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Shelley Vance-Gallatin Co MT MISC 294.00

LEGAL DOCUMENTS
FOR THE
MADISON PLACE CONDOMINIUM

STC-013824

State of Montana)
) ss.
County of Gallatin)
Filed _____, 2002
at _____, m., and
Recorded in book _____
of _____, page _____

County Clerk and Recorder

By: _____
Deputy

Fee \$ _____
Rt: Troy L. Bentson, Esq.

Prepared for:
SNOWLOAD, LLC
Bozeman, Montana

Prepared by:
Troy L. Bentson
Kommers, Steele & Bentson, PLLP
517 S. 22nd Ave., Ste 5
Bozeman, MT 59718

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FOR THE
MADISON PLACE CONDOMINIUM

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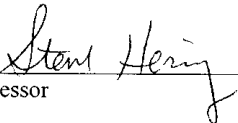
CERTIFICATE OF NAME

The undersigned being the duly authorized agent of the Department of Revenue of the State of Montana within the County of Gallatin, herewith executes the following certificate relating to the MADISON PLACE CONDOMINIUM situated as follows:

Lot 2 in Block 1, of North Meadows Subdivision - Phase I, in the City of Bozeman, Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder, Gallatin County, Montana. [Plat Reference: J-243]

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

Dated: 02/26/2002



County Assessor

CERTIFICATE OF FLOOR PLAN

The undersigned, being a duly registered professional architect in the State of Montana, and the architect preparing the floor plans for the MADISON PLACE CONDOMINIUM, Phase I, herewith certifies that the floor plans for the MADISON PLACE CONDOMINIUM, Phase I, attached to this Declaration are an accurate copy of the plans filed with and approved by the officials and officers of the City of Bozeman having jurisdiction to issue building permits.

Dated: 2.26.02



Registered Professional Architect
Number: 1835

DECLARATION
for the
MADISON PLACE CONDOMINIUM

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DECLARATION FOR
THE
MADISON PLACE CONDOMINIUM

THIS DECLARATION is hereby made and entered into this _____ day of February, 2002, by PROMISCO CONSTRUCTION, INC. a Montana corporation, (hereinafter referred to as the "Declarant"), whereby lands and property hereinafter described are submitted and subject to the Montana Unit Ownership Act as set forth in Chapter 23, Title 70, MCA (hereinafter referred as the "Act").

The property subject to this Declaration shall be known as the MADISON PLACE CONDOMINIUM (hereinafter referred to as the "MADISON PLACE"). The address of the MADISON PLACE is 427 Michael Grove Avenue, Units 1-20, Bozeman, Montana, 59718. The Declarant holds an option interest in property located at 501 and 515 Michael Grove Avenue, Bozeman, Montana, adjacent to the property subject to this Declaration which it intends to subject to the Act along with the 427 Michael Grove Avenue property at a later date in accordance with the expansion provision under Section IV., below.

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 person or by proxy in a particular circumstance.
2. Association means all of the Unit Owners acting as a group and in accordance with duly adopted Bylaws and this Declaration.
3. Board or Board of Directors shall mean the Board of Directors of the Association as more particularly defined in the Bylaws.
4. Building means a multiple unit building(s) comprising a part of the property and containing condominium units.
5. Bylaws means the Bylaws promulgated by the Association under this Declaration and the 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 owners and guests of owners of MADISON PLACE. Specifically included are: grounds surrounding the buildings, the land on which the buildings are situated, any portion of the parking areas not specifically allocated to a particular

unit, any irrigation system placed on the property for landscape maintenance, any portion of the buildings designated on the floor plans as common to all units, parks, paths, sidewalks, walkways, footings, foundations, framework, columns, trusses, supports, roof and other structural components of the buildings, exterior walls, gutters and vertical roof drains, electrical, gas, telephone, water and sewer lines and connections serving all of the units, landscaping, plants and other materials and improvements separate from and outside of the buildings containing the units, and other elements necessary for the safety, maintenance and existence of MADISON PLACE in which each owner shall have his designated percentage of interest, as set forth in Paragraph IV., below.

- b. Limited Common Elements as used in this Declaration shall mean those common elements which are reserved for the use of fewer than all of the owners and guests of owners of MADISON PLACE, to the exclusion of other owners and guests.. 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 building containing his unit in which the elements are located or situated on the real property known as MADISON PLACE:

Flues, chimneys, ducts, cables, conduits, public utility lines, water, sewer, electrical, gas, cable television lines, and hot and cold water pipes (all such utility pipes and lines are limited common elements where they service only one or two units, where they service all units they shall be general common elements), stairways, balconies, entrances, stoops, furnaces, patios, decks, garages, boilers, hot water tanks, heating ducts, cold air returns, and fixtures, or other portions of the building servicing only a particular unit or less than all of the units. The percentage of the separate unit's interest in the limited common elements shall be computed by determining the number of units that have use of the limited common elements and dividing that number into the one hundred (100).

7. Common expenses means expenses of administration, maintenance, repair or replacement of general common elements, expenses agreed upon by the Association of all owners, and expenses declared common by the Act.
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.
10. Manager means the manager, the Board of Directors, management corporation or any other person or group of persons retained or appointed by the Board, or by the Association for the purpose of conducting the day-to-day operations of MADISON PLACE.

11. Property means the land, building, improvements and structures thereon and all easements, rights and appurtenances belonging thereto, which are herewith submitted to the Act.
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 to which it is subject.
13. Unit or Units shall be the separate condominium units of MADISON PLACE and is a parcel of 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 street or highway or to common elements leading to a street or highway.
14. Unit Designation is the combination of letters, numbers and words which identify the designated units. Units shall be designated by number as units 1 through 60.
15. Unit Owner and Owner means the person or persons owning a unit in fee simple absolute, or as co-owner in any real estate tenancy relationship recognized under the laws of the State of Montana.

II. REAL ESTATE

1. Description: The property which is by this Declaration submitted and subject to the Act is described as follows:

Lot 2 in Block 1, of North Meadows Subdivision - Phase I, in the City of Bozeman, Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder, Gallatin County, Montana. [Plat Reference: J-243]

The condominium will initially consist of twenty (20) separate units, subject to the expansion provision under Section IV., below. The provisions of this Declaration and the Bylaws shall be construed to be covenants running with the land, and shall include every unit and shall be binding upon the unit owners, their heirs, personal representatives and assigns for as long as the MADISON PLACE Declaration and Bylaws are in effect.

2. Condominium Units: Each Unit, together with the appurtenant undivided interest in the common elements of MADISON PLACE shall together comprise one condominium unit, shall be inseparable, and may be conveyed, leased, rented, devised or encumbered as a condominium unit.

3. Encroachments: 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 the same, so long as it stands, shall and does exist. If any portion of the 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 of the same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the general common elements, the limited common elements, or on the Units for the purpose of marketability of title. In the event the building or any portion thereof is destroyed and then rebuilt, the Owners of the Unit or Units agree that minor encroachments of parts of the general common or limited common elements because of such construction shall be permitted and that an easement for such encroachment and the maintenance and repair of the same shall exist.
4. Buildings: The units comprising MADISON PLACE (Phase I) are contained in four (4) buildings.
5. Parking Area: The limited common elements include parking areas in the driveway in front of each garage for automobiles of the respective unit owners. These areas will be initially laid out by the Declarant, and shall be assigned to each unit. The right to use the parking spaces on the driveway in front of the garage for each unit shall be appurtenant to that unit. Subsequent use and assignment of parking spaces shall be pursuant to regulation of the Association.
6. Unit Boundaries: Each unit shall include the part of the building containing the unit that lies within the boundaries of the unit, which boundaries are as follows:
 - 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:
 - i. Upper Boundary: the plane of the lowest surface of the upper floor or ceiling joists for each unit.
 - ii. Lower Boundary: the plane of the highest surface of the floor joists.
 - b. Perimetrical Boundaries: the perimetrical boundaries of the unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:
 - i. Exterior Building Walls: the plane formed by the centerline of the exterior walls of the buildings except that such boundary shall be extended so as to include within it all windows in the unit.

- ii. Interior Building Walls: the vertical planes of the centerline of the walls between the units extended to an intersection with other perimetrical boundaries.
7. Construction Materials: The principal materials of construction of the units are concrete for the foundations, footings, and slabs, wood for the framing, structural and finish work, sheetrock, composite board and plywood for the interior, carpet, wood or tile for the floors, lap siding for exterior wall surfaces, and shingles for the roof of the buildings.

III. EASEMENT, COMMON ELEMENT--INTERIOR REMODELING

1. Common Element Easements: A nonexclusive right of ingress and egress and support through the general common elements are appurtenant to each Unit and all the general common elements are subject to such rights.
2. Easement for Utilities: Each unit may have its air space penetrated by electrical wires and lines, gas lines, mechanical equipment including air handling ducts, hot and cold water lines, waste water lines and vents and other utility and mechanical lines, pipes or equipment. These lines, where they serve only one unit shall be an appurtenance to such unit, but where they serve more than one unit shall be part of the common elements - either limited or general depending upon how many units are being served thereby as defined in Paragraph I, 6. Such items shall be so installed and maintained that they shall not unreasonably interfere with the use of the unit air space by the owners of the same and shall wherever possible be located in any space available between the actual ceiling and a dropped ceiling or within a wall. A non-exclusive easement shall exist through, over and across each unit for inspection, installation, maintenance, replacement and repair of such utility lines and mechanical equipment for the use of all of the unit owners or the unit owners being serviced by the air space being penetrated by such lines and/or equipment to a minimum, ingress and egress for the purpose of such inspection, installation, maintenance, replacement or repair of such easement rights shall only be done under the direction and approval and with the authority of the Owners Association and/or the Manager unless an emergency exists in which event any action may reasonably be taken which is justified under the circumstances to minimize damage which would otherwise occur as a consequence of such emergency.
3. Interior Remodeling: Each unit owner shall have the exclusive right to paint, repaint, tile, wax, paper, carpet, brick or otherwise maintain, refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his own Unit, and the interior thereof, so long as such owner does not affect the structural integrity of the building in which his unit is located.

