana. The policies may contain a reasonable deductible.

C. In the event of an insured loss, the deductible shall be treated as an Association expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of one or more Owner(s), his guests, tenants, or invitees, then the Board may assess

the full amount of such deductible against such Owner and his Unit (as applicable) as a fine per Section X.

D. All insurance coverage obtained by the Board shall (if reasonably available):

1. Be written with a company authorized to do business in Montana;
2. Be written in the name of the Association as trustee for the benefitted parties. Policies on the Condominium shall be for the benefit of the Association and its Owners.
3. Not be brought into contribution with insurance purchased by Owners, occupants or their mortgagees individually;
4. Contain an inflation guard endorsement;
5. Include an agreed amount endorsement, if the policy contains a co-insurance clause;
6. Provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest as a member of the Association in the Condominium (provided, this provision shall not be construed as giving an Owner any interest in the Condominium other than that of an Owner);
7. Include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any act or omission of one or more Owners, or on account of any curable defect or violation of any Owner without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and
8. Include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting with the scope of its authority on behalf of the Association.

E. Waiver of Subrogation and Endorsements: In addition, the Board shall use reasonable efforts to secure insurance policies which name the Owners, collectively, as additional insureds for claims arising in connection with the ownership, existence, use or management of the Condominium and provide:

1. A waiver of subrogation as to any claims against the Association's Board, staff, officers, and any manager, the Owners and their invitees;

2. A waiver of the insurer's rights to repair and reconstruct instead of paying cash;
3. An endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;
4. An endorsement requiring at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal; and
5. A provision vesting in the Board exclusive authority to adjust losses; provided however, no Mortgagee having any interest in such losses may be prohibited from participating in the settlement negotiations, if any related to the loss.

F. Casualty: In the event of damage or destruction to any part of the Condominium due to fire or other adversity or disaster, any insurance proceeds shall be collected by and paid to the Association and such insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Association to such reconstruction and repair. If the insurance proceeds with respect to such damage or destruction are insufficient to repair and reconstruct the damaged or destroyed property, as applicable, or if there are no insurance proceeds, the Board shall levy a special assessment pursuant to the Governing Documents in the aggregate amount of such deficiency and shall proceed to make such repairs or reconstruction. Notwithstanding the foregoing, the Association shall have no obligation to repair or reconstruct the damaged or destroyed property if such repair or reconstruction would be illegal under any local or state statute or ordinance governing health or safety or if within sixty (60) days after such damage or destruction Owners representing ninety percent (90%) of the votes of Owners who are directly or indirectly affected by the casualty elect not to rebuild. The special assessment provided for herein shall be a debt of each Owner, and may be enforced and collected in the same manner as any assessment lien provided for in the Governing Documents. If Owners representing ninety percent (90%) of the votes elect not to rebuild any damage or destruction to the Condominium in accordance with the terms and provisions set forth above, the Association shall demolish any destroyed or damaged improvements, remove all debris and rubble caused by such demolition and return the damaged or destroyed area to a slightly condition and shall have the right to levy against and collect from the Owners a special assessment for this limited purpose, if necessary.

G. Condemnation: In the event the Condominium, or any portion thereof, shall be taken for any public or quasi-public use, under any statute, by right of eminent domain or by purchase in lieu thereof (herein, a "taking"), each Owner will be entitled to notice thereof, but the Association will act as attorney-in-fact for all Owners in the proceedings incident to the taking unless otherwise prohibited by law. The award for such taking will be payable to the Association as trustee for all of the Owners to be disbursed as follows :

1. If the taking involves a portion of the Condominium on which improvements have been constructed, then, unless restoration or replacement of such improvements would be illegal under any state or local statute or ordinance governing health or safety or unless within sixty (60) days after such taking Owners representing ninety percent (90%) of the votes of Owners who are directly or indirectly affected by the taking elect not to rebuild or not to restore or replace such improvements, the Association, by majority vote of the Board, may at its option, restore or replace such improvements so taken on the remaining land included in the Condominium to the extent lands are available therefor, in accordance with plans approved by the Board and other governmental or quasi-governmental entity having jurisdiction over the Condominium. If such improvements are to be restored or replaced and the award for the taking is insufficient to restore or replace such improvements, the Board shall levy a special assessment in the aggregate amount of such deficiency and shall proceed to restore or replace such improvements.

