

B. Checks. Drafts. Evidences of Indebtedness.

All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of, or payable to, the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

C. Execution of Corporate Contracts and Instruments.

The Board of Directors may authorize any officer or officers or agent or agents, or appoint an attorney or attorneys-in-fact, to enter into any contract or execute any instrument in the name of, and on behalf of, the Association, and this authority may be general or confined to specific instances; and unless so authorized or appointed, or unless afterwards ratified by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

D. Transfer of Control.

The Declarant shall relinquish all special rights, expressed or implied, through which the Declarant may directly or indirectly control, direct, modify, or veto any action of the Owners Association, its executive board, or a majority of Unit Owners, and control of the Owners Association shall pass to the owners of units within the project, not later than 120 days after the date by which seventy-five percent (75%) of the units have been conveyed to unit purchasers.

The foregoing requirement shall not affect the Declarant's rights, as a Unit Owner, to exercise the votes allocated to units which it owns.

Declarant shall foster participation of Unit Owners in the management of the project prior to the transfer of the Association.

E. Owners Association's Rights and Restrictions.

The Association is granted a right of entry upon unit premises and any limited common elements to affect emergency repairs, and a reasonable right of entry thereupon to effect other repairs, and a reasonable right of entry thereupon to effect other repairs, improvements, replacement or maintenance deemed necessary.

The Association is granted the right to grant utility easements under, through or over the common elements, which are reasonable necessary to the ongoing development and operation of the project.

ARTICLE XVI
THE DECLARATION

The undersigned has filed, along with these Bylaws, a Declaration whereby the properties known as the TURNSTONE CONDOMINIUM are submitted subject to Title 70, Chapter 23, M.C.A. The Declaration shall govern the acts, powers, duties and responsibilities of the Association of Unit Owners, and in the event these Bylaws and the Declaration are in conflict, the Declaration shall prevail.

The definition of terms set forth in the Declaration shall be applicable throughout these Bylaws and the interpretation thereof.

By virtue of these Bylaws and the Declaration, each Unit Owner has the right to membership in the Association of Unit Owners and any Unit Owner may be on the Board of Directors of the TURNSTONE CONDOMINIUM.

The TURNSTONE CONDOMINIUM Association of Unit Owners and its Board of Directors shall have the primary and final authority on all matters solely affecting the condominium area, subject to the laws, rules and regulations of the City of Bozeman, the County of Gallatin and the State of Montana.

IN WITNESS WHEREOF, the undersigned, as the owner of record of all of the condominium units and 100% of the voting interests of the TURNSTONE CONDOMINIUM as of the date hereof, hereby appoints the following person to serve on the Board of Directors and as an officer until the first annual meeting of the Association, to-wit:

JARED SCHROEDER

And, the Declarant and the said Board hereby declare and affirm the adoption of the foregoing Bylaws on the 21st day of May, 2015.

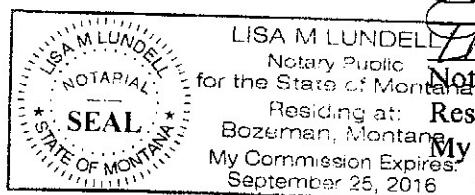
STATE OF MONTANA)
 :SS
County of Gallatin)

This instrument was acknowledged before me on May 21, 2015, by JARED SCHROEDER the
President of GALLATIN VALLEY HOMES, INC, a Montana
Corporation pursuant to the authority vested in him.

GALLATIN VALLEY HOMES, INC.

By: [Signature]
JARED SCHROEDER
Its: PRESIDENT

SUBSCRIBED AND SWORN TO before me this 21 day of May, 2015.



[Signature]
Lisa M. Lundell
Notary Public for the State of Montana
Residing at Bozeman
My Commission Expires: Sept 25, 2016

C. Waiver of Notice.

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, are as valid as though it had been held at any meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed waived by any director who attends the meeting without protesting before or at its commencement the lack of notice.

D. Participation by Telephone.

Members of the Board of Directors may participate in a meeting through the use of conference telephone or similar communications equipment, as long as all members participating in such meeting can hear one another. Participation in a meeting pursuant hereto constitutes presence in person at such meeting.

E. Quorum and Action at Meeting.

A majority of the authorized number of directors shall constitute a quorum for the transaction of business. Subject to the provisions of Montana Nonprofit Corporation Act, every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors.

F. Action Without Meeting.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the board individually or collectively consent in writing to the action. Such written consent shall have the same force and effect as a unanimous vote of the directors.

G. Committees.

The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees, each consisting of two or more directors and each of which, to the extent provided in the resolution and as limited by the Montana Nonprofit Corporation Act, shall have all the authority of the Board of Directors. Further the board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Each committee shall serve at the pleasure of the board.

H. Meetings and Action of Committees.

Meeting and action of committees shall be governed by, and held and taken in accordance with, the provisions of this Article VI of these Bylaws, with such changes in context of these Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members

except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt such other rules for the governance of any committee as are not inconsistent with the provisions of these Bylaws.

ARTICLE VII OFFICERS OF THE BOARD OF DIRECTORS

The Association shall elect from its membership a Board of Directors which shall consist of a Chairman and Secretary/Treasurer, who shall serve for a term of one (1) year. The manner of election of the Board of Directors shall be as follows:

At the first and all subsequent annual meetings of the Association, nominations for positions on the Board shall be accepted from any of the Unit Owners present. Each Association member shall have one (1) vote. Board members shall be elected by majority vote of the members present or voting by proxy at any annual or special meeting. The first Board consisting of one (1) person, as set forth in ARTICLE XV, shall serve until the first annual meeting of the Association, at which time a new Board shall be elected.

ARTICLE VIII LIABILITY

Members of the Board and their officers, assistant officers, agents and employees acting in good faith on behalf of the Association:

- (1) shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their willful misconduct or bad faith;
- (2) shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such;

- (3) shall have no personal liability in tort to any Owner or any person or entity, except for their own willful misconduct or bad faith;
- (4) shall have no personal liability arising out of the use, misuse or condition of the Property which might in any way be assessed against or imputed to them as a result of or by virtue of their capacity as such.

**ARTICLE IX
POWERS AND DUTIES OF THE BOARD OF
DIRECTORS**

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

- A. To call annual meetings of the Association and give due notice thereof
- B. To conduct elections of the Board of Directors.
- C. To enforce the provisions of the Declaration, Bylaws, and protective covenants of the TURNSTONE CONDOMINIUM by appropriate action.
- D. To promulgate and adopt rules and regulations for the use of the common elements and for the occupancy of the units so as not to interfere with the peace and quiet of all the residents. Such rules must be approved by two thirds (2/3) of the unit owners at any regular or special meeting of the Association.
- E. To provide for the management of the TURNSTONE CONDOMINIUM by hiring or contracting with suitable and capable management and personnel for the day-to-day operation, maintenance, upkeep and repair of the general common and limited common elements.
- F. To levy assessments as allowed by the Declaration, these Bylaws and the State of Montana, and to provide for the collection, expenditure and accounting of said assessments.
- G. To pay for the expenses of the maintenance, repair and upkeep of the general common elements and the limited common elements, and to approve payment vouchers either at regular or special meetings.
- H. To delegate authority to the Manager for the routine conduct of Association business, however, such authority shall be precisely defined with ultimate authority at all times residing in the Board of Directors.
- I. To provide a means of hearing grievances of Unit Owners and to respond appropriately thereto.

