



A Captran Interval Resort

CONDOMINIUM DOCUMENTS
FOR

**PEACEFUL BAY
RESORT & CLUB**

LAKESIDE

MONTANA

AN INTERVAL OWNERSHIP
RESORT

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AMENDMENT TO DECLARATION OF
UNIT OWNERSHIP OF PEACEFUL BAY CONDOMINIUM
LAKESIDE, MONTANA

THIS AMENDMENT, made this 31st day of December, 1980,
by PEACEFUL BAY PARTNERS, a partnership, 2428 Mission Trail,
Kalispell, Montana 59901, hereinafter referred to as "Developer";

WITNESSETH:

WHEREAS, GEORGE W. BERRY and JEANNIE S. BERRY, the original
developers filed for record in the office of the Clerk and Recorder
of Flathead County, a Declaration of Unit Ownership of Peaceful
Bay Condominium, Lakeside, Montana, on the 2nd day of February,
1979, under Recorder's Fee No. 1648, in Book 661, at Page 898, et
seq., together with attached exhibits including but not limited to
Statement of Covenants, Conditions, Restrictions and By-Laws of
Association of Unit Owners of Peaceful Bay Condominium, recorded
February 2, 1979, under Recorder's Fee No. 1648, in Book 661, at
Page 908; and whereas original developers filed for record in the
office of the Clerk and Recorder of Flathead County, an Amendment
to Declaration of Unit Ownership of Peaceful Bay Condominium,
Lakeside, Montana, on the 23rd day of November, 1979, on Book 682,
Page 599; and

WHEREAS, the Developer is desirous of amending said Declaration
abovementioned as they pertain to the property described therein;
and

WHEREAS, the Developer is the owner of all the condominium
units mentioned in the Declaration and thus represents all the
voting interest in said project;

NOW, THEREFORE, the Developer does hereby amend said recorded
Declaration in its entirety, causing said Declaration to read as
follows, to-wit:

DECLARATION OF UNIT OWNERSHIP OF
PEACEFUL BAY RESORT AND CLUB
LAKESIDE, MONTANA

THIS DECLARATION, made this 31st day of December, 1980,
by PEACEFUL BAY PARTNERS, 2428 Mission Trail, Kalispell, Montana,
59901, hereinafter referred to as "Developer":

1. Submission to Unit Ownership: The purpose of this
Declaration is to submit the buildings and improvements constructed
thereon to the unit form of ownership and use in the manner
provided by the Montana "Unit Ownership Act" as provided in
Chapter 23, Title 70, MCA, hereinafter called "Act" and to comply
with the applicable provisions thereof.

(a) The lands owned by the Developer which are hereby
submitted to the unit form of ownership are more particularly
described as follows:

Parcel 1: Lot 8, Block 1 of Peaceful Bay, according to
the map or plat thereof on file in the office of the Clerk
and Recorder of Flathead County, Montana.

SUBJECT to a flooding easement in favor of the Montana
Power Company recorded January 3, 1944, in Book 250,
Page 598, office of the Clerk and Recorder, Flathead
County, Montana.

(b) The name by which this property is identified is
"Peaceful Bay Resort and Club", herein called the "Project", and
its address is 2428 Mission Trail, Kalispell, Montana 59901

2. Definitions: As used in this Declaration of Unit Ownership,
and all exhibits attached hereto, and all Amendments thereof,
unless the context otherwise requires, the following terms shall
have the meanings stated in the Act, and as follows:

(a) Declaration, or Declaration of Unit Ownership,
means this instrument, as it may be from time to time amended.

(b) "Unit" means a part of the property, including one
or more rooms, occupying one or more floors, or a part or parts
thereof, intended for any type of independent use with a direct

exit to a public roadway, or to a common area or area leading to
Flathead Lake or a public roadway.

(c) "Unit Owner" means the person owning the unit in
fee simple absolute individually or as a co-owner in any real
estate tenancy relationship recognized under the laws of the
State of Montana. However, for all purposes, including the
exercise of voting rights, provided by lease or memorandum of the
parties filed with the presiding officer of the Association of
unit owners, lessee or contract purchasers of a unit shall be
considered a unit owner.

(d) "Association" means the Peaceful Bay Resort and
Club, being all Unit Owners acting in a group in accordance with
the Declaration and Statement of Covenants, Conditions, Restrictions
and By-Laws of Association of Unit Owners.

(e) "Common Elements" shall be the following: (1) the
land on which the building is located, except any portion thereof
included in the Unit or made a Limited Common Element by this
Declaration; (2) the foundations and footings, columns, beams,
supports, exterior walls, walls dividing Units and roofs of the
Buildings; (3) common parking areas; (4) installation of central
services including, but not limited to, gas, water and sewer
pipes, electric wiring and conduits (except pipes, electric
wiring and conduits situated entirely within a Unit and serving
only said Unit; (5) utility closets; (6) a right to use, in
common with others, including any other Unit Owners of Projects
hereinafter constructed by Developer on property owned by them,
approximately 98 feet of frontage on the shores of Flathead Lake,
as is set forth on the recorded plat of this project; (7) the
existing harbor and dock facility located on the property, said
existing harbor and dock facility shall be subject to a charge for

such use to be determined from time to time by the Board, the proceeds of which charges shall be allocated among the Unit Owners of said facilities in accordance with their ownership interest.

(8) any recreational facilities, property or access roads, which may be constructed by Developer.

(f) "Limited Common Elements". The staircases, porches and balconies are limited to common elements of the units to which they are appurtenant. Any expense of maintenance, repair or replacement of the Limited Common Elements shall be a common expense of all Unit Owners.

(g) "Property" means the land, all buildings, improvements, and structures thereon and all easements, rights and appurtenances belonging thereto which are submitted to the unit form of ownership under the Act;

(h) "Unit Designation" means the number, letter or a combination thereof, designating a Unit in the Project.

(i) "Common Expenses" means: (1) expenses of administration, maintenance, repair or replacement of the Common Elements; (2) expenses agreed upon as common by all Unit Owners, either in the Statement of Covenants, Conditions, Restrictions and By-Laws or by agreement, as provided by the terms of the Act; (3) expenses declared to be common by Section 70-23-610 and Section 70-23-612, MCA, or by the Statement of Covenants, Conditions, Restrictions and By-Laws of the Association.

(j) "Common Surplus" means the excess of all receipts of the Association including, but not limited to, assessments, rents, profits and revenues on account of the common elements, over and above the amount of common expenses.

(k) "Assessment" means a share of the funds required for the payment of common expenses, which from time to time are assessed against the unit owners.

(l) "Condominium Parcel" or "Parcel" means a unit together with the undivided share in the common elements, which are appurtenant to the unit.

(m) The following definitions shall refer only to those units committed to and sold under a plan of "Interval Ownership":

(1) "Interval Ownership" is a concept whereby units and the share of the common elements assigned to the unit are conveyed for periods of time the purchaser receiving a stated time period in fee simple as tenant in common with all other purchasers of "unit weeks" in each such unit in that percentage interest determined and established by this Declaration.

(2) "Unit Week" means a period of ownership in a Unit committed to interval ownership which shall consist of not less than seven (7) days. Unit Weeks are computed as follows:

Unit Week No. 1 is the seven (7) days commencing on the first Saturday in each year. Unit Week No. 2 is the seven (7) days succeeding. Additional weeks up to and including Unit Week No. 52 are computed in a like manner. Unit Week No. 52 contains the seven (7) days succeeding the end of Unit Week No. 51, without regard to the month or year. Unit Week No. 53 contains any excess days not otherwise assigned. Unit weeks run from Noon on the first Saturday of the period to Noon on the last Saturday of the period.

(3) A "Unit Committed to Interval Ownership" shall be any unit sold under a plan of Interval Ownership.

3. Development Plans and General Description of the Improvements: It is intended by the Developer that Peaceful Bay Resort & Club be developed in four (4) phases. Phase I will consist of the units in the buildings and other improvements as shown and set forth in Exhibit D attached hereto. Should the Developer decide in its sole discretion, to add Phase II, Phase II

shall consist of the units in the buildings and other improvements described in Exhibit D, attached hereto. Should the Developer decide in its sole discretion to add Phase III, Phase III shall consist of the units in the buildings and other improvements described in Exhibit D. Should the Developer decide in its sole discretion to add Phase IV, Phase IV shall consist of the units in the buildings and other improvements described in Exhibit D. Phase I will consist of 11 units, Phase II, if added, will consist of 6 units, and Phase III, if added, will consist of 8 units, and Phase IV, if added, will consist of 24 units. If all of Phase I, II, III and IV are completed, there will be a maximum of forty-nine (49) units, each of which may contain fifty-three (53) unit weeks resulting in a maximum of two thousand five hundred forty-eight (2,548) unit weeks in the Project.

4. Committing a Unit to Interval Ownership: A unit shall become a unit committed to Interval Ownership upon the recording of the first deed in said unit, conveying unit weeks, by the Developer. No unit may be committed to Interval Ownership by any person or other entity other than the Developer. A unit will no longer be committed to Interval Ownership any time all unit weeks are owned by the same legal entity. Notwithstanding the above, the Developer may assign its right to commit units to Interval Ownership to any other entity to which it conveys substantially all units which it owns in the Condominium property.

5. Unit Description: (a) Phase I.

(1) There are four (4) units of wood frame construction on a concrete foundation constructed in a straight row on the main floor and four (4) units constructed in a straight row on the second floor, all of which face in an easterly direction. The northernly most unit on the main floor is designated as Unit 101, the next unit to the South is Unit 102, the next unit to the South is Unit 103, and the most Southern unit is Unit 104. The Northern most unit on the

second floor is designated as Unit 201, the next unit is Unit 202, the next unit is Unit 203, and the Southern most unit is Unit 204. Attached hereto as Exhibits D&E are the floor plans of the building described in the Declaration. The floor plans indicate the layout of each unit including the unit designation, location and dimensions of each unit, and the common areas to which each has access, and Exhibits D&E attached hereto, are by reference specifically incorporated herein.

(2) Each unit consists of approximately the square footage set opposite the unit designation:

Unit 101	1176 sq. feet
Unit 102	1176 sq. feet
Unit 103	1176 sq. feet
Unit 104	1176 sq. feet
Unit 201	1176 sq. feet
Unit 202	1176 sq. feet
Unit 203	1176 sq. feet
Unit 204	1176 sq. feet

Additionally, it is planned that three (3) units are to be constructed of wood frame construction on a concrete foundation. They are to be in a straight row all facing an Easterly direction. The Southern most unit will be Unit 108, the next unit will be Unit 109, and the Northern most unit will be Unit 110. Attached hereto as Exhibits D&G are the floor plans of the building described in the Declaration. The floor plans indicate the layout of each unit including the unit designation, location and dimensions of each unit, and the common areas to which each has access, and Exhibits D&G attached hereto, are by reference specifically incorporated herein.