IV. OWNERSHIP AND VOTING - EXHIBITS - USE

1. Percentage of Interest: Each unit owner shall be entitled to the exclusive ownership, use and possession of his unit and an equal percentage of the undivided interest in the general common elements of MADISON PLACE as the percentages are described in this Section IV. Such percentage represents his ownership interest in the general common elements, his liability for common expenses, and the voting interest of the unit owner or owners in all matters concerning the Association. The percentage of interest in the general common elements for the respective owners shall be equal since the value of each unit at the date of filing this Declaration is approximately the same.

MADISON PLACE is being developed in three (3) phases with the following units included in each phase:

PHASES I: Units 1-20
PHASE II: Units 21-26, 44-57
PHASE III: Units 27-43, 58-60

The unit owners percentage interest in the general common elements shall be initially established for Phase I, subject to adjustment at the time construction of Phases II and III, respectively, are substantially completed by the Declarant or its successors or assigns. Such percentage interest owned by each of the units in the general common elements of MADISON PLACE shall be established and adjusted according to the following schedule:

- a. The initial unit owners percentage interest in the general common elements for the twenty (20) units included in Phase I shall be equal to five percent (5%) each;
 - b. Upon the substantial completion of Phase II, the adjusted unit owners percentage interest in the general common elements for the forty (40) units included in Phases I and II shall be equal to two and one-half percent (2.5%) each; and
 - c. Upon the substantial completion of Phase III, the adjusted unit owners percentage interest in the general common elements for the sixty (60) units included in Phases I, II and III shall be equal to one and two-thirds percent (1.6667%) each.
2. Expansion Provisions: The Declarant intends to construct additional Units on the properties located at 501 and 515 Michael Grove Avenue, Bozeman, Montana, adjacent to the property subject to this Declaration. At such time as Declarant wishes to add such additional properties and units, Declarant shall record in the office of the Clerk and Recorder of Gallatin County, Montana, a Supplemental Declaration containing:
 - a. The legal description the properties incorporated into and subject to this Declaration, and

- b. A site plan showing the building or buildings to be constructed on the common elements as the same is set forth herein showing the site plan and common elements of the condominium, and
- c. A designation of the buildings to be constructed with the same to be shown on the site plan to be so recorded, and
- d. Floor Plans showing the units to be contained within the additional buildings to be constructed and added to this condominium regime together with the numbers given to the specific units, and
- e. A description of the buildings and materials of which they are constructed, and
- f. A schedule of the percentage of undivided ownership of the specific units to be added to the condominium regime in the general common elements, computed for each unit which, when added to the number of units as a whole, will give the additional units, as well as the previously existing condominium units, their respective percentage of interest in the expanded or new condominium regime, and
- g. To be and remain in compliance with the provisions of Section 70-23-306, MCA, at the time of filing of such amendment or amendments, floor plans and an architect's being additions to Exhibit "B" herein, certifying and showing that the said floor plans fully and accurately depict the layout of the units in the floors of the buildings and that construction of each such additional new building has been completed, and
- h. A description of any and all limited common elements to the new units if there shall be nay changes to the description contained in the existing Declaration or any of the amendments thereto.

At the time the Declarant, or its successors or assigns, elects to file such amendment to this Declaration, all then existing condominium owners hereby covenant and agree that they will, upon request, join in the execution of such amendment papers agreeing, consenting and joining in such amendment, and further agreeing to reduce their percentage of ownership interest in the general common elements.

The within agreement shall be a covenant running with the land, and shall be binding upon the owners of the then existing units, who upon acquiring title to such unit, by this covenant, agree and consent to the filing of such amendment and join in the same, and by this covenant agree and consent to the appointment of the Declarant as their attorney-in-fact so that the Declarant may in its discretion simply file the Declaration on its own initiative, having been herein given the power and authority to make such amendment for and on behalf of all subsequent condominium owners in MADISON PLACE.

After the recording of such supplemental and amended Declarations, all owners of condominium units in the property shall have a nonexclusive right and license subject to the provisions herein, to use and enjoy all of the common elements of the property and all of the general common elements added to the condominium regime by such amendment. In addition, the owners of the respective units shall further have the nonexclusive right and license to use and enjoy the limited common elements which are appurtenant and a part of their respective units which may be added to the condominium regime which are limited to the use of less than all of the Unit Owners.

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

3. Floor Plans and Exhibits: MADISON PLACE (Phase I) will initially consist of twenty (20) separate residential dwelling units. MADISON PLACE is planned to be expanded to include a total of sixty (60) separate residential dwelling units as shown on the floor plans attached hereto. For identification and descriptive purposes the following Exhibits are attached and by reference hereto incorporated into and made a part of this Declaration:

Exhibit A showing the site plan of MADISON PLACE (Phase I).

Exhibit B showing the floor plans for each of the Units of MADISON PLACE (Phase I), the area of each, the dimensions and the designation for each Unit.

3. Use: The use of all the units in MADISON PLACE 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 persons or holding it out for lease or rental, or entering into an agreement with others for the lease or rental of his unit for residential use. However, the respective unit shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as rental for any period less than thirty (30) days; or any rental if the units occupants are provided customary hotel services, such as room service for food and beverage, maid service, laundry and linen service or bell boy service. The use of the general common elements shall be for the recreation and enjoyment of the unit owners, their guests, tenants, lessees and invitees. The units and common elements shall be limited as follows:
 - a. There shall be no obstruction of the common elements, nor shall anything be stored in or on the common elements without the prior consent of the Association. Each Owner shall be obligated to maintain and keep in good order and repair the interior of his own unit.

- b. Nothing shall be done or kept in any Unit or in the common elements which will increase the rate of insurance on the building or contents thereof applicable for residential use, without the prior written consent of the Association. No owner shall permit anything to be done or kept in his Unit or in the common elements which will result in the cancellation of insurance on the building, or contents thereof, or which would be in violation of any law. No waste will be permitted in the common elements.
- c. Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of a building and no sign, awning, canopy, radio or television antenna shall be affixed to or placed upon the exterior walls or roof of any part thereof, without the prior written consent of the Association.
- d. No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to owners of MADISON PLACE or which interferes with the peaceful possession and proper use of the property by its owners. No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.
- e. Nothing shall be done in any unit or in, on or to the common elements which will impair the structural integrity of the building or which would structurally change the building, except as is otherwise provided herein.
- f. Nothing shall be altered or constructed in or removed from the common elements, and no easements, liens or encumbrances placed on the common elements, except upon written consent of two-thirds of the aggregate interest of the unit owners affected by such action.
- g. No animals of any kind shall be raised, bred, or kept in any unit, except that dogs, cats, and other household pets may be kept subject to rules and regulations from time to time adopted or amended by the Association. All pets shall be subject to the City of Bozeman Animal Control regulations, and shall be kept on a leash. Pet owners shall immediately clean up after their pet when on the property.
- h. No junk, garbage, trash, equipment, parts metals, lumber, debris, or other waste shall be allowed on the sidewalk, entrance, or driveway for any unit, of in any of the common areas. All garbage and trash requirements of the City of Bozeman shall be observed. Garbage cans shall be kept in the garage or other enclosures except on garbage pick-up day. Garage doors shall be kept closed unless in use.

- i. It is acknowledged that there is a common well and sprinkler system for the units. The Association shall have the responsibility for any required maintenance or repairs of the well and sprinkler system. The Association shall arrange for any necessary maintenance of the well and sprinkler system, and shall arrange for control of the sprinkler system in coordination with the lawn care for the units. Additionally, lawn care and snow removal shall be arranged for all of the units by the Association, and shall be paid for out of the assessments.
4. Exclusive Ownership: Each Owner or Owners shall be entitled to exclusive ownership and possession of their Unit. Such Owners may use the general and limited common elements in accordance with the purposes for which they are intended and as they may otherwise agree between themselves, so long as they do not hinder or encroach upon the lawful rights of other Unit Owners.

V. THE ASSOCIATION

1. Membership: Any Owner of a Unit in MADISON PLACE shall automatically, upon becoming the Owner of said Unit, be a member of the MADISON PLACE CONDOMINIUM OWNERS ASSOCIATION, INC., hereinafter referred to as the Association, and shall remain a member of said Association until such time his membership in said Association shall automatically cease. The membership shall be limited to Unit Owners as defined in this Declaration.
2. Function: It shall be the function of the Association to:
 - a. Adopt Bylaws for the governance of the Association.
 - b. Make provisions for the general management and/or repairs and maintenance of MADISON PLACE.
 - c. Levy assessments as provided for in the Declaration, Bylaws and Act.
 - d. Adopt and implement a policy for the affairs of MADISON PLACE.
 - e. Enter into contracts to hire personnel for the management of the affairs of the Association and the maintenance and repair of the common areas.
 - f. Be responsible for the perpetual maintenance of the landscaping, common open space, parking lots, and driving lanes.
3. Voting: On all matters, unless excluded by this Declaration, to be decided by the Association, each Unit Owner shall have a vote equal to his percentage of interest in the general common elements. An owner of a 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 the Act, this Declaration or the Bylaws, 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 Bylaws.

4. Failure to Comply: Each owner shall comply strictly with the provisions of this Declaration, the Bylaws of the Association and the rules, regulations, decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully 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 costs, including attorney 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 by an aggrieved owner where there has been a failure of the Association to bring such action within a reasonable time.

5. Payment of Assessments: All assessments shall be due ten (10) days from the date of mailing such assessment following the meeting at which time assessments are levied by the Association and may be payable in installments, monthly or quarterly, at the option of the Board. The amount of the common expenses assessed against each Unit and the amount of limited expenses assessed against each Unit shall be the personal and individual debt of the owner thereof. No owner may exempt himself from liability for this contribution toward the common expenses and the limited expenses by waiver of the use of 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 thirty (30) days from the date they are due and payable become delinquent and are subject to interest and penalty charges. The Association or 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 to be determined by the Board on the amount of the assessment from the due date thereof, together with such late charges as provided in the Bylaws of the Association. Suit to recover a money judgment for unpaid common expenses and limited expenses may be maintainable without foreclosing or waiving the lien securing the same.
 - a. Common expenses and common profits, if any, and limited common expenses of MADISON PLACE shall be distributed among, and charged to the Unit Owners according to the percentage of interest of each in the common elements.