- J. To meet at regularly scheduled times and to hold such meetings open to all Unit Owners or their agents.
- K. To prepare an annual budget for the Association in order to determine the amount of the assessments payable by the Unit Owners to meet the general common and limited common expenses, and allocate and assess such charges among the Unit Owners according to their respective interests in the general common and limited common elements. To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses, costs, or additional capital expenses, or become of emergencies.
- L. To take appropriate legal action to collect any delinquent assessments, payments or amounts due from Unit Owners, or from any person or persons owing money to the Association, and to levy a penalty and to charge interest on unpaid amounts due and owing. However, other than for the collection of delinquent assessments or accounts, the Board shall not initiate any litigation or lawsuit without prior approval of at least two-thirds (2/3rd's) of the aggregate interest of the Unit Owners in the Association.
- M. To defend in the name of the Association any and all lawsuits wherein the TURNSTONE CONDOMINIUM is a party defendant.
- N. To enter into contracts necessary to carry out the duties herein set forth.
- O. To establish a bank account for the TURNSTONE CONDOMINIUM, and to keep therein all funds of the Association. Withdrawal of monies from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors.
- P. In general, to act for and carry on the administration and affairs of the Association as authorized and prescribed by the Declaration, and to do all those things which are necessary and reasonable in order to carry out the governance and operation of the TURNSTONE CONDOMINIUM.
- Q. To make repairs, alterations, additions, and improvements to the general common and limited common elements consistent with managing the Association in a first class manner and in the best interest of the Unit Owners.
- R. To provide the perpetual maintenance of the general common open area and landscaping, the parking areas and driving lanes, and any stream/ditch and irrigation canals, and to make any assessments necessary for such maintenance as provided herein. Such maintenance shall specifically include the control of County declared noxious weeds.

- S. To arrange, keep, maintain and renew the insurance for the Association as set forth in the Declaration.
- T. To receive and make payment for common utility expenses, including the power bill, for all of the condominium units. The pro-rata portion of the utility expenses shall be paid by the unit owners as part of, or in addition to, their condominium assessment, with the method of payment to be determined by the Board.
- U. To carry out the duties and responsibilities of the Board in all other matters as may be authorized, needed or required by the Declaration.

ARTICLE X VACANCIES AND REMOVAL

Should a vacancy occur on the Board of Directors, the Board, subject to the exception described below, shall appoint a member of the Association to serve for the unexpired term. Such vacancy shall be filled no later than the next regular Board meeting after which it occurs. Should such vacancy not be filled by the Board at the next regular meeting of the Association, the Association may fill such vacancy.

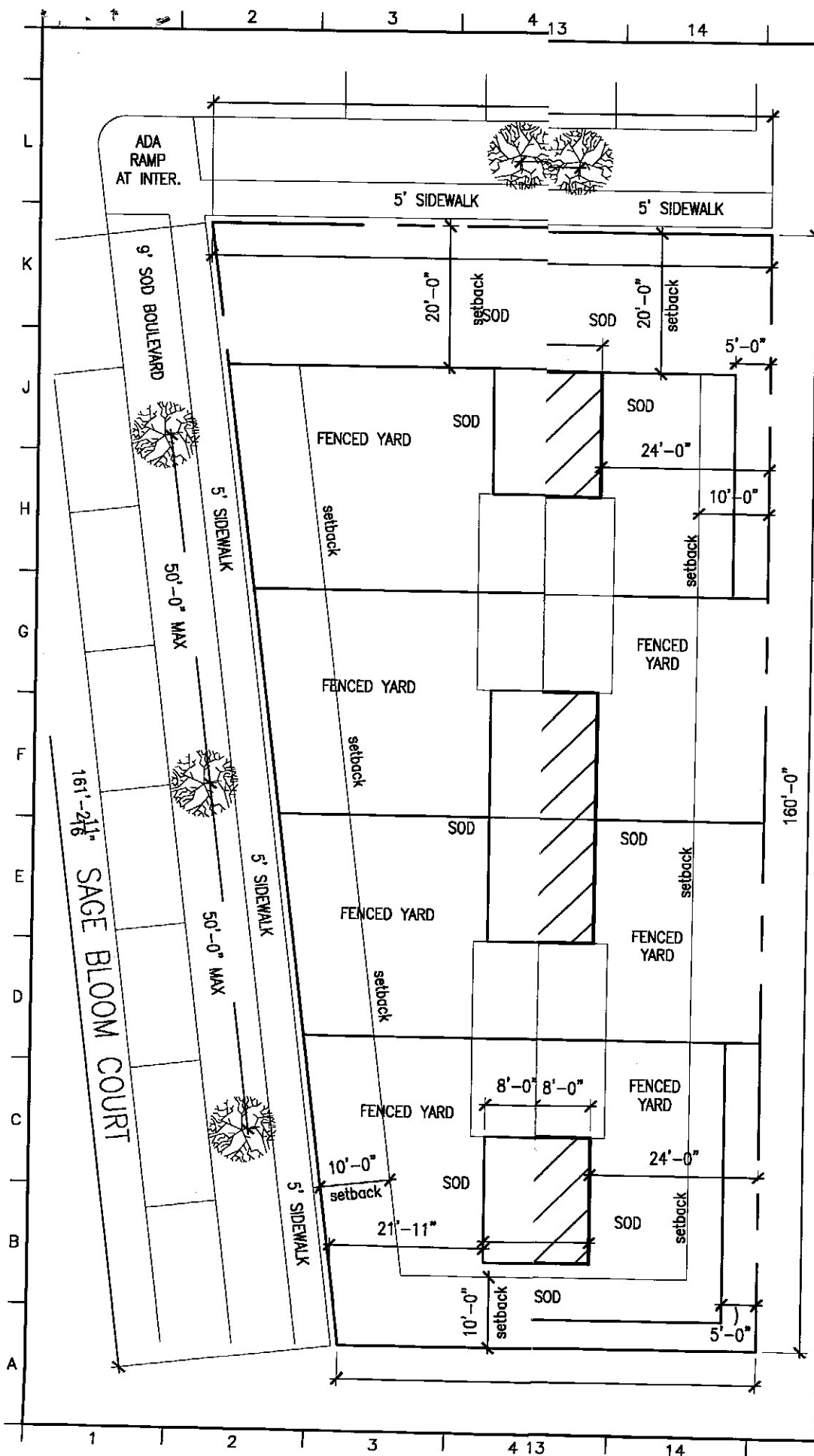
At any regular or special meeting of the Association, any member of the Board may be removed by a majority of the aggregate interests in the TURNSTONE CONDOMINIUM. Such vacancy shall be filled by the Association. Such removal matter must be announced in the notice of such regular or special meeting. The personal delivery of such notice by the Secretary of the Association shall be considered notice served.