Each unit will consist of approximately the square footage set opposite the unit designation:

Unit 108	500 sq. feet
Unit 109	500 sq. feet
Unit 110	500 sq. feet

(b) Phase II

(1) If Phase II is built, it will consist of six (6) Units and will be constructed of wood frame construction on a concrete foundation. Three (3) units are to be constructed in a straight row, on the main floor and three (3) units constructed in a straight row on the second floor, all facing a Northernly direction. The Westerly most unit on the main floor, will be Unit 105, the next unit will be Unit 106, the Easterly most unit will be Unit 107. The Westerly most unit on the second floor will be Unit 205, the next will be Unit 206, and the Easterly most unit will be Unit 207. Attached hereto as Exhibits D&G are the floor plans of the building described in the Declaration. The floor plans indicate the layout of each unit including the unit designation, location and dimensions of each unit, and the common areas to which each has access, and Exhibit D&G attached hereto, are by reference specifically incorporated herein.

(2) Each unit consists of approximately the square footage set opposite the unit designation:

Unit 105	500 sq. feet
Unit 106	500 sq. feet
Unit 107	500 sq. feet
Unit 205	500 sq. feet
Unit 206	500 sq. feet
Unit 207	500 sq. feet

(c) Phase III

If Phase III is built, it will consist of eight (8) units and will be of wood frame construction on a concrete foundation. There will be four (4) units on the main floor, two (2) of which will face in an Easterly direction and two (2) of which will face in a Westerly direction. There will be four (4) units on the second floor, two (2) of which will face in an Easterly direction, and two (2) of which will face in a Westerly direction. On the main floor, the Southeast Unit will be Unit 111, the Northeast Unit will be Unit 112, the Northwest Unit will be Unit 114, and the Southwest Unit will be Unit 115. On the second floor, the Southeast Unit will be Unit 211, the Northeast Unit will be Unit 212, the Northwest Unit will be Unit 214, and the Southwest Unit will be Unit 215. Attached hereto as Exhibits D&F are the floor plans of the building described in the Declaration. The floor plans indicate the layout of each unit including the unit designation, location and dimensions of each unit, and the common areas to which each has access, and Exhibits D&F attached hereto are by reference specifically incorporated herein.

(2) Each unit consist of approximately the square footage set opposite the unit designation:

Unit 111	1200 sq. feet
Unit 112	1200 sq. feet
Unit 114	1200 sq. feet
Unit 115	1200 sq. feet
Unit 211	1200 sq. feet
Unit 212	1200 sq. feet
Unit 214	1200 sq. feet
Unit 215	1200 sq. feet

(d) Phase IV

(1) If Phase IV is built, it will consist of 24 units and will be of wood frame construction on a concrete foundation. There will be six (6) units in a row on the main floor and six (6) units in a row on the second floor, all facing a Southerly direction. The Easterly most unit on the main floor will be Unit 116, the next will be Unit 117, the next will be Unit 118, the next will be Unit 119, the next will be Unit 120, and the most Westerly unit will be Unit 121. The Easterly most unit on the Second floor will be Unit 216, the next will be Unit 217, the next will be Unit 218, the next will be Unit 219, the next will be Unit 220, and the most Westerly unit will be Unit 221.

There will be six (6) units in a row on the main floor and six (6) units in a row on the second floor, all facing in a Northerly direction. The Westerly most unit on the main floor will be Unit 122, the next will be Unit 123, the next will be Unit 124, the next will be Unit 125, the next will be Unit 126, and the most Easterly unit will be Unit 127. The Westerly most unit on the second floor will be 222, the next will be Unit 223, the next will be Unit 224, the next will be Unit 225, the next will be Unit 226, and the Easterly most unit on the second floor will be Unit 227. Attached hereto as Exhibits D&F are the floor plans of the building described in the Declaration. The floor plans indicate the layout of each unit including the unit designation, location and dimensions of each unit, and the common areas to which each has access, and Exhibits D&F attached hereto, are by reference incorporated herein.

(2) Each unit consists of approximately the square footage set opposite the unit designation:

Unit 116	1200 sq. feet
Unit 117	1200 sq. feet
Unit 118	1200 sq. feet
Unit 119	1200 sq. feet
Unit 120	1200 sq. feet
Unit 121	1200 sq. feet
Unit 216	1200 sq. feet
Unit 217	1200 sq. feet
Unit 218	1200 sq. feet
Unit 219	1200 sq. feet
Unit 220	1200 sq. feet
Unit 221	1200 sq. feet
Unit 122	1200 sq. feet
Unit 123	1200 sq. feet
Unit 124	1200 sq. feet
Unit 125	1200 sq. feet
Unit 126	1200 sq. feet
Unit 127	1200 sq. feet
Unit 222	1200 sq. feet
Unit 223	1200 sq. feet
Unit 224	1200 sq. feet
Unit 225	1200 sq. feet
Unit 226	1200 sq. feet
Unit 227	1200 sq. feet

Each unit includes that part of a building not owned in common with the other unit owners of the Project; the boundary lines of each unit are the interior surfaces of its perimeter walls, bearing walls, floor, ceilings, windows and window frames, door and door frames and trim, and includes both the portions of the building so described and the air space so encompassed.

6. Identification of Units Committed to Interval Ownership:

Wherever the term "Unit Owner" or "Unit Owners" is used anywhere within the context of this Declaration, it shall be construed to include all owners of unit weeks within any unit committed to interval ownership as one unit owner. The respective interests of each owner of unit weeks within such unit committed to interval ownership with respect to each other shall be delineated on Exhibit No. A, which is annexed to this Declaration and made a part hereof.

7. Ownership of Common Elements: Each of the Unit Owners of the Condominium shall own an undivided interest in the Common Elements and limited Common Elements, as set forth on Exhibit No. A, which is annexed to this Declaration and made a part hereof.

The fee title to each Condominium Parcel shall include both the Condominium Unit and the above respective undivided interests in the Common Elements, said undivided interest in the Common Elements to be deemed to be conveyed or encumbered with its respective Condominium Unit. Any attempt to separate the fee title to a Condominium Unit from the undivided interest in the Common Elements appurtenant to each Unit shall be null and void. The term "Common Elements" when used throughout this Declaration, shall mean both Common Elements and limited Common Elements unless the context otherwise specifically requires.

8. Common Expense and Common Surplus: The common expenses of the Condominium shall be shared by the Unit Owners, as specified and set forth in Exhibit No. B. Any common surplus of the Association shall be owned by each of the Unit Owners in the same percentage specified for sharing common expense.

9. Use and Restrictions:

(a) Residential Use Restrictions: The Owner of a Unit shall occupy and use his Unit as a single family private dwelling only for himself and the members of his family, his social guests, lessees, licensees and invitees. Notwithstanding the foregoing, nothing in this Declaration shall be construed to restrict the Developer, or any successor in interest to the Developer, from selling and/or conveying any Unit under a plan of Interval Ownership, or any person, group of persons, corporation, partnership, or other entity, from selling, reconveying, or in any other way, transferring same, at any time under said plan of Interval Ownership.

(b) No unit shall be sold or otherwise transferred without first complying with the provisions contained in the Statement of Covenants, Conditions, Restrictions and By-Laws of Association of Unit Owners.

10. Unit Subject to Covenants and By-Laws: All present and future owners, tenants, and lessees, guests and invitees of Owners, and lessees and all occupants of the Units shall be subject to and comply with the provisions of:

(a) This Declaration; and

(b) The Statement of Covenants, Conditions, Restrictions and By-Laws of Association of Unit Owners of Peaceful Bay Resort & Club as they may be amended from time to time, a copy of which is attached hereto as Exhibit C, and by this reference specifically incorporated herein.

(c) Rules and Regulations as promulgated from time to time under the provisions of the Statement of Covenants, Conditions,

Restrictions and By-Laws of Association of Unit Owners of Peaceful Bay Resort & Club. The acceptance of a deed of conveyance or the entering into occupancy of any Unit constitutes an agreement that the provisions of this Declaration, Statement of Covenants, Conditions, Restrictions and By-Laws of Association of Unit Owners of Peaceful Bay Resort & Club and the rules and regulations as defined in said Declaration and Statement of Covenants, Conditions, Restrictions and By-Laws of Association of Unit Owners, and as promulgated by the Association are accepted and ratified by such Owner, tenant, lessee or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and the Units and each of them and shall bind any person having at any time any interest or estate, tenancy, leasehold or occupancy in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance lease, or instrument, or tenancy. The failure of the Association or any Unit Owners to enforce any covenant, restriction, rule or regulation or any provision of the Unit Ownership Act, this Declaration, the Statement of Covenants, Conditions, Restrictions and By-Laws of Association of Unit Owners, or rules and regulations adopted from time to time shall not constitute a waiver of the right to do so thereafter.

11. Service: The name of the person to receive service of process in cases provided by Section 70-23-901, MCA, being Section 38 of the Act, is Murr L. Brown, and his place of business is 2428 Mission Trail, Kalispell, Montana 59901.

12. Invalidity: The invalidity of any provision of this Declaration shall not affect in any manner the validity or unenforceability of the remainder of this Declaration and the other provisions of this Declaration shall continue in effect as if such invalid provisions shall not have been included herein.

IN WITNESS WHEREOF, the Developers have hereunto set their hands and seals the day and year first above written.

Murr L. Brown
Murr L. Brown, General Partner
Peaceful Bay Partners

State of Montana)
County of Flathead) :ss.

On this 31st day of December, 1980, before me, the undersigned, a Notary Public for the State of Montana, personally appeared MURR L. BROWN, General Partner of the partnership that executed the within instrument and acknowledged to me that such partnership executed the same.

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

Deane Bleish
Notary Public for the State of Montana
Residing at: Kalispell, MT
My Commission Expires: 10-8-83

EXHIBIT "A"

At the time of the recording of this Amendment to the Declaration of Unit Ownership of Peaceful Bay Resort & Club, there are eight (8) Units in existence. It is the Developers' intention that Peaceful Bay Resort & Club be developed in four (4) phases. When and if Phase I has been completed, there will be a total of eleven (11) Units, when and if Phase II is completed, there will be a total of 17 Units, when and if Phase III is completed, there will be a total of 25 Units, and when and if Phase IV is completed, there will be a total of 49 Units.

At this time, therefore, each Unit within the Project has a 1/8 interest in and to the Common Elements. Upon the completion of Phase I, each unit within the Project will have a 1/11 interest in and to the Common Elements, upon the completion of Phase II, each unit within the Project will have a 1/17 interest in and to the Common Elements, upon the completion of Phase III, each unit within the Project will have a 1/25 interest in and to the Common Elements, and upon the completion of Phase IV, each unit within the Project will have a 1/49 interest in and to the Common Elements.

In the case of a Unit committed to interval ownership, each owner of unit weeks in said unit will own a percentage share of the unit and the percentage interest assigned to the Unit by Schedules "A" and "B" hereof, according to the following schedule:

<u>Week Number Owned</u>	<u>% Share for Each Week Owned</u>
1 - 52	1.9165
53	.3420

EXHIBIT "B"

At the time of the recording of this Amendment to the Declaration of Unit Ownership of Peaceful Bay Resort & Club, there are eight (8) units in existence. It is the Developers' intention that Peaceful Bay Resort & Club be developed in four (4) phases. When and if Phase I has been completed, there will be a total of eleven (11) units, when and if Phase II is completed, there will be a total of 17 units, when and if Phase III is completed, there will be a total of 25 units, and when and if Phase IV is completed, there will be a total of 49 units.

