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DECLARATION FOR

YELLOWSTONE CONDOMINIUM

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DECLARATION FOR
YELLOWSTONE CONDOMINIUM

By this Declaration made this _____ day of _____, 19____, by BIG SKY OF MONTANA, INC., (Big Sky) a Corporation authorized to conduct business in Montana, lands and property hereinafter described are submitted to the provisions of Title 67, Chapter 23 of the Revised Codes of Montana 1947, which Chapter is also known as the "Unit Ownership Act".

This property subject to this Declaration shall be known as Yellowstone Condominium. The address of Yellowstone Condominium is Yellowstone Condominium, Yellowtail Road, Big Sky, Montana, 59716.

I. DEFINITIONS

Unless the context expressly provides otherwise, the following definitions shall pertain throughout this Declaration and in the interpretation thereof:

1. Aggregate Voting shall mean the entire number of votes or persons present or available to vote in a particular circumstance.
2. Association or Association of Unit Owners means all of the Unit Owners acting as a group and in accordance with duly adopted by-laws and this Declaration.
3. Board or Board of Directors shall mean the Board of Directors of the Association as more particularly defined in the by-laws.
4. Building means a multiple unit building or buildings comprising a part of the property.
5. By-Laws means the by-laws promulgated by the Association under this Declaration and the Unit Ownership Act.
6. Common Elements means both general common elements and limited common elements.

(a) General common elements includes all those elements which are for the use of all residents and guests of residents of Yellowstone Condominium. Specifically included are: grounds surrounding the buildings; parking areas; outdoor walkways and paths; and other elements necessary for the safety, maintenance, and existence of the condominium. This list is not exclusive and the Association of Unit Owners may add or delete elements pursuant to the method of amendment as hereinafter described.

(b) Limited common elements as used in this Declaration shall mean those common elements which are reserved for the use of fewer than all the residents and guests of residents of Yellowstone Condominium. Specifically, as to any

given Unit Owner or Owners, limited common elements shall mean the following common elements which are located within or affixed to the particular building or buildings containing his unit in which these elements are located:

- (1) The land upon which the building is located.
- (2) Foundations, columns, girders, beams, supports, and other structural components of the building, exterior walls, fire walls, flues, chimneys, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, rubbish rooms, heating and air conditioning equipment, ducts, cables, conduits, public utility lines, interior and exterior gutters and vertical roof drains, water supply lines, sewer lines, lines for electricity, hot and cold water pipes, balconies, entrances, patios and decks.

7. Common Expenses means expenses of administration, maintenance, repair or replacement of general common elements, expenses agreed upon by the Association of all Unit Owners, and expenses declared common by Sections 67-2329 and 67-2331 of the Unit Ownership Act of the State of Montana being Section 67-2329 and 67-2331, R.C.M. 1947, as amended.

8. Declaration means this document and all parts attached thereto or incorporated by reference.

9. Limited Expenses means the expenses attributable to the maintenance, repair and replacement of limited common elements and are expenses only for owners of units within the building for which expenses are accrued.

10. Manager means the manager, the Board of Directors, management corporation, or any other person or group of persons retained or appointed by the Association of Unit Owners for the purpose of conducting the day-to-day operations of Yellowstone Condominium.

11. Property means all the land, buildings, improvements and structures thereon and all easements, rights, and appurtenances belonging thereto, which are herewith submitted to the Unit Ownership Act of Montana.

12. Record Officer means the county officer charged with the duty of filing and recording the deeds, mortgages and all other instruments and documents relating to this Declaration and the property which is its subject.

13. Unit shall be the separate condominium units of Yellowstone Condominium and is a parcel of real property including and containing one or more rooms occupying one or more floors or a part or parts thereof, intended for any type of independent use, and with a direct exit to a public street or highway or to an area or areas leading to a public street or highway.

14. Unit Designation is the combination of letters, numbers and works which identify the designated units.

15. Unit Owner means person owning a fee simple absolute, or one who is co-owner in any real estate tenancy relationship that is recognized under the laws of Montana in one or more units of Yellowstone Condominium.

II. REAL ESTATE

Description

1. The real property which is by this Declaration submitted to the Unit Ownership Act of Montana is described as follows:

All of Tract 3, Big Sky of Montana, Inc., Meadow Village,
Second Filing, Gallatin County, Montana.

