

Return to:
The Babcock, LLC
115 N. Broadway, #515
Billings, MT 59101
File No. 37116

DECLARATION OF UNIT OWNERSHIP
FOR HISTORIC BABCOCK BUILDING

THE BABCOCK, LLC, does hereby make and submit for filing the following Declaration under the Unit Ownership Act of the State of Montana, Section 70-23-101, et seq. Montana Code Annotated.

SUBMISSION TO UNIT OWNERSHIP

The purpose of this Declaration is to submit the real property herein described and the improvements constructed thereon to the form of ownership and use provided by Chapter 23, Title 70, Montana Code Annotated, hereinafter referred to as the "Montana Unit Ownership Act". The definition of terms in this Declaration and the Bylaws of the Association shall be those definitions used in the Montana Unit Ownership Act, except as otherwise provided above. The real property included within the project, which shall be named "Historic Babcock Building", is located in Yellowstone County, Montana, is owned in fee simple by THE BABCOCK, LLC, and is more particularly described as follows:

All of Lots 7, 8, 9, 10, 11 and 12 and that part of Lot 6 described as follows:

Commencing at the northwest corner of said Lot 6; Thence in a southerly direction along the west line of said Lot 60.22 feet;
Thence in a northeasterly direction to the northeast corner of said Lot 6;
Thence in a westerly direction along the north line

of said Lot 6 to the point of beginning;

All in Block 93 of the Town of Billings, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office-of the Clerk and Recorder of said County, under Document #16312.

The Babcock, LLC is party to a Development Agreement dated September 22, 2009 (“Development Agreement”) with the City of Billings, Montana (“City”), a municipality of the State of Montana, and Downtown Billings Partnership, Inc. (“DBP”), for the redevelopment and restoration of the Historic Babcock Building and the ultimate conveyance of the Babcock Theater (Unit 1A herein) to the City or its assignee on or before April 1, 2016. City is also the beneficiary of a Deed of Trust dated October 2, 2008 recorded as a first priority mortgage lien against the Historic Babcock Building under Document No. 3482269, records of Yellowstone County, Montana (“City Deed of Trust”) securing performance of the Development Agreement. As a result, City has interests as a future owner and as an Eligible Mortgage Holder against the Historic Babcock Building. Notwithstanding any other provisions of this Declaration, the rights and interests of the City and DBP under the Development Agreement and the City Deed of Trust and the duties and obligations of The Babcock, LLC to the City and DBP under the Development Agreement and the City Deed of Trust shall control over the provisions of this Declaration.

In the event of any conflict between the Development Agreement or the City Deed of Trust and these Declarations or the Bylaws of the Historic Babcock Building Non-Profit Owners Association, the provisions of the Development Agreement or the City Deed of Trust shall control until such time as Unit 1A is conveyed to the City; provided, however, that the floor plans attached as Exhibit A, pages 1 through 5, hereto shall control over the floor plans attached to the Development Agreement.

The provisions of this Declaration and the Bylaws of HISTORIC BABCOCK BUILDING NON-PROFIT OWNERS ASSOCIATION, shall be covenants running with the land and shall be binding on all owners, their tenants, employees, customers and guests, for so long as the real property described herein is subject to the provisions of the Montana Unit Ownership Act.

EASEMENTS

1. EASEMENTS.

There shall exist for the benefit of each unit and as a burden on the other units the following easements:

- (a) Easement through the general and limited common elements for ingress and egress for all persons making use of such common elements in accordance with the terms of this Declaration. Each unit owner and the owner's tenants shall have an unrestricted right of ingress and egress across the common elements to the owner's unit.
- (b) Easements through the units and common elements for maintenance, repair and replacement of the units and common elements. Use of these easements, however, for access to the interior of units shall be limited to reasonable hours, except that access may be had at any time in case of emergency
- (c) Every portion of a unit which contributes to the structural support of the building shall be burdened with an easement of structural support for the benefit of the common elements.
- (d) Easements through the units and common elements for all facilities for the furnishing of utility services within the building, which facilities shall include but not be limited to conduits, ducts, plumbing and wiring and access to those facilities for maintenance, repair and replacement; provided that the easements for such facilities through a unit shall be only substantially in accordance with the plans of the building. The right to place towers, receivers, generators, cables, wires, pipes or solar collectors on the exterior of the building shall require the prior written consent of the Board. Such consent may be withheld for any reason.
- (e) Easements for encroachments (and, maintenance thereof) of any portion of the general common elements or limited common elements upon a unit or units so long as they