 - b. Except as otherwise limited in this Declaration, each Unit Owner shall have the right to use the common elements for all purposes incident to the use of and occupancy of the unit, and such other incidental uses permitted by this Declaration, which rights shall be appurtenant to and run with the whole unit.

6. Levying Assessments - When Made - Purposes: The Association shall levy assessments upon the Unit Owners in the following manner and for the following reasons:
- a. Assessments shall be made a part of the regular, annual business meeting of the Association as provided in the Bylaws of the Association or assessments can be made for special purposes at any other regular or special meeting thereof. All assessments shall be fixed by resolution of the Board of Directors. Notice of the assessment, whether regular or special, the amount thereof, and the purpose for which it is made, including an annual budget for expenditures and operation, for regular annual assessments, shall be served on all Unit Owners affected, by delivering a copy of the same to the Owner personally or by mailing a copy of the notice to the said Owners at their addresses of record at least ten (10) days prior to the date for such meeting.
 - b. Assessments shall be made for the repair, replacement, insurance, general maintenance, management and administration of common elements, fees, costs and expenses of the manager, taxes for common areas if any, and assessment for the Unit Owner's percentage share of any Special Improvement District Assessments, and as more particularly provided in Act. Assessments shall be based upon and computed by using the percentage of interest that each Unit Owner has in relation to the common elements.
 - c. Assessments may also be made for the payment of limited common element expenses such that the Unit Owners are chargeable only for the expenses relating to their respective units or building. 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 percentage MADISON PLACE unit or units have in 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 Act.
 - e. Common expenses and profits, if any, of MADISON PLACE shall be distributed among and charged to, the Unit Owners according to the percentage of undivided interest of each in the common elements.
 - f. In a voluntary conveyance of a Unit, the Grantee of the Unit shall be jointly and severally liable with the Grantor for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefore. However, any such Grantee shall be entitled to a statement from the Manager or Board of Directors of the Association, as the case may be, setting forth the amount of said unpaid assessments against the Grantor due the Association and such Grantee shall not be

liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the Grantor in excess of the amount therein set forth.

- g. At the time the Association holds its first meeting, a reserve account shall be set up to which initial assessments shall then be deposited.

VI. DECLARANT'S RIGHT TO CHANGE

The Declarant reserves the right to change the interior design and arrangement of all Units, so long as the Declarant owns the Units so altered. No such change shall increase the number of Units or alter the boundary of the general common elements without an amendment of this Declaration. Until seventy-five percent (75%) of each phase of units have been built and sold, Declarant reserves the right to establish easements, reservations, exceptions and exclusions consistent with the MADISON PLACE project. This provision shall apply to each phase of the MADISON PLACE project as set forth in Paragraph IV., above.

Notwithstanding any other provision(s) expressly or impliedly to the contrary contained in this Declaration, the Articles of Incorporation or By-Laws of the Association, Declarant reserves the right to exercise the rights, duties and functions of the Board of Directors of the Association until seventy-five percent (75%) of the units in all three (3) phases of MADISON PLACE have been sold.

VII. AMENDMENT

Amendment of this Declaration shall be made in the following manner:

At any regular or special meeting of the Association such amendment may be proposed as a resolution by any Unit Owner, or the Board or Manager. Upon adoption of the resolution by a majority vote of those present the amendment shall be made subject for consideration at the next succeeding meeting of the Association with notice thereof, together with a copy of the amendment to be furnished to each owner no later than thirty (30) days in advance of such meeting. At such meeting, the amendment shall be approved upon receiving the favorable vote of seventy-five percent (75%) of the Unit Owners. If so approved, it shall be the responsibility of the Association to file the amendment with the Clerk and Recorder's Office of Gallatin County, Montana.

Notwithstanding the procedure set forth above, the Declarant may amend this Declaration, or any other project document, prior to any sale or lease of a Unit or interest thereof.

VIII. CHANGES, REPAIRS AND LIENS

1. Alterations by Unit Owners Association: The interior plan of a Unit may be changed by the owner with the exception of the bearing walls which may not be moved. No Units

may be subdivided. No change in the boundaries of Units shall encroach upon the boundaries of the common elements except by amendment to this Declaration.

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 to this Declaration and shall include an amendment to MADISON PLACE plan.

In addition to compliance with the provisions of Paragraph VII above, such an amendment must further set forth and contain plans to the Units concerned showing the Units after the change in boundaries, and attached to the amendment as exhibits. Such an amendment shall be signed and acknowledged by the owners of the Units concerned; as well as those owners with an interest in any common elements affected, together with words of conveyance in the amendment conveying interest acquired in the Units or common elements by such change. The amendment shall also be approved by the Board of Directors of the Association and signed and acknowledged by all lienors and mortgagees of the Units concerned.

2. Maintenance by Association: The Association shall maintain and keep in repair the exterior of the Units and the common areas and fixtures thereof. The right of the Association to repair, alter, and remodel is coupled with the obligation to replace any finishing or other materials removed with similar type or kinds of materials. No acts or alteration, repairing or remodeling by the Association shall impair in any way the structural integrity of the Units or the structural integrity of limited or general common elements.
3. Maintenance by Unit Owners: Each owner shall maintain and keep in repair the interior or his own unit, including the fixtures thereof. All fixtures, utility lines and equipment installed in the Unit commencing at a point where the utilities enter the Unit shall be maintained and kept in repair by the owner thereof. An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement.

Each owner shall also keep any balcony, entrance, deck, or patio 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 type or kinds of materials. All glass replacement shall be with similar quality, shade and design. No act or alteration, repairing or remodeling by any owner shall impair in any way the structural integrity of limited or general common elements.

4. Exterior Alterations: No Owner may change, alter or remodel the exterior of his Unit without the prior written approval of the Board of Directors of the Association.

5. Exterior Maintenance: The Association shall take all necessary steps, including, but not limited to, painting, care of shrubs and plants, exterior maintenance and repair, roof repair, concrete repair, snow removal and replacement or repair of all broken or worn parts, to ensure that the building does not unnecessarily deteriorate.
6. Liens for Alterations: Labor performed and materials furnished and incorporated into a Unit with the consent of 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 Unit or the Unit Owner consenting to or requesting the same. Each Unit Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit or against the general common elements or limited common elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Unit at such Owner's request.
7. Liens and Foreclosures: All sums assessed but unpaid for the share of general common expenses and limited common 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 or second mortgage or a first or second trust indenture of record or contract for deed, 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 accrued interest and late charges thereon, the name of the Owner of the Unit and a description of the Unit. Such notice shall be signed and verified by one of the officers of the Association or by the Manager, or his authorized agent, and shall be recorded in the office of the Clerk and Recorder of Gallatin County, Montana. Such lien shall attach from the date of recording such notice. Such lien may be enforced by the foreclosure of the defaulting Owner's Unit by the Association in the manner provided in the Act and as provided by the foreclosure of a mortgage on real property upon the recording of a notice of claim thereof. In any such foreclosure the Unit Owner shall be required to pay a reasonable rental for the Unit and the Plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosure or waiving the lien securing the same. In any such proceeding the Owner may be required to pay the costs, expenses and attorney's fees incurred in filing a lien, and in the event of foreclosure proceedings, additional costs, expenses and attorney's fees incurred.
8. Bidding at Foreclosure: The Board of Directors of the Association on behalf of the other Unit Owners, the owner of the real property and other Unit Owners shall have the power to bid on a MADISON PLACE unit at a foreclosure or other legal sale and to acquire and hold, lease, mortgage and vote the votes appurtenant to, convey or otherwise deal with the same as did the former owner. Any lienholder holding a lien on a Unit may pay, but shall not be required to pay, any unpaid general common expenses, or limited common expenses payable with respect to any such Unit, and upon such payment such lienholder

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.

IX. INSURANCE

1. Purchase: All insurance policies upon MADISON PLACE property shall be purchased by the Association and shall be issued by an insurance company authorized to do business in Montana.
 - a. Named Insured - Personal Property: The named insured shall be the Association individually 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.
 - 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.

2. Coverage:
 - a. Casualty: All buildings and improvements upon the land shall be insured to any amount equal to the full insurable replacement value and all personal property included in the common elements shall be fully insured, with all such insurance to be based on current replacement value, as determined annually by the Board, the Landowner, the insurer and any first lienholders or their representatives, but subject to such deductible clauses as are required in order to obtain coverage at reasonable costs, and which coverage shall be increased by the Board as may be necessary to provide that the insurance proceeds will be sufficient to cover replacement, repairs or reconstruction. Such coverage shall afford protection against:
 - i. Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and
 - ii. Specifically such other risks including flood and earthquake loss as from time to time shall customarily be covered with respect to buildings similar in construction, location and use as the building on the land; and

- iii. Errors or Omissions Insurance for the Directors, Officers and Managers if the Association so desires, in amounts to be determined by the Board.

The policies shall state whether the following items are included within the coverage in order that the 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, disposal, laundry, fireplaces, refrigerator, stove, oven, 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 finishings.

- 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 nonowned automobile coverage, if applicable, and with cross-liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.
 - c. Other Insurance: 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.
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 the 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.
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 the 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 provision of this Declaration.
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. Miscellaneous: Expenses of administration, insurance trustee and construction or remodeling supervision shall be considered as part of the cost of construction, replacement or repair.
 - b. Reconstruction or Repair: If the damage for which the proceeds are paid is to be repaired or reconstruction 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 beneficiary 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 made jointly to them.
 - d. Certificate: In making the distribution to Unit Owners and their mortgagees, the insurance trustee may rely upon a certificate from the Association made by its representative or Manager as to the names of the Unit Owners and their respective shares of the distribution.
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 MADISON PLACE 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. Benefit to Mortgagees: Certain provisions in this paragraph entitled "Insurance" are for the benefit of mortgagees or trust indenture beneficiaries of leasehold condominium parcels, and all such provisions are covenants for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee or beneficiary.
8. Reconstruction:
- a. Repair After Casualty: If any part of the MADISON PLACE property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:
- i. Lesser Damage: If a Unit or Units are found by the Board of Directors to be tenantable after the casualty, the damaged property shall be repaired.
 - ii. Greater Damage: If a Unit or Units are found by the Board of Directors to be not tenantable after the casualty, the damaged property shall be reconstructed or rebuilt.