At this time therefore, each unit within the Project has a 1/8 interest in and to the Common Surplus and shall be responsible for 1/8 share of the Common Expenses of the Project. Upon the completion of Phase I each Unit within the Project will have a 1/11 interest in and to the Common Surplus, and shall be responsible for 1/11 share of the Common Expenses of the Project. Upon the completion of Phase II, each unit within the Project will have a 1/17 interest in and to the Common Surplus and shall be responsible for 1/17 share of the Common Expenses of the Project. Upon the completion of Phase III, each unit within the Project will have a 1/25 interest in and to the Common Surplus and shall be responsible for 1/25 interest of the Common Expenses of the Project. Upon the completion of Phase IV, each unit within the Project will have a 1/49 interest in and to the Common Surplus and shall be responsible for 1/49 share of the Common Expenses of the Project.

FLATHEAD COUNTY AGENT OF THE DEPARTMENT OF REVENUE
OF THE STATE OF MONTANA - APPROVAL

The undersigned, being the duly acting agent in Flathead County, Montana, of the Department of Revenue of the State of Montana, does hereby approve the Declaration of Unit Ownership of PEACEFUL BAY RESORT & CLUB, Kalispell, Montana, as provided and required by 70-23-304 M.C.A.

Dated this 19 day of June, 1981.

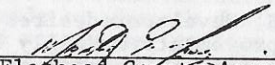

Flathead County Agent of the
Department of Revenue of the
State of Montana

Exhibit "C"

STATEMENT OF COVENANTS, CONDITIONS, RESTRICTIONS AND
BY-LAWS OF ASSOCIATION OF UNIT OWNERS OF
PEACEFUL BAY RESORT & CLUB

WHEREAS, PEACEFUL BAY PARTNERS, of Kalispell, Montana, hereinafter referred to as "Developer", is purchasing under Contract the lands described in the Declaration of Unit Ownership filed herewith; and

WHEREAS, the Developer is developing and constructing a three-phase residential condominium project on the property herein described; and

WHEREAS, Developer has submitted the aforesaid property to the Unit Ownership Act of the State of Montana, as provided in Chapter 120, Laws 1965, Sections 70-23-101 to 70-23-1002, MCA, and hereinafter referred to as the "Act" as a Unit Ownership Project to be known as Peaceful Bay Resort & Club, hereinafter referred to as the "Project"; and

WHEREAS, Developer desires and intends to impose upon said land and improvements mutually beneficial restrictions under a general plan for the benefit of said property as a unit ownership project, including all of the units and Common Elements and Limited Common Elements, and for the benefit of all of the future Owners of said Units and said Common Elements, and Limited Common Elements, together with By-Laws and required by said Act;

NOW, THEREFORE, Developer hereby declares that all of the property hereinabove described is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following restrictions, covenants and by-laws, all of which are declared and agreed to be in furtherance of a plan to constitute said property as a Unit Ownership Project under the aforesaid Act, as amended from time to time, and are hereby established and agreed upon for said purposes and for the purposes of enhancing and perfecting value, desirability and attractiveness of said property. Said limitations, covenants, restrictions, conditions and by-laws shall run with the aforesaid land and Units and shall be binding upon all parties having or acquiring any right, title or interest therein, and shall be for the benefit of each owner of any interest therein and shall inure to the benefit and be binding upon each successor in interest of the owner, guest, renter, invitee, lessee, occupant or anyone occupying said premises, through the term of this Project. These Covenants, Conditions, Restrictions and By-Laws shall be effective on recording the Declaration of Unit Ownership as required by the Act.

1. Definitions: The property conveyed by Contract or Deed to the buyer of a Unit in the Project is called herein as "Unit Parcel". The individual Units are called "Units", and the land,

including the improvements thereon, exclusive of all Units, are called the "Common Elements" and "Limited Common Elements". The Unit Owners and the Developer, to the extent they own any Unit Ownership, are herein called an Owner or Owners, which term includes successors in interest.

2. Voting Members: There shall be one person with respect to each Unit who shall be entitled to vote at any meeting of the Association and such person shall be known (and is hereinafter referred to) as the "Voting Member". If a Unit is owned by more than one person, the Owners of said Unit shall designate one of them as the Voting Member, or in the case of a Corporate Unit Owner, an officer or employee thereof shall be the Voting Member. The Voting Member shall be designated by the Owner or Owners of each Unit Ownership by written notice to the Board of Directors (hereinafter sometimes called the "Board"), signed by all of the Owners of the Unit Ownership. Such powers of designation and revocation may be exercised by the guardian of the Owner's estate, or in the case of a minor having no guardian, by the parent entitled to his custody, or during the administration of any Owner's estate, by his personal representative where the latter's interest in said property is subject to administration in his estate. Where no designation is made or where a designation has been made but has been revoked and no new designation has been made, the voting member of each Unit Ownership shall be the group composed of all of its Owners, but it shall be necessary for those present of said Owners to act unanimously in order to cast the votes to which they are entitled. The Developer shall be the voting member with respect to any Unit Ownership owned by them.

Each Owner or group of Owners shall be entitled to one vote for each Unit owned. The vote of a Condominium Unit is indivisible.

Notwithstanding the above, each Owner of Unit Weeks in a Unit committed to Interval Ownership shall be entitled to vote at meetings of the Association and shall be entitled to one fifty-first (1/51st) vote for each Unit Week owned. If a person owns more than one Unit Ownership, he shall have votes for each Unit Ownership which he owns. In the event the record Owner or Owners have pledged their vote regarding special matters to a mortgagee under a duly recorded mortgage (which term in all cases used shall include the trustee under a duly recorded Trust Indenture), only the vote of the mortgagee or beneficiary under a Trust Indenture will be recognized in regard to the special matters upon which the vote is so pledged.

In the event that notice of default is delivered by any mortgagee or beneficiary under a Trust Indenture on any Unit to the Board of Directors, then and in that event and until the default is cured, the right of the Owner of such Unit to vote shall be transferred to the mortgagee or beneficiary so long as the default exists.

3. Meetings: There shall be a meeting at the Project of the voting members on the 1st day of April of each year at 10:00 a.m., or at such other reasonable time as may be designated by written notice of the Board of Directors delivered to the Owners not less than ten (10) days prior to the date fixed for said meeting. A special meeting of the voting members may be called at any reasonable time and place by written notice signed by a majority of the Board, or by the voting members having onehalf of the total votes, and delivered to all Owners not less than fifteen (15) days prior to the date fixed for said meeting. The presence of a majority of the voting members shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting Owners upon the affirmative vote of a majority of the voting members. At the annual meeting, the Board shall present a written statement of the maintenance fund, which itemizes receipts and disbursements for the preceding fiscal year and the allocation thereof to each Owner. Within ten (10) days after the annual meeting, said statement shall be delivered to all Unit Owners. The first Board of Directors shall be elected at a meeting of voting members to be called by Developer within one (1) year after recording the Declaration of Unit Ownership as provided by the Act.

4. Notices: Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twentyfour (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the Secretary or Board for the purpose of service of such notice. Such address may be changed from time to time by notice in writing to the Board. Upon written request for notices, delivered to the Board, the holder of any duly recorded mortgage against any Unit Ownership may promptly obtain a copy of any and all notices permitted or required herein to be given to the Owner or Owners whose Unit Ownership is subject to the said mortgage, and no notice to such Owner shall be deemed to have been validly delivered unless the requesting mortgagee of such Owner has received such notice. Said request for notices need not be renewed and shall entitle the holder of any mortgage requesting such notice to receive all notices sent to the Owner or Owners whose Unit Ownership is subject to the said mortgage from and after the date of said request until said request is withdrawn or said mortgage is discharged of record. Each voting member shall maintain a current mailing address with the Board of Directors, or Secretary of the Association. Any trust deed beneficiary or mortgagee may likewise be provided notice of any Act by filing a request with the Secretary or Board of Directors. From and after the time of such request, the said mortgagee or beneficiary shall receive notice until the request is cancelled.

5. Election of Board of Directors and Officers: At each annual meeting, the voting owners shall elect a Board of Directors hereinafter called "Board" for the forthcoming year, consisting of six (6) Owners who shall serve without compensation. Four (4) members shall constitute a quorum. In order to be eligible to be

elected as a director, a person must be a Unit Owner. At any time any director ceases to be a Unit Owner, his membership on the Board shall thereupon terminate. The term of office of the directors shall be for one (1) year. Any director may be re-elected to serve for an additional term or terms. Vacancies on the Board may be filled by the remaining members thereof provided there are at least four (4) remaining members. If there are less than four (4) remaining members, vacancies must be filled by the Unit Owners in a meeting called for that purpose. Any member of the Board may be removed and a successor elected for the unexpired portion of his term by a majority of the voting members present at a special meeting called for such purpose. The Board shall act by a majority vote of those present at its meeting where a quorum exists. Meetings may be held and conducted in accordance with such regulations as the Board may adopt. Until the election of the first Board of Directors, its rights, duties and functions shall be exercised by Developer, unless otherwise provided herein. The Board shall elect a President (Chairman) from among its members who shall preside over both its meetings and those of the voting Owners. The Board shall also elect a Secretary and a Treasurer at each annual Board meeting, which meeting shall be held immediately following the annual meeting of voting Owners without any notice required other than the provision of this By-Law. The Board of Directors may also act without a meeting by unanimous written consent of its members.

6. Authority of the Board of Directors: The Board of Directors shall acquire, to the extent required in the Board's discretion, and, as to the extent required by law, pay out of the Maintenance Fund hereinafter provided for, the following expenses which are defined as "Common Expenses":

(a) Water, septic system maintenance, garbage, gas, telephone and electricity for common elements, real estate taxes for common elements, street maintenance, repair and snow removal, landscaping and yard maintenance, and any other necessary utility service for the common elements and (if not separately metered or charged), for the Unit Ownership and maintenance for the common elements;

(b) Insurance Provisions:

Fire and extended coverage insurance and vandalism and malicious mischief insurance insuring all of the insurable improvements within the Project, together with such other insurance as the Board deems necessary in and for the interest of the Association, all Unit Owners and their Mortgagees, as their interests may appear, in an amount which shall be equal to the maximum insurable replacement value as determined annually; and the premiums for such coverage and other expenses in connection with said insurance shall be assessed against the Unit Owners as part of the common expense. The named insured shall be the Board, individually and as Agent for the Unit Owners, without naming them, and as Agent for their mortgagees.

Provision shall be made for the issuance of Mortgagee endorsements and memoranda of insurance to the Mortgagees of Unit Owners. Such policies shall provide that payments for losses thereunder by the insurer shall be made 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.

(1) Coverage:

(a) Casualty: All buildings and improvements upon the Condominium property shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, 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. Such coverage shall afford protection against:

- (i) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and
- (ii) 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 Condominium Property, including but not limited to vandalism and malicious mischief.

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

(c) Insurance on Units Committed to Interval Ownership. The Board shall obtain casualty and liability insurance, as needed, on all Units committed to Interval Ownership. Each such policy shall reflect the respective interests of the Association, and all Owners of Unit Weeks in each such Unit. Casualty insurance shall be in an amount equal to the maximum insurable replacement value of the Unit and the personal property therein without deduction for depreciation as determined annually by the Board. The premiums shall be a part of the maintenance fee. All losses thereunder shall be payable to the Insurance Trustee hereinafter designated. All such proceeds shall be used for the purpose of repair or replacement of any loss, or in the event such loss is not to be repaired or replaced, as determined elsewhere, to be divided among all Owners of Unit Weeks in such Unit in accordance with their percentage interest in remainder. Any deficit or overage in such proceeds, after repair or replacement, shall be divided among all such Owners of Unit Weeks in that Unit in accordance with Exhibit B to the Declaration. Deficits shall be treated as part of the maintenance fee next due.