stand, and easements for encroachments (and maintenance thereof) of any portion of a unit upon the general common elements, limited common elements, and upon an adjoining unit or units, so long as they stand.

Such encroachments and easements shall not be considered or determined to be encumbrances either on the general common elements, the limited common elements, or on the units for purposes of marketability of title.

2. GRANT OF ADDITIONAL EASEMENTS

a) The undersigned hereby grants an easement over and across the common elements for mail service, fire service, police protection and emergency services.

b) It is the intent of The Babcock, LLC and City that the lobby area adjacent to the Theater, described as the Arcade in Unit 1B, shall always be available for unrestricted use by the owner, operator and patrons of the theater for theater-related activities.

The undersigned hereby grants unto the City and to its successors and assigns that own, operate or occupy Unit 1A, , and to their servants, agents, employees, guests, assigns and invitees, a nonexclusive, irrevocable and permanent easement for unrestricted use of the Arcade in Unit 1B and the restrooms therein, as described on the attached Exhibit A, page 2 (Arcade). This easement shall be for the benefit of Unit 1A to provide access, additional lobby space and restrooms for use by persons participating in or attending theater-related events. The Babcock LLC and the Association shall ensure unrestricted use of the easement such that there is no conflict or interference with the easement granted herein.

This easement shall become effective upon conveyance of Unit 1A to City or its assignee. The Babcock LLC and the Association shall execute any further documents, now or in the future, necessary to carry into effect the grant of and intent of this easement. Upon completion of construction

of the Arcade, but prior to conveyance of Unit 1A to City, The Babcock LLC and the Association shall make the Arcade available for Theater-related events, consistent with the terms of this easement.

The owner or operator of Unit 1A shall pay a reasonable fee for cleaning and maintenance attributable to its use of the restrooms in the Arcade in Unit 1B. This fee shall include charges for restroom supplies and repairs reasonably related to its use of the restrooms. This easement shall run with the land for the benefit of Unit 1A and shall be binding upon the owner of Unit 1B and its successors and assigns.

3. POWER OF THE BOARD TO GRANT FURTHER EASEMENTS.

The Board of Directors of the Association is authorized and empowered to grant such licenses, easements, and rights of way for sewer lines, water lines, gas lines, television cable lines, telephone lines, underground conduits; and other public utility purposes over and through the common elements, as may be necessary and appropriate for the maintenance, preservation, and enjoyment of the common elements or the units, or for adding utility services to any unit.

DESCRIPTION AND OWNERSHIP OF PROJECT

4. DESCRIPTION OF PROJECT.

The project consists of the land described above and the multi-level building on that land. The building is of steel, timber, dimensional lumber, and reinforced concrete construction with brick and terra cotta siding, concrete foundation and membrane roof. The floor plans for each unit, the size of each unit, and the location and unit designation for each unit, are shown on the attached Exhibit A, pages 1 through 5. The site plan showing the location of the Building on the property is attached hereto as Exhibit B. Exhibits A and B are by this reference incorporated in this Declaration.