Map

2. A map of the real property of Yellowstone Condominium, is attached and designated "Exhibit A" and by reference hereto made a part of this Declaration

Exclusion of Use

3. Any balcony, patio or deck which is accessible from, associated with or joins a unit or units shall, without further reference thereto, be used in connection with such unit or units to the exclusion of the use thereof by the other owners of the limited and general common elements, except by invitation.

Condominium Units

4. Each unit, together with the appurtenant undivided interest in the general common elements of each unit owner's building, shall together comprise one condominium unit, shall be inseparable, and may be conveyed, leased, devised or encumbered only as a condominium unit but as a parcel of real property.

Encroachments

5. If any portion of the general common elements or limited common elements encroaches upon a unit or units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of a unit encroaches upon the general common elements or limited common elements, or upon an adjoining unit or units, a valid easement for the encroachment and for the maintenance for same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the general common elements, the limited common elements, or on the units for purposes of marketability of title.

6. The common elements include parking areas for automobiles of the Unit Owners. These areas will be initially laid out by Big Sky and may be changed from time to time by Big Sky or by the Association. The right to use one parking space shall be an appurtenance to each unit. The original assignment of such space will be made by Big Sky, until such time as Big Sky no longer owns any of the units, and Big Sky reserves the right to assign or re-assign all parking spaces if such assignment or re-assignment becomes necessary. Thereafter, subsequent use and assignment of parking space will be pursuant to regulations of the Association; provided that no change in the designation of parking spaces shall be made for the benefit of a Unit Owner which discriminates against another Unit Owner without the latter's consent.

Unit Boundaries

7. Each unit shall include the part of the building containing the unit that lies within the boundaries of the unit, which boundaries are as follows:

(a) Upper and Lower boundaries - The upper and lower boundaries of the unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) Upper boundary - the plane of the lowest surfaces of the ceiling concrete slab for all ground units and the plane of the lowest surface of the ceiling for all upper units, not including beams.

(2) Lower boundary - the plane of the lowest surface of the floor concrete slab.

(b) Perimetrical boundaries - The perimetrical boundaries of the unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:

(1) Exterior building walls - the intersecting vertical planes adjacent to and which include the exterior of the outside walls bounding a unit and fixtures thereon, and when there is attached to the building a fixture or other portion of the building serving only the unit being bounded, such boundaries shall be the intersecting vertical planes adjacent to and which include all of such structures and fixtures thereon.

(2) Interior building walls for bounding units - the vertical planes of the centerline of walls bounding a unit extended to intersections with other perimetrical boundaries. Where walls between units are of varying thicknesses (not including fireplaces which are a part of each individual unit) the plane of the centerline of a bounding wall shall be the median line drawn between the two outermost boundaries of such wall.

III. OWNERSHIP AND VOTING

Percentile Interest

1. Each Unit Owner shall be entitled to the exclusive ownership, use and possession of his unit. Additionally, each Unit Owner shall have a percentile undivided interest in the general common elements of Yellowstone Condominium. Such percentage represents his ownership interest in the general common elements, his liability for common expenses, and the factor of his voting interest in all matters within the province of the Association of Unit Owners. The percentage of interest for the respective owners shall be computed in the approximate relation that the value of the unit at the date of the declaration bears to the then combined value of all of the units having an interest in such common elements, and such percentile interest shall be as follows:

Unit Designation	Appurtenant Undivided Interest (%) (Percentile Interest)
K-1	107 2.8259
K-2	108 2.7296
K-3	109 2.7296
K-4	103 2.9865
K-5	102 2.9865
K-6	101 2.8581
K-7	100 2.8581
K-8	95 2.8902
K-9	94 2.8902
K-10	92 2.9544
K-11	91 2.8902
K-12	90 2.8902
K-13	85 2.8902
K-14	84 2.8902
K-15	82 2.9865
K-16	82 3.0507
K-17	81 2.9865
K-18	80 2.9223
K-19	78 2.7296
K-20	74 2.7296
K-21	73 2.7938
L-1	106 1.9589
L-2	98 2.0873
L-3	111 1.8626 10
L-4	112 1.8947
L-5	105 2.0873
L-6	77 1.9910
L-7	88 1.9910
L-8	87 1.9268
L-9	77 1.9268
L-10	78 1.9268
L-11	71 1.8947 11
L-12	72 1.8947 12
M-1	110 1.6378 1
M-2	100 1.8626 2
M-3	97 1.7983 2
M-4	96 1.7983 4
M-5	93 1.8947 5
M-6	86 1.8304 6
M-7	89 1.8304 7
M-8	79 1.7020 8
M-9	76 1.7340 9

Floor Plans and Exhibits

2. Yellowstone Condominium, consists of the buildings and the real property described above and separate buildings, each of which contains living units. There are no basements in any of the condominium units and the separate buildings are from one and a half to two stories in height. There are three (3) basic floor plans for the forty-two (42) units of the condominium. For identification and descriptive purposes the following exhibits are attached and by reference hereto incorporated into and made a part of this Declaration.