(d) Workmen's Compensation policy to meet the requirements of law.

(e) Such Other Insurance as the Board shall determine from time to time desirable.

(2) Premiums: Premiums upon insurance policies purchased by the Board shall be paid by the Board as a common expense.

(3) Insurance Trustee: Shares of Proceeds: All insurance policies purchased by the Board 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 the insurance trustee, which shall be designated by the Board and which shall be any bank or trust company in Montana with trust powers. The insurance trustee shall not be liable for payment of premiums nor for the renewal of 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 to hold the same in trust for the purposes elsewhere stated herein 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) Common Elements. Proceeds on account of damage to Common Elements - 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) Condominium Units. Proceeds on account of damages to Units shall be held in the following undivided shares:

(i) When the Building is to be Restored - For the Owners of damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner, which cost shall be determined by the Association.

(ii) When the Building is Not to be Restored - An undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

(c) Mortgages. In the event a mortgage endorsement has been issued as to a Unit, the share of the 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 these By-Laws.

(4) 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, 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. Remittance to Unit Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

(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. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

(d) Certificate. In making distribution to Unit Owners and their Mortgagees, the insurance trustee may rely upon a certificate of the Board made by its President and Secretary as to the names of the Unit Owners and their respective shares of the distribution.

(5) Association as Agent: The Board is hereby 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 Board to execute and deliver releases upon the payment of claims.

(6) Notice of Insurance Coverage: In any legal action in which the Board may be exposed to liability in excess of insurance coverage protecting it and the Unit Owners, the Board will give Notice of the exposure within a reasonable time to all Unit Owners who may be exposed to the liability and they shall have the right to intervene and defend.

(7) Inspection of Insurance Policy: A copy of each insurance policy obtained by the Board shall be made available for inspection by Unit Owners at reasonable times.

(a) Legal and accounting services necessary or proper in the operation of the Project or enforcement of these By-Laws.

(b) Painting, maintenance, repair and all landscaping of the Common Elements, and Limited Common Elements, and such furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to arrange for such painting, maintenance, repair and landscaping and to acquire such furnishings and equipment for the Common Elements; provided, however, that the interior surfaces of each Unit shall be painted, maintained and repaired by the Owners thereof at the sole cost and expense of each particular Owner.

(c) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, capital additions, capital improvements, insurance, taxes or assessments which the Board is required to secure or pay pursuant to the terms of these Restrictions or By-Laws, or which in its opinion shall be necessary or proper for the operation of the Common Elements and the Limited Common Elements or for the enforcement of these Restrictions; provided, that if any such materials, supplies, furniture, labor, services, maintenance, structural alterations, insurance, taxes or assessments are provided for particular Unit Owners of such Unit Ownerships.

The Board shall also pay any amount necessary to discharge any lien or encumbrance levied against the entire Project or any part thereof which may, in the opinion of the Board, constitute a lien against the Common Elements or the Limited Common Elements, rather than merely against the interests therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said Owners.

(d) The maintenance and repair of any Unit Ownership, or of the gas furnace and hot water tanks as Common Elements, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Elements or preserve the appearance and value of the Project, and the Owner or Owners of said Unit Ownerships have failed or refused to perform said maintenance or repair within such time as determined by the Board after written notice of the necessity of said maintenance or repair delivered by the Board of said Owner or Owners, provided that the Board shall levy a special assessment against such Unit Ownership for the cost of said maintenance or repair, since such maintenance and repair is the primary responsibility of the Owners.

The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the Maintenance Fund, capital additions and improvements (other than for purposes of replacing portions of the Common Elements, the maintenance of which is declared to be a common expense, subject to all the provisions of these restrictions).

7. No Active Business: Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners as a group or any of them. The Board shall have the authority however to enter a rental pool agreement or to enter into any rental agreement with any unit owners. The Board shall also have the authority to enter into and terminate agreements with organizations providing Owners of Unit Weeks to trade their time periods with Owners of time periods at other resorts.

8. Board Powers, Exclusive: The Board shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the Common Expense Fund. The Board may join in and participate in the associations of representatives of Peaceful Bay Resort and Club, or any limited Peaceful Bay Resort and Club Association of Unit Owners, to the extent desirable to accomplish a mutuality of operations and to the extent authorized by the laws of the State of Montana.

9. Alterations, Additions and Improvements of Common Area: There shall be no structural alterations, capital additions to or capital improvements of any common area without the prior approval of the Owners holding a majority of the total votes.

10. Common Expenses, Assessments:

(a) Within fifteen (15) days prior to the annual meeting of the Association, the Board shall estimate the Common Expenses to be paid during such year (including a reasonable provision for contingencies and less any surplus from the prior year's fund). All of said estimated Common Expenses may be assessed to the Owners at the annual meeting. If said sum estimated proves inadequate for any reason, including non-payment of any Owner's assessment, the Board may at any time levy a further assessment, which shall be assessed to the Owners in like proportions unless otherwise provided herein. Each Owner shall be obligated to pay assessments made pursuant to this paragraph to the Board in annual installments on or before the 1st day of the month following the month of assessment as provided above, or in such other manner as the Board may designate, and any unpaid assessments shall bear interest at 15 % per annum from due date until paid.

(b) When the first Board elected hereunder take office, it shall determine the estimated Common Expenses, as hereinabove defined, for the period commencing with the election of the first Board and ending on the day preceding the first annual meeting of voting Owners. Assessments for such estimated Common Expenses may be levied against the Owners and if levied, shall be payable within fifteen (15) days after election of the first Board.

(c) No Owner of a Condominium Parcel may exempt himself from liability for his contribution toward the common expenses or, in the case of an Owner of Unit Weeks in a Condominium Unit committed to Interval Ownership, the maintenance fee, by waiver of the use and enjoyment of any of the Common Elements or the recreation facilities, or by the abandonment of his Condominium Unit.

11. Maintenance Fee For Units Committed to Interval Ownership: All Owners of Unit Weeks in Units committed to Interval Ownership shall pay a "maintenance fee". The maintenance fee shall include the following:

The particular Unit Week Owner's share of common expenses;

Repair and upkeep of Units for normal wear and tear (example - repainting interior walls);

Repair and replacement of furniture, fixtures, appliances, carpeting and utensils;

Casualty and/or liability insurance on the Unit;

Utilities for the subject Unit;

Personal property, real estate, and any other applicable taxes;

Any other expenses incurred in the normal operations and maintenance of the Unit which cannot be attributed to a particular Unit Week Owner.

The maintenance fee shall be prorated among all Owners of Unit Weeks in a specific Unit by applying a fraction, the numerator of which is the number of Unit Weeks owned by a specific Owner, the denominator of which is fifty one (51), to the total of all such expenses.

12. Maintenance Week in Units Committed to Interval Ownership:

Upon conveying thirty (30) Unit Weeks in any Unit committed to interval ownership, or six (6) months from the date of the first conveyance under Interval Ownership in any Unit committed to Interval Ownership, whichever date comes first, the Developer agrees to convey and the Association agrees to accept one Unit Week to be used for maintenance purposes and Unit Week No. 53 to be used for maintenance purposes or any other purpose determined by the Board of Directors. The Developer shall have the right to choose the Unit Week to be so conveyed. In the event any one person, or other legal entity, becomes holder of record title to all Unit Weeks in any one Unit, that person, or other legal entity, may cause the Association to convey said Unit Weeks conveyed to the Association to it by notifying the Association, in writing, of its desire that said Unit cease being a Unit committed to Interval Ownership. The Association shall execute the necessary papers to complete said conveyance no later than sixty (60) days after Notice. All expenses of said conveyance, including recording fees, shall be borne by the person, or other legal entity, desiring such conveyance.

13. Holdover Interval Owners: In the event any Owner of a Unit Week in a Unit committed to Interval Ownership fails to vacate his Unit at the expiration of his period of Ownership each year, or at such earlier time as may be fixed by the Rules and Regulations adopted by the Board from time to time, he shall be deemed a "holdover owner". It shall be the responsibility of the Board to take such steps as may be necessary to remove such holdover Owner from the Unit and to assist the Owner of any subsequent Unit Week, who may be affected by the holdover Owner's failure to vacate, to find alternate accommodations during such holdover period.

In addition to such other remedies as may be available to it, the Board shall secure, at its expense, alternate accommodations for any Owner who may not occupy his Unit due to the failure to vacate of any holdover Owner. Such accommodations shall be as near in value to the Owner's own Unit as possible. The holdover Owner shall be charged for the cost of such alternate accommodations, any other costs incurred due to his failure to vacate, and an administrative fee of \$50.00 per day during his period of holding over. In the event it is necessary that the Board contract for a period greater than the actual period of holding over, in order to secure alternate accommodations as set forth above, the entire period shall be the responsibility of the holdover Owner, although the \$50.00 per day administrative fee shall cease upon actual vacating by the holdover Owner.

The Board shall submit a bill to the holdover Owner in accordance with this paragraph. In the event the holdover Owner fails to pay same within ten (10) days of the date of same, a lien shall be filed against said holdover Owner's Unit Weeks in accordance with the provisions of Paragraph 14 hereof.

The above provisions of this paragraph shall not abridge the Association's right to take such other action as is provided by law including, but not limited to, eviction proceedings.

14. Default in Payment of Assessments: Each assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed. In the event of a default or defaults in payment of any such assessment or assessments and in addition to any other remedies herein or by law provided, the Board of Directors may enforce each such obligation as follows:

(a) By suit or suits at law to enforce each such assessment obligation. Each such action must be authorized by a majority of the Board at a regular or special meeting thereof and any such suit may be instituted by any one or more members of the Board. Each such action shall be brought in the name of the Association. Any judgment rendered in any such action shall include, where permissible under any law, costs of suit and interest thereon at 15 % per annum and a sum for reasonable attorney's fees in such amount as the Court may adjudge against such defaulting Owner. Upon full satisfaction of any judgment, it shall be the duty of the Board to authorize any two (2) members thereof, acting in the name of the Association, to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

(b) At any time within ninety (90) days after the occurrence of any such default, the Board (acting upon the authorization of the majority thereof at any regular or special meeting), may give a notice to the defaulting Owner, which said notice shall state the date of delinquency, the amount of the delinquency, and make a demand for payment thereof. If such delinquency is not paid within ten (10) days after delivery of such notice, the Board may elect to file a claim of lien against the Unit Ownership

delinquent Owner. Such claim of lien shall state: (1) the name of the delinquent Owner or reputed Owner, (2) a description of the Unit Ownership against which claim or lien is made, (3) the amount claimed to be due and owing (with any proper offset allowed), (4) that the claim of lien is made by the Association pursuant to the terms of the Act, and (5) that a lien is claimed against said described Unit Ownership in an amount equal to the amount of the stated delinquency. Any such claim of lien shall be signed and acknowledged by any two or more members of the Board and shall be dated as of the date of the execution of the last such Board member to execute said claim of lien. Upon recordation of a duly executed original or copy of such claim or lien in the office of the Clerk and Recorder, Flathead County, Montana, the lien claimed therein shall immediately attach and become effective subject only to the limitations hereinafter set forth. Each default shall constitute a separate basis for a claim of lien or a lien. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law. In the event of foreclosure of the lien, reasonable attorney's fees and expenses shall be allowed to the extent permitted by law. In the event any claims of liens have been recorded as herein provided, and thereafter the Board shall receive payment in full of the amount claimed to be due and owing, then upon demand of the Owner or his successor, and payment of a reasonable fee, the Board, acting by any two (2) members, shall execute and acknowledge a good and sufficient release of lien, such release of lien to be delivered to the Owner or his successor upon payment of the fee.