2. If the taking does not involve any improvements, or if there is a decision made not to restore or replace as set forth above, or if there are net funds remaining after any such restoration or replacement of improvements is completed, then the Association shall retain such excess proceeds and place them in the Association's reserve account.

3. In the event any portion of the Condominium shall be taken, the condemnation award for such taking shall be paid solely to the Owner of such property. If an entire Unit shall be condemned, the Owner thereof shall automatically cease to be a member of the Association, but obligations arising prior to such taking shall remain the obligation of such Owner regardless of the termination of membership.

H. Owners' Policies: Each Owner of a Unit shall maintain insurance coverage for the Owner's Unit and all contents therein at such Owner's sole cost and expense. Each Owner shall be required to provide a certificate of insurance proving such continuous coverage to the Association. Each Owner acknowledges that insurance obtained by the Association does not obviate the need for an Owner to obtain separate insurance for such Owner's benefit. Each Owner shall also obtain general liability insurance at such Owner's own cost for such Owner's own benefit covering operations and activities within such Owner's Unit. Such coverage may also extend to cover any legal liability imposed on an Owner due to such Owner's interest in the Common Elements.

#### **XIV. MORTGAGEE PROVISIONS**

A. Notices of Action: Any institutional holder, insurer, or guarantor of a first Mortgage that provides a written request to the Association in accordance with this Section XIV.A shall thereby become an "Eligible Holder" for so long as such Person remains an institutional holder, insurer or guarantor of a first mortgage and will be entitled to timely

written notice of:

1. Any condemnation loss or any casualty loss of which the Association has notice which affects a material portion of the Common Elements; or
2. Any foreclosure by the Association of a lien resulting from a delinquency in the payment of any Assessment, charge, fine, penalty or other amount payable by an Owner with respect to a Unit subject to the mortgage of such Eligible Holder. Such notice shall be given at least thirty (30) days prior to the foreclosure.
3. The written request as required under this Section XIV.A shall clearly state the legal description and address of the Unit as well as the name, mailing address, telephone number and e-mail address of the person who should receive the notices for the above listed actions. It is the sole obligation of the Eligible Holder to keep this information up to date with the Association and deliver notice as provided herein to the Association when this information changes. The Association will not be in default for failure to provide the above-listed notices if the Eligible Holder does not provide the Association with accurate information.
4. Any written notice required under this Section XIV.A to be provided by the Association to an Eligible Holder shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by certified mail, first class, postage pre-paid, return receipt requested to the address provided by the Eligible Holder or by an acknowledged email.

B. Payment of Unpaid Assessment; Responsibility for Pre-foreclosure Assessments: Any Mortgagee or other lienholder holding a lien on a Unit may pay any unpaid Assessment with respect to such Unit, together with any and all costs and expenses incurred with respect to the Assessment lien securing such unpaid Assessment. Where a Mortgagee of a Unit obtains title to a Unit as result of foreclosure of the first mortgage or trust indenture, such acquirer of title shall not be liable for the share of General Common Expenses or Limited Common Expenses or assessments by the Association chargeable to such Unit which become due prior to the acquisition of title to such Unit by such acquirer.

## **XV. REMOVAL OR PARTITION; SUBDIVISION**

A. Any portion of the Condominium may be removed from condominium ownership, and may be partitioned or sold, only upon compliance with each of the conditions hereof:

1. The Board of Directors of the Association must approve the plans of removal, partition or sale, including the details of how any partition or sale, and the distribution of property or funds, shall be accomplished.

2. Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs must be agreed to by Unit Owners who represent at least 90% of the total allocated votes in the Association and by eligible Mortgagees that represent at least 51% of the votes of the Units.
3. The plan of removal or partition, abandonment, termination or sale, other than condemnation, shall be agreed to by eligible Mortgagees that represent (a) at least sixty-seven percent (67%) of the votes of the mortgaged Units or (b) by the votes specified by the Act, whichever is greater, and at least seventy-five percent (75%) of the aggregate Voting Interests of the Association. Upon obtaining such approvals, the Board shall be empowered to implement and carry out the plan of removal, partition, abandonment, termination or sale.
4. No Unit may be divided or subdivided into a smaller Unit, nor any portion thereof sold or otherwise transferred, except as provided above.
5. This section shall not apply to the sale of individual condominium Units and shall not be considered as a right of first refusal.
6. The Common Elements of the Condominium shall not be abandoned, partitioned, subdivided, encumbered, sold or transferred without compliance with all of the above requirements.

## **XVI. INTERPRETATION**

The provisions of this Declaration and of the Bylaws to be promulgated and recorded herewith, shall be liberally construed to effectuate the purposes of this Declaration and Bylaws and to create Units subject to and under the provisions of the Act.

## **XVII. ENFORCEMENT AND REMEDIES**

A. Procedure: Each Owner shall, or inform, compel and require such Owner's agents, lessees, guests, invitees and other occupants, to comply strictly with the provisions of this Declaration, the Bylaws, the Covenants, the Governing Documents and the rules, regulations, decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. The Association shall have the right (but not the obligation) to enforce covenants contained in the Governing Documents through procedures adopted by resolution of the Board, abatement of the violation by the Association, or by proceedings either at law or in equity against any person(s) violating or attempting to violate any of said covenants. Legal proceedings may be either to restrain violation of the Governing Documents or to recover damages or both. Such procedures adopted by the Board to enforce the covenants shall include provisions for due process (including but not limited to notice and

an opportunity to be heard at a regular meeting of the Board).

B. Discretion: The decision to have the Association pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

1. the Association's position is not strong enough to justify taking any or further action; or
2. the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or
3. although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or
4. it is not in the Association's best interest, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be deemed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule, nor shall it preclude any Owner from taking action at law or in equity to enforce these Protective Covenants.

C. Costs of Enforcement:

1. Costs incurred for enforcing the provisions of the Governing Documents (inclusive of giving notice of the violation), costs of correcting the defect or undoing the violation, if undertaken by the Association, or any fines levied against the Owner after the Owner or its/his/her tenants, guests and/or invitees is determined by the Board to be in violation of the Governing Documents shall be paid by the Owner. Any costs incurred for enforcing the provisions of Governing Documents, for correcting the defect or undoing the violation, or fine assessed against the Owner that is not paid within sixty (60) days as provided herein shall result in a lien being recorded against the Unit and/or the Owner's interest therein, such lien to be enforceable by sale under the laws of the State of Montana. Such lien will be recorded in the Office of the Clerk and Recorder, Gallatin County, Montana.

2. Should any lawsuit, arbitration or other legal proceeding be instituted by the Association against an Owner alleged to have violated one or more of the provision of the Governing Documents and should the Association be wholly or partially successful in such proceeding, the offending Owner shall be obligated to pay the costs of such proceeding, including reasonable attorney's fees, costs, and cost of collecting the judgment.

D. Delegation: The Board may delegate any of its obligations with respect to enforcement as set forth above to its Manager or any committee of the Board; except that any decision to pursue or not pursue any legal proceeding may not be delegated, and shall be determined by the Board.

E. Remedies Cumulative: All remedies provided for in this Declaration and Bylaws are cumulative and shall not be exclusive of any other remedies which may now be, or are hereafter, available to the parties hereto as provided for by law.

