Debbie Pierson, Flathead County MT by AC

Return after recording to: BJ Lepinski PO Box 371409 San Diego, CA 92137

DECLARATION OF UNIT OWNERSHIP AND COVENANTS, CONDITIONS AND RESTRICTIONS ESTABLISHING AND GOVERNING

206 LUPFER CONDOMINIUMS

This Declaration of Unit Ownership and Covenants, Conditions and Restrictions Establishing and Governing 206 Lupfer Condominiums is made by 206 LUPFER, LLC ("Declarant").

RECITALS:

- Declarant is the owner of that certain real property situated in Flathead County, Montana, which is more particularly described on Exhibit A attached hereto and incorporated herein (the "Property").
- Declarant desires to submit and subject the Property, together with all buildings and В. improvements now or hereafter constructed thereon, and all easements, privileges, rights and appurtenances appurtenant thereto, to condominium unit ownership pursuant to the Unit Ownership Act, Title 70, chapter 23 of Montana Code Annotated.
- Declarant desires to establish for its own benefit and for the mutual benefit of all future Owners of the Property, or any part thereof, certain covenants, conditions, restrictions, easements, rights, privileges, assessments, and liens as set forth herein which shall run with and be a burden upon the Property, together with all buildings and improvements now or hereafter constructed thereon.
- Declarant intends that the Owners, Mortgagees, and all other persons hereinafter D. acquiring any interest in the Property, together with all buildings and improvements now or hereafter constructed thereon, shall at all times enjoy the benefits of, and shall hold their interest subject to, the Declaration, which is recorded in furtherance of establishing a plan of unit ownership for the Property, together with all buildings and improvements now or hereafter constructed thereon; and for establishing rules for the use, occupancy, management, and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property, together with all buildings and improvements now or hereafter constructed thereon, and the quality of life therein.



NOW, THEREFORE, Declarant, for the purposes hereinafter set forth, declares as follows:

ARTICLE I DEFINITIONS

As used herein, unless the context otherwise requires, the following terms shall have the following definitions.

- **Section 1.1** "Act" shall mean the Unit Ownership Act, Title 70, Chapter 23 of the Montana Code Annotated ("MCA"), pertaining to condominiums in the State of Montana, as the same may be amended from time to time.
- Section 1.2 "Administrative Regulations" shall mean and refer to the rules and regulations, if any, adopted by the Board pursuant to this Declaration.
- Section 1.4 "Articles" shall mean the articles of incorporation of the Association, as they may be amended from time to time.
- **Section 1.5** "**Assessments**" shall mean the charges against Owners and Units pursuant to Article VI.
- **Section 1.6** "Association" shall mean the 206 Lupfer Condominium Owners Association, Inc., and its successors and assigns.
- Section 1.7 "206 Lupfer Condominiums" shall mean the Property submitted to the Act upon the recording of this Declaration.
- **Section 1.8** "Board" or "Board of Directors" shall mean the board of directors of the Association elected or appointed pursuant to the Declaration, Articles and Bylaws, and serving as the governing body of the Association.
- **Section 1.9** "Building" shall mean and refer to each of the structures located on the Property and forming a part of the Property, pursuant to this Declaration.
- **Section 1.10** "Bylaws" shall mean the Bylaws adopted by the Association pursuant to the Articles, and Title 70, Chapter 23, MCA, and Title 35, Chapter 2, MCA, for the purpose of regulating the affairs of the Association, as the same may be amended from time to time.
- Section 1.11 "Common Elements" shall mean the "common elements," as that term is defined in §70-23-102(3), MCA, including, but not limited to, the land on which any Building is constructed, the foundations, columns, girders, beams, supports, main walls, roofs, roofing material, halls, corridors, lobbies, stairs, fire escapes, entrances, and exits of the building, floors, bearing walls of any Building, any wall that forms a boundary between two Units, siding, exterior doors and windows, mechanical or utility rooms, any HVAC systems or utility services such as water and sewer piping and electrical, phone, television and utility wiring and conduits which are not located within a



Unit, installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use, yards, gardens, common patios, parking areas and structures, outside storage spaces, private pathways, sidewalks, all other elements of the building necessary or convenient to its existence, maintenance, and safety or normally in common use, and all other portions of the Property, except the Units. A Common Element is considered either a "General Common Element" or a "Limited Common Element," as defined below, but a "Common Element" cannot be both a "General Common Element" and a "Limited Common Element."

- Section 1.12 "Common Expenses" shall mean the actual and estimated costs for: (A) maintenance, management, operation, repair, preservation and replacement of the Common Elements which are maintained by the Association; (B) deficiencies arising by reason of unpaid Assessments; (C) management and administration of the Association, including, but not limited to, compensation paid by the Association to accountants, attorneys, employees, and management companies and agents; (D) utilities (other than separately metered utilities for the Units), trash pickup and disposal, landscaping and grounds care and maintenance, snow and ice removal, and other related services; (E) insurance and bonds required by the Declaration or any additional insurance and bonds obtained by the Board in its discretion; (F) the establishment of reasonable reserves as the Board shall deem appropriate in its discretion; and (G) any other expenses incurred by the Association or the Board pursuant to the Declaration, the Bylaws, or the Administrative Regulations, as the same may be amended from time to time, in furtherance of the purposes of the Association or in discharge of the duties and powers of the Association.
- **Section 1.13** "Condominium Documents" shall mean this Declaration, the Articles, the Bylaws, and the Administrative Regulations.
- Section 1.14 "Covenants, Conditions and Restrictions" shall mean the covenants, conditions, assessments, easements, liens, and restrictions set forth in this Declaration.
- **Section 1.15** "**Declarant**" shall mean 206 Lupfer, LLC, and its successors and assigns. If Declarant wishes to assign its status as "Declarant" under this Declaration, such an assignment shall be in a writing which includes a specific reference to such status as "Declarant."
- Section 1.16 "Declaration" shall mean this Declaration of Unit Ownership and Covenants, Conditions and Restrictions, including Exhibits attached hereto and incorporated herein by this reference, and any and all amendments and supplements thereto.
- Section 1.17 "Exclusive Use Parking Space" shall mean the garages and parking spaces shown on Exhibit D for the exclusive use of a specified Unit. Exclusive Use Parking Spaces shall be Limited Common Elements of the applicable Units to which they are designated.
- **Section 1.18** "Exclusive Use Storage Space" shall mean the storage spaces located in the underground parking area of the Building and the lockers located on the first floor of the Building, all of which are shown on Exhibit D, which are for the exclusive use of a specified Unit. Exclusive Use



Storage Spaces shall be Limited Common Elements of the applicable Units to which they are designated.

- Section 1.19 "General Commons Elements" shall mean all Common Elements that are not Limited Common Elements.
- Section 1.20 "Limited Common Elements" shall mean a portion of the Common Elements specifically designated in this Declaration as a limited common element allocated by the Declaration or by operation of the Act for the exclusive use of one or more but fewer than all of the Units. Limited Common Elements shall include any improvements that are attached to or associated with a single Unit or that are designed to or are designated by this Declaration to serve a single Unit, but located outside the Unit's boundaries, such as decks, patios, balconies, exterior utility or HVAC equipment serving a single unit, awnings, shutters, window boxes, doorsteps, doors which provide access to a single Unit, exterior windows, stoops, Exclusive Use Parking Spaces, Exclusive Use Storage Spaces, the Commercial Restrooms, and other fixtures or improvements designed to or designated by this Declaration to serve a single Unit, but located outside the Unit's boundaries.
- Section 1.21 "Majority" or "Majority of Owners" shall mean the Owners of Units to which more than fifty percent (50%) of the undivided ownership of the Common Elements is appurtenant, irrespective of the total number of Owners. Likewise, any specified fraction or percentage of the Members shall mean the owners of Units to which that fraction or percentage of undivided ownership of the Common Elements is appurtenant.
- **Section 1.22** "**Member**" shall mean an Owner of a Unit in 206 Lupfer Condominiums. If a Member is a corporation, partnership, limited liability company or other entity, the Member shall designate an officer, partner, member, manager, agent or employee of such Member to represent the entity in all matters related to 206 Lupfer Condominiums.
- Section 1.23 "Mortgage" shall mean any recorded, filed or otherwise perfected mortgage, deed of trust, trust indenture or other instrument against a Unit given in good faith and for valuable consideration as security for the performance of an obligation, but does not mean any instrument creating or evidencing solely a security interest in personal property arising under the Montana Uniform Commercial Code. "Mortgagee" means a Person secured by a Mortgage, including a trustee and beneficiary under a deed of trust or trust indenture; and "Mortgagor" means the party executing a Mortgage. "First Mortgage" means a Mortgage which is the first and most senior of all Mortgages upon the same Unit. "First Mortgagee" means the Mortgagee under a First Mortgage.
- **Section 1.24** "Occupant" shall mean a Person or Persons, other than a Member, in rightful possession of a Unit, including, but not limited to, renters, tenants, lessees, agents, guests, licensees, invitees, or employees.
- Section 1.25 "Owner" shall mean and refer to the record owner, whether one or more Persons, of equitable or beneficial title (or legal title if the same has merged) of any Unit. Declarant shall be considered the record Owner of any Unit prior to its initial conveyance by Declarant. "Owner" does not mean Persons who hold an interest in a Unit merely as security for the performance



of an obligation, specifically including, but not limited to a Person who is selling under a contract for deed or similar document in which the contract or an abstract of the contract is recorded in the Flathead County Clerk and Recorder's Office, in which case the Person selling such interest shall be considered a Person holding an interest for security, and the Person buying such interest shall be considered a Member of the Association, unless the contract for deed specifically provides otherwise.

- Section 1.26 "Period of Declarant Control" shall mean the time period commencing on the date of this Declaration and ending on the earlier to occur of (a) ten (10) years from the date of this Declaration or (b) the date on which Declarant has sold Units to which at least a 90% percent undivided interest in the Common Elements are appurtenant. A conveyance of multiple Units to a third party in bulk, together with an assignment of the rights of Declarant to the third party, or a conveyance of a Unit or Units to an entity in which Declarant has the majority ownership interest shall not be considered a sale for the purposes of determining the Period of Declarant Control.
- **Section 1.27** "**Person**" shall mean a natural individual, corporation, partnership, limited liability company, trustee, personal representative, legal representative or other legal representative, or other entity capable of holding title to real property.
- **Section 1.28** "Plan" shall mean the plans for 206 Lupfer Condominiums shown on $\underline{\text{Exhibit}}$ $\underline{\text{C}}$, attached hereto and hereby incorporated by reference, and any and all amendments and supplements thereto.
- **Section 1.29** "**Property**" shall mean the property described on <u>Exhibit A</u> attached hereto, the Units, the Common Elements, including the Buildings, all improvements and permanent fixtures of whatsoever kind situated or located thereon, and all easements, rights, privileges and appurtenances appurtenant thereto, intended for the mutual use, benefit and enjoyment of the Owners.
- Section 1.30 "Successor Declarant" shall mean any Person to whom Declarant assigns any or all of its rights, obligations or interest as Declarant, and evidenced by an assignment or deed of record in the office of the Clerk and Recorder of Flathead County, Montana, designating such Person as a Successor Declarant, signed by the transferor and the transferee. Upon such recording, Declarant's rights and obligations under the Declaration will cease and terminate to the extent provided in such document, and all such rights and obligations shall be transferred to and assumed by the Successor Declarant to the extent provided in such document at which point any references in the Declaration to Declarant shall be deemed to refer to the Successor Declarant.
- **Section 1.31** "Unit" shall mean each of the portions of the Property which consist of one or more rooms situated in a Building comprising a part of the Property and designed or intended for independent use as a Unit, as shown on Exhibit C attached hereto, together with the respective fractional interests in the Common Elements appurtenant thereto. The initial fractional interests associated with each Unit are shown on Exhibit B attached hereto.



Each Unit shall consist of an individual air space bounded by the interior face of the unfinished perimeter walls, ceilings, and floors of the Unit, and the doors and windows thereof. For the purpose of defining a Unit, the terms set forth above shall be defined as follows:

- a. "unfinished perimeter wall" means the interior surfaces of the studs, supports and other wooden, metal or similar structural materials which constitute the interior face of a wall of a Unit.
- b. "<u>unfinished perimeter ceiling</u>" means the beams, joists and wooden, metal or other structural materials that constitute the interior face of the ceiling of a Unit.
- c. "<u>unfinished perimeter floor</u>" means the beams, floor joists and floor deck material that constitute the interior face of the floor of a Unit.

A Unit shall include any drywall, sheetrock, wall paneling, wood, tile, paint, paper, carpeting or any other wall, ceiling or floor covering, windows, window glass and window frames, window coverings or treatments, shutters, awnings, doorsteps, stoops and doors, door glass and door frames. A Unit shall further include fixtures and hardware and all improvements contained within the unfinished perimeter walls, ceilings and floors. A Unit shall include any heating and refrigerating elements or related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes and all other related equipment required to provide heating, air-conditioning, hot and cold water, electrical or other utility services to the Unit and located within the unfinished walls, ceilings and floors; provided, however, that a Unit shall not include any of the structural components of the Building or utility or service lines located within the Unit but serving more than one Unit.

The physical boundaries of a Unit shall be considered to be the proper boundaries regardless of the settling, rising, or lateral movement of the Buildings and regardless of any variances between the boundaries shown on the Plan and the actual physical boundaries for any Unit. "Unit" as used herein shall have the same meaning as that defined in §70-23-101(15), MCA, as the same may be amended from time to time.

ARTICLE II SUBMISSION OF THE PROPERTY

Section 2.1 Submission of the Property. Declarant hereby submits the Property to the Act. All Units shall be owned, leased, sold, conveyed, and encumbered, or otherwise held or disposed of, subject to this Declaration.

Section 2.2 Rights and Obligations. Any Person who at any time acquires ownership of or an ownership interest in a Unit, any Mortgagee, and any other Person who at any time acquires any legally recognized interest in or lien against a Unit accepts the same subject to this Declaration, and the jurisdiction, rights, obligations, duties and powers created or reserved by this Declaration. All rights, benefits, privileges and easements of every nature and character hereby granted, created, reserved, relocated or declared, and all impositions and obligations hereby imposed, shall be deemed and taken to be covenants running with the land and equitable servitudes and shall be binding upon



and shall inure to the benefit of any grantee, purchaser or any Person having at any time any interest or estate in the Property in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance, purchase contract or other instrument of transfer, and each such grantee shall be entitled to bring, and shall be subject to, an action for the recovery of damages, or for injunctive relief, or both, resulting from any breach of any such provisions, and each such grantee further acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the Association and all Owners.

ARTICLE III DESCRIPTION OF THE BUILDING, THE UNITS AND THE COMMON ELEMENTS AND THE NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

- Section 3.1 Name. The project shall be known as "206 Lupfer Condominiums."
- **Section 3.2 Estates of an Owner.** The Property is hereby divided into Units. Ownership of a Unit consists of a separate fee simple interest in a Unit and an undivided fractional interest in the Common Elements. The initial undivided fractional interests in the Common Elements associated with each Unit are shown on Exhibit B attached hereto.
- Section 3.3 Title. Title to a Unit shall be held or owned by a Person and in any manner in which title to real property may be held or owned in the State of Montana, including, but not limited to, joint tenancy or tenancy in common.
- Section 3.4 Inseparability. No part of a Unit or of the legal rights comprising ownership of a Unit may be separated from any other part thereof. Each Unit and the undivided fractional interest in the Common Elements appurtenant to such Unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Unit or any part thereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Unit together with all appurtenant rights created by law or the Declaration.
- **Section 3.5** Partition Not Permitted. The Common Elements shall be owned in common by all the Owners of Units, and no Owner may bring any action for partition thereof.
- Section 3.6 Units. The square footage of each of the Units in 206 Lupfer Condominiums is set forth on the Plan. There are a total of 16 Units in 206 Lupfer Condominiums. The identifying numbers of the Units in 206 Lupfer Condominium are Units 100, 101, 102, 103, 105, 106, 107, 201, 202, 203, 204, 205, 206, 207, 208, 301.
- Section 3.7 Certain Limited Common Elements. In addition to those items identified as Limited Common Elements pursuant to Section 1.20, the following are Limited Common Elements (this listing is not intended to be exclusive):



- A. The Exclusive Use Parking Spaces identified on <u>Exhibit D</u> shall be Limited Common Elements of the Units identified on Exhibit D.
- B. The Exclusive Use Storage Spaces identified on <u>Exhibit D</u> shall be Limited Common Elements of the Units identified on Exhibit D.
- C. The first-floor restrooms (located across the hallway from the lockers) shown on the Plan are Limited Common Elements of Units 101 and 102, respectively (the "Commercial Restrooms").
- D. Each patio, balcony or similar space which is attached to a Unit shall be a Limited Common Element of the applicable Unit as more specifically shown on Exhibit C.

Section 3.8 Fractional Interest in the Common Elements. The fractional interest in the Common Elements allocated to each Unit is shown on Exhibit B and is based on the approximate relation that the value of each Unit at the date of this Declaration bears to the then combined value of all the Units having an interest in the Common Elements (per §70-23-403, MCA, such value need not conform to market value). Alterations to the fractional interests allocated to each Unit may only be modified in accordance with the provisions of §70-23-403(2), MCA, as the same may be modified from time to time, or any successor statute concerning modification of a Unit's undivided interests in the Common Elements.

Section 3.9 Description of the Building. The building is shown on Exhibit C, attached hereto. It consists of a four-story timber and steel frame building, built on a concrete foundation. The principal materials of which the building is constructed are wood and wood products, natural or manufactured stone and/or brick, glass, metal railings and membrane roofing.