15. Mortgage Protection: Notwithstanding all other provisions hereof:

(a) The lien which may be created hereunder upon the interests of any Unit Ownership shall be subject and subordinate to, and shall not affect the rights of the holder of tax and assessment liens and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage or trust indenture (meaning a mortgage or trust indenture with first priority over other mortgages or trust indentures) upon such interest made in good faith and for value, provided that after the foreclosure of any mortgage, there may be a lien created pursuant to paragraph 14 hereof on the interest of the purchaser at such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

(b) No amendment to this paragraph shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof.

(c) By subordination agreement executed by a majority of the Board, the benefits of (a) and (b) above may be extended to mortgages and trust indentures not otherwise entitled thereto.

16. Exclusive Ownership and Possession by Owner: Each Owner shall be entitled to exclusive ownership of his Unit. Each Owner shall be entitled to an undivided interest in the Common Elements and Common Area as set forth and defined in the Declaration of Unit Ownership recorded in accordance with the terms of the Act. The percentage of the undivided interest of each Owner in the Common Elements and Area as expressed in the Declaration of Unit Ownership shall have a permanent character and shall not be altered without the consent of all Owners expressed in an amended Declaration duly recorded. The percentage of the undivided interest in the Common Area shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed, encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each Owner may use the Common Area in accordance with the purpose for which it is intended without hindering or encroaching upon the lawful rights of the other Owners.

An Owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls (other than the decks adjacent to each Unit projecting from the side of the building and carports and parking areas specifically allocated to a designated Unit), windows and doors bounding his Unit. Nor shall the Owner be deemed to own the utilities running through his Unit which are utilized for, or serve more than one Unit, except as a tenant in common with the other Owners. Said Unit Owner, however, shall be deemed to own the walls and partitions which are contained in said Unit owner's Condominium Unit, and shall also be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors, and ceilings, including plaster, paint, wallpaper, etc.; however, all load bearing walls and, where applicable, the floor between the first ground floor and second floor located within a Condominium Unit and, where applicable, the floor between any subsequent higher floors located within a Condominium Unit, and the floor of the first ground floor within a Condominium Unit, are a part of the Common Elements to the unfinished surface of said walls and floors.

The Owners of the respective Condominium Units agree that if any portion of a Condominium Unit or Common Element or limited Common Element encroaches upon another, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist. In the event a Condominium building or buildings are partially or totally destroyed and then rebuilt, the Owners of the Condominium Parcels agree that encroachments on parts of the Common Elements or limited Common Elements or Condominium Units, as aforescribed, due to construction, shall be permitted, and that a valid easement for said encroachments and the maintenance thereof shall exist.

17. Taxes and Assessments: Each Owner shall execute such instruments and take such action as may be reasonably specified by the Board and required by law to obtain the separate tax assessment of each Unit Ownership. If any taxes and/or assessments may, in the opinion of the Board, nevertheless, be a lien on the entire Project or any part of the Common Elements, they shall be paid

by the Board and shall be assessed by the Board to the Owners. Each Owner shall be obligated to pay an assessment by the Board for his prorata share of any taxes or assessments assessed against the entire property or the Association, such payment to be made to the Board at least fifteen (15) days prior to delinquency of such tax or assessment. All such taxes and assessments are secured by the lien created by paragraph 14.

18. Maintenance and Alterations: Except for those portions which the Board of Directors is required to maintain or repair hereunder (if any):

(a) Each Owner of a Unit not committed to Interval Ownership agrees as follows:

(1) To maintain, at the Owner's expense, in good condition and repair, his Unit and all interior surfaces within or surrounding his Unit (such as the surfaces of the walls, ceilings, floors) whether or not a part of the Unit or Common Elements, and maintain and repair the fixtures therein and pay for any utilities which are separately metered to his Unit.

(2) Not to make or cause to be made any structural addition, alteration, decoration, repair, replacement or change of the Common Elements or to any outside or exterior portion of the building whether within a Unit or part of the limited Common Elements without the prior written consent of the Board of Directors of the Association.

(b) Each Owner of Unit Weeks in a Unit committed to Interval Ownership agrees:

(1) To pay his proportionate share of the cost of the maintenance and repair of all interior and exterior components of said Unit, the cost of maintenance, repair and replacement of all appliances, furniture, carpeting, fixtures, equipment, utensils, and other personal property within said Unit, and such other costs of repair, maintenance, upkeep and operation of the Unit as is necessary to the continued enjoyment of said Unit by all said Owners of Unit Weeks therein.

(2) Not to make, cause, or allow to be made, any repairs, modifications, alterations, or replacements to the Common Elements, limited Common Elements, outside or exterior portion of the buildings whether within a Unit or part of the limited Common Elements or Common Elements, exterior or interior of his Unit, or of the furnishings, appliances, personal property, or decor thereof, without the prior written consent of the Board of Directors of the Association, and all other Owners of Unit Weeks therein.

(3) Expenses of repairs or replacements to the Unit or its components, furnishings, carpeting, appliances, or other property, real, personal, or mixed, occasioned by the specific use or abuse of any Owner of Unit Weeks in any Unit, or any licensee or tenant of said Owner, shall be borne in their entirety by said Owner.

(4) The Association, shall determine the interior color scheme, decor and furnishing, of each such unit, as well as the proper time for redecorating and replacements thereof.

(c) All Owners of Units, including Owners of Unit Weeks in Units committed to Interval Ownership, agree as follows:

(1) To allow the Board of Directors, or the agents or employees of any Management Firm or the Association to enter into any Unit for the purpose of maintenance, inspection, repair, replacement of the improvements within the Units, limited Common Elements or the Common Elements, or to determine in case of emergency, circumstances threatening Units, limited Common Elements or the Common Elements, or to determine compliance with the provisions of this Declaration and the By-Laws of the Association.

(2) To show no signs, advertisements or Notices of any type on the Common Elements, limited Common Elements, or his Unit, and to erect no exterior antenna or aerials, except as consented to by the Board of Directors of the Association.

(d) In the event the Owner of a Unit fails to maintain the said Unit and limited Common Elements, as required herein, or makes any alterations or additions without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Association, shall have the right to proceed for an injunction to seek compliance with the provisions hereof. In lieu thereof and in addition thereto, the Association shall have the right to levy an assessment against the Owner of a Unit, and the Unit, for such necessary sums to remove any unauthorized addition or alteration and to restore the property to good condition and repair. Where said failure, alteration, addition, or other violation is attributable to an Owner of Unit Weeks in a Unit committed to Interval Ownership, any such levy of an assessment shall be limited to the Unit Weeks owned by said Owner of Unit Weeks and shall be of no force and effect as to any other Owner of Unit Weeks in said Unit.

Said assessment shall have the same force and effect as all other special assessments. The Association shall have the further right to have its employees or agents, or any subcontractors appointed by it, enter a Unit at all reasonable times to do such work as is deemed necessary by the Board of Directors of the Association, to enforce compliance with the provisions hereof.

(e) The Association, shall determine the exterior color scheme of the buildings and all exteriors, and interior color scheme of the Common Elements, and shall be responsible for the maintenance thereof, and no Owner shall paint an exterior wall, door, window, or any exterior surface, or replace anything thereon or affixed thereto, without the written consent of the Board of Directors of the Association.

The Owner shall promptly discharge any lien which may hereafter be filed against his Unit and shall otherwise abide by the provisions of the Act, the Declaration and this Statement of Covenants, Conditions, Restrictions and By-Laws.

19. Use of Units and Common Elements: The Unit Ownerships and Common Elements shall be occupied and used as follows:

(a) Each Unit Ownership shall be occupied or used only for a private residence purpose of the Owner and Owner's family or the Owner's lessees, invitees or guests.

Any person who is the Owner of a Condominium Parcel, together with members of his family, social guests, lessees, invitees and licensees, may use the facilities. Where a Corporation is a Parcel Owner, the use of said facilities shall be limited at any one time to such officer, Director, or employee of said Corporation who is in actual residence and such individual shall be deemed to be the Condominium Parcel Owner for the purposes of this paragraph. Where a party owns one Condominium Unit and leases same, the lessee shall be entitled to the use of the facilities and said lessee's rights thereto shall be the same as though said lessee were the Unit Owner and during the term of said lease, the Unit Owner and his family shall not be entitled to the use of the facilities. Use of the facilities by Owners of Unit Weeks in Units committed to Interval Ownership, or any other person using the facilities through said Owner, shall be limited to the period of Ownership each year of said Owner of Unit Week in such Unit.

(b) There shall be no obstruction of the Common Areas; nothing shall be stored in the Common Areas without prior written consent of the Board of Directors.

(c) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the building, without the prior written consent of the Board. 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 which would be in violation of any law. No waste will be committed in the Common Elements.

(d) No animals shall be kept in any Unit Ownership, or in the Common Elements, except that dogs, cats or other household pets may be kept in Unit Ownerships, subject to rules and regulations adopted by the Board.

(e) No noxious or offensive activity shall be carried on in any Unit Ownership or in the Common Elements, nor shall anything be done in any Unit therein which may be or become an annoyance or nuisance to the occupants of the other Units.

(f) Nothing shall be altered or constructed in or removed from the Common Elements, or the Limited Common Elements, except upon the written consent of the Board.

(g) The initial Rules and Regulations, and all Amendments thereof and revision thereof pertaining to use of the Common Elements and facilities, shall be posted in conspicuous places on the Common Elements or facilities.

The Unit Owners hereby covenant and agree to be bound by all of such Rules and Regulations and said parties shall obey same and be responsible for their being obeyed by the said Unit Owners, their family, guests, invitees, lessees and servants. Should a Unit Owner fail to pay an assessment for common expenses, as required under the terms of the Declaration and By-Laws for the period of time specified herein whereby said assessment becomes delinquent, the Board may deny the Unit Owner and/or the authorized user of the facilities the use and enjoyment of same until such time as all assessments are paid. The Board shall further have the right in its sole discretion to suspend any Unit Owner and/or authorized user of said facilities from the use of same for a period not to exceed thirty (30) days for any infraction of the promulgated Rules and Regulations pertaining to said facilities, and in the case of a Unit committed to Interval Ownership, for a period not to exceed seven (7) days. Should the Unit Owner or the authorized user of said facilities rights to use same be suspended, there shall be no reduction in the assessments due and payable by said Unit Owner or authorized user. In the case of a Condominium Unit committed to Interval Ownership, all sanctions, as outlined above, shall be limited to the delinquent Unit Week Owner and shall be of no force and effect against non-delinquent Owners of Unit Weeks in such Condominium committed to Interval Ownership.