F. Joint and Several Liability: In the case of joint ownership of a Unit, in any form, the liability of each Owner thereof in connection with the liabilities and obligations of Owners as set forth in or imposed by the Governing Documents shall be joint and several.

### **XVII. SEVERABILITY**

The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one or more provisions shall not affect the validity or enforceability of any other provision hereof.

### **XVIII. GENERAL PROVISIONS**

A. Right of Access: The Association shall have the irrevocable right to have access to each Unit during reasonable hours and with notice to the Owner as may be necessary for the maintenance, repair or replacement of any of the Limited Common Elements therein or accessible therefrom or for making emergency repairs therein as necessary to prevent damage to any of the Limited Common Elements, the General Common Elements or to any Unit. Damage to the interior of any part of the Unit resulting from maintenance, repair, emergency repair or replacement of any of the General Common Elements or Limited Common Elements or as a result of an emergency within another Unit at the direction of the Association shall be designated either General Common Expenses or Limited Common Expenses by the Association and, if necessary at the Board 's sole discretion, assessed in accordance with such designation.

B. Expenditures: Unless approved in the annual Budget or in an emergency situation, no single expenditure or third party debt in excess of one thousand dollars (\$1,000) may be made or incurred by the Association without the prior approval of the majority of the aggregate Voting Interests of the Association.

C. Benefit: Except as otherwise provided herein, this Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Unit Owner, as well as their respective heirs, personal representatives, successors and assigns.

D. Service of Process: The name and address of the person to receive service of process for the Association, until further designation is filed of record shall be:

Rebecca H. Pape



26 East Mendenhall/P.O. Box 1601  
Bozeman, MT 59715/59771

E. Warranty Disclaimer: The Declarant expressly makes no representations or warranties concerning the Property, the Units, this Declaration, the Bylaws or deeds of conveyance, except as specifically set forth therein and no person may rely upon such warranty or representation not so specifically expressed therein.

F. Constructive Notice and Acceptance: Each Owner shall be deemed conclusively to have consented and agree to every covenant, condition and restriction contained in the Covenants including, but not limited to, Article VII as it pertains to allowable uses. As such, on the date of consummation of a sale of a Unit, the Declarant shall require each prospective Owner to sign a written affirmation that such Owner understands and agrees to comply with the requirements and conditions of the Covenants.

G. Assignment: Any and all of the rights, powers, and reservations of the Declarant herein contained may be assigned or transferred to any person, partnership, corporation, or association (including the Association), which will assume the duties of the Declarant pertaining to the particular rights, powers, and reservations assigned, and upon any such person, partnership, corporation or association evidencing its consent in writing to accept such assignment and assume such duties, such entity or person, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by the Declarant herein. If at any time Declarant ceases to exist and has not made such assignment, then the Association shall become the Declarant. Declarant reserves the right to affect the assignment at any time on or after completion of the Condominium or any expansion thereof pursuant to Section VI.E. Any assignment or appointment under this Section XIX.G shall be in reasonable form and shall be filed with the Record Office.

H. Liability Limits.

1. Landscaping: Neither the Declarant or the Board, nor the Association shall be liable to any Owner or other person for any loss or damage to landscaping arising out of damage caused by wildlife, which risk the Owner accepts as such Owner's exclusive risk and responsibility and shall not file claims against any of the foregoing entities or persons for damages arising therefrom, each Owner hereby waiving, releasing and forever discharging the foregoing entities or persons from any liability in connection therewith,

2. Enforcement of Documents: Neither the Declarant, along with the Declarant's consultants, contractors, or agents, nor the Association, along with the directors of the Board or committees, shall be liable to any Owner or any other person for any loss, damage or injury arising out of or related to adoption, publication, implementation, administration or enforcement of the provisions of this Declaration or the Covenants. All Owners and other occupants of a Unit with the Property waive, release and forever discharge the foregoing entities and persons from any liability arising out of or related to

adoption, publication, implementation, administration or enforcement of the above mentioned documents.