Section 3.11 No Dedication to the Public. Nothing in this Declaration or the other Condominium Documents will be construed as a dedication to public use, or a grant to any public municipal or quasi-municipal authority or utility, or an assumption of responsibility for the maintenance of any Common Elements by such authority or utility, absent express written agreement to that effect.

ARTICLE IV MAINTENANCE

Section 4.1 Maintenance Obligations of Owners. Each Owner of a Unit is responsible, at the Owner's sole costs and expense, for the cleaning, care, maintenance, repair, and replacement of the Owner's Unit and the portions of the Limited Common Elements designated for maintenance by the Owner in this Declaration, on the Maintenance Responsibility Chart attached as Exhibit E, or as set forth below.

A. <u>Maintenance and Repair of Commercial Restrooms</u>. The Owners of Units 101 and 102, respectively, shall be responsible for the regular cleaning of and the maintenance,



repair and replacement of all components of the respective Commercial Restrooms which are Limited Common Elements of Units 101 and 102.

- B. Maintenance and Repair of Limited Common Element Patios and Balconies. The Owner of any Unit that has a Limited Common Element patio or balcony shall be responsible, at the Owners' sole expense, for the care, maintenance, repair, replacement, and resurfacing of the surface of the patio or balcony and for removing all snow and ice from the patio or balcony. Prior to performing any maintenance on or making any repairs or replacements to the surface of a patio or balcony, the Owner shall submit a plan for the proposed maintenance, repair or replacement to the Board for the Board's review and approval. No Owner shall perform any maintenance, repair, or replacement of the surface of any patio or balcony surface without first obtaining the Board's approval.
- C. <u>Maintenance and Repair of Interior of Exclusive Use Storage Spaces and Garages</u>. Unit Owners shall be responsible for the care, cleaning, maintenance, repair and replacement of the interiors of the Exclusive Use Storage Spaces. The Owners of Units which have garages designated as Limited Common Elements, at the Owners' sole expense, shall be responsible for the care, cleaning, maintenance, repair and replacement of the interior of the garage (including the garage door opener) and the garage door.

Section 4.2 Quality of Owner's Maintenance. All maintenance, repair and replacement performed by an Owner shall be performed in a manner, as may be deemed reasonably necessary in the judgment of the Board, to preserve the attractive appearance of the Unit or Limited Common Element and to protect the value, safety and integrity of the Unit, the Limited Common element, the Building, and the Property. Any Owner maintenance, repair or replacement of any portion of the Owner's Unit or Limited Common Elements which is visible from the outside of a Unit shall be consistent with the existing design, aesthetics and architecture of the Project and shall be approved by the Board prior to being completed. Additionally, for any maintenance, repair, or replacement of a Limited Common Element, the Board may require the Owner to use a specific contractor or to use specific materials in order to maintain harmony of the Limited Common Elements with the Building.

Section 4.3. Alterations. An Owner may make non-structural alterations within such Owner's Unit. An Owner shall not make any alterations or repairs to the Common Elements or Limited Common Elements (except for maintenance, repair, or replacement of portions of the Limited Common Elements which are the responsibility of the Owner under this Declaration, but only after obtaining Board approval) and shall not alter or repair any bearing walls, bearing ceilings, bearing floors, other structural or utility bearing portions of the Building or any walls or railings enclosing any balconies or patios.

Section 4.4 Owner Default in Maintenance. If an Owner fails to maintain or repair the Owner's Unit or a Limited Common Element which the Owner is required to maintain in such a manner as may be deemed reasonably necessary in the judgment of the Board to preserve the attractive appearance and protect the value of the Limited Common Elements, Common Elements,



Building and Property, or if an Owner shall fail to observe any provision of this Declaration, then the Board shall give written notice to such Owner stating with particularity the nature of the default and the corrective action which the Board determines to be required and requesting that the same be carried out within a period of fifteen (15) days after the giving of such written notice. If an Owner fails to carry out such action or commence such action and pursue it to completion with reasonable diligence within the period specified by the notice, the Board may cause such action to be taken and shall levy a special Assessment for the cost thereof to the Owner, such special Assessments to be due and payable within thirty (30) days after the Board gives written notice thereof and to be secured by the Assessment lien created in Section 6.2.

Section 4.5 Maintenance of Common Elements. The Association shall furnish and be responsible for, as part of the Common Expenses, the maintenance, repair, and replacement of the Common Elements, including the Limited Common Elements (except for those portions of the Limited Common Elements required to be maintained by the Unit Owners pursuant to this Declaration and Exhibit E), as designated for maintenance by the Association on the Maintenance Responsibility Chart attached as Exhibit E. The costs of maintenance, repair and replacement of the General Common Elements shall be assessed to the Owners in proportion to their respective fractional interests in the Common Elements. The costs of maintenance, repair and replacement of the Limited Common Elements shall be assessed to the Owners of the Units to which the use of the Limited Common Elements is designated. Notwithstanding the foregoing, if an Owner or an Owner's guests, invitees, tenants or agents cause damage to the Common Elements, the costs of repairing or replacing the damage may be assessed solely to the Unit Owner whose guests, invitees, tenants, or agents caused the damage.

Section 4.6 Entry by Association. The Board or its duly authorized agent shall have the right at all times upon reasonable notice (and at any time without notice in case of an emergency) to enter upon or in any Unit to abate any infractions, to make repairs, or to correct any violation of the Declaration, Bylaws or Administrative Regulations. If, in the case of an emergency, it becomes necessary to forcibly enter a Unit because no means of access was provided by the Owner, the Association, its directors, officers, employees and agents shall not be liable for any damage done to the Unit as a result of the exercise of this right of entry. The party exercising this right of entry shall see that reasonable measures are taken to secure the Unit until the Owner shall be notified that the Unit has been entered.

Section 4.7 Utilities. All separately metered or charged utilities for individual Units will be paid directly by the Unit Owner to the applicable utility provider. With respect to water, there shall be one primary meter to the Building, with sub-meters for each Unit. The Association shall be responsible for payment of the water bill as a Common Expense and will bill each Unit owner, on a monthly basis (or such other regular interval as the Board determines from time to time), the Unit Owner's proportionate share of the water bill based on each Unit's usage as measured by the sub-meters and the Unit Owner shall reimburse the Association for such billed amount. If any other utilities (such as cable television, internet, or similar group plans entered into by the Association) are not metered separately or billed separately to each Unit or Owner, the cost of such utilities shall be a Common Expense and may be assessed or billed to the Units (a) equally to each Unit, (b) in proportion to each Unit's undivided percentage ownership interest in the Common Elements, (c)



based on usage, or (d) in any other manner deemed reasonable by the Board. The Association shall have the same rights and remedies for collecting amounts billed or assessed to Units under this Section as the Association has for collecting any other Assessments under this Declaration.

ARTICLE V ASSOCIATION

Section 5.1 Association. The Association has been formed by the filing of Articles of Incorporation with the Montana Secretary of State. The Association shall have all the powers set forth in the Articles, Bylaws, Declaration, and Administrative Regulations. The Association shall serve as the governing body for all of the Owners and shall make provisions for the maintenance, repair, replacement, administration and operation of the Common Elements (except for those Limited Common Elements required to be maintained by the Unit Owners pursuant to this Declaration and Exhibit E) and improvements thereon (including furnishings and equipment related thereto) and shall keep the same in good, clean, attractive and sanitary condition, order and repair, and shall make provisions for assessment of Common Expenses, acquisition of common area public liability and property coverage (casualty) insurance and disposition of such insurance proceeds, and other matters as provided in the Act, Declaration, Articles and Bylaws.

Section 5.2 Membership. Each Owner shall automatically be a member of the Association. Such membership shall automatically terminate when an Owner ceases for any reason to be an Owner, and the new Owner shall likewise automatically become a member in the Association. Membership in the Association may not be separated from ownership of a Unit.

Section 5.3 Notice of Membership. Any Person, on becoming a Member, will furnish the Association with a copy of the recorded instrument vesting the Person with the interest in a Unit required to make such Person a Member. At the same, time, the Member will provide the Association with the name, address and email address to which the Association will send any notices given pursuant to the Condominium Documents. In the event the name, address, or email address initially given to the Association shall change, the Member must provide the Association with the updated name, address, and email address. The most recent address and/or email address provided by the Member to the Association shall be the proper notice address for all notices given under the Condominium Documents.

Section 5.4 Powers. The Association shall have all the powers of a nonprofit corporation organized under Title 35, chapter 2, MCA, subject only to such express limitations on the exercise of such powers as are set forth in the Articles, the Bylaws and this Declaration. The Association shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by a condominium owners association or under the Declaration, the Articles and the Bylaws, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the powers of the Association. The Association's powers shall include, but not be limited to, the power to (A) commence and maintain actions or restrain and enjoin any actual or threatened breach of the Declaration and enforce by injunction or otherwise all of the provisions of the Declaration; (B) pay taxes, capital improvement Assessments or special Assessments and other liabilities which are or would become a lien on any portion of the Property owned or maintained by the Association; (C) levy



Assessments and perfect and enforce liens as hereinafter provided; (D) enter into contracts including, but not limited to, management contracts; (E) perform the duties set forth herein, including, but not limited to, maintenance and repair of the Common Elements and the obtaining of common area public liability and property coverage (casualty) insurance; (F) adopt, amend and repeal Administrative Regulations as it deems reasonable; and (G) impose and collect fines or other charges as it deems reasonable for violations of the Declaration, Articles, Bylaws or Administrative Regulations.

Section 5.5 Personal Liability. No member of the Board, or any officer of the Association, or Declarant (including any and all members, managers, partners, officers, directors, employees, or authorized agents of Declarant or its partners, affiliates, or parent company or its subsidiaries or affiliated companies), shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

Section 5.6 Voting. The votes in the Association shall be allocated based upon the Owner's percentage interest in the Common Elements. If a Person owns more than one Unit, that Person shall have the combined votes associated with all such Units owned. If more than one Person has an ownership interest in a single Unit, such Persons must decide among themselves how the votes for that Unit shall be cast. In the case of multiple owners of a single Unit, unless informed otherwise in writing, it shall be assumed that any owner shall be permitted to cast votes and otherwise act for that Unit in matters concerning the Association.

Section 5.7 Directors and Officers. During the Period of Declarant Control, Declarant shall have the right to appoint, remove and replace the members of the Board of Directors and the officers of the Association. Each Owner, by acceptance of a deed to a Unit, shall be deemed to grant to Declarant a proxy and power of attorney to so appoint, remove and replace the directors and officers of the Association during the Period of Declarant Control, and such proxy and power of attorney shall be deemed coupled with an interest and shall not be revocable during the Period of Declarant Control. If Declarant so elects, Declarant may from time to time relinquish, either on a temporary or permanent basis, the right to appoint all or a portion of the directors and officers of the Association; provided that any such relinquishment shall be expressed in writing to the Association. After the Period of Declarant Control, the Owners shall elect the Directors of the Association and the Directors shall appoint or elect the officers of the Association.

Section 5.8 Board of Directors. The governing body of the Association shall be the Board of Directors. Except as otherwise provided in this Declaration, the Bylaws, or the Administrative Regulations, the Board may act in all instances on behalf of the Association. The Board shall act to adopt the Bylaws.

Section 5.9 Manager. The Board may employ a manager or management company to manage, operate and maintain the Common Elements, to collect Assessments and other charges levied pursuant to the Condominium Documents, and to perform such other administrative functions and duties as the Board may delegate from time to time. The fees of any manager or management



company shall be Common Expenses, except that fees attributable to an Owner's default or breach of the Condominium Documents may be assessed to the applicable Unit Owner.

Section 5.10 Administrative Regulations. The Board may from time to time adopt, repeal, amend, or modify Administrative Regulations in furtherance of the Bylaws or Declaration. Any such Administrative Regulations must be approved in writing by the Declarant during the Period of Declarant Control. The Administrative Regulations or any repeal, amendment or modification of the Administrative Regulations shall not require the consent or approval of the Owners.

ARTICLE VI ASSESSMENTS

Section 6.1 Agreement to Pay Assessments. Declarant, for each Unit owned by it, and for and as the Owner of the Property and every part thereof, hereby covenants, and each Owner of any Unit by the acceptance of a deed for a Unit, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay Assessments to the Association for the purposes provided in the Declaration. Such Assessments shall be fixed, established, and collected from time to time as provided for in this Declaration and pursuant to applicable law.

Section 6.2 Creation of Lien and Personal Obligation For Assessments. Each Owner, including Declarant to the extent Declarant is an Owner as defined herein, of any Unit, by acceptance of a deed or other instrument creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other instrument, is deemed to covenant and agree to pay to the Association, such Assessments to be fixed, established and collected from time to time as provided in this Declaration. The Assessments, together with interest thereon, late charges, attorneys' fees, court costs and all other costs of collection incurred by the Association in collecting or attempting to collect delinquent assessments, whether or not suit is filed, shall be a continuing lien upon the Unit against which each Assessment is made in favor of the Association. Each Assessment, together with such interest, late charges, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Unit at the time the Assessment becomes due.

Section 6.3 Purpose of Assessments. The Assessments levied by the Association shall be used for the purposes of: promoting the health, safety and welfare of the Owners; the management, maintenance, care, operation, repair, preservation, and replacement of the Property, Common Elements and Building; enhancing the quality of life and the value of the Property including, but not limited to, the improvement and maintenance of the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements; the management and operation of the Association; or in furtherance of any other duty or power of the Association.

Section 6.4 Initial Contribution. In addition to the Assessments provided herein, upon the initial sale of a Unit from Declarant to a third party and upon the subsequent resale of any Unit by an Owner, the purchaser of the applicable Unit shall pay to the Association the sum of two thousand and 00/100 dollars (\$2,000.00) (the "Initial Contribution") to cover the costs incurred by the Association in connection with the transfer of the Unit and as a contribution to the working capital



and reserves of the Association. Such Initial Contribution shall not be considered an advance payment of any Assessment and shall not be refunded upon resale of the Unit. The amount of the Initial Contribution may be increased from time to time by the Board without the requirement of amending this Declaration. The Initial Contribution may only be decreased by an amendment to this Declaration. The Board shall inform all Owner's in writing of any increase in the amount of the Initial Contribution.

Section 6.5 Annual Assessments.

- A. The Board may levy upon and subsequently collect from each Owner an Annual Assessment for each Unit. The Annual Assessment shall reflect the Board's estimate of the requirements of the Association to cover Common Expenses including, without limitation, the cost of maintenance, repair and operation of the Common Elements, Building and Property and any components thereof which the Association is responsible for maintaining, repairing or replacing; expenses of management and operation of the Association; premiums for insurance coverage as deemed desirable or necessary by the Association; snow and ice removal, landscaping, grounds care and common lighting within the Property; routine renovations to the Common Elements; common water and utility charges for the Property and Building; legal and accounting fees: management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any deficit remaining from a previous Assessment period; and the creation or supplementing of a reserve fund for general, routine maintenance, repairs and replacement of Common Elements or improvements within the Property or Building on a periodic basis, as needed. The Board will prepare an annual budget for purposes of determining the Annual Assessment. Such budget shall be prepared prior to the close of each fiscal year of the Association and a copy of the budget shall be sent to each Owner not later than thirty (30) days following the end of each fiscal year of the Association.
- B. Each Owner will be responsible for paying that Owner's share of the Annual Assessments, which will be divided among the Units in proportion to each Unit's undivided percentage ownership interest in the Common Elements, except that if the Board determines in good faith that a portion of the Annual Assessment benefits fewer than all the Units, such portion may be assessed only against the benefited Units as determined by the Board. Examples of Association expenses which may benefit fewer than all the Units and may be assessed only against certain Units include, without limitation, increased insurance costs and refuse disposal costs resulting from the commercial use of the commercial Units.
- C. Initially, payment of the Annual Assessment shall be due and payable in monthly installments; however, the Board may modify the payment schedule from time to time as it sees fit.

Section 6.5 Special Assessments. The Board may, from time to time, levy upon and subsequently collect from each Owner a Special Assessment for each Unit. Each Owner will be



responsible for paying that Owner's share of any Special Assessment, which will be divided among the Units in proportion to each Unit's undivided percentage ownership interest in the Common Elements, except that if the Board determines in good faith that all or a portion of the Special Assessment benefits fewer than all the Units, in which case all or such portion of the Special Assessment may be assessed only against the benefited Units as determined by the Board. Payment of any Special Assessment shall be due and payable as the Board may provide.

Default Assessments. Any cost or expense (including attorney's fees and Section 6.6 costs) incurred by the Association as a result of the failure of an Owner to abide by the provisions of this Declaration or the other Condominium Documents, or any expense of the Association which is the obligation of an Owner, or which is incurred by the Association on behalf of the Owner pursuant to this Declaration, or any interest, late charge, fine or other monetary obligation of an Owner under this Declaration (other than Annual or Special Assessments) constitutes a Default Assessment. If an Owner, Occupant or such Owner's or Occupant's guests, tenants, renters, invitees, licensees, customers, employees or any other persons deriving their right to use the Common Elements, Building or Property from the Owner or such Owner's Occupants, guests, tenants, renters, invitees or licensees should cause damage to the Common Elements, Building, Property or any property or improvement for which the Association is responsible for maintenance, repair or restoration, the Owner shall pay for any out of pocket costs (including any insurance deductibles or increased insurance costs) incurred by the Association for or in connection with the repair or restoration of the damage caused. If such payment is not made within 30 days of billing for such cost, a Default Assessment may be levied against the Owner's Unit for such costs. Default Assessments are levied against the Unit or Units of an Owner who incurs a Default Assessment. Default Assessments shall be immediately due and payable by the Owner, upon notice from the Association of the amount of the Default Assessment.