(h) Nothing shall be done in any Unit, or in, on or to the Common Elements, or the Limited Common Elements, which will impair the structure integrity of the building or which would structurally change the building.

(i) The Unit Owners will assure that the occupants of each individual Unit Ownership will not park more than two (2) vehicles in the Common parking area; vehicles to consist of trailers, boats, motor vehicles, pickups, or other vehicles of approximately the same size; provided that this prohibition shall not apply to guests temporarily occupying the premises.

20. Partition: The Association, its members, the Developer and its successors and assigns and all parties who own an interest in and to the aforesaid facilities agree that they shall not have any right to bring any action for partition or division of the real property that constitutes said facilities, except as provided in 70-23-805 MCA. If, however, any Unit Weeks shall be owned by two or more persons as tenants-in-common or as joint tenants, nothing herein contained shall prohibit a judicial sale of the Unit Weeks in lieu of partition as between such co-tenants or joint tenants.

21. Waivers: The failure of the Board to insist in any one or more instances upon a strict performance of or compliance with any of the covenants of the Owner hereunder, or to exercise any right or option herein contained, or to serve any notice, or to institute any action or summary proceeding, shall not be construed as a waiver, or a relinquishment for the future, of such covenant

or option or right, but such covenant or option or right shall continue and remain in force and effect. The receipt by the Board of any sum paid by the Owner hereunder, with or without knowledge by the Board of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver, express or implied, by the Board of any provision hereof, shall be deemed to have been made unless expressed in writing and signed by the President pursuant to authority contained in a resolution of the Board of Directors.

22. Limitation of Board of Directors' Liability: The Board of Directors shall not be liable for any failure of water supply or other service to be obtained and paid for by the Board of Directors hereunder or for injury or damage to person or property caused by the elements or by another Owner or person in the Project, or resulting from electricity, water, gas, rain, dust or sand which may leak or flow from outside or from any part of the building or from any of its pipes, drains, conduits, appliances or equipment or from any other place unless caused by the gross negligence of the Board of Directors. No diminution or abatement of Common Expense assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken to comply with a law, ordinance, or orders of any governmental authority.

23. Indemnification of Board of Directors' Members: Each member of the Board shall be indemnified by the Owners against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a member of the Board, or any settlement thereof, whether or not he is a member of the Board at the time such expenses are incurred, except in cases wherein the member of the Board is adjudged guilty of willful misfeasance or malfeasance in the performance of his duty; provided, that in the event of a settlement, the indemnification shall apply only when the Board shall approve such settlement and reimbursement as being for the best interests of the Board.

24. Sale or Lease, Right of First Refusal: In the event any Owner of a Unit shall wish to sell or lease the same for a period of more than twelve (12) consecutive months, and shall have received a bona fide offer from a prospective purchaser or tenant, the remaining Owners shall be given written notice thereof, together with an executed copy of such offer and the terms thereof. Such notice and copy shall be given to the Board of Directors or through a person named by the Board of Directors and each of said remaining Owners shall have the right to purchase or lease the subject Unit upon the same terms and conditions as set forth in the offer therefor, provided written notice of such election to purchase or lease is given to the selling or leasing Owner, and a matching down payment or deposit is provided to the selling or leasing Owner within fifteen (15) days immediately following the delivery of the notice of the bona fide offer and copy therefor to purchase or lease. In the event any Owner shall attempt to sell or lease his Unit without affording to the other Owners the right of first refusal herein provided, such sale or lease shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

There shall be no subleasing or subrenting of the right or occupancy of any Unit or Unit Week. The liability of the Owner under these Covenants shall continue notwithstanding the fact that he may have leased or rented said interests as provided herein.

In no case shall the right of first refusal reserved herein affect the right of an Owner to subject his Unit to a mortgage, trust, deed or other security instrument.

The failure of or refusal by the other Owners to exercise the right to purchase or lease shall not constitute or be deemed to be a waiver of such right to purchase or lease when an Owner receives any subsequent bona fide offer from a prospective purchaser or tenant.

25. Mortgages Not Affected by Right of First Refusal: In the event of any default on the part of any Owner on any first mortgage made in good faith and for value which entitled the holder thereof to foreclose the same, any sale under such foreclosure shall be made free and clear of the provision of Paragraph 24 and the purchasers (or grantee under such deed in lieu of foreclosure) of such Unit shall be thereupon and thereafter subject to the provisions of this Statement.

The transfer of a deceased joint tenant's interest to the surviving joint tenant or the transfer of a deceased's interest to a devisee by Will or his heirs at law under testacy laws shall not be subject to the provisions of paragraph 24. Any husband or wife being an Owner of a Unit may transfer said Unit to his or her spouse or to their children without complying with the provisions of paragraph 24.

26. Certificate of Satisfaction of Right of First Refusal: Upon written request of any prospective transferor, purchaser or tenant or an existing or prospective mortgagee of any Unit, the Secretary shall forthwith, or where time is specified, at the end of the time, issue a written and acknowledged Certificate in recordable form, evidencing that:

(a) With respect to a proposed sale or lease as under paragraph 24, that proper notice was given by the selling or leasing Owner and that the remaining Owners did not elect to exercise their option to purchase or lease.

(b) With respect to a deed to a first mortgagee or its nominee in lieu of foreclosure, in a deed from such first mortgagee, that the deeds were, in fact, given in lieu of foreclosure and were not subject to the provisions of paragraph 24.

(c) With respect to any contemplated transfer which is not, in fact, a sale or lease, as contemplated under the provisions of paragraph 24, that the transfer is not or will not be subject to the provisions of paragraph 24, such a Certificate shall be conclusive evidence of the facts contained therein.

27. Reconstruction or Repair After Casualty:

(a) Determination to Reconstruct or Repair: If any part of the Condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(1) Common Element: If the damaged improvement is a Common Element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.

(2) Condominium Units.

(a) Lesser Damage - If the damaged improvement is a building containing Condominium Units, and if Units to which 50% of the Common Elements are appurtenant are found by the Board to be tenantable, the damaged property shall be reconstructed or repaired unless, within 60 days after the casualty, it is determined by Agreement in the manner elsewhere provided that the Condominium shall be terminated.

(b) Major Damage - If the damaged improvement is a building containing Condominium Units, and if Units to which more than 50% of the Common Elements are appurtenant are found by the Board to be not tenantable, then the damaged property will not be reconstructed or repaired and the Condominium will be terminated without Agreement as elsewhere provided, unless within 60 days after the casualty, the Owners of 75% of the Common Elements agree in writing to such reconstruction or repair.

(3) Certificate: The insurance trustee may rely upon a certificate of the Board 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 and specifications for the original building, portions of which are attached hereto as Exhibits; or if not, then according to plans and specifications approved by the Board, and if the damaged property is a building containing Condominium Units by the Owners of not less than 75% of the Common Elements, including the Owners of all damaged Units, which approval shall not be unreasonably withheld.

(c) Responsibility: If the damage is only to those parts of one Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Board.

(d) Estimates of Costs: Immediately after a determination is made to rebuild or repair damage to property for which the Board has the responsibility of reconstruction and repair, the Board shall obtain reliable and detailed estimates of the cost to rebuild or repair.

(e) Assessments: The amount by which an award of insurance proceeds to the insurance trustee is reduced on account of a deductible clause in an insurance policy shall be assessed against all Unit Owners in proportion to their shares in the Common Elements. If the proceeds of such assessments and of the insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Board, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against the Unit Owners, in the case of damage to Common Elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against Unit Owners for damage to Units shall be in proportion to the cost of reconstruction and repair of their respective Units. Such assessments on account of damage to Common Elements shall be in proportion to the Owner's share in the Common Elements.

(f) Construction Funds: The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the insurance trustee, and funds collected by the Board from assessments against Unit Owners, shall be disbursed in payment of such costs in the following manner:

(1) Board: If the total assessments made by the Board in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the Board is more than \$5,000.00, then the sums paid upon such assessments shall be deposited by the Board with the insurance trustee. In all other cases, the Board shall hold the sums paid upon such assessments and disburse the same in payment of the costs of reconciliation and repair.

(2) Insurance Trustee: The proceeds of insurance collected on account of a casualty, and the sums deposited with the insurance trustee by the Board from collections of assessment against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(a) Association - Lesser Damage - If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Board is less than \$5,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Board provided, however, that upon request of the insurance trustee by a Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund. Such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(b) Association - Major Damage - If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than \$5,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board and upon approval of an architect qualified to practice in Montana and employed by the Board to supervise the work.

(c) Unit Owner - The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a Unit Owner shall be paid by the insurance trustee to the Unit Owner, or if there is a mortgage endorsement as to such Unit, then to the Unit Owner and Mortgagee jointly, who may use such proceeds as they may be advised.

(d) Surplus - It shall be presumed that the first monies disbursed in payment of costs and 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 distributed to the beneficial Owners of the fund in the manner elsewhere stated; except, however, that the part of a distribution to a beneficial Owner which is not in excess of assessments paid by such Owner into the construction fund shall not be made payable to any Mortgagee.

(e) Certificate - Notwithstanding the provisions herein, the insurance trustee shall not be required to determine whether or not sums paid by Unit Owners upon assessments shall be deposited by the Board with the insurance trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Board or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the assessments paid by Owners. Instead, the insurance trustee may rely upon a certificate of the Board, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the name of the payee and the amount to be paid; provided, that when a Mortgagee is herein required to be named as payee, the insurance trustee shall also name the Mortgagee as a payee of any distribution of insurance proceeds to a Unit Owner; and further provided that when the Association or a Mortgagee which is the beneficiary of an insurance policy, the proceeds of which are included in the construction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair.

28. Rules and Regulations: The Board of Directors may from time to time establish and amend such rules and regulations as is deemed necessary for the management and control of Units and the Common Elements, as not otherwise provided herein, and the Owners agree that the Owners' rights under this instrument shall be in all respects subject to such rules and regulations, which rules and regulations as promulgated and amended from time to time shall be considered as a part of this Statement of Conditions, Covenants and Declarations and By-Laws; and the Owner agrees to obey all such rules and regulations as the same are or may from time to time be amended and see that the same are faithfully observed by the family, guests, employees, tenants or any one occupying said Unit under his right and interest. Such rules and regulations shall uniformly apply to and be binding upon all occupants of Units.

CERTIFICATION

We, the undersigned, being the duly selected and acting presiding officer and secretary of the Association of Unit Ownership of Peaceful Bay Resort & Club, do hereby certify that the attached Statement of Covenants, Conditions, Restrictions and By-Laws of Association of Unit Owners of Peaceful Bay Resort & Club, is a true and correct copy of the Covenants and By-Laws of said Association.

Dated this 31st day of December, 1980.