ARTICLE XI COMPENSATION

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

ARTICLE XII MANAGERS

The Manager shall be appointed and/or removed by the Board of Directors. The Manager (or any member of the Board or Association handling Association funds or having power to withdraw or spend such funds) shall be bonded if required by the Board of Directors, and shall maintain the records of the financial affairs of the of the Association. Such records shall detail all assessments made by the Association and the status of payments of said assessments by all Unit Owners. All records shall be available for examination during normal



Owner

**BYLAWS OF THE ASSOCIATION OF UNIT
OWNERS OF
TURNSTONE CONDOMINIUM ASSOCIATION,
INC.**

ARTICLE I

PURPOSE AND APPLICATION

These Articles are and shall be the Bylaws of the Association of Unit Owners of the TURNSTONE CONDOMINIUM ASSOCIATION, INC. (the "Association"). These Bylaws shall, upon being recorded with the Clerk and Recorder of Gallatin County, State of Montana, govern and control the administration of the TURNSTONE CONDOMINIUM as declared by GALLATIN VALLEY HOMES, INC., a Montana Corporation of Bozeman, Montana on this ____ day of April, 2015. All Unit Owners, their employees, business invitees, guests and any renters or sublessees, present and future, shall have the rights and responsibilities described in these Bylaws and shall be subject to the provisions thereof.

The acquisition of an ownership interest in a unit in the TURNSTONE CONDOMINIUM signifies that the owner accepts, ratifies, and agrees to comply with these Bylaws.

**ARTICLE II
MEMBERSHIP**

Persons owning a Unit in the TURNSTONE CONDOMINIUM or an interest in a unit, or owning a unit in any real estate tenancy relationship recognized by the State of Montana, shall be a member of the Association of Unit Owners ("Association"). An owner may not decline membership in the Association. Membership begins concurrently with the acquisition of an ownership interest and terminates at the time such ownership interest is terminated. Such termination shall not relieve any owner of a liability for obligations incurred while a member of the Association; further, membership in the Association does not in any way negate or impair any owners' legal remedies, right to bring legal action, or defenses to any and all actions involving the Association, other Unit Owners, or the Management, which may arise from or be incidents of unit ownership.

**ARTICLE III
OBLIGATIONS**

Each Unit Owner shall be obligated to comply with these Bylaws and the Declaration. Such obligations shall include, but not limited to, the paying of assessments levied by the Association, and the adherence to the protective covenants which are a part of the Declaration. Failure of any owner to abide by these Bylaws, and all rules made pursuant thereto, the Declaration, the County of Gallatin, and the State of Montana, shall be grounds for appropriate legal action by the Association of Unit Owners or by an aggrieved Unit Owner against such noncomplying owner

ARTICLE IV MEETING AND VOTING

There shall be a regular meeting of the Association annually on the second Monday in September of each year, commencing in the year the TURNSTONE CONDOMINIUM regime is established, or on such other date properly announced by the Association.

Pursuant to these Bylaws, the Association may at any time hold special meetings. Such special meetings may be called on the initiative of the Chairman of the Association, by the Board of Directors, a signed request by the Manager, or a petition signed by twenty-five percent (25%) of the Unit Owners. Notice of any special meeting must specify the reason for such meeting and the matters to be raised. Only matters set forth in the petition or request may be brought before such meeting.

A. Notice.

Notice of all meetings, regular or special, shall be mailed by the Association's Secretary to every unit owner of record at his address of record at least ten (10) business days prior to the time for holding such meeting. Such notice shall specify the date, time, and place of the meeting and shall make provisions to allow for the voting of each Unit Owner's interest by proxy at the discretion of the owner. The mailing of a notice in the manner provided in this paragraph or the personal delivery of such notice by the Secretary of the Association shall be considered as notice served.

B. Quorum.

No meeting, regular or special, shall be convened to conduct business unless a quorum is present in person or by proxy. A quorum shall consist of fifty percent (50%) of the total aggregate interest of the TURNSTONE CONDOMINIUM. At any time, during any meeting that quorum is not present, such meeting shall be adjourned forthwith.

ARTICLE V VOTING INTEREST

A. Procedures.

Each Unit at Association meetings shall have an equal voting interest as set forth in the Declaration, a copy of which is being filed concurrently with the filing of these Bylaws with the Clerk and Recorder of Gallatin County, State of Montana.

Each Unit shall thus have an equal voting interest on all matters affecting the general business of the TURNSTONE CONDOMINIUM, on all matters affecting the common elements, assessments for the common elements, and on all matters upon which the Association has agreed to have voting on the general common elements' interests. Voting upon matters affecting limited common elements and assessments for limited expenses shall be only by owners having a unit or interest in units located in the building affected. No member shall be entitled to vote during any period in which such member shall be in default in the payment of any assessment levied by the Association as set forth in the Declaration.

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

B. Proxies.

Every person entitled to vote shall have the right to do so either in person or by written proxy signed by such person and filed with the secretary of the Association. A proxy shall be deemed signed if the member's name is placed on the proxy, (whether by manual signature, typewriting, telegraphic transmission, facsimile or otherwise) by the member or the member's attorney-in-fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (i) revoked by the person executing it prior to the vote pursuant to that proxy by a writing delivered to the Association stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or (ii) written notice of the death or incapacity of the maker of that proxy is received by the Association before the vote pursuant to that proxy is counted; provided however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy unless otherwise provided in the proxy.

C. Record Date.

In order that the Association may determine the members entitled to notice of, or to vote at, any meeting or entitled to exercise any rights in respect of any other lawful action, the board of directors may fix, in advance, a record date which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action.

Members of record at the close of business on the record date are entitled to notice and vote or to exercise their rights as the case may be, notwithstanding any transfer of any units on the books of the Association after the record date, except as otherwise provided by agreement, in the Montana Nonprofit Corporation Act.

ARTICLE VI BOARD OF DIRECTORS

The governance of the TURNSTONE CONDOMINIUM shall be by a Board of three (3) Directors, elected by the Unit Owners. The directors need not be Unit Owners. Such Board shall have all powers and responsibilities attendant to the general administration and control of the Association. Additionally, the Board shall have the authority necessary to carry into effect the powers and duties specified by these Bylaws.

Until seventy five percent (75%) of all phases of the condominiums have been sold or Declarant turns over the Board of Directors and Association to the Owners, whichever occurs first, the Declarant reserves the right to appoint and remove all members of the Board and to exercise the powers and responsibilities otherwise assigned by the Declaration of the Association. By express written declaration, Declarant shall have the option to at any time turn over to the Association the total responsibility for electing and removing members of the Board.

A. Meetings.

Meetings of the Board of Directors may be held at any place which has been designated in the notice of the meeting, or if not stated in the notice or there is no notice, designated in the Bylaws or by resolution of the Board of Directors. Immediately following, and at the same place as, each annual meeting of members, the Board of Directors shall hold without call or notice other than this bylaw a regular meeting for the purposes of organization, election of officers and the transaction of other business. Other regular meetings of the Board of Directors shall be held without notice at such time as from time to time may be fixed by the Board of Directors.