"Exhibit B" - Basic Unit Floor Plans used throughout Yellowstone Condominium, and the area of each showing the number of stories or floors for each unit and vertical elevations.

"Exhibit C" - A site map of Tract 3, showing the buildings and other improvements situated thereon, their location and the number and types of units contained in each.

Construction Materials

3. The principle material of construction of the units are concrete for the slabs and footings, wood for the framing, structural and finish work, sheetrock, plywood and wood paneling for the interior, stone fireplace surfaces and rough-sawn cedar for exterior surfaces, with metal fireboxes for the fireplaces. Asphalt shingles are used on the roofs of all buildings.

Service of Process

4. The name of the person to receive service of process for Yellowstone Condominium, until other designation is filed of record shall be J. David Penwell, P. O. Box 1, Big Sky, Gallatin County, Montana, 59716.

Use

5. The use of each of the units in Yellowstone Condominium, shall be for residential purposes only and there shall be no commercial use whatsoever, except that nothing shall prohibit a Unit Owner from leasing or renting his unit to third parties or holding it out for lease or rental, or entering into an agreement or contract with others for the lease or rental of his unit for residential use. The use of the general common areas shall be for the recreation and enjoyment of the Unit Owners, their guests, tenants, lessees and invitees.

Exclusive Ownership

6. Each owner shall be entitled to exclusive ownership and possession of his unit. Each owner may use the general and limited common elements in accordance with the purpose for which they are intended so long as they do not hinder or encroach upon the lawful rights of other owners.

IV. THE ASSOCIATION

Function

1. There shall be formed an Association of Unit Owners. Membership shall be limited to owners as defined in this Declaration. It shall be the function of the Association to:

- (a) Adopt by-laws for the governance of the Association.
- (b) Make provision for the general management for the condominium.
- (c) Levy assessments as provided for in this Declaration, the by-laws, and the Unit Ownership Act of Montana.
- (d) Adopt and implement a policy for the affairs of the condominium.
- (e) Enter into contracts or hire personnel for the management of the affairs of the Association and the maintenance and repair of the common areas.

Vote

2. On all matters, unless excluded by this Declaration, to be decided by the Association each Unit Owner shall have a vote equal to his percentile interest in the general common elements. An owner of a condominium unit, upon becoming an owner, shall be a member of the Association and remain a member for the period of his unit ownership. Except as otherwise provided in this Declaration, a majority of the aggregate interest present at any meeting or by proxy shall be sufficient to act on matters brought before the Association. Meetings of the Association shall only be conducted when a quorum is present, as defined in the Association by-laws.

Failure to Comply

3. Each owner shall comply strictly with the provisions of this Declaration, the by-laws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may lawfully be amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all attorneys' fees incurred in connection therewith, which action shall be maintainable by the Manager in the name of the Association, on behalf of the owner or, in a proper case, by an aggrieved owner.

Payment of Assessments

4. All assessments shall be due three (3) days from the date of mailing of such assessment following the meeting at which time assessments are levied

by the Association and may be payable in full or in installments, at the option of the owner. The amount of the common expenses assessed against each condominium unit and the amount of limited expenses assessed against each condominium unit shall be the personal and individual debt of the owner thereof. No owner may exempt himself from liability for his contribution toward the common expenses and the limited expenses by waiver of the use or enjoyment of any of the general common elements or limited common elements or by abandonment of his unit. All assessments which are not paid within fifteen (15) days from the date they are due and payable become delinquent and are subject to interest and penalty charges. The Manager shall have the responsibility of taking prompt action to collect any unpaid assessment which becomes delinquent. In the event of delinquency in the payment of the assessment, the Unit Owner shall be obligated to pay interest at the rate of six percent (6%) per annum on the amount of the assessment from due date thereof, together with all expenses, including attorneys' fees incurred, together with such late charges as provided by the by-laws of the Association. Suit to cover a money judgment for unpaid common expenses and limited expenses shall be maintainable without foreclosing or waiving the lien securing the same.