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.

- b. Plans and Specifications: Any reconstruction or repair must be substantially in accordance with the plans for specifications for the original improvements, or if not, then according to plans and specifications approved 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 the 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 VII and Paragraph VIII, subparagraph 1, hereinabove.
- c. Responsibility: The responsibility for reconstruction or repair after casualty shall be the Owners Association who shall work with the insurance trustee to carry out the provisions of this Article.
- d. Assessments: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair for which the Association is responsible, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Unit Owners in

sufficient amounts to provide funds to the payment of such costs. Such assessments shall be in proportion to the Owner's percentage of interest in the general common elements.

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

X. REMOVAL OR PARTITION - SUBDIVISION

MADISON PLACE may only be removed from condominium ownership, and may only be partitioned or sold, upon compliance with each of the conditions hereof:

- 1. The Board of Directors of the Association must approve the plans of removal, partition or sale, including the details of how any partition or sale, and the distribution of property or funds shall be accomplished.
- 2. The plan of removal, partition, subdivision, abandonment, termination or sale must be approved as provided in the Montana Act. If approval for any of the foregoing is not required by the Act, then approval shall be required from at least seventy-five percent (75%) of the Owners or first lienholders in MADISON PLACE project and Landowner of the real property on which MADISON PLACE is situated. Upon obtaining such approval, the Board shall be empowered to implement and carry out the plan of removal, partition, subdivision, abandonment, termination or sale.
- 3. No Unit may be divided or subdivided into a smaller Unit, nor any portion thereof sold or otherwise transferred, except as provided above.
- 4. This section shall not apply to the sale of individual condominium units and shall not be considered as a right of first refusal.
- 5. The common elements of MADISON PLACE shall not be abandoned, partitioned, subdivided, encumbered, or sold or transferred without compliance with all of the above requirements.

XI. REMEDIES

All remedies provided for in this Declaration and Bylaws 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.

XII. SEVERABILITY

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

XIII. INTERPRETATION

The provisions of the Declaration and of the By-Laws to be promulgated and recorded herewith, shall be liberally construed to effectuate the purpose of the Declaration and By-Laws and to create a building or buildings subject to the under the provisions of the Act.

XIV. MISCELLANEOUS

1. Utility and Structural Easements: In addition to the easement provided for in paragraph III, 2 above, easements are reserved through MADISON PLACE property as may be required for utility service ducts - including water, sewer, power, telephone, natural gas and cable television, in order to serve MADISON PLACE adequately. Every portion of a unit which contributes to the structural support of the building shall be burdened with an easement of structural support for the benefit of the common elements.

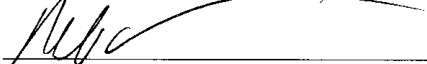
2. Right of Access: The Association shall have the irrevocable right, to be exercised by the Manager, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the limited common elements therein or accessible therefrom or for making emergency repairs therein necessary for the maintenance, repair or replacement of any of the limited common elements therein necessary to prevent damage to the general or limited common elements or to any Unit. Damage to the interior or any part of the Unit resulting from 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 insistence of the Association shall be designated either limited or general common expenses by the Association and assessed accordance with such designation.

- 3. Expenditures: No single expenditure or debt in excess of \$5,000.00 may be made on incurred by the Association or Manager without the prior approval of a majority of the Unit Owners.
- 4. Benefit: Except as otherwise provided herein, this Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Unit Owner, and the heirs, personal representatives, successors and assigns of each.
- 5. Service of Process: The name and address of the person to receive service of process for MADISON PLACE until another designation is filed of record shall be:

Shaun Shahan
8105 Alamosa Lane
Bozeman, Montana 59718

- 6. Warranties: The Declarant expressly makes no warranties or representations concerning the property, the units, the Declaration, the Bylaws or deeds of conveyance except as specifically set forth therein and no one may rely upon such warranty or representation not so specifically expressed therein. Estimates of common expenses are deemed accurate, but no warranty or guarantee is made or is intended, nor may one be relied upon.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be made and executed according to the provisions of the Montana Act, Section 70-23-101, et seq., MCA.

PROMISCO CONSTRUCTION, INC.

By: Michael Promisco - President

STATE OF MONTANA)
: ss.
County of Gallatin)

On this 27th day of February, 2002, before me, a Notary Public in and for the State of Montana, personally appeared Michael Promisco, known to me to be the President of Promisco Construction, Inc., whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Nicole M. Maher, Nicole M. Maher
Notary Public for the State of Montana
Residing at: Gallatin County
My commission expires: 06-04-2005

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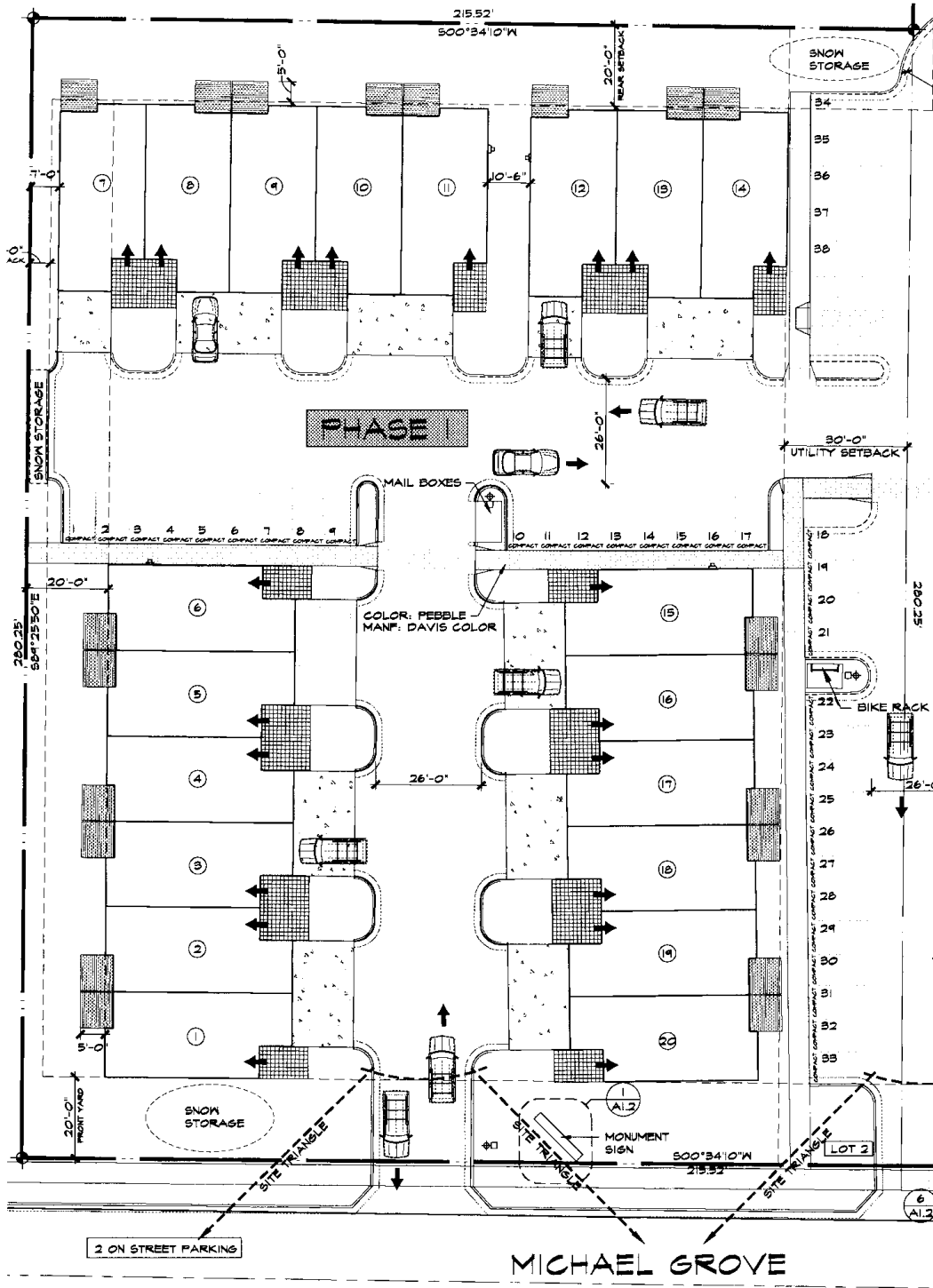