Section 6.7 Remedies for Nonpayment of Assessments. Any Assessment or installment of an Assessment which is not paid within thirty (30) days after its due date will be delinquent. In the event of such delinquency, the Association may take any or all of the following actions:

- A. Assess a reasonable late charge for each delinquency at rates set by the Board from time to time;
- B. Charge interest from the date of delinquency at rates set by the Board from time to time, not to exceed the maximum rate of interest permitted by law;
- C. Suspend the voting rights of the Owner during any period of delinquency;
- D. Accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessments for the remainder of the fiscal year will be due and payable at once;
- E. Bring an action against any Owner(s) obligated to pay the delinquent Assessment; and
- F. File a statement of lien with respect to the Unit and foreclose the lien as set forth in more detail below.



The remedies provided under this Declaration are cumulative and are not exclusive, and the Association may enforce any other remedies to collect delinquent Assessments as may be provided by law.

Section 6.8 Assessment Lien. Any Assessment chargeable to a Unit will constitute a lien on the Unit, effective on the due date of the Assessment. If the Assessment is not paid within thirty (30) days of its due date, the Association may prepare and record a written lien in the office of the Clerk and Recorder of Flathead County, Montana, against the Unit, setting forth the name of the Owner, the legal description of the Unit, the name of the Association, and the delinquent Assessment amounts then owing. Any such lien will be signed by an officer or director of the Association and will be served upon the Owner of the Unit by mail or email to the address that the Association has in its records for the Owner. Thirty (30) days following the mailing or emailing of such notice to the Owner, the Association may proceed to foreclose the lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Montana. The Association will have the power to bid on a Unit at foreclosure sale and to acquire, hold, lease, mortgage and convey the Unit.

Section 6.9 Liability for Assessments. All Owners of a Unit are liable, jointly and severally, for all Assessments which become due during the time of their ownership of the Unit, including interest, late charges, costs, expenses and attorney's fees and costs incurred in collection of such Assessments. All successors to the fee simple title of a Unit, except as provided in Section 6.10 and Section 6.11, will be jointly and severally liable with the prior Owner or Owners for any and all unpaid Assessments, including interest, late charges, costs, expenses and attorney's fees and costs incurred in collection of such Assessments. However, any successor will be entitled to rely on the statement of status of Assessments given by the Association under Section 6.12.

Section 6.10 Priority of Lien for Assessments. The lien of the Assessments will be superior to and prior to any homestead exemption provided now or in the future by the laws of the State of Montana, and to all other liens and encumbrances *except* the following:

- A. Liens and encumbrances recorded before the date of the recording of this Declaration;
- B. Liens for real estate taxes and other governmental assessments or charges duly imposed against the Unit by a Montana governmental or political subdivision or special taxing district, or any other liens made superior by statute; and
- C. The lien for all sums unpaid on a First Mortgage recorded before the date of filing of a written lien for delinquent Assessments, including any and all advances made by the First Mortgagee, even though some or all of such advances may have been made subsequent to the date of filing of a written lien statement for delinquent Assessments. Any First Mortgagee who acquires title to a Unit by virtue of foreclosing the First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, will take the Unit free of any claims for unpaid Assessments, interest, late charges, costs, expenses, and attorney's fees and costs against the Unit which accrue prior to the time such First Mortgagee or



purchaser acquires title to the Unit. Any such person who acquires title will be subject to Assessments which are levied after they acquire title to the Unit.

All other persons who hold a lien or encumbrance of any type *not* described in subsection A., B. or C., above, will be deemed to consent that their lien or encumbrance will be subordinate to the Association's future liens for Assessments, interest, late charges, costs, expenses and attorney's fees and costs, as provided in this Article, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

Section 6.11 Protection of First Mortgage. No violation or breach of, or failure to comply with, any provision contained in this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any First Mortgage on any property taken in good faith and for value and perfected by recording in the office of the Clerk and Recorder of Flathead County, Montana, prior to the time of recording in said office of an instrument describing such property and listing the name or names of the Owner or Owners and giving notice of such violation, breach or failure to comply. No violation, breach, failure to comply or action to enforce this Declaration shall affect, defeat, render invalid or impair the title or interest of the holder of any First Mortgage or the title or interest acquired by any purchaser upon foreclosure or deed or assignment in lieu of foreclosure of any First Mortgage or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser upon foreclosure or party acquiring title via deed or assignment in lieu of foreclosure shall, however, take the Unit subject to this Declaration.

Section 6.12 Statement of Status of Assessments. On written request, the Association will furnish to an Owner or the Owner's designee (which shall include a title insurance company handling the escrow and closing of the sale of a Unit) or to any Mortgagee a statement setting forth the amount of unpaid Assessments then levied against the Unit in which the Owner, designee or Mortgagee has an interest. The information contained in such statement, when signed by an officer or director of the Association or by an authorized person at the Association's management company, will be conclusive upon the Association, the Board, and every Owner as to the person or persons to whom such statement is issued and who rely on it in good faith.

ARTICLE VII COMMON ELEMENTS; EASEMENTS

Section 7.1 Use of Common Elements. Every Owner is hereby granted and shall have and enjoy a perpetual, non-exclusive easement for access to and from such Owner's Unit and for the use and enjoyment of the General Common Elements and of the Limited Common Elements that pertain to the Owner's Unit, which easement is appurtenant to and will pass with the title to every Unit, subject to the provisions set forth in this Declaration. Such right and easement shall extend to each Owner and the Owner's agents, renters, tenants, guests, licensees, invitees or employees. Such right and easement shall be subject to such limitations, restrictions, and Administrative Regulations as may from time to time be promulgated by the Board.

Section 7.2 Public Utilities. Each Owner, the Association and the Declarant is hereby granted, reserves and shall have and enjoy a perpetual, non-exclusive easement for utilities over and



across the Property including the Building, including but not limited to installation and maintenance of lines, cables, wires, conduits, pipes or other devices for electricity, cable television, power, telephone, public sewers, storm water drains, water systems, sprinkling systems, sanitary sewer, drainage facilities, water heating, gas, and any similar public or quasi-public improvements, facility or other public utilities needed to serve the Property. The Association or Declarant may grant utility easements to others, provided that any such grants do not adversely affect the utility services to the existing Units.

Section 7.3 Association's Right to Use Common Elements. The Association shall have a nonexclusive easement to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration.

Section 7.4 Grant of Easements to Others. The Association, acting through the Declarant, during the Period of Declarant Control, or through the Board following the Period of Declarant Control, shall have authority to grant and convey easements over and across the Common Elements to third parties consistent with the overall character and use of the Property, so long as such easements do not substantially interfere with the use of the Property by the Owners.

ARTICLE VIII COVENANTS, CONDITIONS AND RESTRICTIONS

Section 8.1 Violation of Declaration. No Person shall use or cause to be used any portion of the Property, Building, Common Elements, or Units in any manner which would violate any of the terms set forth in this Declaration. Any Person owning, using or having an interest in the Property or any portion thereof and their Occupants, tenants, lessees, guests and invitees shall comply with all the conditions on use of the Property, Building, Common Elements, and Units set forth in this Declaration.

Section 8.2 Permitted Use of Units. 206 Lupfer Condominiums is a mixed residential and commercial use project. The Units identified below shall be used only for the following purposes:

A. Commercial Units. Units 100, 101 and 102 (the "Commercial Units") shall be used solely for commercial purposes. No residential use of the Commercial Units is permitted. Rental or leasing of the Commercial Units for a period of not less than one (1) year shall be permitted. Commercial food and beverage service operations shall be permitted in the Commercial Units; provided, however, that the following items shall not be permitted to be used in connection with any commercial use of the Commercial Units: broilers, grills, fryers, smokers, pizza ovens, commercial ovens requiring special ventilation (other than any ventilation installed during the initial construction of the Building), appliances or cooking equipment of any type requiring the use or installation of grease traps, or any appliances or cooking equipment which generates any unreasonably offensive odors throughout the residential portions of the Building. No live music performances shall be permitted to take place on or in the Commercial Units or the patio Limited Common Elements associated therewith unless



approved in advance by the Board. Any live music performance approved by the Board must end no later than 10:00 p.m. and must also comply with any applicable ordinances of the City of Whitefish.

B. Residential Units. Units 103, 105, 106, 107, 201, 202, 203, 204, 205, 206, 207, 208, and 301 (the "Residential Units") shall be used solely for residential purposes. For purposes hereof, residential purposes shall include overnight and short-term rentals so long as such overnight and short-term rentals comply with any applicable zoning requirements or state, county, or municipal laws and ordinances.

No Unit shall be used for industrial, warehouse or manufacturing purposes. Nor shall any Unit be used for the operation of a marijuana dispensary, marijuana grow operation, head shop, adult entertainment business, for the sale of pornographic or adult material, live music venue (except as specifically permitted in Section 8.2.A, above, following approval by the Board) or for any purpose which violates any applicable city, county, state or federal ordinances, codes, regulations, statutes or laws.

Notwithstanding anything to the contrary contained in this Declaration, Declarant shall be permitted to engage in marketing and development activities on the Property in connection with the initial construction and sales of all of the Units, including but not limited to operating and maintaining a sales office, model unit(s), signage, and other marketing activities.

Section 8.3 Use of General Common Elements. There shall be no obstruction of the General Common Elements, nor shall anything be stored on any part of the General Common Elements without the prior written consent of the Declarant, during the Period of Declarant Control, or thereafter by the Board, except as specifically provided herein. Use of the Common Elements shall at all times be in compliance with the Condominium Documents.

Signs. The Declarant shall be permitted to place signs in or on the Building Section 8.4 and Property to market the sale of the Units. Except for the foregoing, no sign of any nature whatsoever which is visible from the exterior of the Building shall be displayed or placed on or in any Unit, the Building, on or in any window or door of a Unit, or on any part of the Common Elements except as follows. The Commercial Units shall be permitted to place signs on either the window or door of the Unit to advertise the commercial/business activity being conducted from the applicable Commercial Unit. Any signage placed in the window or door of the Commercial Units to advertise the commercial/business activity being conducted from the Unit must be approved in advance in writing by the Declarant, during the Period of Declarant Control, or by the Board following the termination of the Period of Declarant Control. All signage must be consistent with the character and architecture of the Building. Any signage which is approved by the Declarant or Board, as applicable, must also comply with any applicable zoning regulations or county or municipal ordinances. No neon or other lighted signs shall be permitted to be placed in or on any Unit, the Building, on or in any window or door of a Unit or on any part of the Common Elements. Additionally, if permissible under city of Whitefish ordinances, temporary sandwich style for sale or open house signs may be placed in the portion of the Common Area of the Property along 2nd Street or Lupfer Ave. advertising the sale of or an open house in connection with the marketing for sale of a Unit. Any such



temporary for sale or open house signs must be removed each night. No signs of any nature whatsoever which is visible from the exterior of the Building shall be displayed or placed on or in the Residential Units, or on or in any window or door or any portion of the Limited Common Elements of the Residential Units.

Section 8.5 Prohibition of Certain Activities. Nothing shall be done or kept in any Unit or in the Common Elements or any part thereof which would result in the cancellation of or a material increase in the cost of the insurance on the Property and Building. No damage to, or waste of, the Common Elements or any part thereof shall be committed by any Owner or any Occupant, and each Owner shall indemnify and hold the Association and the other Owners harmless against all damage and loss resulting from the Owner's or the Owner's Occupant's damage or waste to the Property, Building or Common Elements. No Owner or Occupant shall engage in activity within the Property in violation of any law, ordinance, statute, rule or regulation of any local, county, state or federal body. No nuisance or unreasonably offensive or noxious activity shall be permitted within any Unit, in the Common Elements, or on the Property. The foregoing provision specifically shall <u>not</u> preclude the residential overnight or short-term rental of the Residential Units.

Section 8.6 Parking and Vehicular Restrictions.

- A. Authorized Vehicles. The following vehicles are "Authorized Vehicles": standard passenger vehicles, including automobiles, passenger vans designed to accommodate ten (10) or fewer people, motorcycles and pickup trucks having a manufacturer's or payload capacity of one (1) ton or less and vehicles which are the principal source of transportation for an Owner. Authorized Vehicles may be parked in any portion of the Property intended for parking motorized vehicles subject to Section 8.6.C, below; however, no Owner may park an Authorized Vehicle in a manner which the Association determines either restricts the passage of pedestrians or vehicles over streets, driveways, parking lots or sidewalks within the Property or extends beyond the limits of the space where the Authorized Vehicle is parked. The Association has the power to identify additional vehicles as Authorized Vehicles in the Administrative Regulations and to adopt further restrictions on vehicle parking on the Property.
- B. Prohibited Vehicles. The following vehicles are "Prohibited Vehicles": (i) recreational vehicles (e.g., motorhomes, travel trailers, camper trailers, campers and camper vans); (ii) boats and personal watercraft; (iii) commercial-type vehicles (e.g., stakebed trucks, tank trucks, dump trucks, step vans, concrete trucks and limousines); (iv) buses or vans designed to accommodate more than ten (10) people; (v) vehicles having more than two (2) axles; (vi) trailers; (vii) inoperable or junk vehicles or parts of vehicles; (viii) aircraft; (ix) any vehicles or vehicular equipment deemed a nuisance by the Board; and (x) any other vehicles not classified as an Authorized Vehicle. Prohibited Vehicles may not be parked, stored or kept on or within the Property except for brief periods for loading, unloading, making deliveries or emergency repairs. If a vehicle qualifies as both an Authorized Vehicle and a Prohibited Vehicle, then the vehicle is presumed to be a Prohibited Vehicle unless the vehicle is expressly classified as an Authorized Vehicle in writing by the Board. The Association has the



power to identify additional vehicles as Prohibited Vehicles in the Administrative Regulations.

C. General Restrictions. All Authorized Vehicles owned or operated by or within the control of an Owner and kept on or within the Property shall be parked solely in that Owner's Exclusive Use Parking Space. No vehicle shall be parked in any parking space located on the Property if such vehicle does not completely and clearly fit within the applicable parking space. No Owner shall park any vehicle on or in the Property or the Owner's Exclusive Use Parking Space that obstructs free traffic flow, constitutes a nuisance, violates this Declaration or the Administrative Regulations, or otherwise creates a safety hazard. The parking areas in the Property shall be used for parking Authorized Vehicles only and shall not be used for living, recreational or business purposes. No maintenance, repair or construction of any vehicle shall be conducted on the Property. The Commercial Units shall have no right to park vehicles on the Property. Parking for the Commercial Units shall be exclusively off the Property using parking available to the general public.

Section 8.7 External Fixtures. Subject to any applicable federal or state laws, no Owner shall be permitted to install, construct, erect, place or maintain any external items such as, but not limited to, television and radio antennas, satellite dishes, solar panels, flag poles, wiring, insulation, air conditioning equipment, water softening equipment or other similar items on the Common Elements, Property, or the Building (including the roof of the Building). No fences, awnings, ornamental screens, screen doors, porch or patio or balcony enclosures, or sunshades, other than those approved in writing by the Board, in the Board's sole and absolute discretion, shall be constructed, erected, placed, or maintained on the Common Elements, Property or the Building (including the roof of the Building). The foregoing restrictions shall not apply to any items placed on the Common Elements, Property or Building by the Declarant as part of the initial construction of the Building.

Section 8.8 Window Covers. All window coverings visible from the exterior of the Building shall be of a neutral color or otherwise compatible with the exterior decor of the Building. Prior to installing any window covering the Owner must first obtain the written approval of the Declarant, during the Period of Declarant Control, or by the Board following the termination of the Period of Declarant Control.

Section 8.9 Noise. No Unit shall be used in any manner or for any purposes which results in noise levels which unreasonably interfere with the other Owners' and Occupants' use and enjoyment of their Units. Unit Owners shall be permitted to have stereos or speakers located on the balcony or patio of their Unit and within their Unit so long as such speakers and stereo systems are not used at a volume which unreasonably interferes with the other Owners' or Occupants' use and enjoyment of their Units. Except for the foregoing permitted use of stereos and speakers on an Owner's balcony or patio, no radio, stereo, amplifier, broadcast or loudspeaker units of any kind shall be placed upon or be directed to the outside of the Building. The Board may adopt, as part of the Administrative Regulations, additional restrictions on the volume and time of use of any stereos or speakers used on an Owner's balcony or patio or within an Owner's Unit.



Section 8.10 Unsightly Items. All rubbish, debris or unsightly materials or objects of any kind shall be regularly removed from Units and the Common Elements and shall not be allowed to accumulate therein or thereon. Trash and garbage shall be placed in containers for removal from the Property in accordance with Administrative Regulations applicable thereto adopted by the Board.

Section 8.11 Patios and Balconies. Only patio furniture (e.g., tables, chairs, and umbrellas), barbecues, hot tubs, and similar items for use on a patio or balcony shall be permitted to be kept, stored, or placed on a patio or balcony. Except for the aforementioned permissible items, nothing else shall be kept, stored or displayed on any patio or balcony (including, but not limited to recreational equipment, gear, bicycles, paddleboards, skis, etc.) without the prior written consent of the Board. The Board may adopt, as part of the Administrative Regulations, additional rules regarding the storage, keeping, and placing of items on balconies or patios.