B. Special Meetings; Notice.

Special meetings of the Board of Directors may be called at any time by the chairman or the secretary or any two directors. Notice of the time and place of all special meetings shall be given to each director by any of the following means:

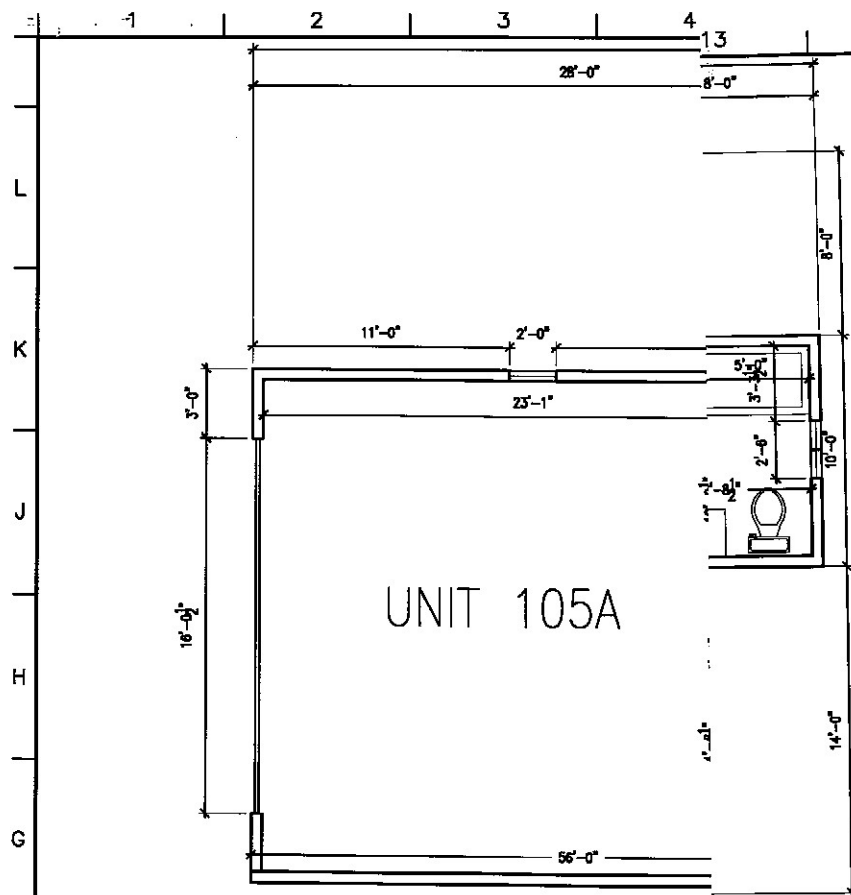
(i.) By personal delivery, or by telephone, facsimile or telegraph at least 48 hours prior to the time of the meeting; or

(ii.) By first-class mail, postage prepaid, at least four days prior to the time of the meeting.

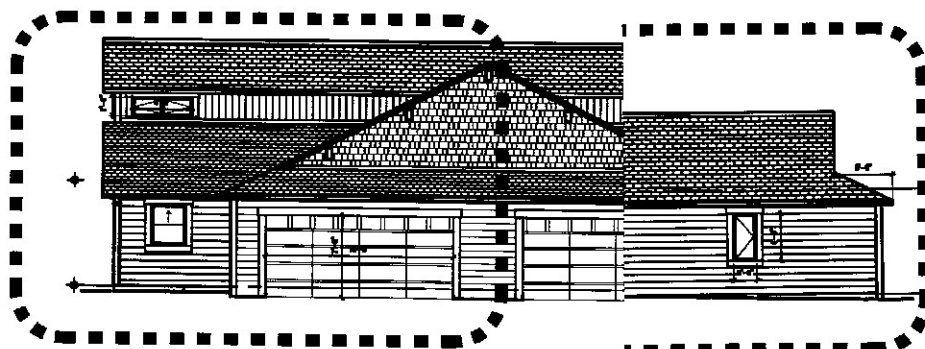
EXHIBIT "A"

LEGAL DESCRIPTION

Lots 12 and 13 of the Amended Plat of Northstar Subdivision Multi-Family Phase 3, 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-439-A)



PLAN



UNIT 105A

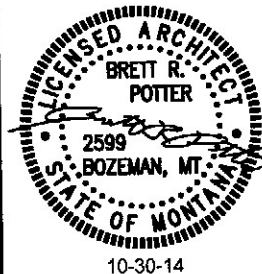


Owner

FOCUS
ARCHITECTS

312 Acadia Drive, Bozeman, MT, 59715
ph. (406) 578-9150

Architect



Project

Exhibit B

Issued / Revised

Drawing Title

UNIT 105A
PLANS
&
ELEVATIONS

SCALE = VARIES

Project No.

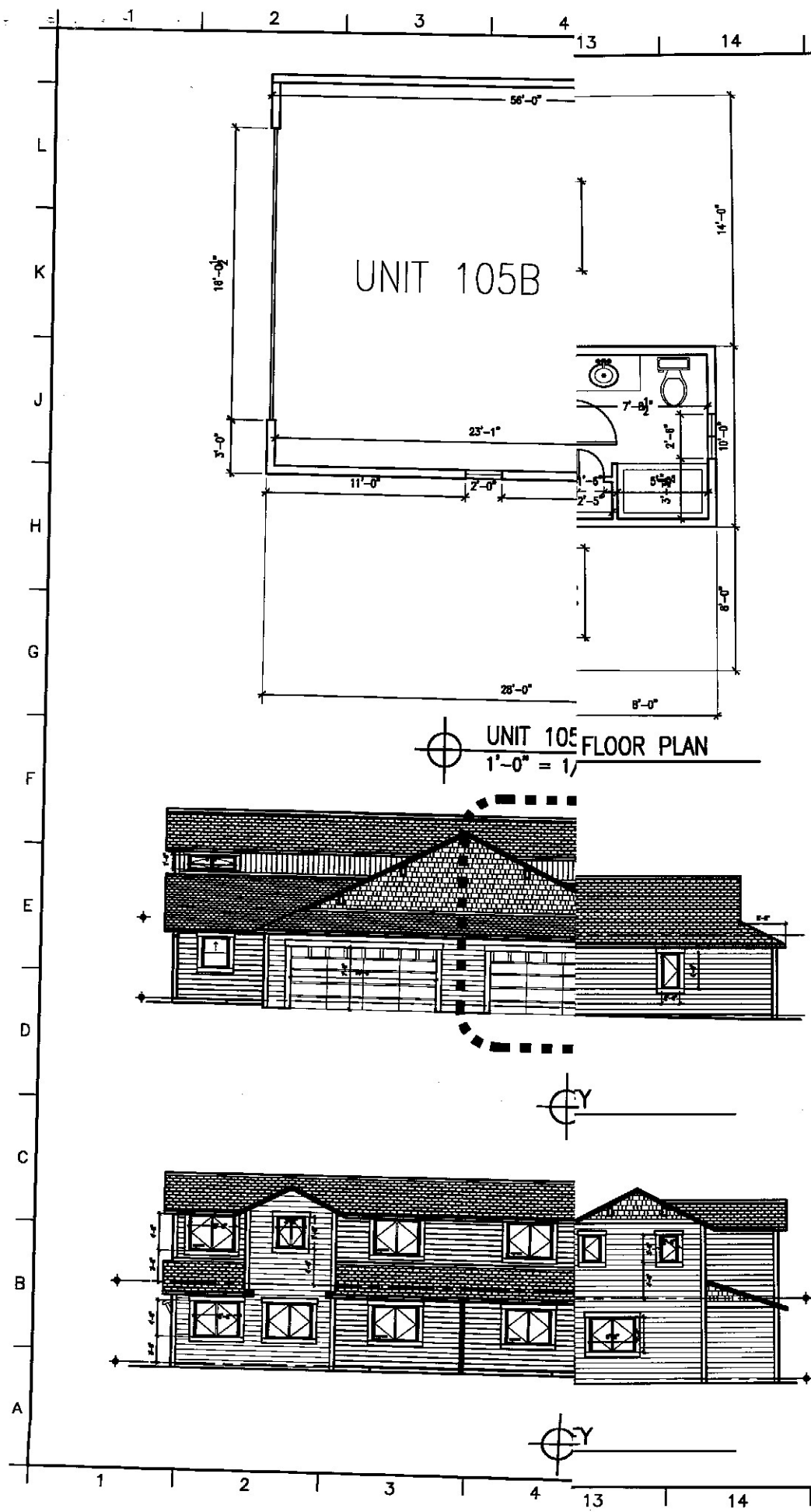
EXHIBIT A

Drawn

POTTER

Drawing No.