Wm. Brown
Presiding Officer

Patricia Turner
Secretary

EXHIBIT D

SITE PLAN

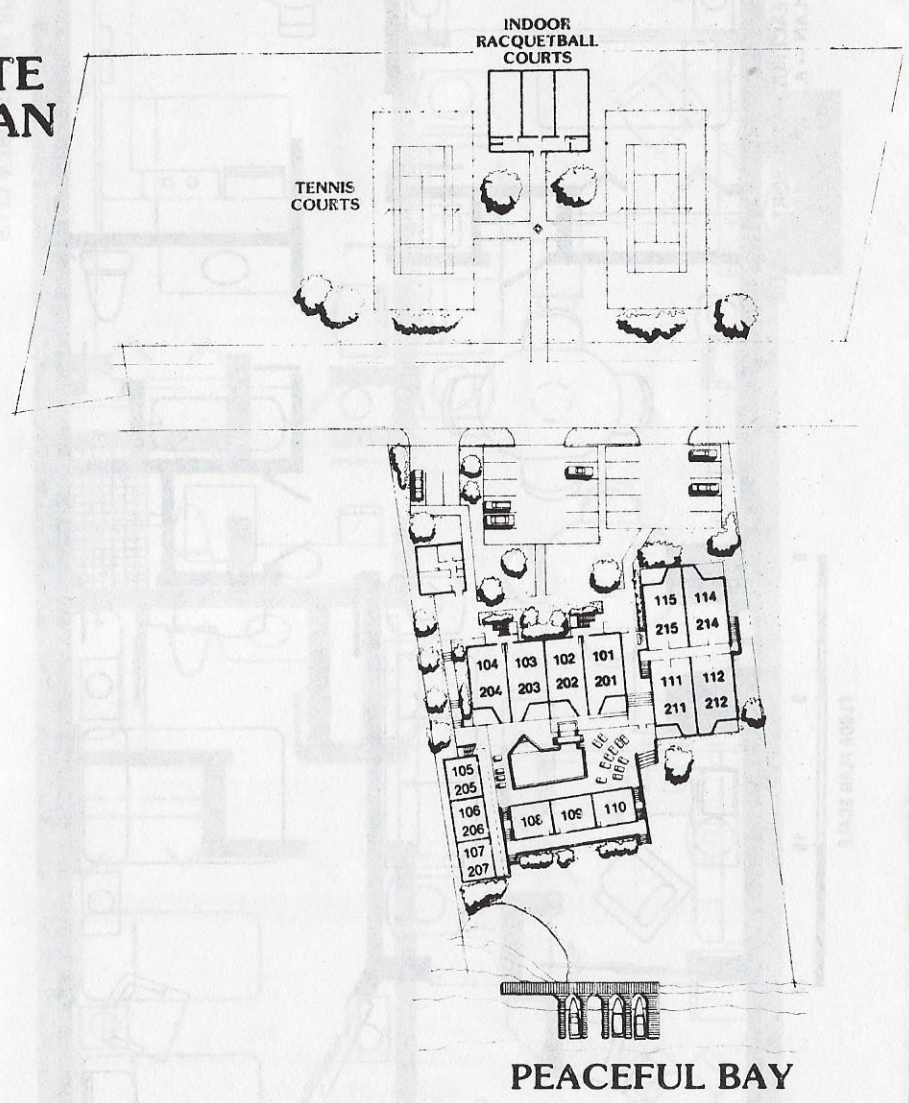


EXHIBIT E

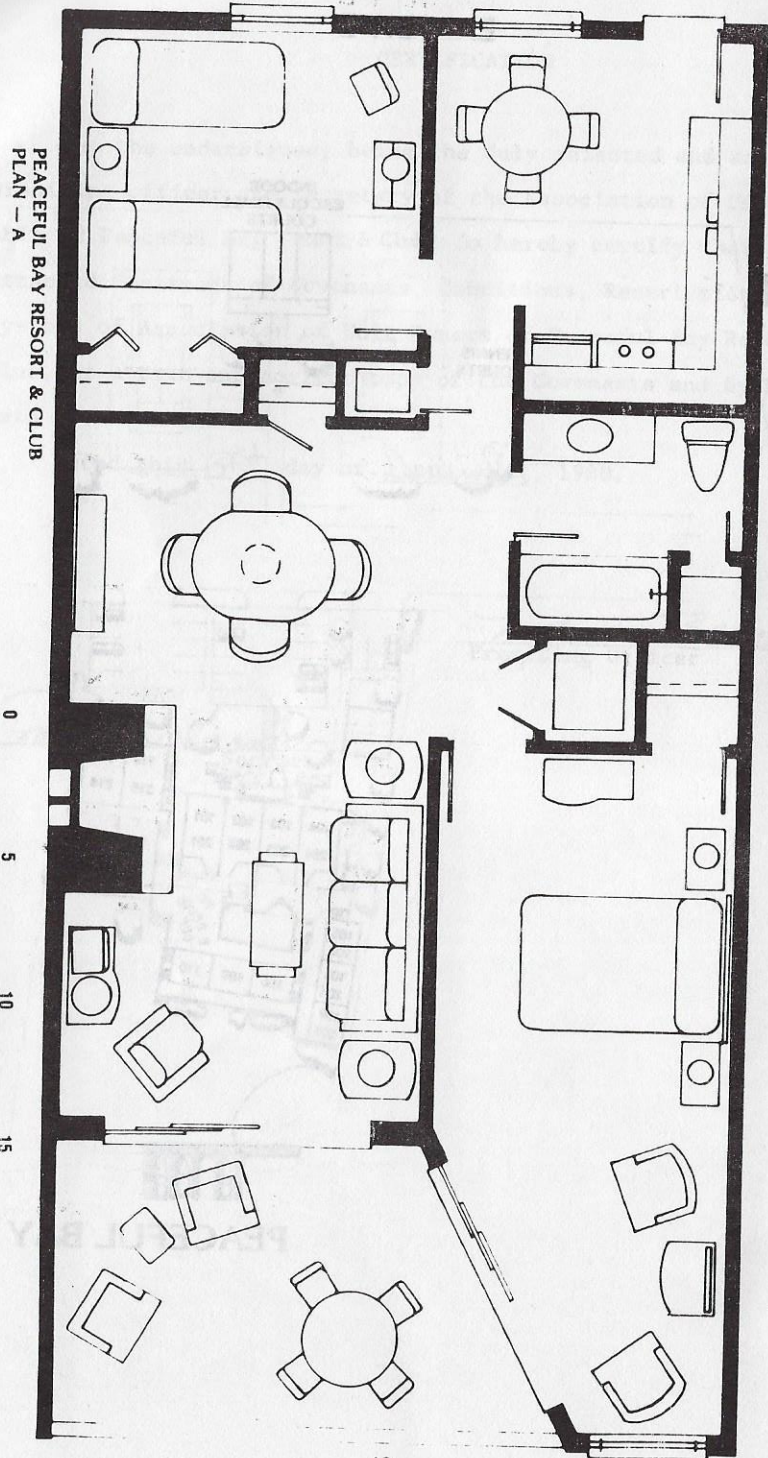


EXHIBIT F

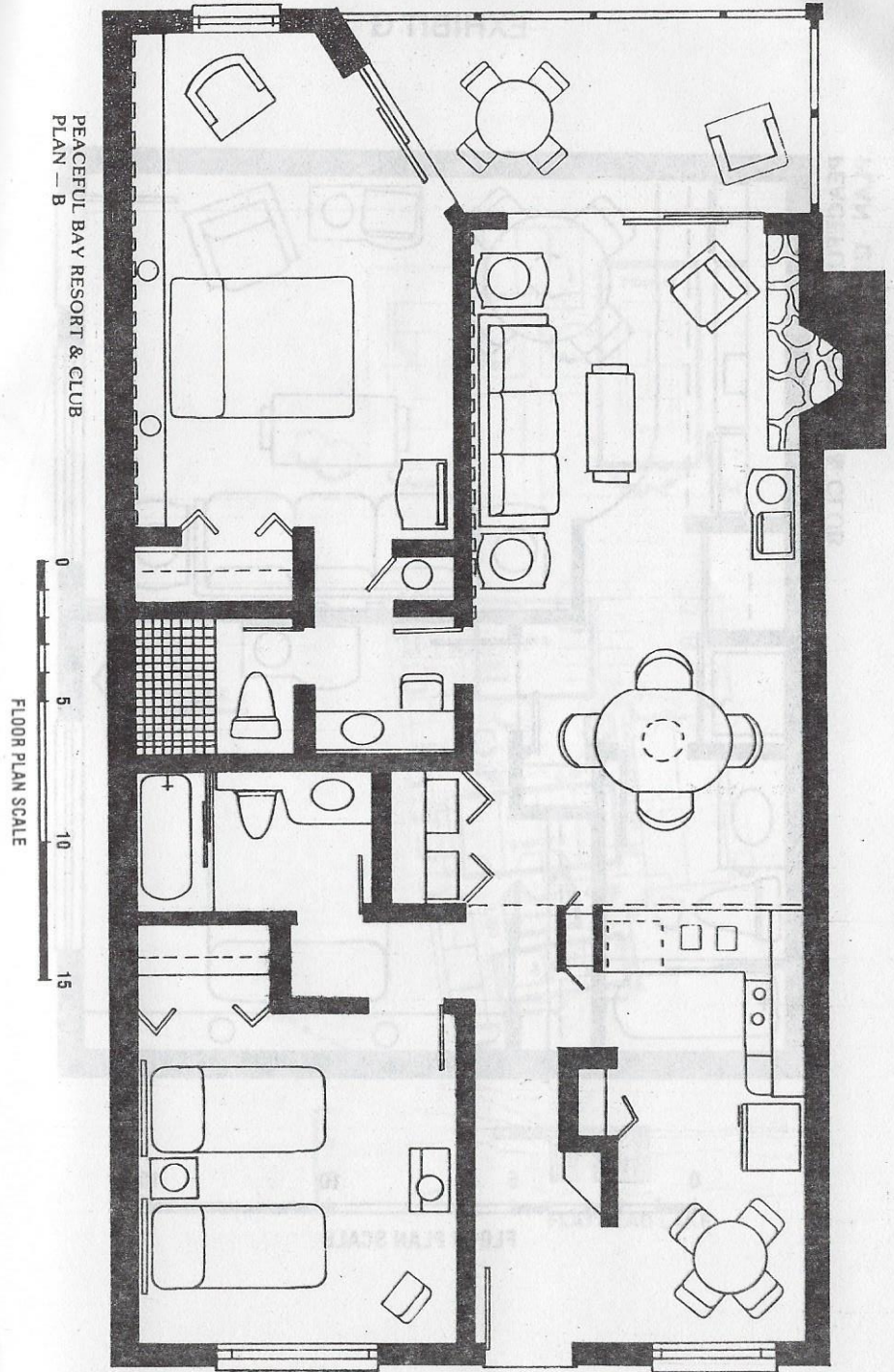
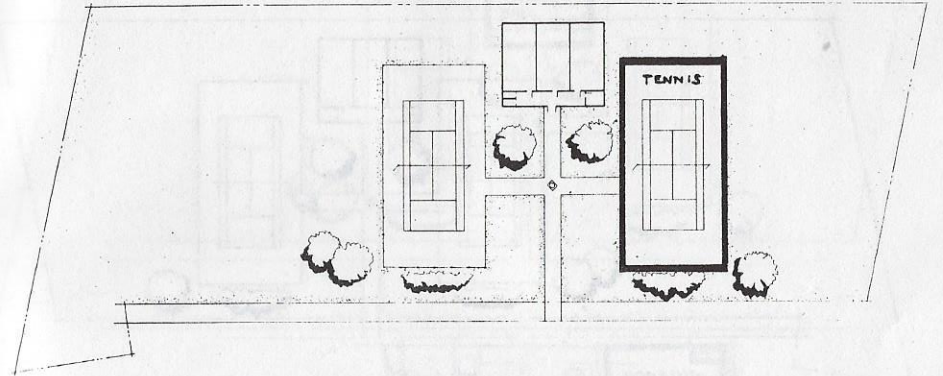
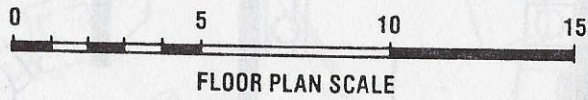
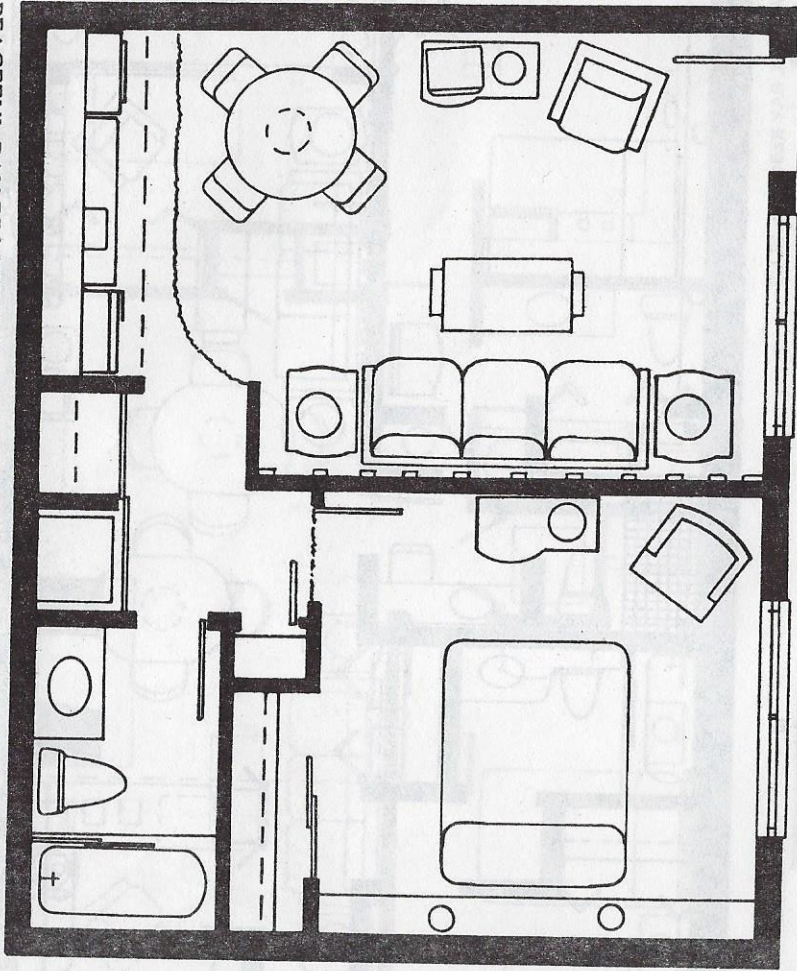