Section 8.12 Animals. Except as otherwise specifically provided in this Section, no animals, livestock, poultry, birds, reptiles, rodents or snakes shall be kept, maintained, or bred in any Unit or on or within the Building or Property. An Owner may bring on to the Property, keep and maintain not more than a total of two (2) dogs or two (2) domestic cats, or a combination thereof, but not to exceed two (2) total, in an Owner's Unit, provided such animals are not kept, bred or raised for commercial purposes. No aggressive dogs or cats shall be permitted to be kept or maintained on the Property. An Owner shall not be permitted to keep or maintain in any Unit or on or within the Building or the Property any dogs or cats which, in the reasonable determination of the Board, are determined to unreasonably interfere with the other Owners' quiet enjoyment of their property as a result of excessive barking, scratching, noise or the like, or are determined to be a nuisance or threat to the safety of the Owners, Occupants, guests, licensees or invitees of the Property. All dogs and cats must be kept on a leash at all times while on the Property except when such dogs or cats are confined within an Owner's Unit or the enclosed balcony or patio of the applicable Owner's Unit. No party other than an Owner (including, without limitation, tenants, guests or renters of any Unit) shall be permitted to bring onto the Property or keep or maintain any pets or animals (including cats and dogs) within the Building or the Units. Notwithstanding the foregoing, the Board may adopt additional rules and regulations (as part of the Administrative Regulations) applicable to pets, including the assessment of fines or charges to Owners who violate such rules. The foregoing restrictions shall not prohibit or restrict an Owner, Occupant, guest, licensee or invitee from having service animals on or in the Property in compliance with applicable federal and state law.

Section 8.13 Owner's Responsibility for Occupants. Rental and leasing, including short term and overnight rentals as permitted by applicable zoning and local ordinances, shall be permitted as set forth in Section 8.2, above. The Owner shall be solely responsible for all property management/rental activities in connection with the rental or leasing of an Owner's Unit. Neither the Association nor any management company hired by the Association shall be obligated to provide property management/rental activities in connection with the rental or leasing of an Owner's Unit. Any Owner who shall rent, lease or allow others to occupy his, her or its Unit shall be responsible for assuring compliance by the Occupants with this Declaration, the Bylaws and the Administrative Regulations. Failure by an Owner to take legal action, including, without limitation, the institution of an action for possession or forcible entry and detainer proceeding against any Occupant of a Unit who is in violation of the Declaration, the Bylaws or the Administrative Regulations after receipt of



written demand so to do from the Board, shall entitle the Association, to take any and all such action including the institution of proceedings for possession or forcible entry and detainer on behalf of such Owner against the Owner's Occupant and the Owner hereby assigns his, her or its rights as a landlord to enforce such defaults. Any expenses incurred by the Association, including attorneys' fees and costs of suit, shall be repaid to the Association by the applicable Owner.

Section 8.14 Alterations, Additions or Improvements. Except as otherwise provided in this Declaration, no alterations, improvements, replacements, or repairs of any Common Elements or any additions or improvements thereto shall be made by any Owner, without the prior written approval of the Declarant, during the Period of Declarant Control, or the Board following the termination of the Period of Declarant Control. Any Owner may make nonstructural alterations, additions or improvements within the interior of such Owner's Unit without the prior written approval of the Declarant or Board, as applicable, but such Owner shall be responsible for any damage to any other Units or the Common Elements which may result from such alteration, addition or improvement.

Section 8.15 Interior. Each Owner shall have the right to decorate interior surfaces of the walls, ceiling, and floors of the applicable Owner's Unit from time to time as such Owner may see fit at such Owner's sole expense and shall be responsible for maintaining the interior of their Unit, including, without limitation, interior walls, windows, glass, ceilings, floors and fixtures, appurtenances thereto, in a clean, sanitary, and attractive condition, and good state of repair.

Section 8.16 Hours of Operation of Commercial Businesses. Commercial operations or business permitted under this declaration shall have hours of operation which begin no earlier than 7:00 a.m. and end no later than 10:00 p.m.

Section 8.17 Time Share. A Unit may not be divided into or conveyed as a timeshare, timeshare interval or timeshare interest, as those terms are defined in MCA § 37-53-102.

Section 8.18 Required Insurance for Commercial Use of Unit. The Owner, Occupant, tenant or lessee of any Unit being used for commercial purposes shall be required to obtain and maintain at the Owner's, Occupant's, tenant's or lessee's sole cost and expense, commercial general liability and property damage insurance covering all operations on and from the Property with coverage limits of not less than \$1,000,000 per occurrence. The amount of required insurance and the required coverages may be modified from time to time by the Board as part of the Administrative Regulations and such modification shall not require an amendment to this Declaration. Such commercial general liability insurance must name the Association as an additional insured on a primary and non-contributory basis. The Owner shall deliver or shall cause the Occupant, tenant or lessee of the Owner's Unit to deliver a certificate of insurance to the Association showing that such insurance, naming the Association as an additional insured, is in full force and effect and will not be modified or canceled without twenty (20) days' prior notice to the Association. Such certificate of insurance must initially be delivered to the Association on or before the date that the Owner, Occupant, tenant or lessee begins any commercial operations from the Property. Subsequent certificates of insurance must be delivered to the Association prior to the expiration date of the policy for which the prior certificate of insurance was delivered and at any time upon request by the



Association. If an Owner, Occupant, tenant or lessee fails to deliver the required certificate of insurance to the Association, the Association may assess the Owner of the applicable Unit a Default Assessment equal to the increase in the Association's insurance premium resulting from the failure of the Owner, Occupant, tenant or lessee to obtain the required commercial general liability insurance.

Section 8.19 Covenants to be Incorporated into Leases. Unit Owners shall require that any Occupant, tenant or renter of a Unit comply with all provisions of this Declaration and the Administrative Regulations by either: (1) including a provision in any leases, rental agreements or contracts for short-term occupancy of a Unit requiring the Occupant, tenant or renter to comply with all provisions of this Declaration and the Administrative Regulations; or (2) requiring any Occupant, tenant or renter of a Unit to sign a separate acknowledgment and agreement requiring the Occupant, tenant or renter to comply with all provisions of this Declaration and the Administrative Regulations. Such written document to be signed by the Occupant, tenant or renter shall make a failure of the Occupant, renter or tenant to comply with this Declaration and the Administrative Regulations a default under the lease, rental agreement or contract.

ARTICLE IX INSURANCE

Section 9.1 Authority to Purchase. All insurance policies relating to the Common Elements will be purchased by the Association or its duly authorized agent. The Association, Board of Directors and Declarant will not be liable for failure to obtain any coverage required by this Article or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at unreasonable cost.

Section 9.2 Deductible. The deductible, if any, on any insurance policy purchased by the Association may be treated as a Common Expense payable from Annual Assessments or Special Assessments (allocable to all of the Units or to only some of the Units, if the claims for damages arise from the negligence of particular Owners or their Occupants, guests, tenants, lessees, invitees or customers), or as an item to be paid from any working capital reserves established by the Board of Directors.

Section 9.3 Physical Damage Insurance. The Association will obtain casualty insurance for such insurable General Common Elements and with such coverages, limits, deductibles and other terms and conditions as the Board may determine from time to time. The Board may, but shall not be required to, obtain a master policy of insurance insuring all or any portion of the Limited Common Elements and the Units. Unless the Board obtains a master policy of insurance covering all of the Limited Common Elements and the Units, Owners shall be responsible for and shall obtain their own insurance covering their Unit and the Limited Common Elements associated with their Unit. In any event, Owners shall be responsible for obtaining their own insurance covering the contents of their Unit and any portion of their Unit and the Limited Common Elements associated with their Unit which is not covered by a policy of insurance obtained by the Association. It shall be the responsibility of the Owner to obtain such insurance coverage as the Owner may desire to ensure coverage of the entire Unit and all portions of the Limited Common Elements associated with the Unit.



Section 9.4 Liability Insurance. The Association will obtain a comprehensive policy of public liability insurance and property damage insurance with such coverages and limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Association, and the respective employees, agents, and all persons acting as agents against any liability to the public or the Owners (and their guests, invites, tenants, agents, and employees) arising in connection with the ownership, operation, maintenance, or use of the General Common Elements and any other areas under the control of the Association. Declarant will be included in the coverage as an additional insured in Declarant's capacity as an Owner or Director. To the extent reasonably available, the Owners will be included as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements.

The Board of Directors will review the coverage limits from time to time, but, generally, the Board will carry such amounts of insurance usually required by private institutional mortgage lenders on projects similar to the 206 Lupfer Condominium project, and in no event will such coverage be less than \$1,000,000.00 for all claims for bodily injury or property damage arising out of one occurrence.

Each Owner must obtain and maintain condominium unit owner's insurance which includes liability coverage for personal injury and property damage with limits of not less than \$500,000 per occurrence for each Residential Unit and \$1,000,000 for each Commercial Unit. This amount may be increased from time to time by the Board, as party of the Administrative Regulations, without the need to amend the Declaration. To the extent available without material price increase, each Owner shall name the Association and the Association's manager or management company as an additional insured on such liability insurance coverage. If an Owner's insurer refuses to name the Association and any management company hired by the Association as an additional insured on the liability coverage, the Owner shall provide the Association with written notice from the insurer stating that the insurer will not name the Association and any management company hired by the Association as an additional insured on the liability insurance coverage. Each Owner, upon acquiring a Unit and as often as necessary to show that continuous liability insurance in the required amounts is in effect, including upon request of the Association, shall provide to the Association a certificate of insurance showing that the required liability insurance is in full force and effect. Additionally, to the extent available, each Owner's insurance policy will include a subrogation waiver waiving the insurer's right of subrogation against Declarant, the Board, the Association and its management company and the other Unit Owners. The Board may adopt, as part of the Administrative Regulations, additional requirements for the insurance to be obtained by the Unit Owners.

Section 9.5 Fidelity Coverage. Fidelity bonds or insurance coverage may be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees, and employees, and on the part of all others who handle or are responsible for handling the funds of or administered by the Association. In addition, if responsibility for handling funds is delegated to a Manager, such bonds or insurance coverage may, in the Board's discretion, be required for the Manager and its officers, employees, and agents, as applicable. Such fidelity bonds or insurance coverage will name the Association as an obligee or insured and will be written in such amount as the Board may determine appropriate.



- Section 9.6 Provisions Common to Physical Damage Insurance, Liability Insurance, and Fidelity Insurance. Any insurance coverage obtained by the Association under the provisions of this Article will be subject to the following provisions and limitations:
 - A. The named insured under any such policies will include Declarant, until the Declarant has sold all of the Units. The Association, as attorney-in-fact for the Owners, or the authorized representative of the Association, will have exclusive authority to negotiate losses under such policies.
 - B. Each Owner will be an insured person with respect to liability arising out of the Owner's interest in the General Common Elements or membership in the Association.
 - C. The policies will contain, to the extent available or obtainable, a waiver by the insurer of any right to claim by way of subrogation against Declarant, the Board of Directors, the Association and any Owner and their respective agents, employees, or tenants, and in the case of Owners, members of their households.
- Section 9.7 Personal Liability Insurance of Officers and Directors. To the extent obtainable at reasonable cost, appropriate officers' and directors' liability insurance will be obtained by the Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Association.
- Section 9.8 Worker's Compensation Insurance. If the Association hires any employees, the Association will obtain worker's compensation or similar insurance with respect to such employees in the amounts and forms as may now or hereafter be required by Montana law.
- **Section 9.9** Other Insurance. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it deems appropriate with respect to the Association's responsibilities and duties.
- Section 9.10. Insurance Obtained by Owners. With respect to any insurance required to be obtained by an Owner or which an Owner obtains for such Owner's benefit, no such insurance coverage obtained by an Owner will operate to decrease the amount which the Association, on behalf of all Owners, may realize under any policy maintained by the Association or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that coverage. Any such insurance obtained by an Owner will include a waiver of the particular insurance company's right of subrogation against Declarant, the Board of Directors, the Association and other Owners.

ARTICLE X DAMAGE OR DESTRUCTION

Section 10.1 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Common Elements, unless such damage or



destruction is minor and only affects General Common Elements, the Association will obtain an estimate or estimates, that it deems reliable and complete, of the costs of repair and reconstruction of that part of the Common Elements so damaged or destroyed. "Repair and reconstruction" as used in this Article will mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction.

Section 10.2 Repair and Reconstruction. As soon as practical after obtaining estimates, the Association will diligently pursue to completion the repair and reconstruction of the damaged or destroyed Common Elements. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner will be necessary. Assessments of the Association will not be abated during the period of insurance adjustments and repair and reconstruction.

Section 10.3 Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance will be used for the purpose of repair, replacement and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may levy, assess and collect in advance from all Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further Special Assessments may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

Section 10.4 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from any Special Assessments constitute a fund for the payment of the costs of repair and reconstruction after casualty. It will be deemed that the first money disbursed in payment for the costs of repair and reconstruction will be made from insurance proceeds, and the balance from the Special Assessments. If a Special Assessment was made for the costs of repair and reconstruction and there is a balance remaining after payment of all costs of such repair and reconstruction, such balance will be distributed to the Owners in proportion to the contributions each Owner made as a Special Assessment to the Association. If no Special Assessment was made for the costs of repair and reconstruction, then the Association shall retain any remaining balance in reserve for future capital expenditures of the Association.

Section 10.5 Decision Not to Rebuild. If Owners representing at least 75% of the votes in the Association and, during the Period of Declarant Control, the Declarant, agree in writing not to repair and reconstruct damage to the Common Elements and no alternative improvements are authorized, then and in that event the Property will be restored to its natural state and maintained as an undeveloped portion of the Common Elements by the Association in a neat and attractive condition, and any remaining insurance proceeds will be distributed in proportionate shares on the basis of the percentage interests in the Common Elements, first to the Mortgagees and then to the Owners, as their interests appear.

Section 10.6 Damage or Destruction Affecting Units. In the event of damage or destruction to any Unit, the Owner thereof will promptly repair and restore the damaged Unit to its condition prior to such damage or destruction. If such repair or restoration is not commenced within 90 days from the date of such damage or destruction, or if repair and reconstruction is commenced



but then abandoned for a period of more than 45 days, then the Association may, after notice and hearing, impose a fine accruing at the rate of \$100.00 per day or such other rate imposed by the Board in compliance with the Act, charged against the Owner of the Unit until repair and reconstruction is commenced, unless the Owner can prove to the satisfaction of the Association that such failure is due to circumstances beyond the Owner's control, excluding financial hardship. Such fine will be a Default Assessment and lien against the Unit.

ARTICLE XI CONDEMNATION

Section 11.1 Rights of Owners. Whenever all or any part of the Common Elements is taken or conveyed in lieu of and under threat of condemnation by any authority having the power of condemnation or eminent domain, each Owner will be entitled to notice of the taking, but the Association will act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 11.2 Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking will be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Elements on which improvements have been constructed, then, unless, within 90 days after receipt of the award from such taking, the Owners representing at least 75% of the votes in the Association and the Declarant, during the Period of Declarant Control, otherwise agree, the Association will restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available therefor, in accordance with plans approved by the Board of Directors. If such improvements are to be repaired or restored, the provisions in Article X above regarding the disbursement of funds with respect to casualty damage or destruction that is to be repaired will apply. If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds will be distributed in proportionate shares on the basis of the percentage interests in the Common Elements, first to the Mortgagees and then to the Owners, as their interests appear.

Section 11.3 Complete Condemnation. If all of the Property is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the condominium regime created by this Declaration will terminate, and the portion of the condemnation award attributable to the Common Elements will be distributed in proportionate shares on the basis of the percentage interests in the Common Elements, first to the Mortgagees and then to the Owners, as their interests appear.



ARTICLE XII ASSOCIATION AS ATTORNEY-IN-FACT

Section 12.1 Appointment of Association as Attorney-In-Fact. Each and every Owner hereby irrevocably constitutes and appoints the Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Common Elements for all purposes, including but not limited to collecting insurance proceeds as provided in Article IX, the occurrence of damage or destruction as provided in Article X or a complete or partial taking as provided in Article XI above. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner will constitute appointment of the Association as attorney-in-fact as provided in this Article. As attorney-in-fact, the Association will have full and complete authorization, right, and power to make, execute and deliver any contract, assignment, deed, easement, waiver or other instrument with respect to the interest of any Owner that may be necessary or appropriate to exercise the powers granted to the Association as attorney-in-fact. This appointment is deemed coupled with an interest and may not be revoked by any Owner.

ARTICLE XIII DURATION AND AMENDMENT

Section 13.1 Duration of Declaration. The provisions of this Declaration are intended to be easements and covenants running with the land, and are intended to be perpetual, except as amended or terminated as provided below. If any provision contained in this Declaration is subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation, such provisions shall continue and remain in full force and effect for the maximum period permitted by law, or until the provisions contained in this Declaration are amended or terminated as provided below, whichever first occurs.

Section 13.2 Amendment. Subject to Section 13.2.D, this Declaration, or any provision of it, may be terminated, extended, modified or amended, or revoked as to the whole or any portion of the Property as follows:

- A. Prior to Sale of Units. Prior to the closing of any sale of any Unit (excluding any sale to a Successor Declarant), Declarant (including a Successor Declarant) may terminate, extend, modify, amend or revoke this Declaration as to the whole or any portion of the Property by recording in the records of Flathead County, Montana, a document signed by the Declarant stating the action taken.
- B. After Sale of Units but During Period of Declarant Control. After the closing of a sale of a Unit (excluding a sale to a Successor Declarant) but before expiration of the Period of Declarant Control, Declarant (including a Successor Declarant) may terminate, extend, modify, amend or revoke this Declaration as to the whole or any portion of the Property. A copy of the document stating the action intended to be taken by the Declarant and a notice of the Owners' rights under this Section shall be emailed or mailed by first class mail, postage prepaid, to the email address or



address of the Owner on the records of the Association. Unless written objection is received by Declarant from the Owners holding 80% or more of the votes in the Association within 30 days of the mailing of the notice to the Owners, the action proposed to be taken by the Declarant shall be considered approved and shall become final. The Declarant shall then record in the records of Flathead County, Montana, a document stating the action taken, together with a certificate certifying that notice was given to the Owners as required herein and that fewer than 80% of the Owners objected to the action.