EXHIBIT A

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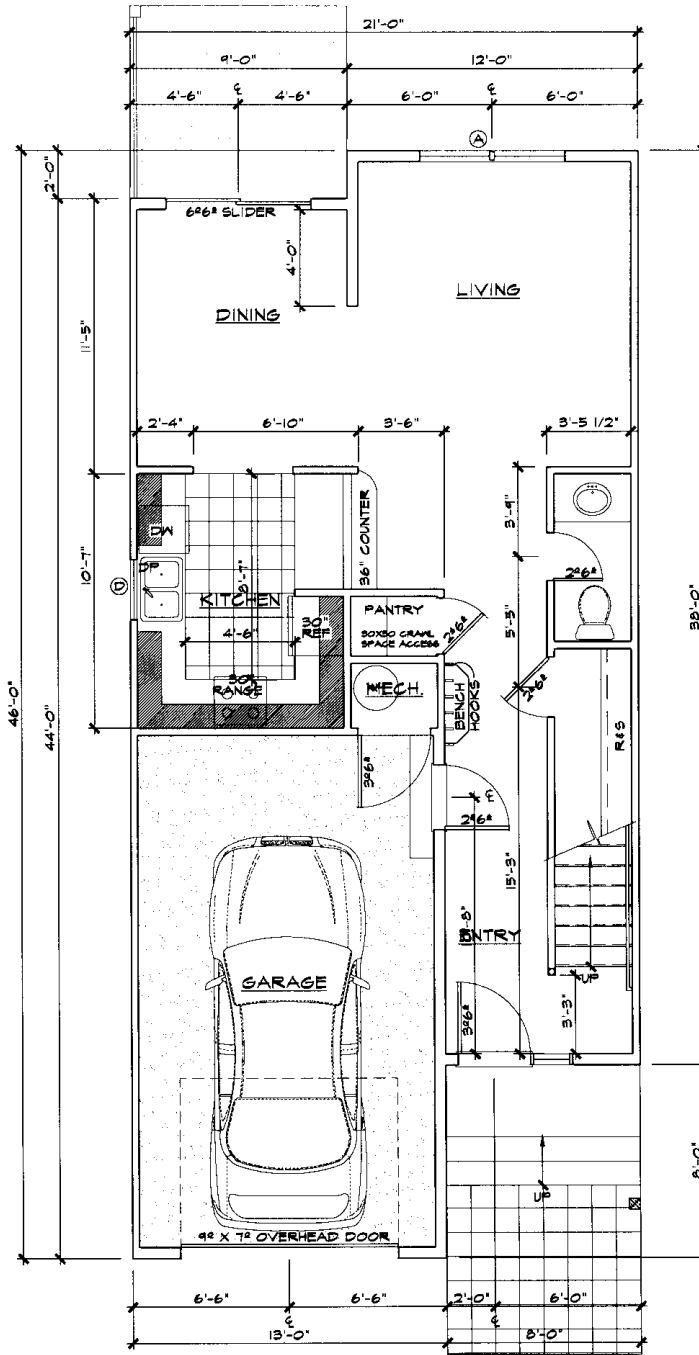


EXHIBIT B

3
 A2.1 CONDO UNIT B - 3 BR.
 (MAIN FLOOR PLAN)
 SCALE: 1/4" = 1'-0"

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 Date: 02/27/2002 04:02P
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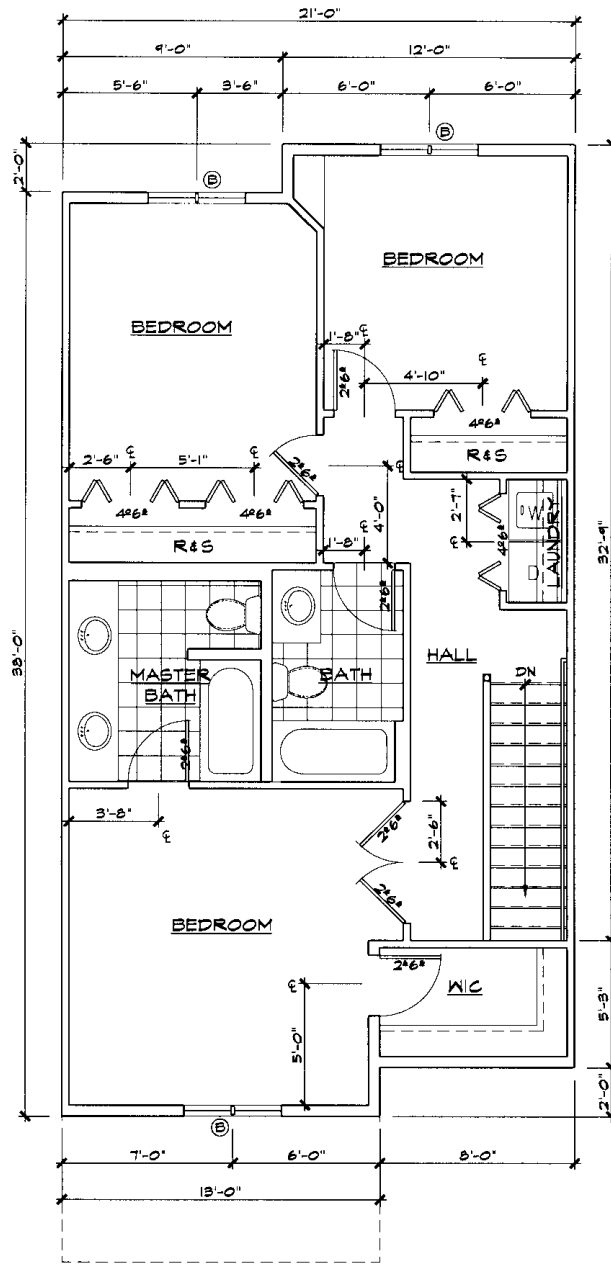


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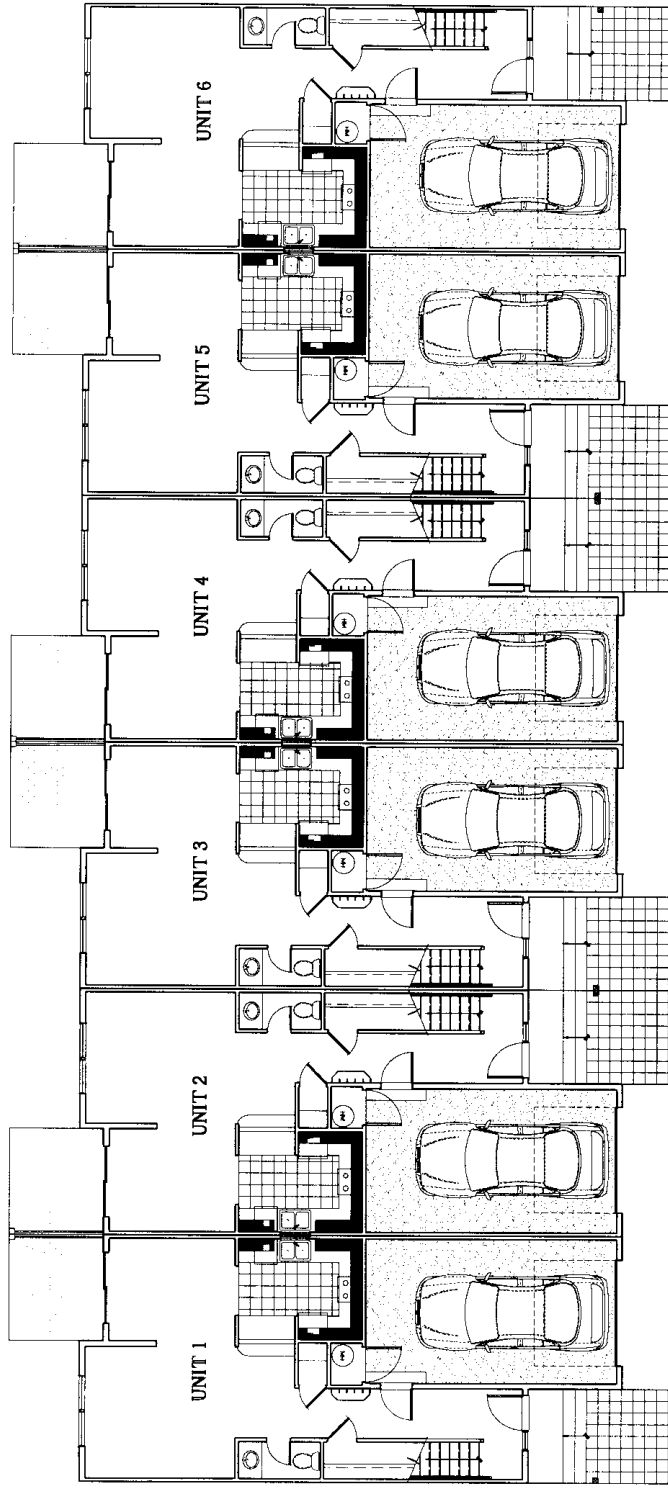


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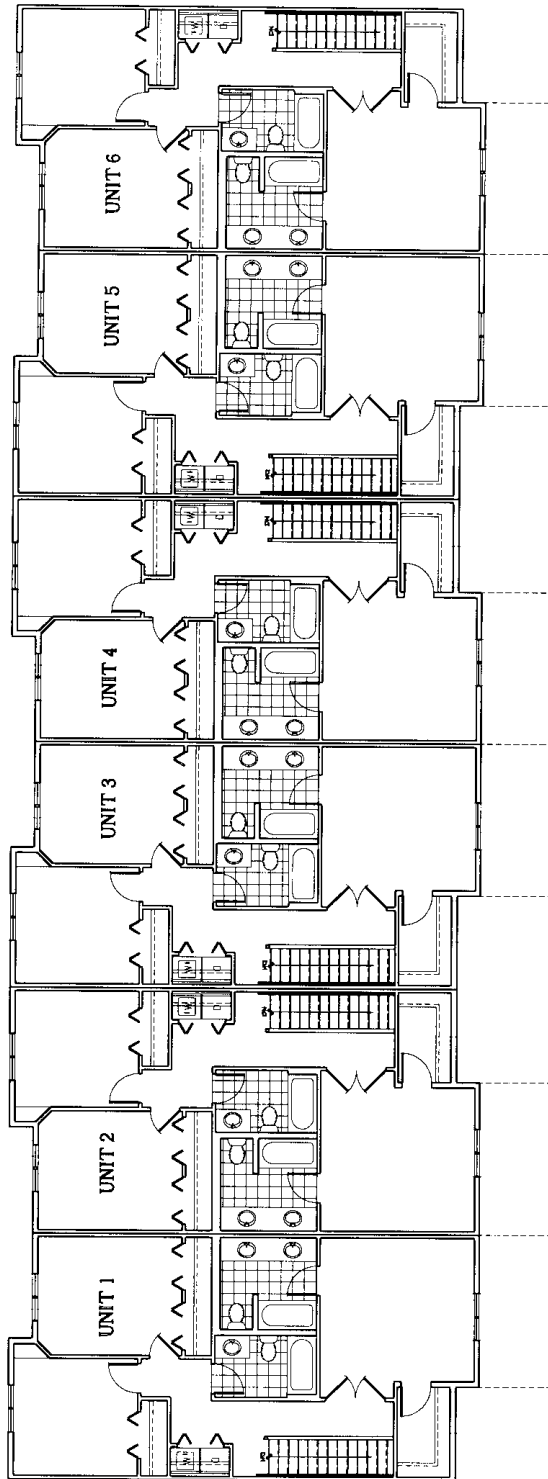