2 of 5



Owner

FOCUS
ARCHITECTS

312 Acadia Drive, Bozeman, MT, 59715
ph. (406) 578-9480

Architect

LICENSED ARCHITECT
BRETT R. POTTER
2599
BOZEMAN, MT
STATE OF MONTANA
10-30-14

Project

Exhibit B

Issued / Revised

Drawing Title

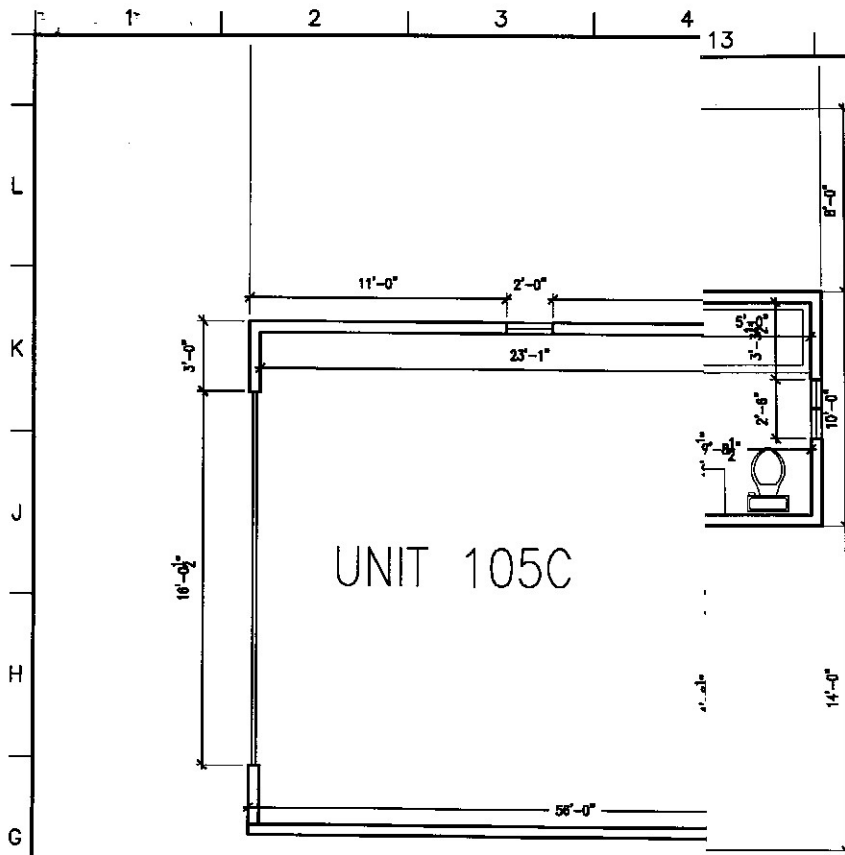
UNIT 105B
PLANS
&
ELEVATIONS
SCALE = VARIES

Project No. EXHIBIT A

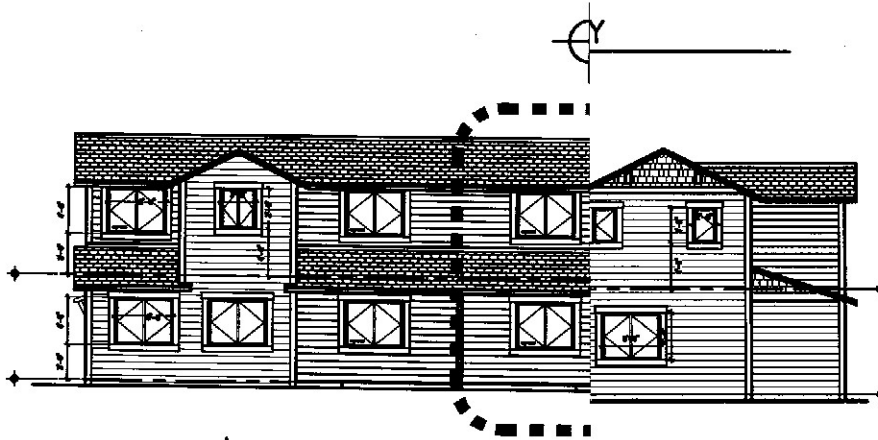
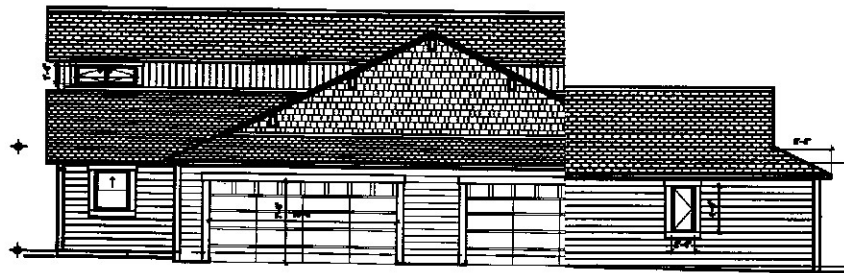
Drawn POTTER

Drawing No.

3 of 5



FLOOR PLAN



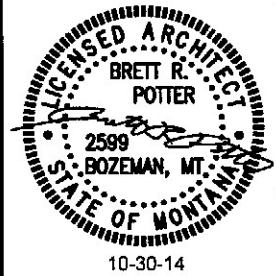
BUILDING 105 ELEVATION
1'-0" = 1/16"

Owner

FOCUS
ARCHITECTS

312 Acacia Drive, Bozeman, MT, 59715
ph. (406) 579-8450

Architect



Project

Exhibit B

Issued / Revised

Drawing Title

UNIT 105C
PLANS
&
ELEVATIONS

SCALE = VARIES

Project No.