Levying Assessments

5. The Association of Unit Owners shall levy assessments upon the Unit Owners in the following manner and for the following reasons:

(a) Assessments shall be made as a part of the regular business of the Association at any regular or special meeting thereof. Notice of the assessment, the amount thereof, and the purpose for which it is made, including an annual budget for expenditures and operation, shall be served upon all Unit Owners affected by mailing a copy of the notice to said owners at their address of record.

(b) Assessments shall be made for the repair, replacement and general maintenance, management and administration of general common elements. Assessments shall be based upon and computed by using the percentile interest that each Unit Owner has in the general common elements.

(c) Assessments may also be made for the payment of limited expenses such that the Unit Owners are chargeable only for the expenses relating to their respective buildings. Unit Owners shall share in the payment for limited expenses for the repair, maintenance and replacement of limited common elements of their respective units in accordance with the ratio or percentile interest the value of a unit associated with such limited common elements bears to the combined value (at the date of the declaration) of the other unit or units sharing or having an interest in the limited common elements concerned. If only one unit is associated with the limited common elements involved then the entire cost of such repair maintenance or replacement shall be borne by that unit.

(d) Assessments may also be made for any purpose contemplated by this Declaration and for any purpose set out in the Unit Ownership Act of Montana.

V. COVENANTS

Recording Data

1. All the property which is by this Declaration submitted to the provisions of the Unit Ownership Act of Montana is subject to Protective Covenants which were filed with the Gallatin County recording officer on the _____ day of _____, 1973, by Big Sky of Montana, Inc. and any and all amendments filed thereto. Said Covenants are recorded in Book _____ of page _____ in the office of the Gallatin County Clerk and Recorder, and by reference such recorded Covenants are made a part of this Declaration, as well as any subsequent amendments thereto. Owners of the subject property are similarly subject to the provisions of the Articles and By-Laws of the Big Sky Owners Association, Inc.

Alterations by Big Sky

2. Big Sky reserves the right to change the interior design and arrangement of all units, and alter the boundaries between units, so long as Big Sky owns the units so altered. No such change shall increase the number of units nor alter the boundary of the general common elements without an amendment to this Declaration.

VI. AMENDMENT

Amendment of this Declaration shall be made in the following manner:
At any regular or special meeting of the Association of Unit Owners such amendment may be proposed as a resolution by any Unit Owner. Upon adoption of the resolution by majority vote of those present the amendment shall be made a subject for consideration at the next succeeding meeting of the Association with notice thereof, together with a copy of the amendment to be furnished to each owner no later than thirty (30) days in advance of such meeting. At such meeting the amendment shall be approved upon receiving the favorable vote of seventy-five percent (75%) of the total percentile vote of all the Unit Owners. If so approved, it shall be the responsibility of the Manager to file the amendment with the recording officer of Gallatin County and the County Assessor. The amendment shall become effective upon being filed with the recording officer.

VII. CHANGES, REPAIRS AND LIENS

Alterations by Unit Owners

1. The interior plan of a unit may be changed by its owner, and the boundaries between units may be changed by the owners of the units affected. No units may be subdivided. No change in the boundaries of units shall encroach upon the boundaries of the common elements. Boundary walls must be equal in quality of design and construction to the existing boundary walls. A change in the boundaries between units shall be set forth in an amendment of this Declaration. In addition to compliance with the provisions of paragraph VI above, such an amendment must further set forth and contain plans of the units concerned showing the units after the change in boundaries, which plans shall be by an architect licensed to practice in Montana, and attached to the amendment as exhibits, together with the certificate of an architect or engineer required by the Unit Ownership Act. Such an amendment shall be signed and acknowledged by the owners of the units concerned and if Big Sky is not such an owner, the amendment shall be also approved by the Board of Directors of the Association and signed and acknowledged by all lienors and mortgagees of the units concerned.

Maintenance by Unit Owner

2. An owner shall maintain and keep in repair the interior of his own unit, including the fixtures thereof. All fixtures and equipment installed in the unit commencing at a point where the utilities enter the unit shall be maintained and kept in repair by the owner thereof. An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement. An owner shall also keep the balcony, entrance patio or deck area appurtenant to his unit in a clean and sanitary condition. The right of each owner to repair, alter and remodel is coupled with the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials. No act of alteration, repairing or remodeling by any Unit Owner shall impair in any way the integrity of the units of adjoining owners or the integrity of limited common elements or general common elements.

Liens for Alterations

3. Labor performed or materials furnished and incorporated into a unit with the consent or at the request of the Unit Owner, his agent, his contractor or subcontractor shall be the basis for the filing of a lien against the units of the Unit Owner consenting to or requesting the same. Each owner shall indemnify and hold harmless each of the other owners from and against all liability arising from the claim of any lien against the unit or any other owner or against the general common elements, or limited common elements for construction performed or for labor, materials, services or other products incorporated into the owner's unit at such owner's request.