- C. After the Period of Declarant Control. Except as provided in the following sentence, after the Period of Declarant Control, this Declaration, or any provision of it, may be terminated, extended, modified or amended, or revoked as to the whole or any portion of the Property at any time by Owners representing seventy-five percent (75%) of the votes in the Association, by votes cast in person or by proxy at a meeting duly called for such purpose, or by written ballot (which written ballot may be sent and received by either email or U.S. mail), or by a combination of votes at a meeting and votes by written ballot (with the votes by written ballot included in determining whether a quorum is present). Notwithstanding the foregoing, this Declaration may not be terminated, modified, amended or revoked in any manner to limit or restrict the Owner's rights to engage in short-term or overnight rentals of the Units which are permitted to engage in short-term or overnight rentals unless such termination, modification amendment or revocation is approved by one-hundredpercent (100%) of the votes in the Association. Notice of such meeting shall be given to all Members at least fourteen (14) days in advance by mail or email and shall set forth the purpose of the meeting. Any such amendment shall become effective when an instrument is filed for record in the real estate records of Flathead County, Montana, together with a certification signed by two of the officers of the Association attesting to the approval of the amendment by the required number of Members. The instrument need not be signed by the Members. Any amendment shall be binding upon every Owner and every Unit whether the burdens thereon are increased or decreased thereby, and whether the Owner of each and every Unit consents thereto or not.
- D. Declarant's Approval. Notwithstanding the provisions of Section 13.2.C, no termination, extension, modification or amendment of this Declaration will be effective in any event during the Period of Declarant Control unless the written approval of Declarant is first obtained.
- E. Effect of Amendments. Amendments made pursuant to this Section 13.2 will inure to the benefit of and be binding upon all Owners, their families, renters, tenants, guests, invitees and employees, and their respective heirs, successors, and assigns. Joinder of the First Mortgagees shall not be required in order to effect an amendment, modification, extension or termination of any provisions of this



Declaration.

Section 13.3 Termination. This Declaration may be terminated with the written consent of all of the Owners recorded in the real estate records of Flathead County, Montana. Any termination shall become effective when an instrument is filed for record in the real estate records of Flathead County, Montana, together with a certification signed by two of the officers of the Association attesting to the approval of the termination by all of the Members. The instrument need not be signed by the Members. Upon termination, the property shall be either sold, with the net proceeds being divided among the Owners in accordance with their respective ownership interests in the Common Elements, or the Owners shall become owners of the property as tenants in common, with each Owner's interest in the property being equal to the Owner's percentage interest in the Common Elements.

Section 13.4 Unilateral Amendment by Declarant. Notwithstanding the provisions of Section 13.2, at any time during the Period of Declarant Control, Declarant may unilaterally amend this Declaration and its exhibits (1) if such amendment is solely to comply with applicable law or correct a clerical, technical or typographical error, (2) if such amendment does not adversely alter any substantial rights of any Owner or Mortgagee, or (3) in order to meet the guidelines or regulations of a Mortgagor or insurer including, but not limited to, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the United States Department of Agriculture or the Veterans Administration or any similar agency. Such amendments shall not require approval of any Owners.

ARTICLE XIV MISCELLANEOUS

- **Section 14.1 Enforcement.** The Association or any Owner shall have the right to enforce, by proceedings at law or in equity, all provisions of this Declaration, or any amendments thereto, including the rights to prevent a violation of the Declaration and the right to recover damages and other sums for such violations. The Association or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of the Bylaws and Administrative Regulations and any respective amendments thereto.
- Section 14.2 No Waiver. Failure by the Association or by any Owner to enforce any provision contained herein, or contained in the Bylaws or Administrative Regulations, in any certain instance or on any particular occasion, shall not be deemed a waiver of such right of enforcement as to any such future breach of the same or any other provision contained herein.
- Section 14.3 Cumulative Remedies. All rights, options and remedies of Declarant, the Association, and the Owners or the First Mortgagees under the Declaration are cumulative, and no one of them shall be exclusive of any other. Declarant, and the Association, the Owners and the First Mortgagees shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in the Declaration.



- **Section 14.4 Severability.** If any provision of this Declaration or any paragraph, sentence, clause, phrase or word or application thereof to any person or circumstance is invalidated by a court of competent jurisdiction, such invalidity does not affect the validity of the remainder of this Declaration, and the application of any provision, paragraph, sentence, clause, phrase or word to any person or other circumstance shall not be affected thereby and the same shall remain in full force and effect.
- **Section 14.5 Construction.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a condominium community and for the maintenance of the Property. The Article and Section headings have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.
- Section 14.6 Gender and Number. Whenever the context of the Declaration requires, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and the neuter, and vice versa.
- **Section 14.7 Nuisance.** The result of every act or omission whereby any provision contained in the Declaration or any provision contained in the Bylaws or Administrative Regulations is violated in whole or in part is hereby declared to be and shall constitute a nuisance, and every remedy allowed at law or in equity against a nuisance, either public or private, shall be applicable with respect to the abatement thereof and may be exercised by the Association or any Owner. Such remedy shall be deemed cumulative to all other remedies set forth in the Declaration and shall not be deemed exclusive.
- Section 14.8 Attorneys Fees. In the event any action is instituted to enforce any of the provisions contained in the Declaration, Bylaws, or Administrative Regulations, the party prevailing in such action shall be entitled to recover from the other party thereto, as part of the judgment, reasonable attorneys' fees and costs of suit.
- Section 14.9 Notices and Agent for Service of Process. All notices required to be given under this Declaration shall be in writing. Any notice to be given to an Owner shall be delivered either personally, by Email, by first class United States mail, postage prepaid, or by overnight delivery service. Any notice to be given to a First Mortgagee or the Association shall be delivered either personally, by first class United States mail, postage prepaid, or by overnight delivery service. Any notice personally delivered shall be deemed given upon delivery. Any notice sent by Email or overnight courier shall be deemed given the next business day after it is sent. Any notice sent by United States mail shall be deemed given three (3) days after being mailed.
 - A. Notice to an Owner shall be to the most recent address or email address furnished by such Owner in writing to the Association in accordance with Section 5.3, or if no such address shall have been furnished, then to the street address of such Owner's Unit. In the case of co-Owners, any such notice may be delivered or sent to any one of the co-Owners, and upon delivery to one of the co-Owners shall be deemed delivered to all such co-Owners.



- B. Notice to a First Mortgagee shall be to the most recent address furnished by such First Mortgagee in writing to the Association for the purpose of such notice or, if no such address shall have been furnished, to any office of the First Mortgagee.
- C. Notices to the Association shall be delivered to the registered agent of the Association at the office of the registered agent of the Association as it appears on file with the Montana Secretary of State at the time such notice is given

Section 14.10 Agent for Service of Process. Service of process in the cases provided for in MCA 70-23-901 may be made upon the registered agent of the Association at the office of the registered agent of the Association as it appears on file with the Montana Secretary of State at the time such notice is given.

Section 14.11 Effect of Declaration. This Declaration is made for the purposes set forth in the recitals in the Declaration, and Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of the Declaration, or as to the compliance of any of these provisions with public laws, ordinances, regulations and the like applicable thereto. Declarant shall have no liability whatsoever if any of the provisions of the Declaration, Articles, Bylaws or Administrative Regulations are determined to be unenforceable in whole or in part or under certain circumstances.

Section 14.12 Personal Covenant. To the extent the acceptance of a conveyance of a Unit creates a personal covenant between the Owner of such Unit and Declarant, other Owners or the Association, such personal covenant shall terminate and be of no further force or effect from and after the date when a Person ceases to be an Owner except to the extent the Declaration provides for personal liability with respect to the Assessments incurred during the period a Person is an Owner, and except with respect to acts and omissions taking place prior to the time the Person ceases to be an Owner.

Section 14.13 Nonliability of Officials. To the fullest extent permitted by law, neither the Board nor any officer or director of the Association shall be liable to any Owner or the Association for any damage, loss, or prejudice suffered or claimed on account of any decision, approval or disapproval, course of action, act, omission, error, or negligence if such Board member or officer acted in good faith.

Section 14.14 Owner Liability and Indemnification. Each Owner shall be liable to the remaining Owners and to the Association for any damage to the Common Elements that may be sustained by reason of the negligence of that Owner or any Occupant of that Owner's Unit and the agents, family members, tenants, guests, licensees, invitees, customers or employees of such Owner or Occupant, but only to the extent that any such damage is not covered by property coverage (casualty) insurance in favor of the Association. Each Owner, by acceptance of a deed for a Unit, agrees personally and for that Owner or any Occupant of that Owner's Unit and the agents, servants, family members, tenants, guests, licensees, invitees, customers or employees of such Owner or Occupant, to indemnify each and every other Owner, and to hold such other Owners harmless from,



and to defend such Owners against, any claim of any person for personal injury or property damage occurring within the Unit of that particular Owner, including any exclusive easement areas, if any, except to the extent: (A) that such injury or damage is covered by liability insurance in favor of the Association or any other Owner, except that the Owner shall be liable for payment of any insurance deductible or increase in insurance premiums resulting from such injury or damage, or (B) the injury or damage occurred by reason of the willful or negligent act or omission of the Association or other Owner or other Person temporarily visiting such Unit.

Section 14.15 Conflicting Provision. In the case of any conflict between the Declaration, Articles, Bylaws, or Administrative Regulations, this Declaration shall control.

[Signature Page Follows]



IN WITNESS WHEREOF, Declarant has executed this Declaration on Decluration, 2020.

Declarant:

206 LUPFER, LLC

By: DEL MAR PACIFIC GROUP, LLC Manager of 206 Lupfer, LLC

BY: MSP INVESTMENTS, INC Manager of Del Mar Pacific Group, LLC

By: MARK S. PANISSIDI

Its: PRESIDENT

STATE OF MONTANA) : ss County of Flathead)

This instrument was acknowledged before me on <u>December 14</u>, 2020, by Mark S. Panissidi, President of MSP Investments, Inc., as Manager of Del Mar Pacific Group, LLC, as Manager of 206 LUPFER, LLC.

SEAL STAMP

JAY T JOHNSON
NOTARY PUBLIC for the
State of Montana
Residing at Kalispell, Montana
My Commission Expires
April 07, 2021

Notary Public for the State of Montana



EXHIBIT A

Lot 1 of the Amended Plat of Lots 1-6, Block 42 of Whitefish, according to the map or plat thereof of file and of record in the office of the Clerk and Recorder of Flathead County, Montana.



EXHIBIT B

UNIT SQUARE FOOTAGES AND PERCENTAGE INTEREST IN COMMON ELEMENTS

% INTEREST IN COMMON

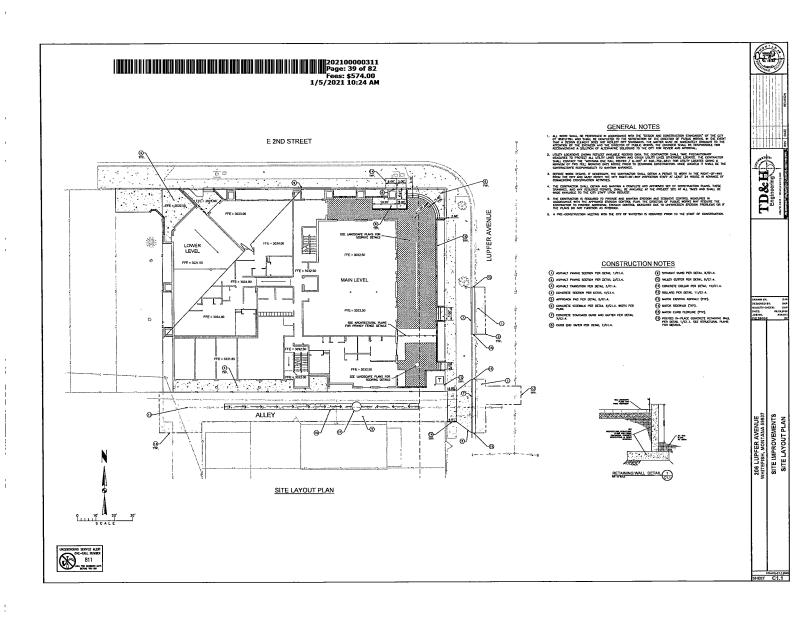
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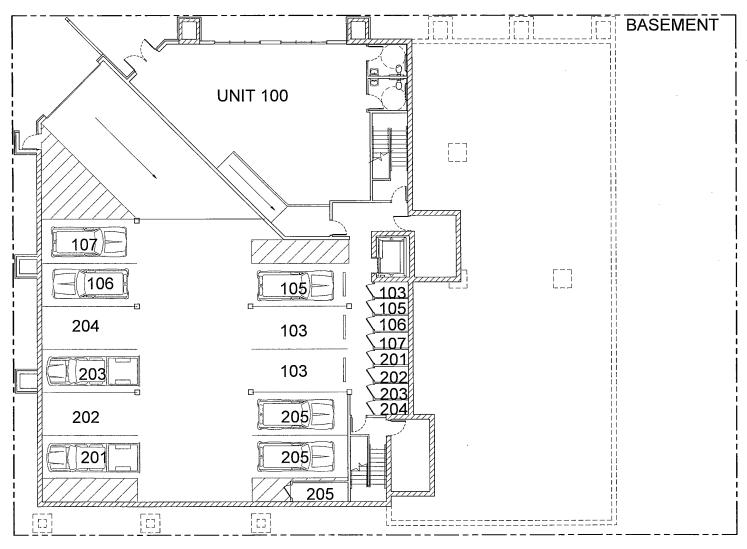
EXHIBIT C

PLANS FOR 206 LUPFER CONDOMINIUMS

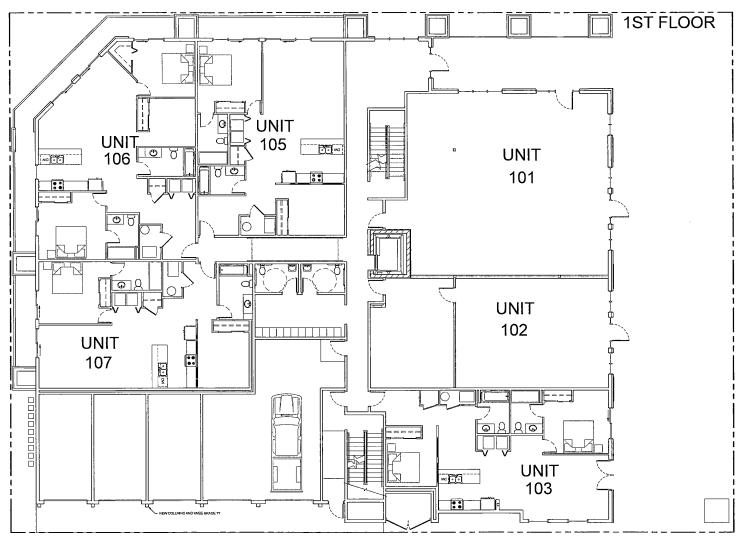




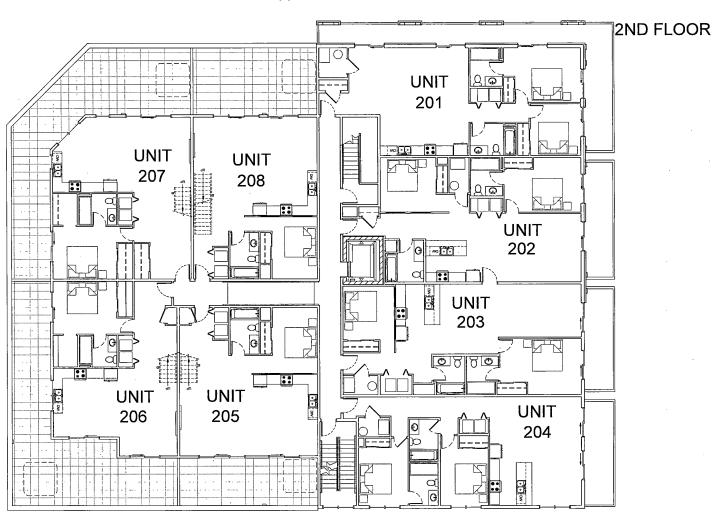






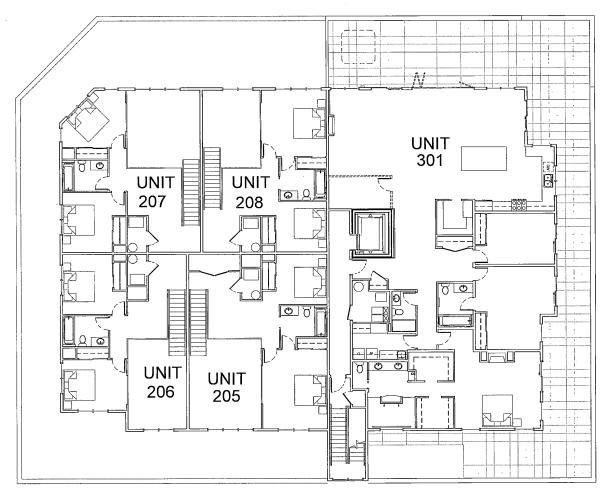


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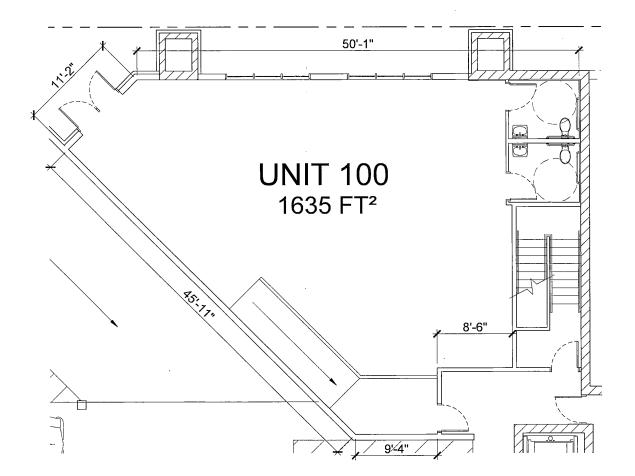