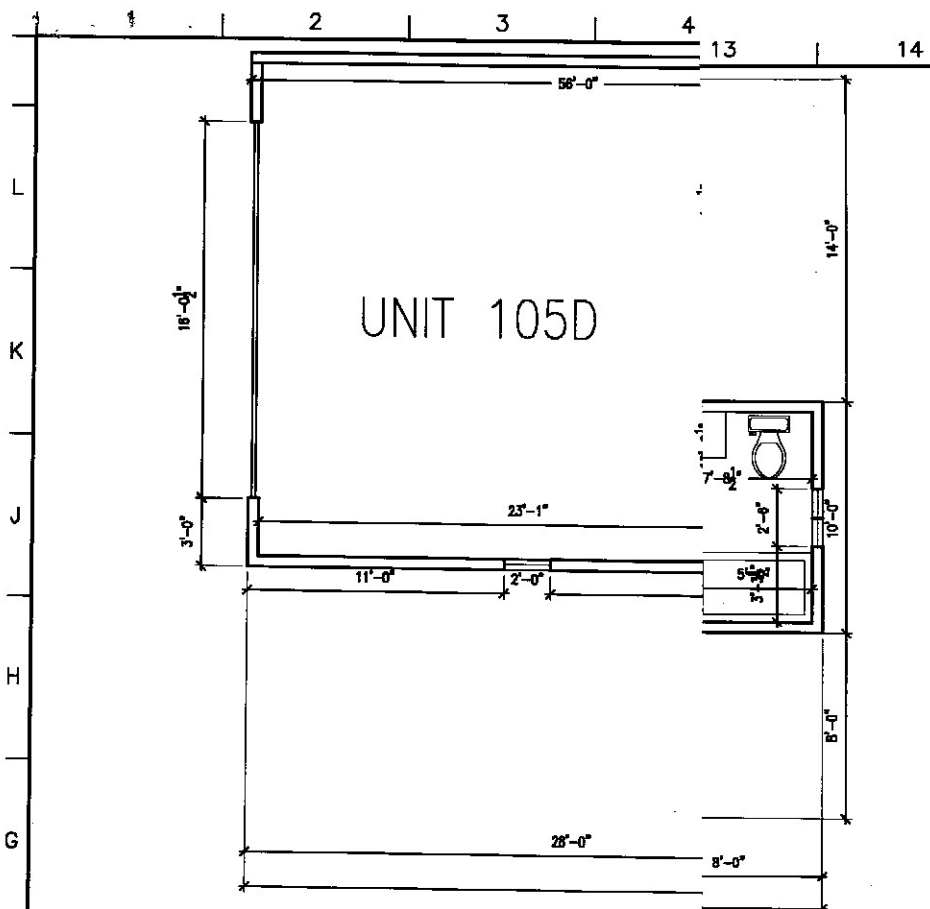
EXHIBIT A

Drawn

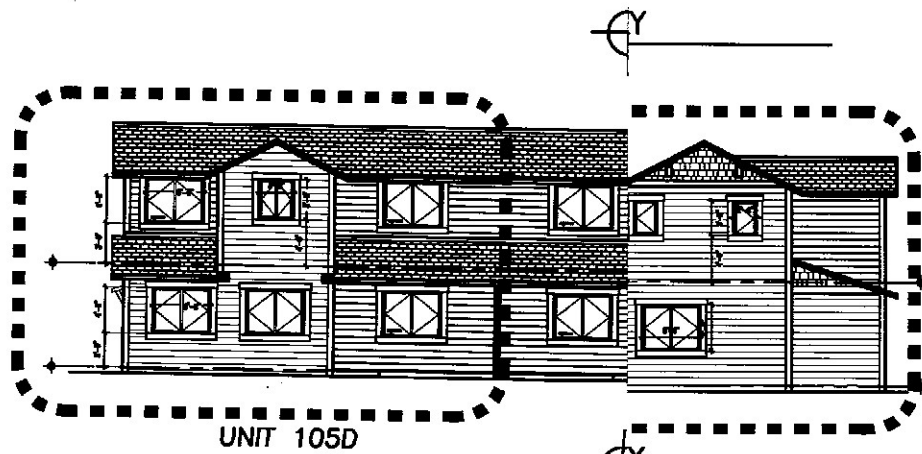
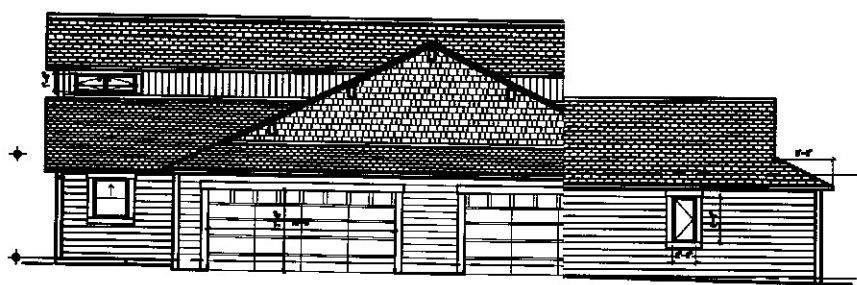
POTTER

Drawing No.

4 of 5



UNIT 105D
1'-0" FLOOR PLAN



Owner

FOCUS
ARCHITECTS

312 Acadia Drive, Bozeman, MT, 59715
ph. (406) 578-8480

Architect

LICENSED ARCHITECT
BRETT R. POTTER
2599
BOZEMAN, MT.
STATE OF MONTANA
10-30-14

Project

Exhibit B

Issued / Revised

Drawing Title

UNIT 105D
PLANS
&
ELEVATIONS
SCALE = VARIES

Project No. EXHIBIT A

Drawn POTTER

Drawing No.

5 of 5

discretion of the trustee and according to the contract of reconstruction or repair, which contract must have the approval of the Board and Unit Owners involved.

(g) **Surplus**

It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from the insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be paid to the Association for the use and benefit of the Unit Owners.

(h) **Condemnation**

The Owners Association shall represent the Unit Owners in the condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common elements, or part thereof, by the condemning authority.

(i) **Reversion:** If a determination has been made in accordance with this Declaration and the Montana Unit Ownership Act to not rebuild the Units, and after payment of all insurance proceeds to Unit Owners in accordance with the terms and conditions herein, the real property on which the condominium was erected will revert to the common ownership of all such Unit Owners as provided in Section 70-23-804, MCA. The percentage of common ownership of each Unit Owner shall be in proportion to such Owners' percentages of undivided interest in the general common elements at the time of the damage or destruction.

SECTION 12 REMOVAL OR PARTITION; SUBDIVISION

12.1 **Procedure for Removal or Partition.** The Condominium may be removed from condominium ownership, and may be partitioned or sold, only upon compliance with each of the conditions hereof:

(a) 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.

(b) The plan of removal, partition, or sale must be approved as provided in the Montana Unit Ownership Act. The consent of Owners of Units to which at least 75 percent (75%) of the votes in the Owners Association are allocated and the approval of the "eligible" holders of first mortgages on Units to which at least 51 percent (51%) of the votes of units subject to a mortgage appertain, shall be required to terminate the condominium regime. For a Mortgagee to be "eligible" hereunder, they must have requested notice as set forth herein under "Notice of Action". Upon obtaining such approval, the Board shall be empowered to implement and carry out the plan of removal, partition, or sale.

The common elements of the Condominium shall not be abandoned, partitioned, subdivided, encumbered, sold or transferred by removal or partition without compliance with all of the above requirements.

12.2 Subdivision Prohibited. No unit may be divided or subdivided into a smaller unit, nor may any portion thereof sold or otherwise transferred, except as otherwise expressly provided in this Declaration.

SECTION 13 MISCELLANEOUS

13.1 Covenants to Run with Land. The provisions of this Declaration and the bylaws shall be construed to be covenants running with the land, and shall include every unit and shall be binding upon the Unit Owners, their heirs, successors, nominees, personal representatives and assigns for as long as this Declaration and the bylaws are in effect.