EXHIBIT G

PEACEFUL BAY RESORT & CLUB
PLAN - C

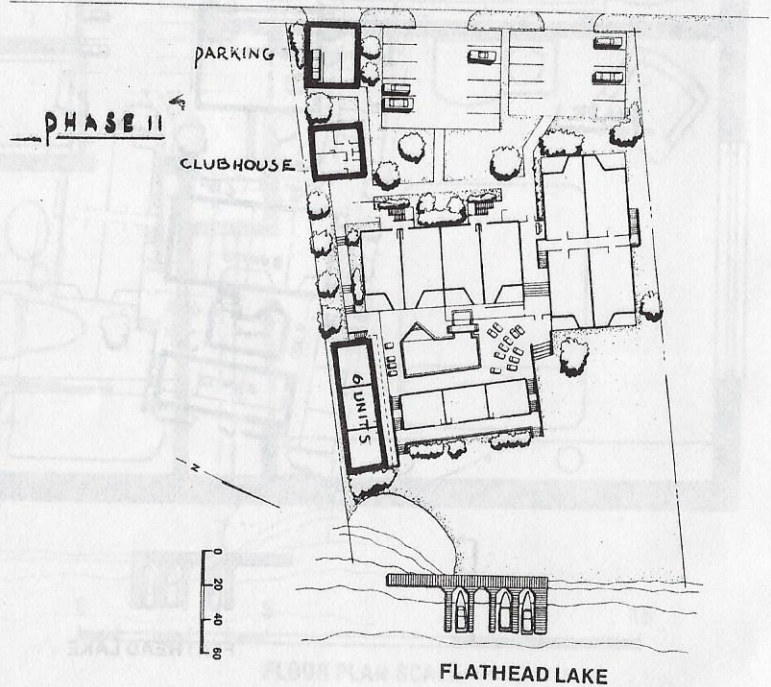
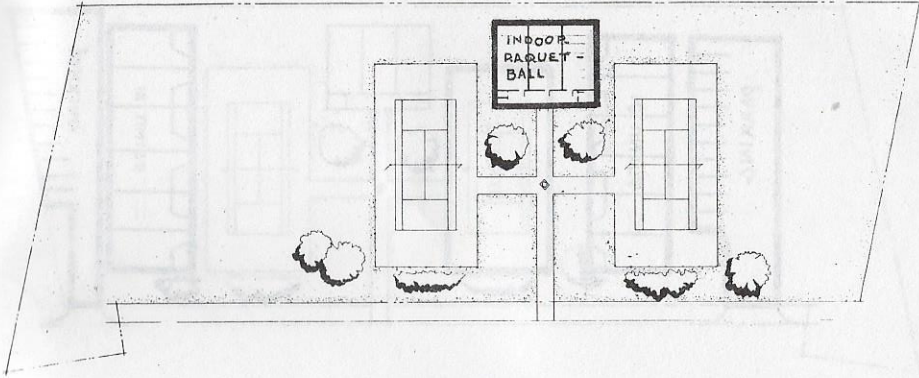
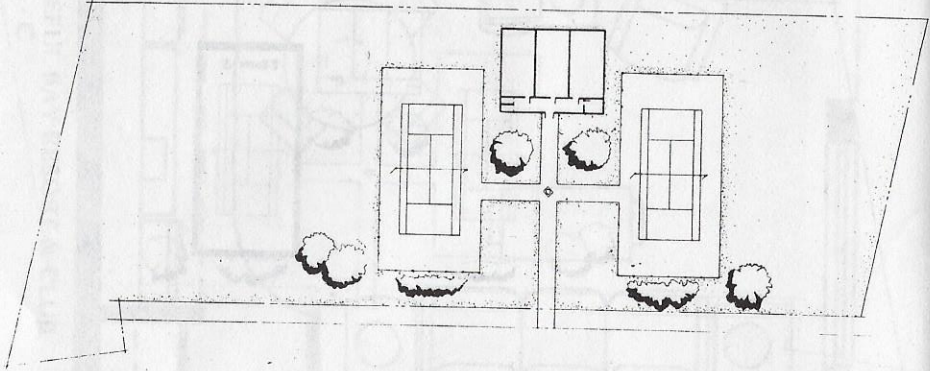


PHASE I

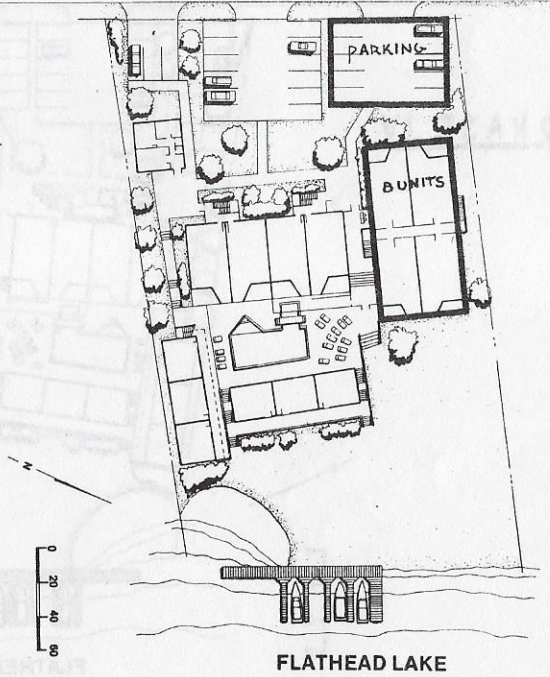


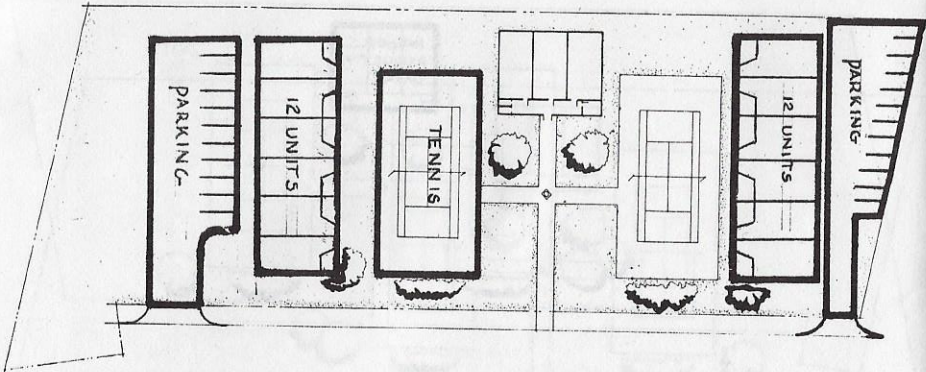
FLATHEAD LAKE

FLATHEAD LAKE

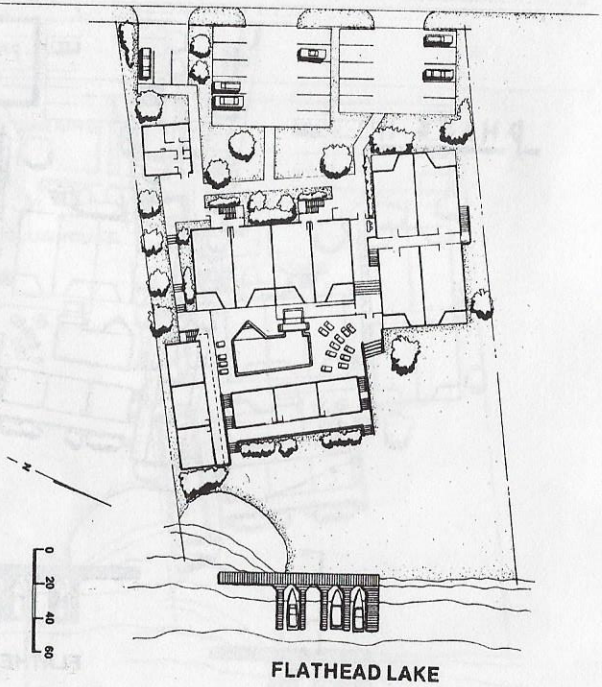


PHASE III





PHASE IV



FLATHEAD LAKE