Exterior Alterations

4. No owner may change, alter or remodel the exterior of his unit without the prior written consent of the Association.

Liens for Assessments

5. All sums assessed but unpaid for the share of common expenses and limited expenses chargeable to any condominium unit shall constitute a lien on such unit superior to all other liens and encumbrances, except only for tax and special assessment liens on the unit in favor of any assessing authority, and all sums unpaid on a first mortgage or a first trust indenture of record, including all unpaid obligatory sums as may be provided by such encumbrance. To evidence such lien, the Manager shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of the accrued interest and late charges thereon, the name of the owner of the condominium unit and a description of the condominium unit. Such notice shall be signed and verified by one of the officers of the Association or by the Manager, or his authorized agent, and shall be recorded in the office of the Clerk and Recorder of Gallatin County, State of Montana. Such lien shall attach from the date of recording of such notice. Such lien may be enforced by the foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage on real property upon the recording of a notice or claim thereof. In any such proceedings the owner may be required to pay the costs, expenses and attorneys' fees incurred for filing a lien, and in the event of foreclosure proceedings, additional costs, all expenses and reasonable attorneys' fees incurred but not less than the amount recommended by the Bar Association of Gallatin County according to the then current published and recommended fee schedule for foreclosure proceedings.

Foreclosure

6. The Association shall have the power to bid in the condominium unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, and vote the votes appurtenant to, convey or otherwise deal with the same. Any encumbrancer holding a lien on a condominium unit may pay, but shall not be required to pay, any unpaid common expenses or limited expenses payable with respect as to such unit, and upon such payment such encumbrancer shall have a lien on said unit for the amounts paid of the same rank as the lien of his encumbrance without the necessity of having to file a notice or claim of such lien.

Insurance

7.1 Purchase

All insurance policies upon the condominium property shall be purchased by the Association and shall be issued by an insurance company authorized to do business in Montana.

(a) Name Insured - The named insured shall be the Association individually and as agent for the Unit Owners without naming them. Such policies shall provide that payments for losses thereunder by the insurer shall be paid to the insurance trustee hereinafter designated, and all policies and endorsements thereon shall be deposited with the insurance trustee. Unit Owners may obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expense upon their own personal property and for their personal liability and living expense.

(b) Copies to Mortgagees - One copy of each insurance policy and of all endorsements thereon shall be furnished by the Association to each mortgagee of a Unit Owner on request.

7.2 Coverage

(a) Casualty - All buildings and improvements upon the land shall be insured in an amount equal to the maximum insurable replacement value, and all personal property included in the common elements shall be insured for its value, all as determined annually by the Board of Directors of the Association, but subject to such deductible clauses as are required in order to obtain coverage at reasonable costs. Such coverage shall afford protection against:

(1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and

(2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including, but not limited to, vandalism and malicious mischief.

The policies shall state whether the following items are included within the coverage in order that Unit Owners may insure themselves if the items are not insured by the Association; air handling equipment for space cooling and heating; service equipment, such as dishwasher, laundry, refrigerator, oven, stove, whether or not such items are built-in equipment; interior fixtures such as electrical and plumbing fixtures; floor coverings; inside paint and other inside wall finishes

(b) Public Liability - In such amounts and with such coverage as shall be required by the Board of Directors of the Association, including, but not limited to hired automobile and non-owned automobile coverages, and with cross-liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.

(c) Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable and as may be required by the Federal and State laws.

7.3 Premiums

Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense, except that the amount of increase in the premium occasioned by use for other than a residence, misuse, occupancy or abandonment of a unit or its appurtenances or of the common elements by a Unit Owner shall be assessed against that owner. Not less than ten (10) days prior to the date when a premium is due, evidence of such payment shall be furnished by the Association to each mortgagee listed in the roster of mortgagees.

7.4 Insurance Trustee

All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to such bank in Montana with trust powers as may be designated as insurance trustee by the Board of Directors of the Association, which trustee is herein referred to as the insurance trustee. The insurance trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the insurance trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated in this instrument and for the benefit of the Unit Owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the insurance trustee:

(a) Unit Owners - An undivided share for each Unit Owner, such share being the same as the undivided share in the common elements appurtenant to his unit.