13.2 Service of Process. The name and address of the person to receive service of process for the Condominium until another designation is filed of record shall be:

Gallatin Valley Homes, Inc.
71 Broken Horn Drive
Bozeman, MT 59718

13.3 Disclaimer. Except as expressly provided in this Declaration, the bylaws, or in agreements or instruments pertaining to conveyance of the units, Declarant does not intend by this Declaration to make, and hereby expressly negates and disclaims, any warranties and representations regarding the value, nature, quality, physical condition, suitability, compliance with laws, or any other aspect of the Condominium property or the units. Estimates of common expenses made by Declarant are reasonably believed to be accurate at the time they are made, but Declarant makes no warranty or representation that such estimates are either correct or may be relied upon by any person.

13.4 Remedies. The remedies provided in this Declaration and the bylaws shall not be exclusive of any other remedies which may now or in the future be available to the parties as provided for by law.

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

13.6 Binding Effect. Except as otherwise provided, this Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Unit Owner, and the heirs, personal representatives, nominees, successors and assigns of each.

13.7 Interpretation. The provisions of the Declaration and of the bylaws to be promulgated and recorded herewith, shall be liberally construed to effectuate the intent and purpose of the Declaration, bylaws and Unit Ownership Act.

13.8 Rights of Action: The Association, and any aggrieved Condominium Unit Owner, has a right of action against Condominium Unit Owners who fail to comply with the provisions of this Declaration, the Association Bylaws, rules, regulations, or any other provisions of documents relating to the Condominium or the decisions made by the Association.

13.9 Notice of Action: A holder, insurer or guarantor of a first mortgage, upon written request to the Association, (such request to state the name and address of such holder, insurer or guarantor and the Unit number), will be entitled to timely written notice of:

(1) Any proposed amendment of the condominium instruments effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the general or limited common elements appertaining to any Unit or the liability for common expenses appertaining thereto, (iii) the number of votes in the Owners Association appertaining to any Unit or (iv) the purposes to which any unit or the common elements are restricted:

(2) Any proposed termination of the condominium regime;

(3) Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;

(4) Any delinquency in the payment of assessments or charges owed by an Owner of a unit subject to the Mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of 60 days;

(5) Any lapse, cancellation or material modification of any insurance policy maintained by the Owners Association.

First Mortgagees Rights

No provision of the this Declaration shall give a condominium Unit Owner or any other party priority over any rights of the first mortgagee of the condominium unit pursuant to its mortgage in the case of payment to the Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common elements.

To the extent possible under Montana and other applicable law, the following protections for the benefit of first mortgage holders are as follows:

- (1) Any restoration or repair of the condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications unless the approval of the eligible holders of first mortgages on Units to which at

least 51% of the votes of Units subject to mortgages held by such eligible holders are allocated, is obtained.

- (2) Any election to terminate the condominium regime after substantial destruction or a substantial taking in condemnation of the condominium property must require the approval of the eligible holders of first mortgages on Units to which at least 51% of the votes of Units subject to mortgages held by such eligible holders are allocated.
- (3) Unless the formula for reallocation of interests in the common elements after a partial condemnation or partial destruction of the condominium project is fixed in advance by the Declaration or by applicable law, no reallocation of interests in the common elements resulting from a partial condemnation or partial destruction of the condominium project may be effected without the approval of the eligible holders of first mortgages on Units to which at least 51% of the votes of Units subject to mortgages held by such eligible holders are allocated.

NOTE: As used in this section, the term "eligible holder, insurer or guarantor" shall mean a holder, insurer or guarantor of a first mortgage on a Unit in a condominium.

13.10 Captions. The captions, titles and section headings throughout this Declaration are for convenience and reference only and shall not be deemed or held to explain, modify, amplify or aid in the interpretation, construction or meaning or the provisions of this Declaration, nor to define, limit or describe the scope or intent of a particular section.

13.11 Nondiscrimination. There shall be no limitation upon sale, lease or occupancy of any unit based upon race, creed, color, sex, religion, national origin, handicap or familial status. The Association may make reasonable accommodations, including reasonable waiver of the covenants and restrictions of this Declaration, when necessary to afford handicapped individuals the opportunity to enjoy the Condominium property.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be made and executed according to the provisions of the Unit Ownership Act, Title 70, Section 23, Montana Code Annotated.

DECLARANT:

GALLATIN VALLEY HOMES, INC.

By: 

Jared Schroeder

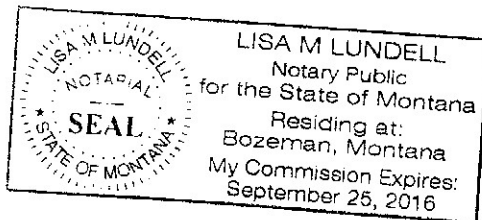
Its: President

ACKNOWLEDGMENT

STATE OF MONTANA)
 :SS
County of Gallatin)

This instrument was acknowledged before me on May 21, 2015, by
JARED SCHROEDER as the President of Gallatin Valley Homes, Inc.

SUBSCRIBED AND SWORN TO before me this 21 day of May,
2015.



Lisa M. Lundell
Lisa M. Lundell
Notary Public for the State of Montana
Residing at Bozeman Montana
My Commission Expires: Sept 25, 2016

Board designates an Insurance Trustee, all payments under policies subject to the insurance trust agreement shall be paid to the Insurance Trustee, and all policies and endorsements thereon shall be deposited with the Insurance Trustee;

- (iii) Waiver of Subrogation: The insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Board of Directors, or the Owners, and their respective agents, employees, guests, and, in the case of the Owners, the members of their households;
 - (iv) Right to Cure: Such policy shall not be substantially modified or suspended due to the act or omission of any Owner (including his invitees, agents, and employees) or of any member (acting within the scope of his authority for the Association), officer or employee of the Board of Directors, without a prior demand in writing that the Board of Directors cure the defect and neither shall have so cured such defect within 60 days after such demand;
 - (v) Notice of Cancellation. Such policy may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to the Board of Directors, and the holder of any Mortgage on Units registered with the insurer; and
 - (vi) Primary Insurance. If, at the time of a loss under the policy, there is other insurance in the name of the Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.
- (e) *Deductible and Other Insurance Features*. Except as otherwise provided by this Declaration, the Board of Directors shall establish the amount of the deductible and other features under the insurance policies as it deems desirable and financially expedient in the exercise of its business judgment.
 - (f) *Declarant's Interests*. The Declarant, so long as Declarant shall own any Unit, shall be protected by all such policies as an Owner.
 - (g) *Copies and Certificates of Mortgagees*. The Association shall furnish one copy of each insurance policy and of all endorsements thereon to each Mortgagee of a Unit Owner upon written request. Certificates of insurance shall be issued to each Unit Owner and Eligible Mortgagee upon written request.

11.2

Physical Damage Insurance.

- (a) *"All Risk" Policy*. The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, sprinkler leakage, debris removal, cost of demolition, water damage, inflation guard, and building ordinance or law

endorsements, insuring the entire improvements on the Land, including the Building and all other improvements constituting part of the Common Elements, and all of the Units (but excluding fixtures, equipment, betterments, wall coverings, furniture, and other personal property supplied or installed by an Owner in a Unit), together with service equipment contained therein, and common personal property and supplies, and covering the interests of the Association, the Board of Directors, all Owners, and Persons holding Mortgages on such Units, as their interests may appear, in an amount equal to 100% of the then-current, insurable replacement cost of such improvements (exclusive of the Land, excavations, and other items normally excluded from such coverage), without deduction for depreciation (e.g., with either a guaranteed replacement cost endorsement or a replacement cost endorsement).