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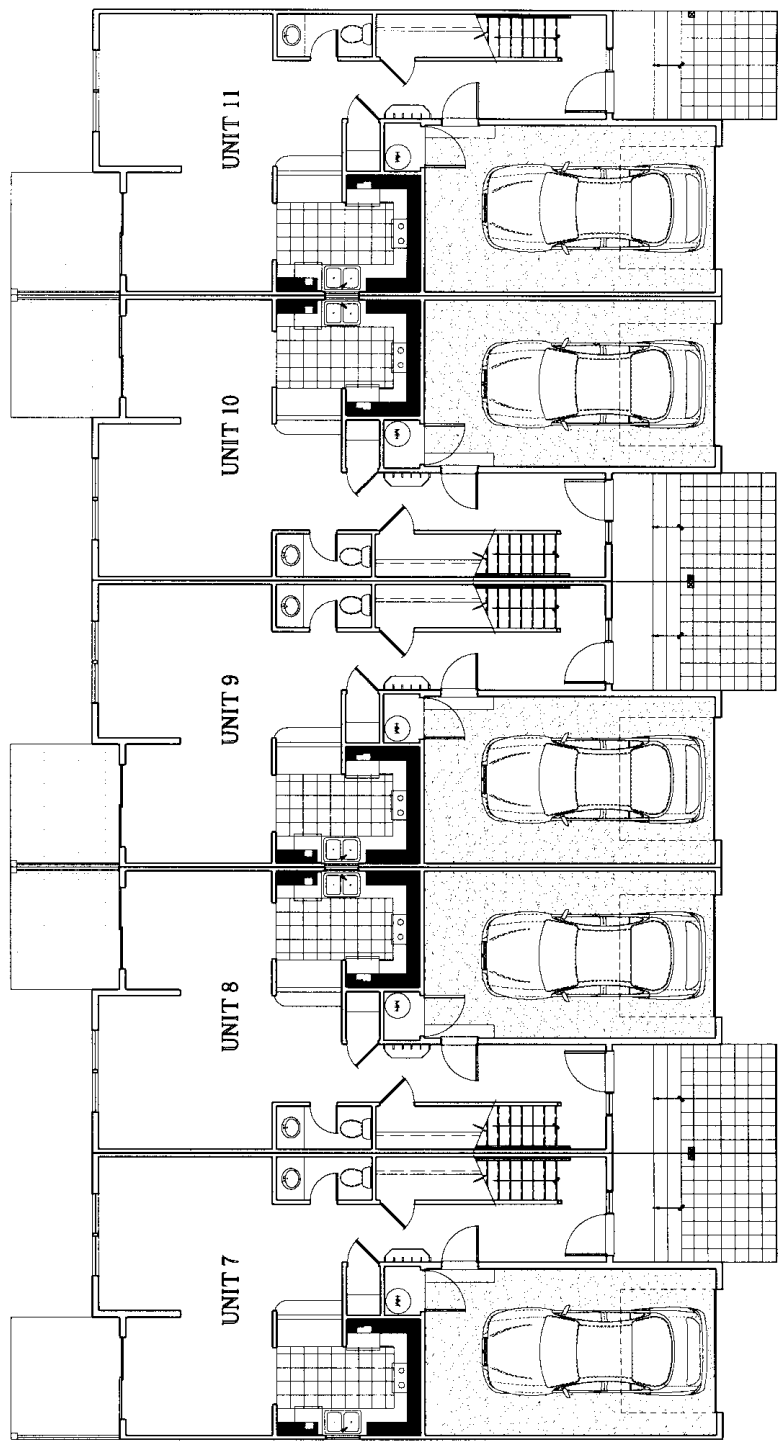


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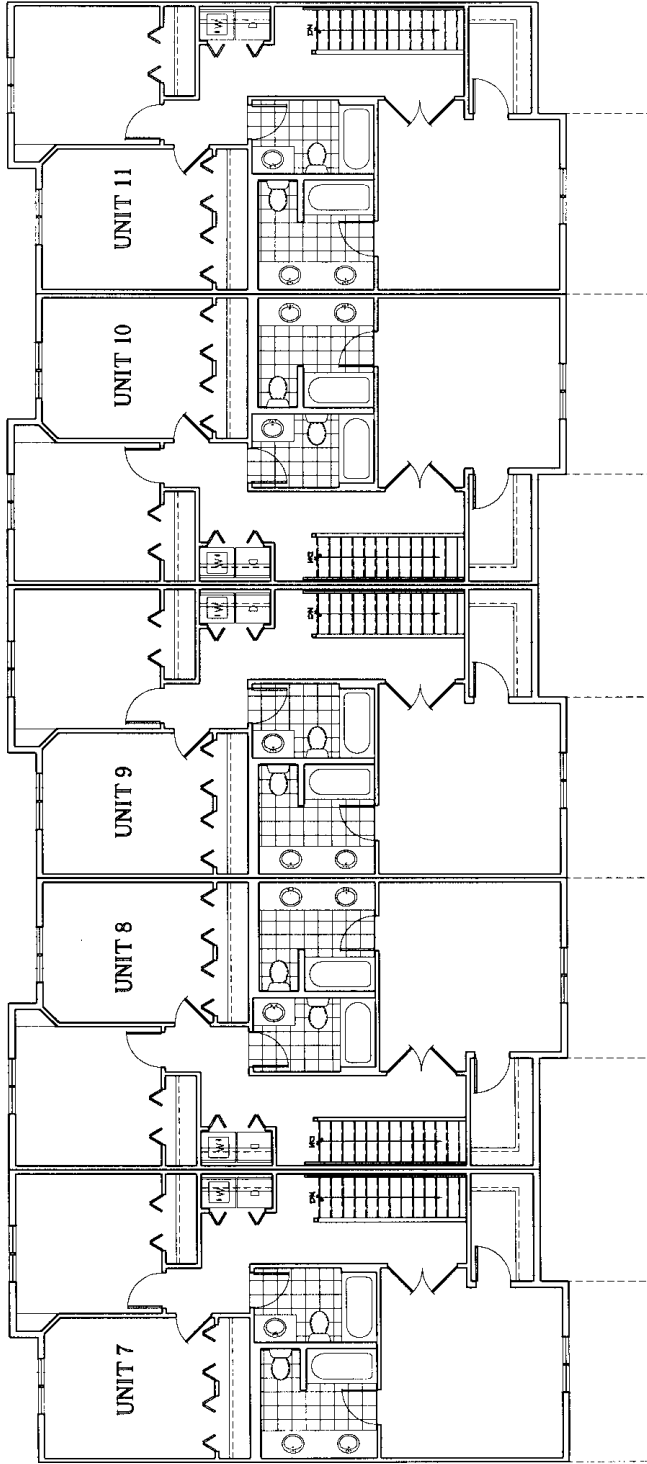