(b) Mortgagees - In the event a mortgagee endorsement has been issued as to a unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the Unit Owner and mortgagee pursuant to the provisions of this Declaration.

7.5 Distribution of Proceeds

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

(a) Expense of the Trust - All expenses of the insurance trustee shall be first paid or provision made therefor.

(b) Reconstruction or Repair - If the damage for which the proceeds are paid is to be repaired or reconstructed by the Association, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them.

(c) Failure to Reconstruct or Repair - If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them.

(d) Certificate - In making distribution to Unit Owners and their mortgagees, the insurance trustee may rely upon a certificate of the Association made by its representative or manager as to the names of the Unit Owners and their respective shares of the distribution.

7.6 Association as Agent

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

7.7 Benefit to Mortgagees

Certain provisions in this paragraph entitled "Insurance" are for the benefit of mortgagees of condominium parcels, and all of such provisions are covenants for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

Reconstruction

8.1 Repair After Casualty

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

(a) Lesser Damage - If a unit or units are found by the Board of Directors of the Association to be tenantable after the casualty, the damaged property shall be repaired.

(b) If a unit or units are found by the Board of Directors to be not tenantable after the casualty, the damaged property will be reconstructed or rebuilt.

(c) Certificate - The insurance trustee may rely upon a certificate of the Association made by its president and secretary to determine whether or not the damaged property is to be reconstructed or repaired.

8.2 Plans and Specifications

Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvements, or if not, then according to plans and specifications approved by the Board of Directors of the Association and by not less than seventy-five percent (75%) of the Unit Owners, including the owners of all units the plans for which are to be altered. Any such reconstruction not in accordance with the original plans and specifications must be set forth in an amendment to this Declaration, which amendment shall be prepared and filed of record in accordance with the provisions of such amended filing, more particularly set forth in paragraph VI and paragraph VII, sub-paragraph 1, hereinabove.

8.3 Responsibility

The responsibility for reconstruction or repair after casualty shall be the same as for maintenance and repair in the condominium property.

8.4 Assessments

If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair for which the Association is responsible, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are

insufficient, assessments shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments shall be in proportion to the owners' percentile interest.

8.5 Construction Funds

The funds for payment of costs of reconstruction or repair after casualty, which shall consist of proceeds of insurance held by the insurance trustee and funds collected by the Association from assessments against Unit Owners, shall be disbursed in the sound discretion of the trustee and according to the contract of reconstruction or repair, which contract must have the approval of the Board and the Unit Owners involved.

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

VIII. INTERPRETATION

The provisions of the Declaration and of the by-laws to be promulgated and recorded herewith, shall be liberally construed to effectuate the purposes of the said Declaration and by-laws and to create a building or buildings subject to and under the provisions of the Unit Ownership Act.

IX. REMEDIES

All remedies provided for in the said Declaration and by-laws shall not be exclusive of any other remedies which may now be, or are hereafter, available to the parties hereto as provided for by law.

X. SEVERABILITY

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

XI. MISCELLANEOUS

Utility Easements

1. Easements are reserved through the condominium property as may be required for utility services, including water, sewer, power and telephone, in order

to serve the condominium adequately; provided, however, such easements through the property or through a unit shall be only according to the plans and specifications for the unit building, as set forth in the recorded plat of Tracts 10 and 1-a, or as the building is constructed, unless approved in writing by the Unit Owner.

Irrevocable Right

2. The Association shall have the irrevocable right, to be exercised by the Manager, to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the limited common elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the general or limited common elements or to another unit. Damage to the interior or any part of the unit resulting from the maintenance, repair, emergency repair or replacement of any of the general or limited common elements or as a result of an emergency repair within another unit at the instance of the Association, shall be designated either limited or common expenses by the Association and assessed in accordance with said designation.

Expenditures

3. No expenditures or debt in excess of \$900.00 may be made or incurred by the Association or Manager without the prior approval of a majority of the Unit Owners.

Benefit

4. Except as otherwise provided herein, this Declaration shall be binding upon and shall inure to the benefit of Big Sky of Montana, Inc., the Association and each Unit Owner and the heirs, personal representatives, successors and assigns of each.

IN WITNESS WHEREOF, Big Sky of Montana, Inc., has caused this Declaration to be made and executed according to and under the provisions of the Unit Ownership Act, R.C.M. 1947, Section 67-2301, et. seq.

BIG SKY OF MONTANA, INC.

By *J. David Penwell*
J. David Penwell, Vice President

ATTEST:

Jeffrey J. Foss
Jeffrey J. Foss, Assistant Secretary