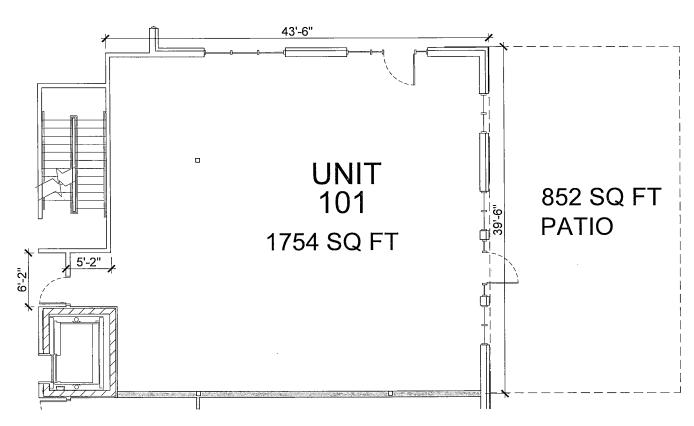
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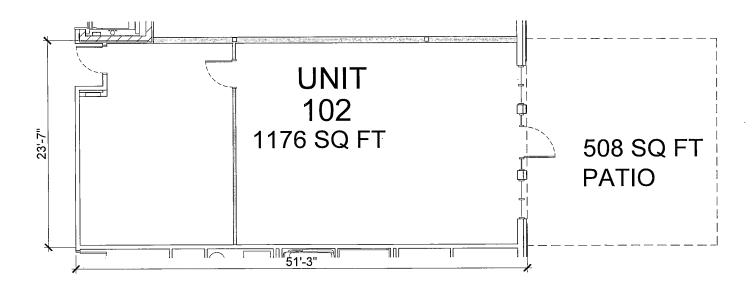






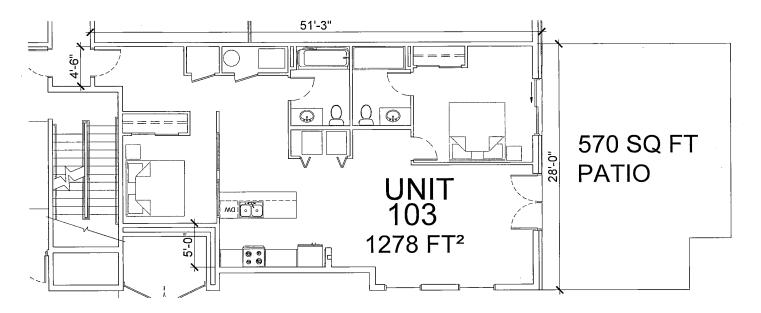
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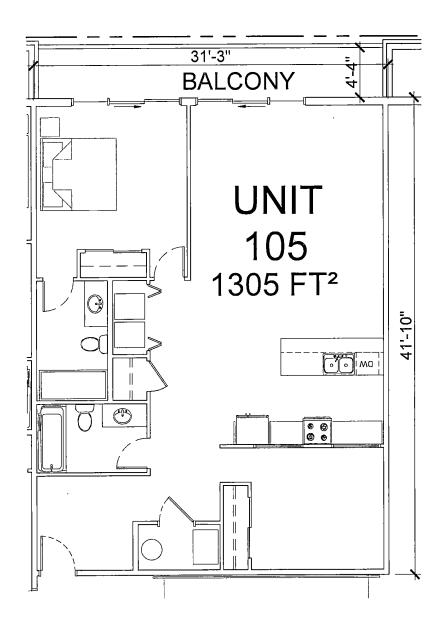
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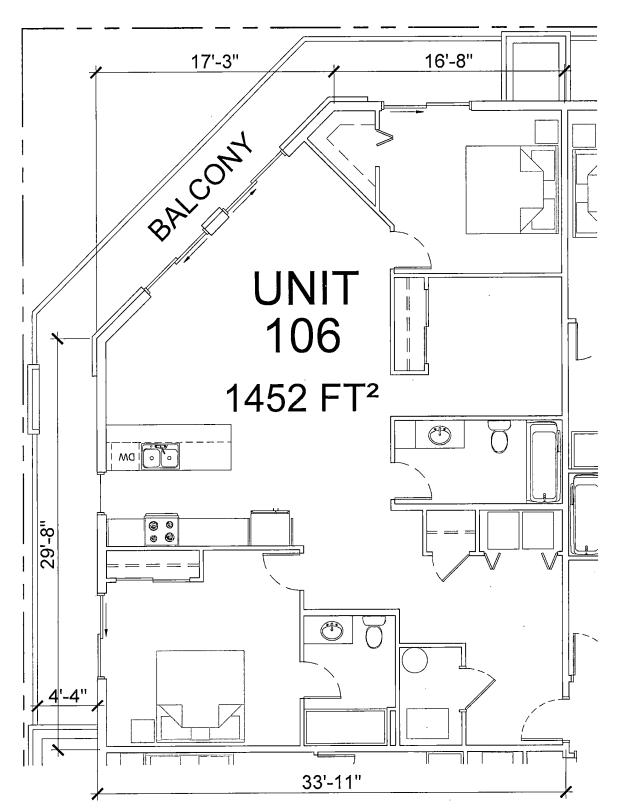
The Patio shown on this plan is a Limited Common Element of Unit 103





The Balcony shown on this plan is a Limited Common Element of Unit 105

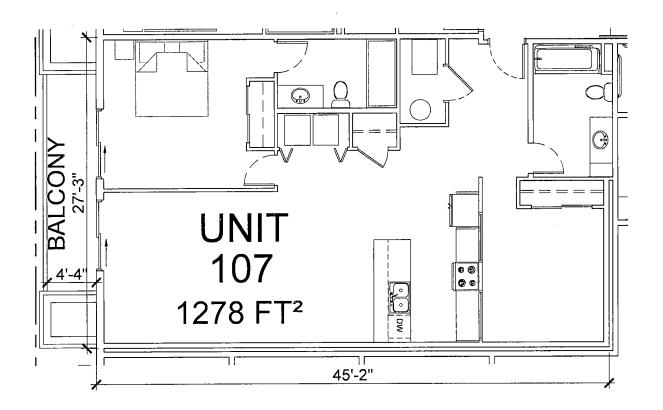




The Balcony shown on this plan is a Limited Common Element of Unit 106

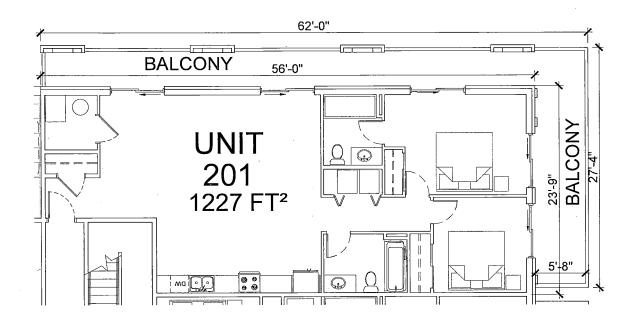
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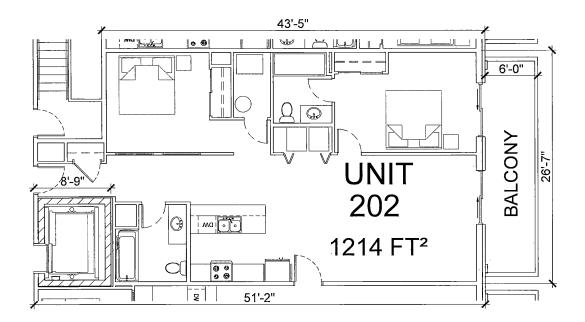
The Balcony shown on this plan is a Limited Common Element of Unit 107





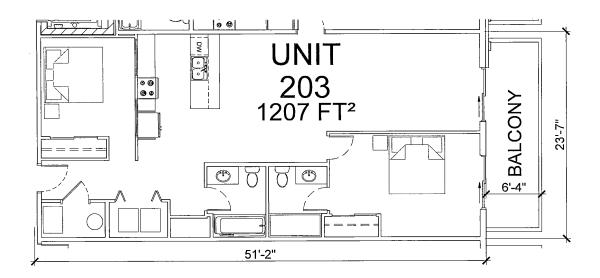
The Balcony shown on this plan is a Limited Common Element of Unit 201





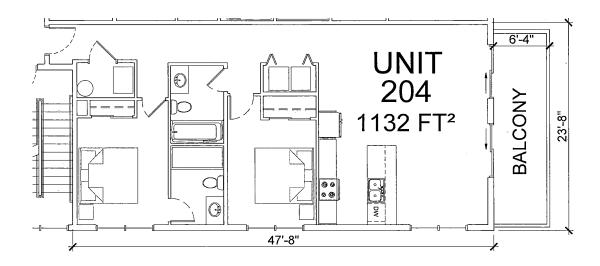
The Balcony shown on this plan is a Limited Common Element of Unit 202





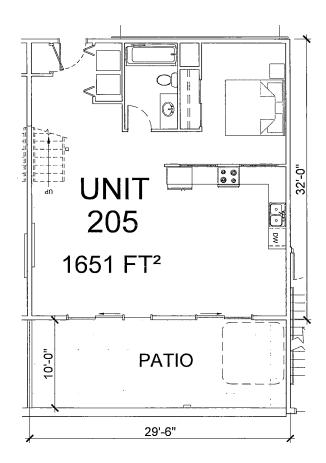
The Balcony shown on this plan is a Limited Common Element of Unit 203





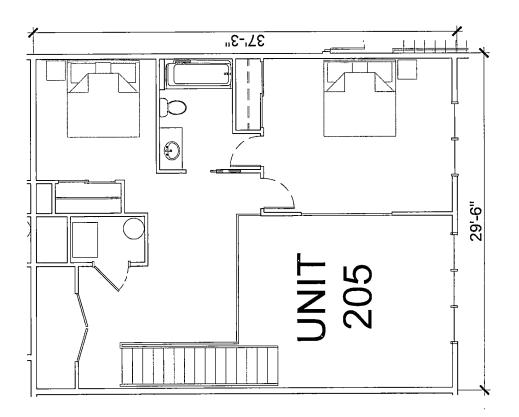
The Balcony shown on this plan is a Limited Common Element of Unit 204



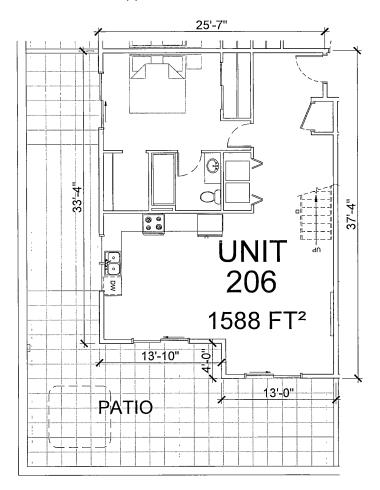


The Patio shown on this plan is a Limited Common Element of Unit 205



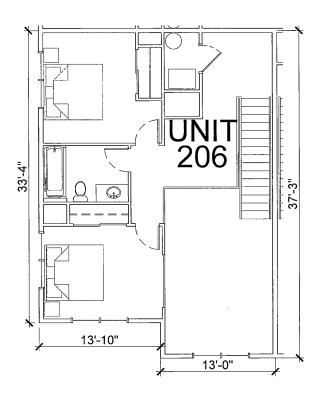




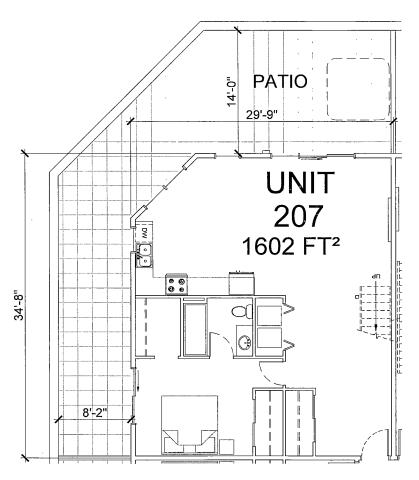


The Patio shown on this plan is a Limited Common Element of Unit 206



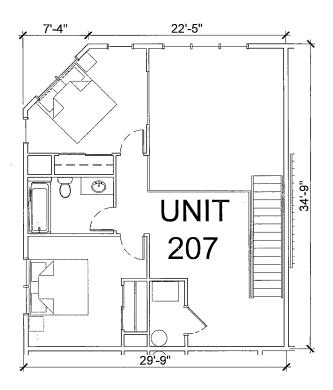




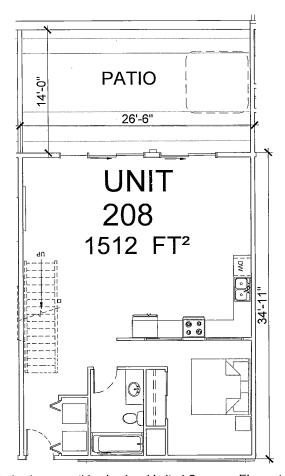


The Patio shown on this plan is a Limited Common Element of Unit 207



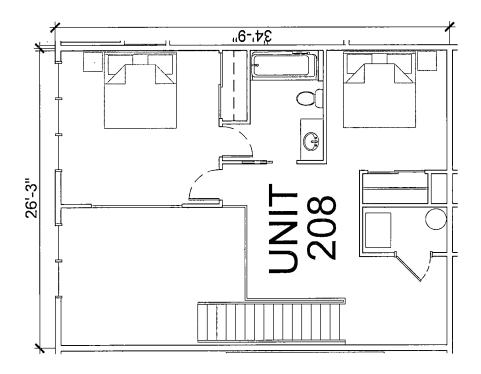




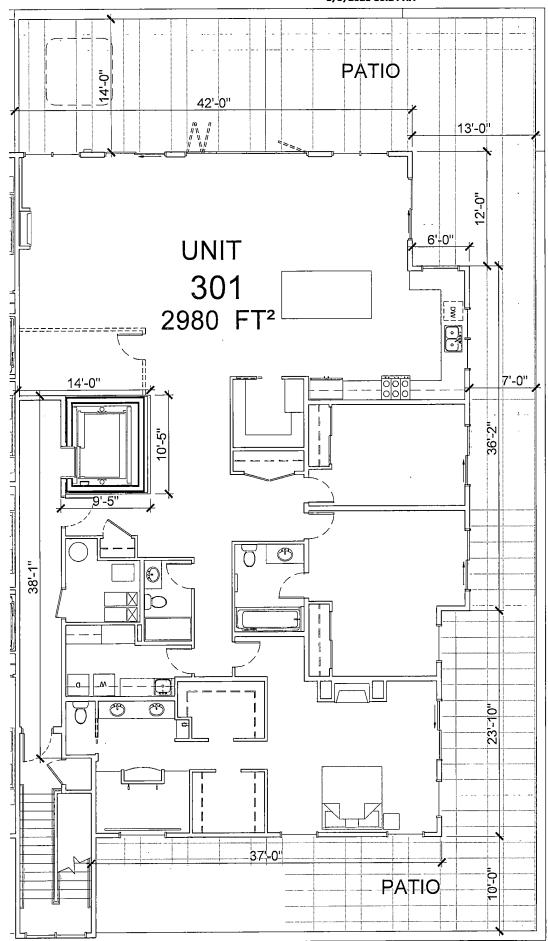


The Patio shown on this plan is a Limited Common Element of Unit 208







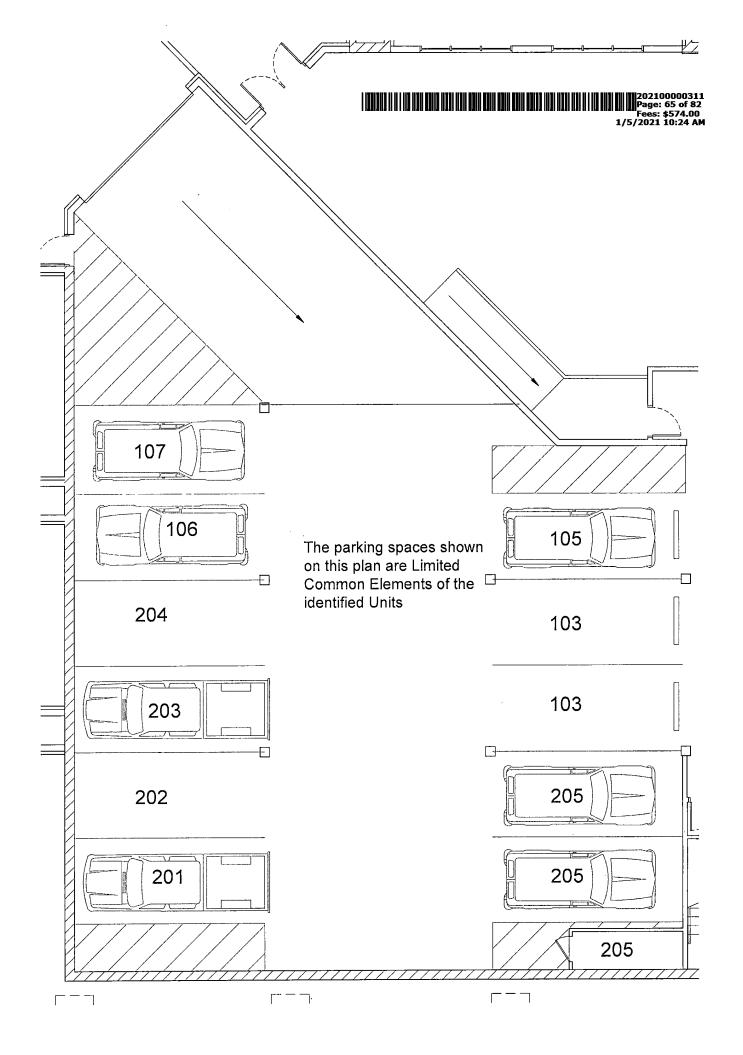


The Patio shown on this plan is a Limited Common Element of Unit 301

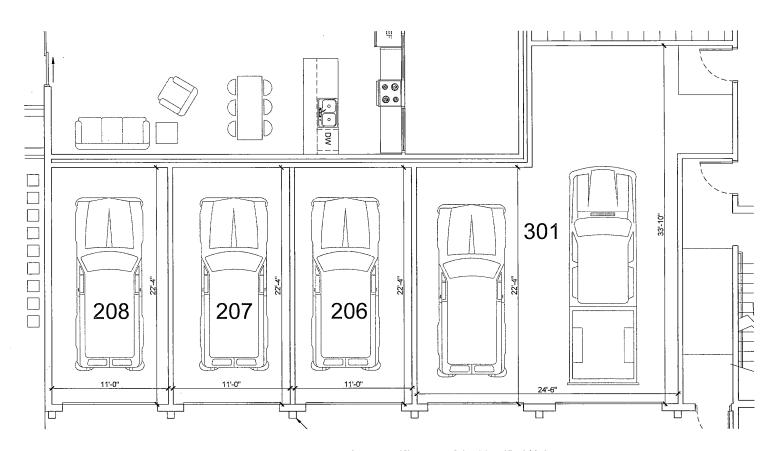


EXHIBIT D

EXCLUSIVE USE PARKING SPACES AND STORAGE SPACES

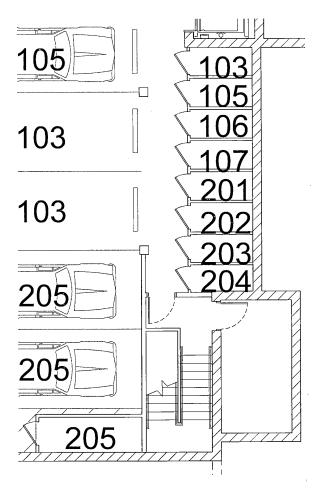






The garages shown on this plan are Limited Common Element of the identified Units