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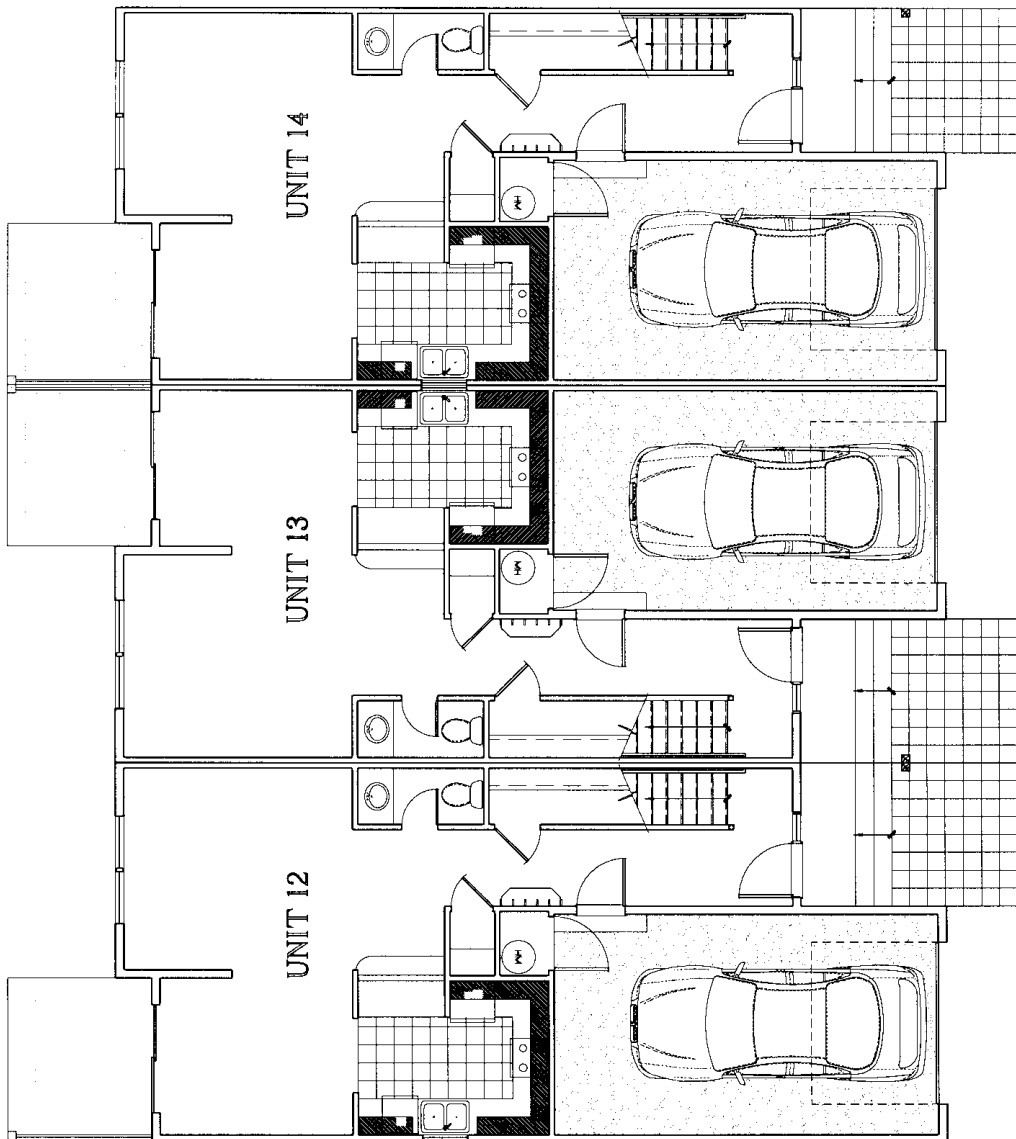
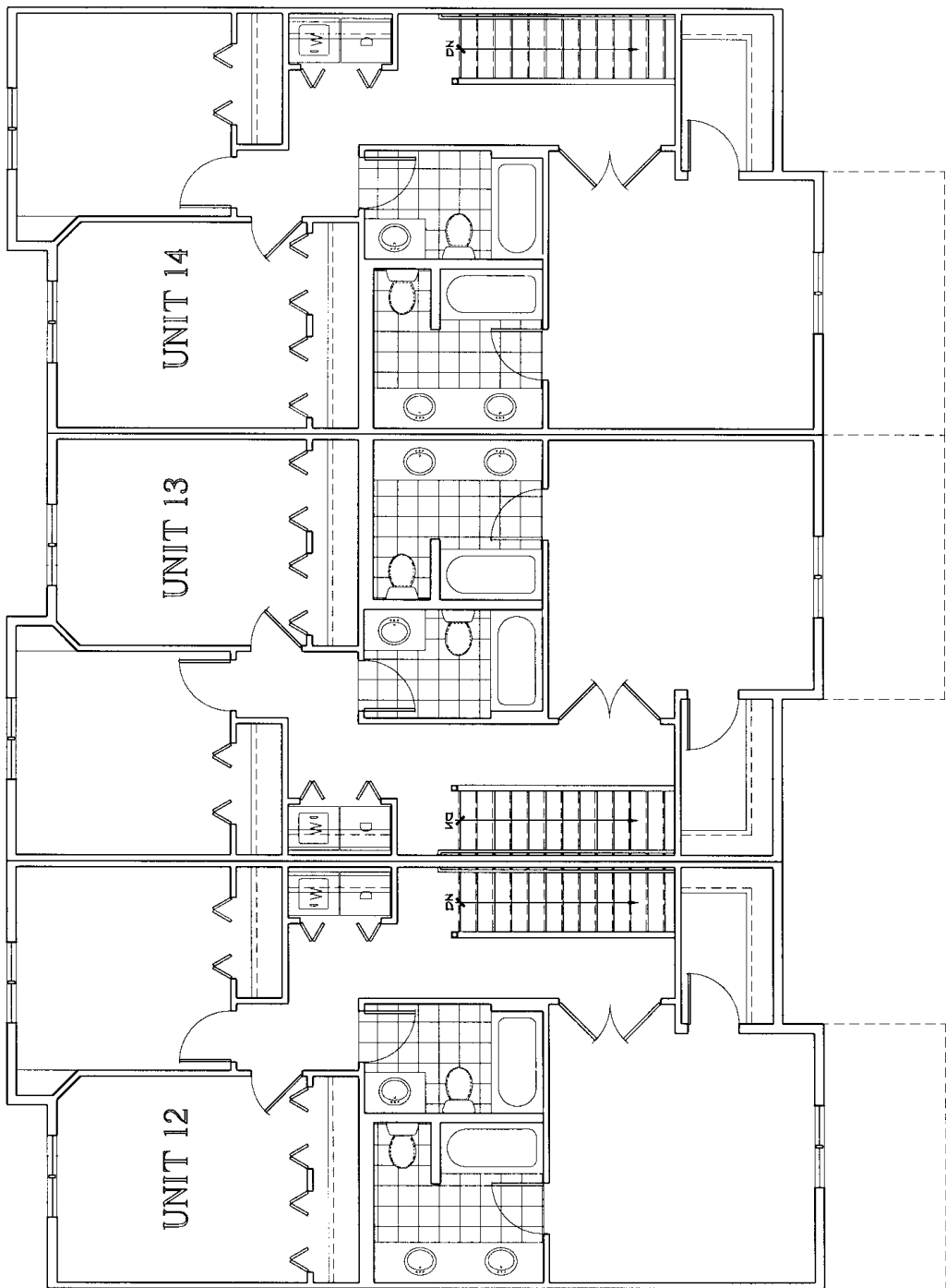


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EXHIBIT B



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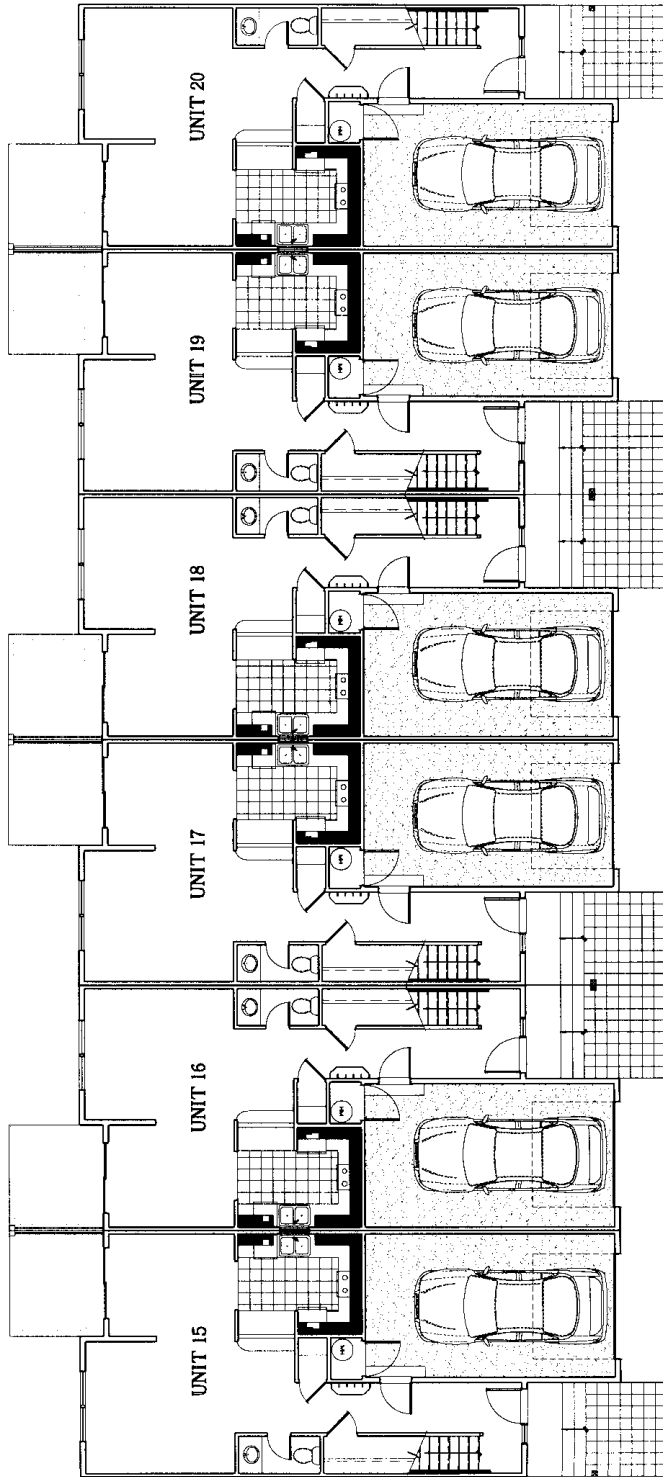


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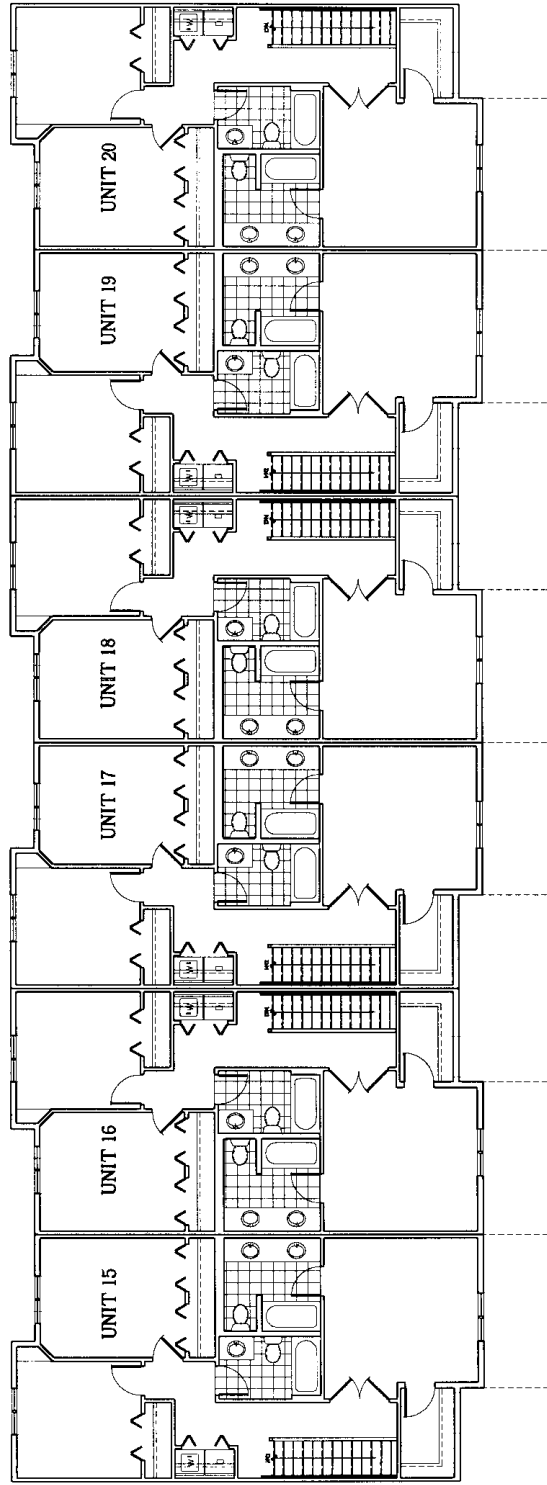


EXHIBIT B



BYLAWS OF THE ASSOCIATION OF UNIT OWNERS
OF
MADISON PLACE CONDOMINIUM

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BYLAWS OF THE ASSOCIATION OF UNIT OWNERS
OF
MADISON PLACE CONDOMINIUM

1. **PURPOSE AND APPLICATION**

These Articles are and shall be the Bylaws of the Association of Unit Owners of the MADISON PLACE CONDOMINIUM (hereinafter referred to as "MADISON PLACE"). These Bylaws shall, upon being recorded with the Recorder of Gallatin County, State of Montana, govern and control the administration of MADISON PLACE. These Bylaws are a part of the Declaration for MADISON PLACE which Declaration is made a part hereof by reference. All Unit Owners, their guests and any renters or sublessees present and future shall have the rights and responsibilities described in these Bylaws and shall be subject to the provisions thereof.