3. Directors, Officers and Committees: None of the directors, officers or committees of the Association shall be personally liable to the Owners or the Association for any mistake in judgment or for any other acts or omissions of any nature whatsoever while acting in the capacity of such directors or officers, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Association shall indemnify and hold harmless the directors and officers, their heirs and legal representatives, against all contractual and other liabilities to third parties arising out of the contracts made by or other acts of the directors and officers on behalf of the Owners or the Association or arising out of their status as directors or officers, unless any such contract or act shall have been made fraudulently or with gross negligence. The foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, attorneys' fees, amounts of judgments paid and amounts paid in settlement) actually or reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director or officer may be involved by virtue of being or having been such director or officer; provided, however, that such indemnity shall not be operative with respect to:

(a) any matter as to which any such person shall have finally been adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of such person's duties as such director or officer; or

(b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged liable for gross negligence or fraud in the performance of such person's duties as director or officer.

4. Construction and Proposed Owner Unit Changes: Neither the Declarant, along with the Declarant's consultants, contractors, or agents, nor the Association, along with the directors of the Board or committees, shall be liable to any Owner or any other person for any loss, damage or injury arising out of or related to the approval or disapproval of any applications, drawings, plans and specifications, whether or not in any way defective, the construction of any improvement or performance of any work, whether or not pursuant to approved plans, drawings and specifications for the development of any Unit within the Property.

J. Compliance with Sanitation Acts Requirements: The Property has gone through both local and state review pursuant to 76-4-122(2)(a), M.C.A. and complies with the Sanitation Acts Requirements pursuant to 76-4-122, M.C.A.

K. Governing Law: Except as otherwise provided in this Declaration, the Association, its Board, the officers and members of the Association shall be governed by the Montana Nonprofit Corporation Act and other applicable Montana law.

*[The remainder of the page is intentionally blank.]*

**IN WITNESS WHEREOF**, the Declarant has executed this Declaration as of the date and year first written below.

**Shane Collins Construction. Inc., a Montana corporation:**

By: \_\_\_\_\_  
Shane Collins, President

Date: \_\_\_\_\_

STATE OF MONTANA     )  
  : ss  
County of Gallatin     )

On this \_\_\_\_ day of \_\_\_\_\_, 2020, before me, a Notary Public for the State of Montana, personally appeared Shane Collins, known to me to be the person whose name is subscribed to the above instrument and acknowledged to me that he is the President of Shane Collins Construction, Inc., a Montana corporation and executed the same.

\_\_\_\_\_  
Notary Public for the State of Montana

SEAL

**EXHIBIT A**

**PERCENTAGE OF OWNERSHIP IN THE GENERAL COMMON ELEMENTS**

<u>UNIT</u>	<u>PERCENTAGE OF INTEREST</u>	<u>SQUARE FOOTAGE</u>
<u>3233 Warbler Way:</u>		
A		
B		
C		
D		<u>1</u>
Total		
<u>3235 Warbler Way:</u>		
A		
B		
C		
D		
Total		
<u>3269 Warbler Way:</u>		
A		
B		
C		
D		

3271 Warbler Way:

- A
- B
- C
- D

Total Percentage of Interest for 3233, 3235, 3269 and 3271 Warbler Way: **100%**

Total Square Footage for Buildings 1-4:

**EXHIBIT B**

**SITE PLAN**

**Insert Site Plan after this Page.**

**EXHIBIT C**

**CONSTRUCTION MATERIALS**

The construction materials of the Condominium are as follows:

Siding is Hardy Plan with Metal and Wood Detailing

Roof is asphalt shingles

Concrete foundations with crawl spaces

**EXHIBIT D**

**FLOOR PLANS**

**Insert the Floor Plans after this page.**

**EXHIBIT E**

**BYLAW FOR SKYLINE CONDOMINIUM UNIT OWNERS' ASSOCIATION**

**Insert the Bylaws after this page.**