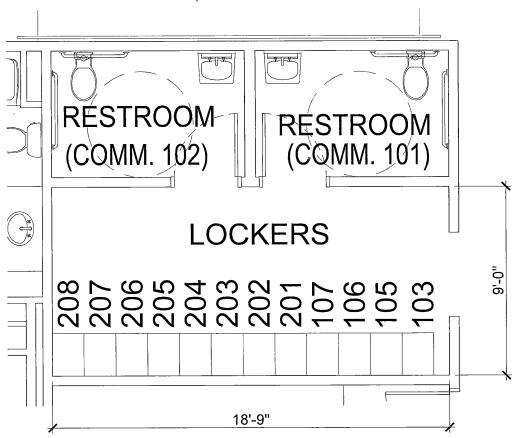




The parking spaces and storage areas shown on this Plan are Limited Common Elements of the identified Units



The Restrooms shown on this plan are Limited Common Elements of the identified Units



The Lockers shown on this plan are Limited Common Elements of the identified Units



EXHIBIT E

MAINTENANCE RESPONSIBILITY CHART

206 LUPFER CONDOMINIUMS

Each Owner is responsible for all cleaning, maintenance, repair, replacement, painting, and resurfacing of their Unit. The Association is responsible for all cleaning, maintenance, repair, replacement, painting, resurfacing, and repaving of the General Common Elements. Each Owner and the Association, respectively, is responsible for the cleaning, maintenance, repair, replacement, painting, and resurfacing of the Limited Common Elements as set forth below and in the Declaration. Notwithstanding the fact that the Association may be responsible for the maintenance, repair, replacement, painting, resurfacing, or repaving of certain Limited Common Elements pursuant to this Maintenance Responsibility Chart or the Declaration, any costs incurred by the Association for the maintenance, repair, replacement, painting, resurfacing, or repaying of Limited Common Elements shall be assessed to the Owners of the Units to which the Limited Common Elements are assigned. Additionally, prior to an Owner performing any maintenance, repair, replacement, or resurfacing of or to a Limited Common Element, the Owner shall submit their plan to the Board for the Board's approval and the Owner shall not proceed with the maintenance, repair, replacement, or resurfacing of or to a Limited Common Element until the Board has approved, in writing, the plan. The Board may require Owners to use certain products or certain contractors for the performance of maintenance, repair, replacement, or resurfacing of a Limited Common Element in order to maintain harmony and consistency of the Limited Common Elements with the remainder of the Building. In the event of a casualty that is covered by the Association's insurance policy(ies), the Association shall repair and replace the items covered by the Association's insurance using the insurance proceeds.

For purposes of the below Maintenance Responsibility Chart, "O" means the item is the responsibility of the Unit Owner, "A" means the item is the responsibility of the Association, and "N/A" means the item does not apply.



IMPROVEMENT	MAINTENANCE OBLIGATION & RESPONSIBLE PARTY							
	Clean	Maintain	Repair	Replace	Paint	Resurface	Repave	
The interior of the Unit including, without limitation, all appliances, cabinets, plumbing fixtures, lighting fixtures, interior doors, wallboard, sheetrock, furring, paneling, tiles, brick, wallpaper, wall coverings, paint, finished flooring, any other materials constituting the finished surfaces of floors, ceilings or interior walls, and all other items within the Unit whether free-standing or built in.	0	0	0	0	0	0	N/A	
All window and door glass for doors and windows enclosing a Unit, including any frames and tracks; provided that such glass and frames shall match the frames and glass used throughout the Building	O (interior and accessible from patio or balcony) A (inaccessible exterior)	0	0	0	O (interior and accessible from patio or balcony) A (inaccessible e exterior)	N/A	N/A	
Utility facilities and equipment which exclusively service the Unit whether located in the Unit or the Common Area, including, without limitation, HVAC controls or equipment located within a Unit; sewer and drain pipes, laundry vent pipes, water and other utility lines (all between the points within the Owner's Unit and the point at which the same joint the utility lines serving other Units); smoke detectors within a Unit; and hot water heaters	О	0	0	0	N/A	N/A	N/A	



IMPROVEMENT	MAINTENANCE OBLIGATION & RESPONSIBLE PARTY							
	Clean	Maintain	Repair	Replace	Paint	Resurface	Repave	
HVAC condensers serving the Units	Α	А	А	А	N/A	N/A	N/A	
Doors enclosing an Owner's Unit	0	0	0	0	0	N/A	N/A	
Surfaces of patios or balconies which are designated as Limited Common Elements of a Unit	O (including snow removal)	0	0	0	0	0	N/A	
Drainage and snow melt systems serving an Owner's Limited Common Element patio or balcony area	0	0	0	0	N/A	N/A	N/A	
All other portions and components of patios or balconies which are designated as Limited Common Elements of a Unit		A	A	A	A	A	N/A	
Exterior of Exclusive Use Storage spaces (including painting of exterior doors and door hardware)	A	А	A	А	A	N/A	N/A	
Interior of Exclusive Use Storage Spaces	0	0	0	0	0	N/A	N/A	
Garages designated as Exclusive Use Parking Spaces/Limited Common Elements (including garage door and garage door opener)	0	0	0	0	0	0	N/A	
Fixtures located outside of the Units, including light fixtures, photocells and light bulbs <u>not</u> servicing a Unit's patio or balcony	А	А	A	А	A	N/A	N/A	



IMPROVEMENT	MAINTENANCE OBLIGATION & RESPONSIBLE PARTY						
	Clean	Maintain	Repair	Replace	Paint	Resurface	Repave
Exterior light fixtures, including photocells and light bulbs servicing a Unit's patio or balcony	0	0	0	0	0	N/A	N/A
The Commercial Restrooms, including the doors and all fixtures located therein, which are designtad as Limited Common Elements of Units 101 and 102, respectively	0	0	0	0	0	N/A	N/A
The lock for the Unit's applicable mailbox (subject to United States Postal Service requirements)	0	0	0	0	N/A	N/A	N/A
The Common Elements, including the General Common Elements and Limited Common Elements (except for certain components of the Limited Common Elements to be maintained by Owners as provided herein) including, without limitation, trash enclosures, elevators, stairways, parking areas, roof, siding, flooring within the common areas and structural components of the Building.	A	A	Α	A	Α	A	A
All utility lines and facilities serving two or more Units	N/A	А	Α	А	N/A	N/A	N/A
Cluster mailboxes (excluding locks on individual mailboxes)	A	A	A	А	Α	N/A	N/A



IMPROVEMENT	MAINTENANCE OBLIGATION & RESPONSIBLE PARTY						
	Clean	Maintain	Repair	Replace	Paint	Resurface	Repave
All other portions of the Common Elements, Building and Property not designated to me maintained, repaired or replaced by the Owners	A	A	A	А	А	A	А



*Œ***ERTIFICATION**

I, Kenneth Huld , being a licensed architect, licensed professional engineer or licensed professional land surveyor who reviewed the plans for 206 Lupfer Condominiums attached to the Declaration of Unit Ownership and Covenants, Conditions & Restrictions Establishing and Governing 206 Lupfer Condominiums, do hereby certify as follows:

- I have reviewed the plans attached as Exhibit C to the Declaration of Unit Ownership 1. and Covenants, Conditions & Restrictions Establishing and Governing 206 Lupfer Condominiums and they are an accurate copy of the plans filed with and approved by any governmental officers having jurisdiction to issue building permits in connection with the 206 Lupfer Condominiums.
- The plans attached as Exhibit C to the Declaration of Unit Ownership and Covenants, 2. Conditions & Restrictions Establishing and Governing 206 Lupfer Condominiums fully and accurately depict the layout of each Unit, including the Unit designation, location and dimensions of each Unit, and the common areas to which each Unit has access, as built. The basic structure of the Units has been completed as of the date of this Certification.

DATED: <u>12-</u>	<u>/4</u> , 2020.
(Seal)	Kenneth Hulf Architect
STATE OF MONTANA	
County of Flathead	: ss)
•	is acknowledged before me on December 14, 2020, by

JAY T JOHNSON NOTARY PUBLIC for the State of Montana Residing at Kalispell, Montana My Commission Expires April 07, 2021

Notary Public for the State of Montana-



FLATHEAD COUNTY TREASURER CERTIFICATION





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

This Form is for Condominiums Only

FOR: 206 LUPFER C DESCP: LOT 1 OF WFSH AM		DATE: 12/16/2020 PURPOSE: DUO		
YEARS	ASSESSOF	₹#		
<u>2018-2020</u> <u>2018-2020</u>	<u>0880875</u> 			
I hereby certify that there are n assigned the assessor number each assessor number.	o outstanding	taxes on the property for the years indicated for		
DEC 1	6 2020	eguiti APréasyren		
	KAL	Seal		



MONTANA DEPT. OF REVENUE CERTIFICATION



Certification by Montana Department of Revenue

The undersigned, being the duly authorized agent of the Department of Revenue of the State of Montana, County of Flathead, hereby executes the following certificate relating to 206 Lupfer Condominiums, which are situated on the following described parcels of real property:

Assessor Number 0880875; WFSH AMD L1-6 BLK 42, S36, T31 N, R22 W, BLOCK 42, Lot 1 Assessor Number 0460770; WFSH, S36, T31 N, R22 W, BLOCK 42, Lot S 37.56' 1 THRU 6

- The name "206 Lupfer Condominiums" is not the same as, similar to or pronounced the same as a word in the name of any other property or subdivision located within Flathead County and complies with Section 70-23-303 of the Montana Code Annotated; and
- 2. All taxes and assessments due and payable for the aforementioned property have been paid to date.

DATED this December 23, 2020.

State of Montana Department of Revenue

Montana Department Of Revenue

DEC 2 3 2020

Flathead County Property Assessment Office

Justion Specialist



FLATHEAD CITY-COUNTY HEALTH DEPARMENT REVIEW



REVIEW OF TOWNHOME, TOWNHOUSE OR CONDOMINIUM DECLARATION

Date	TECHNOL	10, 50,		
Name of	f Declaration: <i>NO(c_</i>	LUPFER	CONDOMINIUMS	
one of the attack.	hree conditions prior to bein ched declaration has been r	ng recorded with the eviewed and it has		'6-4-122, M.C.A.
Termente de la	he condition has NOT been	n met and the decla	ration will not be recorded.	
ation will be reco <u>rded. A</u>	condition has been met and	d the declaration w	ill be recorded, more specifically	<i>r</i> :
approxed the subdivision			al has been issued pursuant to § ed the subdivision and the subdiv	
	Or			
		nat the subdivision	ration has obtained a certificate will be provided with adequate rate storm water drainage;	
	Or		•	
	acknowledged certification	that the subdivisio	ration has placed on the declarat n is exempt from review under t ding of the applicable exemption	his part. The
	Deble	Parson		
Approve	ed:Flathead County Clerk &	& Recorder	G	
Reviewe	ed by: <u>////////////////////////////////////</u>	M / S . Health Departmen	t	



CITY OF WHITEFISH WAIVER OF SUBDIVISION REVIEW

PLANNING & BUILDING DEPARTMENT 418 E 2nd Street, PO Box 158 Whitefish, MT 59937 (406) 863-2410 Fax (406) 863-2409

December 16, 2020

Jay T Johnson Moore, Cockrell, Goicoechea & Johnson, PC 145 Comments Loop, suite 200 Kalispell, MT 59901

Dear Mr. Johnson:

The city of Whitefish has determined that the condominium development at 206 Lupfer Avenue and legally described as Lot 1 of the Amended Plat of Lots 1-6, Block 42 of Whitefish in S36-T31N-R22W, Flathead County.

- does not require subdivision review and has satisfied the exemption criteria in §76-3-203, M.C.A.
 - has completed review as a subdivision under Title 76, chapter 3, parts 5 and 6.

If you have any questions or comments, please contact the Planning & Building Department.

Sincerely,

Wendy Compton-Ring, AICP

Senior Planner



Return after recording to: BJ Lepinski PO Box 371409 San Diego, CA 92137

BYLAWS OF 206 LUPFER CONDOMINIUM OWNERS ASSOCIATION INC.

These Bylaws are and constitute the bylaws for the 206 LUPFER CONDOMINIUM OWNERS ASSOCIATION INC. (the "Association"), effective as of December 14_____, 2020.

ARTICLE I. Definitions

Capitalized terms used in these Bylaws which are not defined in these Bylaws shall have the same meaning given to them in the Declaration of Unit Ownership and Covenants, Conditions and Restrictions Establishing and Governing 206 Lupfer Condominiums (the "Declaration"), which has been recorded in the Flathead County Clerk and Recorder's office.

ARTICLE II. Offices

The initial principal office of the Association shall be at 857 Grand Drive, Bigfork, MT 59911. The board of directors may change the location of the principal office. The Association may also have offices and may carry on its purposes at such other places within and outside the State of Montana as the board of directors may from time to time determine.



ARTICLE III. Property Rights and Rights of Enjoyment of Facilities and Functions

Each member and their guests and invitees shall be entitled to the use and enjoyment of the Association Common Elements, subject to such rules and regulations as may be adopted by the board of directors from time to time, pursuant to these Bylaws and the Declaration.

ARTICLE IV. Membership, Voting, Quorum and Proxies

- 1. Members. The "Members" of the Association shall be all Owners of the Units located on the Property. The Property is described on Exhibit A attached hereto. An Owner shall automatically become a Member of the Association upon acquisition of a Unit.
- 2. Voting Rights. The votes in the Association shall be allocated based upon the Owners' percentage interest in the Common Elements as set forth in the Declaration. If a person or entity owns more than one Unit, that person or entity shall have the combined votes associated with all such Units owned. If more than one person or entity has an ownership interest in a single Unit, such persons or entities must decide among themselves how the votes for that Unit shall be cast. In the case of multiple owners of a single Unit, unless informed otherwise in writing, it shall be assumed that any one owner shall be permitted to cast votes and otherwise act for that Unit in matters concerning the Association.
- 3. Record Date. The board of directors shall have the power to fix in advance a date as a record date for the purpose of determining Members entitled to notice of or to vote at any meeting or to be furnished with any other information or material, or in order to make a determination of membership, for any purpose. The Members existing on any such record date shall be deemed Members for such notice, vote, meeting, furnishing of information or material, or other purpose, and for any supplementary notice or information or material with respect to the same matter and for any adjournment of the same meeting. A record date shall not be more than 50 days prior to the date on which the particular action requiring determination of membership is proposed or expected to be taken or to occur. If no record date is established for a meeting, the date on which notice of such meeting is first given to any Member shall be deemed the record date for the meeting.
- **4. Quorum**. Except as otherwise provided in the Articles of Incorporation or these Bylaws, the presence in person, by proxy, or via written ballot (as discussed in subsection 7, below) of Owners holding twenty-five percent (25%) of the votes in the Association shall constitute a quorum. If a quorum is not present or represented at any meeting, the Members who are present may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present. Alternatively, if a quorum is not present or represented at a



meeting, a subsequent meeting may be called for the same purpose and the presence in person, by proxy, or via written ballot of the Owners holding ten percent (10%) of the votes shall constitute a quorum at such meeting.