The acquisition of an ownership interest in a unit in MADISON PLACE signifies that the Owner accepts, ratifies and agrees to comply with these Bylaws.

2. **MEMBERSHIP**

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

3. **OBLIGATIONS**

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

4. **MEETING AND VOTING**

A. Regular Meetings.

There shall be a regular meeting of the Association annually on or before April 30th of each year, commencing in the year the Condominium regime is established, or on such other date properly announced by the Association. Any first lienholder shall have the right to have a representative

attend any regular meeting and shall be given notice thereof. The first meeting of the Association shall take place not more than one year following the date of recording these Bylaws, if not sooner held.

B. Special Meetings.

Pursuant to these Bylaws, the Association may at any time hold special meetings, notice of which must be sent to any first lienholders, who shall have the right to have a representative attend. Such special meetings may be called on the initiative of the Chairman of the Association, a signed request of the Manager or a petition signed by twenty-five percent (25%) of the Unit Owners. Notice of any special meeting must specify the reason for such meeting and the matters to be raised. Only matters set forth in the petition or request may be brought before such meeting unless seventy-five percent (75%) of the aggregate interest of Unit Owners agrees otherwise.

C. Notice.

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

D. Quorum.

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

5. **VOTING INTEREST**

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

Such percentage factor shall be the voting interest of each Unit Owner on all matters affecting the general business of MADISON PLACE, on all matters affecting the common elements, assessments for the common elements, and on all matters upon which the Association agreed to have voting by the common elements' interest. Voting upon matters affecting limited common elements and assessments for limited expenses shall be only by owners having a unit or interest in units located in the building affected.

seventy-five percent (75%) of the Unit Owners at any regular or special meeting of the Association.

- e. To provide for the management of MADISON PLACE, by hiring or contracting with suitable and capable management and personnel for the day-to-day operation, maintenance, upkeep and repair of the general common and limited common elements.
- f. To levy assessments as allowed by the Declaration, these Bylaws and the State of Montana, and to provide for the collection, expenditure and accounting of said assessments.
- g. To pay for the expenses of the maintenance, repair and upkeep of the general common elements and the limited common elements, and to approve payment vouchers either at regular or special meetings.
- h. To delegate authority to the Manager for the conduct of condominium business, to carry out the duties and powers of the Board, however, such authority shall be precisely defined with ultimate authority at all time residing in the Board of Directors.
- i. To provide a means of hearing grievances and foreclosure proceedings of Unit Owners and to observe all due process requirements imposed upon owners associations for condominiums.
- j. To meet at regularly scheduled times and hold such meetings open to all Unit Owners or their agents.
- k. To prepare an annual budget for MADISON PLACE in order to determine the amount of the assessments payable by the Unit Owners to meet the general common and limited common expenses and allocate and assess such charges among the Unit Owners according to their respective interests in the general common and limited common elements, and to submit such budget to the Unit Owners on or before the date of the annual meeting.
- l. To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses, costs, or additional capital expenses, or because of emergencies.
- m. To take appropriate legal action to collect any delinquent assessments, payments or amounts due from Unit Owners or from any person or persons owing money to MADISON PLACE, and to levy a penalty and to charge interest on unpaid amounts due and owing.

- n. To defend in the name of the Association any and all lawsuits wherein MADISON PLACE is a party defendant.
- o. To enter into contracts with third parties to carry out the duties herein set forth, for and on behalf of the Board and the Association.
- p. To establish a bank account for MADISON PLACE, and to keep therein all funds of the Association. Withdrawal of monies from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors.
- q. In general, to act for and carry on the administration and affairs of the Association as authorized and prescribed by the Declaration and to do all those things which are necessary and reasonable in order to carry out the governance and operation of MADISON PLACE.
- r. To establish rules and regulations for conduct, behavior and use of the general common and limited common elements.
- s. To make repairs, alterations and improvements to the general common and limited common elements consistent with managing MADISON PLACE in a first class manner and in the best interest of the Unit Owners.
- t. To arrange, keep, maintain and renew the insurance for the Association as set forth in the Declaration.
- u. To carry out the duties and responsibilities of the Board in all other matters as may be authorized, needed or required by the Declaration.
- v. To allow first lienholders to inspect Association and Board records.

9. **VACANCIES AND REMOVAL**

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

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

10. **COMPENSATION**

No member of the Board of Directors shall receive any compensation for acting as such. Nothing herein, however, shall be construed to preclude compensation being paid to a Manager(s) hired by the Board of Directors.

11. **MANAGER**

In the event that the Board of Directors elects to hire a Manager, the Manager shall be appointed and/or removed by the Board of Directors. The Manager or any member of the Board or Association handling Association funds or having power to withdraw or spend such funds shall be bonded, and shall have maintained records of the financial affairs of MADISON PLACE. Such records shall also detail all assessments made by the Association and the status of payments of said assessments by all Unit Owners. All records shall be available for examination during normal business hours to any Unit Owner or his assigned representative. All functions and duties herein provided for the Manager may be performed by the Board, or the Chairman, if the Board should decide not have a Manager.

- A. Accounts: The receipts and expenditures of the Association shall be under the direction of the Manager and be classified as appropriate into general common expenses and limited common expenses and shall include a provision for:
 - 1. Current expenses: Which shall include all receipts and expenditures to be made within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserve or to betterments. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year.
 - 2. Reserve for Deferred Maintenance: Which shall include funds for maintenance items which occur less frequently than annually.
 - 3. Reserve for Replacement: Which shall include funds for maintenance items which occur less frequently than annually.
 - 4. Betterments: Which shall include the funds to be used for capital expenditures for additional improvements or additional personal property which shall be a part of the common elements.
- B. Budget: The Manager shall prepare and submit to the Board a budget, each calendar year, which must be approved then and adopted by the Board. The budget shall include the estimated funds required to defray the general common and limited common expenses and to provide and maintain funds for the foregoing accounts according to good accounting practices.

Copies of the budget and proposed assessments shall be transmitted to each member on or before December 15 of the year preceding the year for which the budget is made. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each member.

- C. Financial Report: An audit and financial report of the accounts of the Association shall be made annually by an accountant, and a copy of the report shall be furnished to each member at the annual meeting.

The Manager shall generally operate and manage MADISON PLACE for and on behalf of the Unit Owners and shall have such other powers and authority as the Board may designate. If there is no Manager or if the Manager resigns, is terminated or his contract expires, the Board shall perform all the duties of the Manager.

12. **AMENDMENT OF BYLAWS**

These Bylaws may be amended at any regular or special meeting of the Association providing that a copy of the proposed revision is included in the notice of such meeting. Upon a vote of over seventy-five percent (75%) of the aggregate interest in MADISON PLACE, the amendment shall be declared adopted. The Secretary shall as soon as practicable after adoption, prepare a copy of these Bylaws as amended for certification by the Chairman and Secretary of the Association. Such amended and certified Bylaws shall then be filed and recorded in the office of the Clerk and Recorder of Gallatin County, State of Montana. Bylaws as amended shall become effective at the time of such recording.

13. **ASSESSMENTS**

In accordance with the percentage of interest in the general common elements as set forth in the Declaration, each Unit Owner shall be assessed for general common expenses. Such assessments, and assessments for limited common expenses shall be collected and paid according to the terms and under the procedures more particularly set forth in the Declaration. The amount of assessments described above and any other assessments allowed by these Bylaws, the Declaration and by the State of Montana shall be fixed by the Board of Directors. Notice of each owner's assessments shall be mailed to said owner at his address of record.

14. **THE DECLARATION**

The undersigned has filed, along with these Bylaws, a Declaration whereby the properties known as MADISON PLACE are submitted and subject to Section 70-23-101, et seq., MCA. The Declaration shall govern the act, powers, duties and responsibilities of the Association of Unit Owners and in the event these Bylaws and the Declaration are in conflict, the Declaration shall prevail.

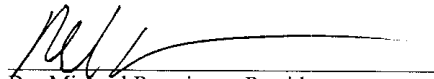
The definition of terms set forth in the Declaration shall be applicable throughout these Bylaws and the interpretation thereof.

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

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

IN WITNESS WHEREOF, the undersigned, as owner of record of all of the MADISON PLACE units and one hundred percent (100%) of the voting interests of MADISON PLACE as of the date hereof, hereby declare and affirm the adoption of the foregoing Bylaws of the ____ day of February, 2002.

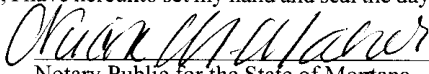
PROMISCO CONSTRUCTION, INC.


By: Michael Promisco - President

STATE OF MONTANA)
: ss.
County of Gallatin)

On this 2nd day of February, 2002, before me, a Notary Public in and for the State of Montana, personally appeared Michael Promisco, known to me to be the President of Promisco Construction, Inc., whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.


Notary Public for the State of Montana
Residing at Gallatin County
My commission expires: 06.04.2005