- (b) *Coverage of HVAC, Service Equipment, etc.* The physical damage insurance policies obtained and maintained by the Association shall state whether certain fixtures and equipment located within the boundaries of the Units, including heating, ventilation, air conditioning, other service equipment, interior fixtures, and carpets, are included within the coverage of such policies in order that Unit Owners may insure the fixtures and equipment themselves if such items are not insured by the Association.
- (c) *Primary Coverage.* Such policy shall also provide that the physical damage policy purchased by the Association acting by and through the Board of Directors shall be deemed primary coverage and any Unit Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Owners or their Eligible Mortgagees unless otherwise required by law.
- (d) *Loss Payee; Insurance Trustee.* Such policy shall reflect the Association as the named insured (for itself and as agent for the Unit Owners), and the "loss payable" clause shall reflect the Association, as trustee for each Unit Owner and the holders of Mortgages on Units, as loss payee. Such policy shall also include a standard mortgage clause and shall name as mortgagee the various holders of Mortgages on Units of which the insurer is notified. The Board shall have the option, in its sole discretion, of naming as loss payee, on behalf of the Association, an insurance trustee ("Insurance Trustee") with whom the Association has entered into an insurance trust agreement. The duty of the Insurance Trustee shall be to receive, hold or otherwise properly dispose of proceeds of insurance designated in the insurance trust agreement in trust for the Association and Owners, and their Mortgagees, as their interests may appear.

- 11.3 **Liability Insurance.** The Board of Directors shall obtain and maintain comprehensive commercial general liability and property damage insurance, insuring the Association, each member of the Board of Directors, each Owner, and the Declarant (as their interests may appear) against any liability to the public or to the Owners (and their invitees,

agents, and employees) arising out of or incident to the ownership, operation, maintenance, and/or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (ii) a "severability of interest" endorsement which shall preclude the insurer from denying liability to an Owner because of negligent acts of the Association or of another Owner; and (iii) such other coverages and endorsements as the Board of Directors may deem appropriate. The Board of Directors shall review and adjust policy limits once each year, but in no event shall such insurance be less than \$1,000,000 covering all claims for bodily injury, including deaths of persons, and/or property damage arising out of one occurrence. The Board of Directors shall have authority to compromise and settle all claims against the Association or upon insurance policies held by the Association. The Unit Owners shall have no personal liability upon such claims, except as may be otherwise provided by law, and nothing herein contained shall in any way be construed as imposing upon the Association a duty to assess Unit Owners for the purpose of raising sufficient funds to discharge any liability in excess of insurance coverage.

- 11.4 **Other Association Insurance.** The Board of Directors shall obtain and maintain such worker's compensation coverage as may be required by Law. The Association may obtain and maintain such other insurance as the Board of Directors may from time to time deem to be necessary or as may be required by Law, including but not limited to errors and omissions insurance for officers, directors and managers, flood insurance, and insurance for the benefit of Association employees.
- 11.5 **Unit Owners' Separate Insurance.** Each Unit Owner is responsible for obtaining policies of insurance covering physical damage to (i) personal property located within the Owner's Unit; (ii) improvements made by the Owner to Owner's Unit; and (iii) ceiling, floor, and wall coverings, electrical fixtures, appliances, air conditioning and heating equipment, water heaters, built-in cabinets, and other improvements to the extent these items are located within the Unit boundaries and are not covered by the Association's insurance policies. The Unit Owner is also responsible for obtaining policies of insurance covering the Owner's personal liability. All policies acquired and maintained by a Unit Owner shall be at such Owner's expense. No Owner shall be entitled to exercise the Owner's right to acquire or maintain such insurance coverage under this section so as to decrease the amount which the Association, acting by and through the Board of Directors on behalf of all Owners, may realize under any insurance policy maintained by the Association or to cause any insurance coverage maintained by the Association to be brought into contribution with insurance coverage obtained by an Owner.
- 11.6 **Association as Agent.** The Association is hereby irrevocably appointed the agent and attorney-in-fact for each Unit Owner, other named insureds and their beneficiaries, and any other holder of a lien or other interest in the Property, to adjust and settle all claims arising under insurance policies purchased by the Association, to execute and deliver releases upon the payment of claims and otherwise deal with the Property upon its repair,

destruction or obsolescence as is provided in this Declaration, including without limitation the authority, right, and power to make, execute, and deliver any contract, deed or other instrument with respect to the interest of an Owner which are necessary and appropriate to exercise the powers herein granted. Title to any Unit is hereby declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute the irrevocable appointment of the Association as agent and attorney-in-fact as herein provided.

11.7 Distribution of Proceeds

Proceeds of insurance policies received by the insurance trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

- (a) Miscellaneous: Expenses of administration, the insurance trustee, and construction or remodeling supervision shall be considered as part of the cost of construction, replacement or repair.
- (b) Reconstruction or Repair - If the damage for which the proceeds are paid is to be repaired or reconstructed by the Association, the remaining proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them.
- (c) Failure to Reconstruct or Repair - If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them.
- (d) Certificate - In making distribution to Unit Owners and their mortgagees, the insurance trustee may rely upon a certificate from the Association made by its representative or Manager as to the names of the Unit Owners and their respective shares of distribution.

11.8 Reconstruction

(a) **Notice to Mortgagees.** In the event of substantial damage to or destruction of any Unit or Common Elements, the Association shall give timely written notice thereof to all Eligible Mortgagees affected thereby.

(b) **Repair After Casualty**

If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

- (1) Lesser Damage - If a Unit or Units are found by the Board of Directors of the Association to be tenantable after the casualty, the damaged property shall be repaired.
- (2) Greater Damage - If a Unit or Units are found by the Board of Directors to be not tenantable after the casualty, the damaged property shall be reconstructed or rebuilt.
- (3) Certificate - The insurance trustee may rely upon a certificate of the Association made by its president and secretary to determine whether or not the damaged property is to be reconstructed or repaired.

(c) **Plans and Specifications**

Any reconstruction or repair must be substantially in accordance with the plans for specifications and the original improvements, or if not, then according to plans and specifications approved by the Board of Directors and by more than seventy-five percent (75%) of the Unit Owners, including the Owners of all Units the plans for which are to be altered. Any such reconstruction not in accordance with the original plans and specifications must be set forth in an amendment to the Declaration, which amendment shall be prepared and filed of record in accordance with the provisions of such amended filing.

(d) **Responsibility**

The responsibility for reconstruction or repair after casualty shall be the same as for maintenance and repair of the condominium property, and the Association shall work with the insurance trustee to carry out the provisions of this Article.

(e) **Assessments**

If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair for which the Association is responsible, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Unit Owners in sufficient amounts to provide funds to the payment of such costs. Such assessments shall be in proportion to the Owner's percentage of interest in the general common elements.

(f) **Construction Funds**

The funds for payment of costs of reconstruction or repair after casualty, which shall consist of proceeds of insurance held by the insurance trustee and funds collected by the Association from assessments against Unit Owners, shall be disbursed in the sound