- 5. Proxies. Votes may be cast by proxy. Every proxy must be executed in writing by the Member or his duly authorized attorney in fact. Except as provided in Article X herein, no proxy shall be valid after the expiration of eleven months from the date of its execution.
- 6. Majority Vote. At any meeting of the Members where a majority vote is required, if a quorum is present, the affirmative vote of the Owners of a majority of the votes represented at the meeting, in person, by proxy, or via written ballot shall be the act of the Members unless the vote of a greater number is required by law, the Articles of Incorporation, the Declaration or these Bylaws as from time to time in force and effect.
- 7. Written Ballot. Any action which can be taken at a meeting of Members may also be taken by written or electronic ballot or by a combination of written or electronic ballot and voting at a meeting. The ballot must set forth each action proposed to be taken and provide an opportunity to vote for or against the proposed action. The ballots must be mailed or emailed to all members at their mailing or email addresses shown on the records of the Association, together with a statement of the number of responses needed to meet the quorum requirements, the percentage of votes that is needed to pass the proposed action, and the date upon which the ballot must be returned to the Association in order to be counted. A written ballot, once received by the Association, may not be revoked. Written ballots received shall be counted in determining the presence of a quorum.

ARTICLE V. Meetings of Members

- 1. Annual Meeting. The annual meeting of the Members of the Association shall be held at a time and place in Flathead County designated by the Association board of directors. The meeting shall be for the purpose of providing a forum for the Members to elect directors and for the transaction of such other business and matters as may be pertinent to the Association which is brought before the meeting. If the day fixed for the annual meeting shall be a legal holiday in Montana, such meeting shall be held on the next succeeding business day.
- 2. Special Meetings. Special meetings of the Members, for any purpose, may be called by the president of the Association, or by a majority of the board of directors, or by Owners holding twenty-five percent (25%) of the votes in the Association.
- 3. Place of Meeting. The board of directors may designate any place in Flathead County as the place for any annual meeting or for any special meeting called by the board of directors.



- 4. Notice of Meeting. Written notice of any meeting of the members stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail or email to each member entitled to vote at such meeting not less than ten (10) days nor more than sixty (60) days before the date of the meeting. If personally delivered such notice shall be deemed to be delivered upon personal delivery. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at the Member's address as it appears in the records of the Association, with postage thereon prepaid. If emailed, such notice shall be deemed to be delivered when sent addressed to the Member to the email address as it appears in the records of the Association.
- 5. Attendance at Meetings via Telephone or Video Conference. A Member may attend any meeting of the Members by means of telephone, video or such other means which allow all of the Members in attendance at the meeting to hear and speak with each other. Such attendance via telephone or video shall be the same as attendance in person.

ARTICLE VI. Board of Directors

- 1. Number, Tenure and Qualifications. The business and affairs of the Association shall be managed by a board of directors initially consisting of three (3) directors. Directors shall be appointed or elected as follows:
- (a) During the Period of Declarant Control, Declarant may appoint, remove and replace from time to time all of the directors of the Association. The directors appointed by the Declarant need not be Members of the Association. Unless the Declarant directs otherwise, and subject to these Bylaws, the initial board of directors named in the Articles will continue to serve throughout the Period of Declarant Control. If Declarant so elects, Declarant may from time to time relinquish, either on a temporary or permanent basis, the right to appoint all or a portion of the directors of the Association; provided that any such relinquishment shall be expressed in writing to the Association.
- (b) Following the Period of Declarant Control, directors shall be elected or appointed annually by the Members, from among the Members, at the Association annual meeting or, upon expiration of the Period of Declarant Control, at a special meeting called for the purpose of the election of a board of directors by the Members. The term of office for the initial directors elected by the Members will be fixed at the time of their election as they themselves will determine in order to establish a system of three-year terms in which at least one-third of the board is elected each year. For example, if the number of directors on the initial Member elected board is three, one director will serve for a one-year term, one director will serve for a two-year term, and one director will serve for a three-year term. At the expiration of the initial term of office of each respective director, a successor will be elected to serve a three-year term. Each director shall hold office until the election or appointment and qualification of his or her successor.



The total number of directors comprising the board of directors may be increased or decreased from time to time by act of the board of directors, but the number of directors shall not be less than three (3) directors.

- 2. Resignations, Removal. Any director may resign at any time by giving written notice to the president or the secretary of the Association. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any director may be removed from office, with or without cause, by the Declarant, during the Period of Declarant Control, or thereafter by a majority of the votes cast in person or by proxy at a meeting of Members at which there is a quorum, duly called for such purpose, or by written ballot, or by a combination of votes at a meeting and votes by written ballot (with the votes by written ballot included in determining whether a quorum is present). Any vacancy occurring in the board of directors by reason of resignation, removal or death, may be filled by the affirmative vote of a majority of the directors then in office, though less than a quorum, except that during the Period of Declarant Control, the vacancy shall be filled by Declarant. A director elected to fill such a vacancy shall be elected to serve until the next annual meeting of the members at which time the Members shall elect a successor director to serve the remaining term of the resigned director.
- 3. General Powers. The board of directors shall have and may exercise all the powers of the Association consistent with the Montana Nonprofit Corporation Act and the Declaration, except such powers as are expressly conferred upon the Members by law, by the Declaration, the Articles of Incorporation, or the Bylaws as from time to time in force and effect.
- 4. Additional Powers and Responsibilities. In addition to its general powers, the board of directors shall have the authority and the responsibility, acting through the board of directors and officers:
 - (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, Administrative Regulations, obligations and all other provisions set forth in the Articles of Incorporation, Declaration, Administrative Regulations, or the Bylaws as from time to time in force and effect.
 - (b) To establish, make, amend, publish and enforce compliance with Administrative Regulations governing (i) the operation and use of Common Elements, (ii) exterior maintenance of the structures and grounds, (iii) any conduct which is deemed to be offensive or to interfere with the enjoyment by the Members of their Units, and (iv) any matters permitted by the Declaration. Any such Administrative Regulations must be approved by the Declarant during the Period of Declarant Control.



- (c) To maintain in good order, condition and repair the Common Elements and all items of personal property used in the enjoyment of such property, to include roads, parking areas, sidewalks, landscaping, other facilities under control or deemed the responsibility of the Association and to hire such manager, employees, independent contractors or others for such purpose. Expenditures for such purpose shall be approved by an officer or director, but need not be approved by the Members.
- (d) To obtain and maintain appropriate insurance in connection with Common Elements and related personal property.
- (e) To fix, determine, levy and collect Assessments from Owners to meet the Common Expenses of the Association and to create reasonable reserves therefore, as provided in the Declaration.
 - (f) To collect promptly all delinquent Assessments by suit or otherwise.
- (g) To issue, or cause an appropriate officer to issue, upon written demand of any Member a certificate setting forth whether any Assessment has been paid by such Member. Such certificate shall be conclusive evidence against the Association for all purposes. The Association may charge a reasonable fee for such certificate.
- (h) To protect and defend Common Elements and related personal property from loss and damage by suit or otherwise.
- (i) To borrow funds in order to pay for any expenditure or outlay authorized by these Bylaws, the Declaration, and the Articles of Incorporation as from time to time in force and effect.
 - (j) To enter into contracts within the scope of their duties and powers.
- (k) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the board of directors.
- (l) To maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Association. Any Member may inspect such records upon reasonable notice at a reasonable time.
- (m) To employ independent, third-party accountants and/or auditors to annually review and inspect the financial records of the Association and prepare a written report to the board regarding the findings.
 - (n) To engage the services of a manager or managing agent.



- (o) To the fullest extent permitted by applicable law, indemnify any director or officer of the corporation who is made a party to any legal, regulatory or other proceeding because he or she is or was a director or officer of the corporation.
- (p) To make any election to qualify under I.R.C. Section 528 by filing form 120H.
- 5. Compensation. By resolution of the board of directors, any director may reimbursed his or her reasonable expenses incurred, if any, in furtherance of the business or affairs of the Association. No such payment shall preclude any director from serving the Association in any other capacity and receiving compensation therefor.
- 6. Regular Meetings. Regular meetings of the board of directors may be held without call or formal notice at such places and at such times as the board may from time to time by vote determine. Any business may be transacted at a regular meeting. Until further determination, the regular meeting of the board of directors for the election of officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of Members, or any special meeting of Members at which a board of directors is elected.
- 7. Special Meetings. Special meetings of the board of directors may be held at any place and time when called by the president, or by two or more directors, upon at least five (5) days' prior notice of the time and place thereof being given to each director by leaving such notice with him or at his residence or usual place of business, or by mailing it prepaid, and addressed to him or her at his mailing address as it appears on the books of the Association, or by telephone, e-mail, or facsimile transmission. Notices shall state the purposes of the meeting. No notice of any adjourned meeting of the directors shall be required.
- 8. Quorum. A majority of the number of directors fixed by the Bylaws shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the voting directors in attendance shall decide any question brought before such meeting, except where a larger number is required by law, the Articles of Incorporation, or by these Bylaws as from time to time in force and effect.
- 9. Waiver of Notice. Before, at or after any meeting of the board of directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him except when a director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.
- 10. Attendance at Meetings via Telephone or Video Conference. A director may attend any meeting of the board of directors by means of telephone, video or such other means which



allow all of the directors in attendance at the meeting to hear and speak with each other. Such attendance via telephone or video shall be the same as attendance in person.

- 11. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the directors.
- 12. Committees. An executive committee or other committees may be appointed by the Directors as deemed necessary.

ARTICLE VII. Officers and Agents

- 1. General. The officers of the Association may include a president, one or more vice presidents, a secretary, a treasurer, and such other officers as the board of directors may consider necessary or advisable. One person may hold more than one office; provided, however, that the same person may not hold both the offices of president and secretary. The officers shall hold their offices for such terms and have such authority and duties as from time to time may be determined by the board of directors. The officers shall be selected as follows:
- (a) During the Period of Declarant Control, Declarant may appoint, remove and replace from time to time all of the officers of the Association. If Declarant so elects, Declarant may from time to time relinquish, either on a temporary or permanent basis, the right to appoint all or a portion of the officers of the Association; provided that any such relinquishment shall be expressed in writing to the Association.
- (b) Following the Period of Declarant Control, the officers shall be elected by the board of directors in such manner as from time to time may be determined by the board of directors.

Officers shall not be paid a salary. In all cases where the duties of an officer, agent or employee are not prescribed by the Bylaws or by the board of directors, such officer, agent or employee shall follow the orders and instructions of the president or his designee.

2. Removal of Officers. During the Period of Declarant Control, any officer may be removed, either with or without cause, and his or her successor appointed by Declarant. After the Period of Declarant Control, upon an affirmative vote of a majority of the members of the board of directors, any officer may be removed, either with or without cause, and his or her successor elected at any regular meeting of the board of directors, or at any special meeting of the board called for such purpose.



- 3. Vacancies. A vacancy in any office, however occurring, may be filled (a) during the Period of Declarant Control, by the Declarant, or (b) after the Period of Declarant Control, by the board of directors for the unexpired portion of the term.
- 4. President. The president shall be the chief executive officer of the Association. He or she shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees.
- 5. Vice Presidents. The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the board of directors. In the absence of the president, the vice president designated by the board of directors or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president.

6. Secretary. The secretary shall:

- (a) Keep the minutes of the proceedings of the Members, the board of directors, and any committees appointed by the board of directors;
- (b) See that all notices are duly given in accordance with the provisions of these Bylaws, the Articles of Incorporation and Declaration, and as required by law;
 - (c) Be custodian of the Association's records;
- (d) Keep at its principal place of business a record containing the names and registered addresses and/or email addresses of all Members, the designation of the Unit owned by each Member, and, if such Unit is mortgaged and the mortgagee has given the Association notice thereof, the name and address of the mortgagee;
- (e) In general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the board of directors.
- 7. Treasurer. The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the board of directors. He or she shall receive and give receipts for moneys paid into the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. He or she shall perform all other duties incident to the office of the treasurer and, upon request of the board of directors, shall make such reports to it as may be required at any time. He or she shall, if required by the board of directors, give the Association a bond in such sums and with such sureties as shall be satisfactory to the board,



conditioned upon the faithful performance of his or her duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Association. He or she shall have such other powers and perform such other duties as may be from time to time prescribed by the board of directors or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

ARTICLE VIII. Obligations of the Members

- 1. Assessments. Each Member shall be obligated to pay and shall pay to the Association all Assessments levied under the Declaration, the Articles of Incorporation or these Bylaws with respect to such Owner's Unit, and each Member shall comply with any determinations made by the board of directors with respect to such Assessments.
- 2. Compliance with the Articles of Incorporation, Bylaws and Rules and Regulations. Each Member shall comply with all provisions of the Declaration, Articles of Incorporation, these Bylaws, and any Administrative Regulations adopted by the board of directors as from time to time in force and effect. The membership rights and privileges, including, but not limited to, the right to vote and the right to use Common Elements of any Member, Occupant, guest, renter, tenant or invitee, may be suspended by action of the board of directors during the period when any Assessments or other amounts due relating to such Member's Unit remain unpaid or during the pendency of any breach of the Declaration, Bylaws or Administrative Regulations; but, upon payment of such Assessments or other amounts or cure of the breach, such rights and privileges shall be automatically restored.

ARTICLE IX.

Evidence and Determination of Membership, Registration of Mailing Address and Lien Holders

1. Evidence of Membership and Registration of Mailing Address. Members in the Association shall automatically attain membership status by ownership of a Unit.

Members shall furnish to the Association a copy of the deed or other recorded instrument vesting that party with the interest required to make it a Member of the Association. Each such Member shall at the same time give a single name, address and email address to which notices to such Member may be sent. In the event of any change in the facts reported in the original written notice, including any change of ownership, the member shall give a new written notice to the Association containing all the information required to be covered by the original notice. The Association shall be entitled to rely, for any and all purposes, on the information reflected in the most recent written notice furnished with respect to such member. The Association shall keep and preserve the most recent written notice received by the Association with respect to each member.



- 2. Association Determination as to Membership. The Association shall keep records of its determinations of membership which shall be used and may be relied upon by it for any and all purposes. No party shall be entitled to any notice or the right to vote until it has been determined by the Association that such party is a Member and that all dues assessed to that Unit have been paid in full. Any party aggrieved by any determination of the Association with respect to its voting rights may contest such action within 45 days after it has notice thereof by commencing a legal action in the District Court of Flathead County, Montana, within such 45-day period. If such action is not commenced in such period, the determination of the Association shall be final.
- 3. Mortgagees. Any Member who grants a First Mortgage covering the Member's Unit may notify the board of directors of the name and address of the Mortgagee or beneficiary of the First Mortgage and may file copies of the First Mortgage with the board of directors. Such notice shall include an agreement by the lending institution that it will notify the Association when its lien has been released. If such notice is given, the board of directors, when giving notice to a Member of default in paying an Assessment or other default, shall send a copy of such notice to such First Mortgagee whose name and address has theretofore been filed with the Association, and which has not been removed by appropriate notice that the lien has been released. However, failure to give such notice to a First Mortgagee shall not invalidate the notice to a Member.

ARTICLE X. Amendments

These Bylaws may be amended at any time by Members representing seventy-five percent (75%) of the votes in the Association, by votes cast in person or by proxy at a meeting duly called for such purpose, or by written ballot, or by a combination of votes at a meeting and votes by written ballot (with the votes by written ballot included in determining whether a quorum is present). During the Period of Declarant Control, any amendment shall also require the written consent of the Declarant. Notice of such meeting shall be given to all Members at least ten (10) days in advance and shall set forth the purpose of the meeting. Any such amendment shall become effective when an instrument is filed for record in the real estate records of Flathead County, Montana, together with a certification signed by two of the officers of the Association attesting to the approval of the amendment by the required number of Members. Any amendment shall be binding upon every Owner and every Unit whether the burdens thereon are increased or decreased thereby, and whether the Owner of each and every Unit consents thereto or not.

ARTICLE XI. Miscellaneous

- 1. Seal. The corporation does not anticipate obtaining or using a corporate seal.
- 2. Fiscal Year. The fiscal year of the Association shall commence on January 1st and terminate on December 31st of each year.



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The undersigned President and Secretary of the Association do hereby certify that the foregoing Bylaws were adopted as the bylaws of the Association by the unanimous consent of the directors.

Dated: /Z - /L/ - ZO, 2020.

206 LUPFER CONDOMINIUM OWNERS ASSOCIATION, INC.

By: Mark S. Panissidi

Its: Director

STATE OF MONTANA

: ss

County of Flathead

This instrument was acknowledged before me on <u>Jecember 14</u>, 2020, by Mark S. Panissidi as Director of 206 Lupfer Condominium Owners Association Inc.

TERRI ADAMS
NOTARY PUBLIC for the
State of Montana
Residing at Columbia Falls, Montana
MPSy Commission Expires
May 13, 2024

Notary Public for the State of Montana



By. Cristin Fitzgerald

Its: Director

STATE OF MONTANA

: ss

)

County of Flathead

This instrument was acknowledged before me on <u>December 14</u>, 2020, by Cristin Fitzgerald as Director of 206 Lupfer Condominium Owners Association Inc.

TERRI ADAMS
NOTARY PUBLIC for the
State of Montana
Residing at Columbia Falls, Montana
My Commission Expires
TAMP May 13, 2024

Notary Public for the State of Montana



By: Beverly Lepinski

Its: Director

STATE OF <u>California</u>)

County of San Diego)

This instrument was acknowledged before me on 12 11 2020, by Beverly Lepinski as Director of 206 Lupfer Condominium Owners Association Inc.

Mariana D. Bal Cazar

Notary Public for the State of California

(STAMP)

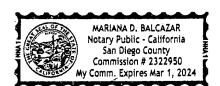




EXHIBIT A

Lot 1 of the Amended Plat of Lots 1-6, Block 42 of Whitefish, according to the map or plat thereof of file and of record in the office of the Clerk and Recorder of Flathead County, Montana.

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