At present the Building contains 3 units, namely Unit 1A, Unit 1B and Unit 1C, as shown on Exhibit "A". The owner of any unit shall have the right to divide its unit into separate smaller units by building one or more additional common walls within the owner's existing unit; provided that Unit 1A, the Arcade in Unit 1B, and the General or Limited Common Areas shall not be divided without the written consent of the owner of Unit 1A and the City of Billings so long as the City holds the City Deed of Trust. Each new smaller unit shall have a separate door for ingress and egress to the common areas on the street. If a unit is divided, the percentage of undivided interest in the common elements appurtenant to the unit before division shall be divided among the new smaller units created by the division in proportion to the floor area of each smaller unit. When a unit is divided, the owner of the units shall record an amendment to this Declaration, showing the floor plans for the new smaller units and setting forth the undivided interest in the general common elements appurtenant to each new unit. A portion of any divided unit may be designated as limited common elements, to be owned and used by the owners of some or all of the divided units.

Developer reserves the right to modify or change the plans shown on the attached Exhibit A as to Units 1B and 1C (but not the plans for Unit 1A, the Arcade in Unit 1B, and the General or Limited Common Areas), and to amend this Declaration to reflect these changes or to show a division of units. Subject to the foregoing, each owner and each lender, by acceptance of a deed to a unit or recordation of a mortgage on a unit, shall be deemed to consent to such modification or change.

5. DESCRIPTION OF UNIT.

Each unit shall consist of a separate space bounded by the surface of the floor, the surface of the ceiling, the center of the interior common walls between two units, if any, the interior surface of walls which separate a common area and the interior of a unit, and the interior surface of the exterior building walls adjoining the unit.

The doors, windows, exterior awnings, ventilation systems, heat pumps, and furnaces and air conditioners, if any, and utility lines and pipes which serve only one unit are also part of the unit. The areas of the roof above Unit 1A and above Unit 1B are each respectively part of the unit covered by that area of the roof as depicted on Exhibit A, page 5.

The boundaries of each unit are shown on the attached Exhibit A.

6. COMMON ELEMENTS.

a) The General Common Elements include all of the land described above, the exterior walls and foundation of the building, interior walls which are not part of a unit or a limited common area, and the following:

- i. All hallways, storage rooms, supply closets, boiler rooms and utility rooms labeled "GC" or "Common" on the plans attached as Exhibit A;
- ii. The sprinkler system which provides fire protection;
- iii. The utility chases, air vents and boiler flue which run vertically through the building;
- iv. All utility lines and pipes which serve more than one unit;
- v. Electrical panels.

Access to the utility chases and the mechanical and utility rooms and supply closet shall be restricted to the persons designated in writing by each Unit owner. As indicated on the attached floor plans there are encroachments in the alley for air intake for the theater and a utility chase for the entire building. The maintenance and repair of the air intake for the theater shall be the responsibility of Unit 1A. The utility chase shall be a General Common Element to be maintained and repaired by the Association.

As indicated on the attached basement floor plan, portions of the basement consisting of sidewalk vaults are located in the public right of way. Such portions of the basement are not part of any unit, the Historic Babcock Building, or the common areas. Each unit owner and any tenant

of a unit owner shall indemnify and hold City harmless from any unit owner's or tenant's activities within the sidewalk vault adjoining and accessed by the unit owner's unit.

b) At present time, there are no Limited Common Elements.

c) In the event it is unclear whether an improvement is a common element or a part of a unit, the exterior of the building and improvements shared by or serving more than one unit shall be common elements and those inside a unit shall be part of the unit served unless this Declaration states otherwise.

7) OWNERSHIP.

Each unit owner shall be a fee simple owner of the unit and of an undivided interest in the common elements. The percentage of the undivided interest for each unit is as follows:

Unit 1A	38%
Unit 1B	60%
Unit 1C	2%

Each unit, an appurtenant undivided interest in the common elements, the use of limited common elements reserved for that unit, membership in HISTORIC BABCOCK BUILDING NON-PROFIT OWNERS ASSOCIATION and the assessment account for that unit shall together comprise one unit, shall be inseparable, and may be conveyed, devised or encumbered only as a unit. Any conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an individual unit owner's interest in the common elements shall be void unless the unit to which that interest is attached is also included in the transfer.

MEMBERSHIP IN HISTORIC BABCOCK BUILDING
NON-PROFIT OWNERS ASSOCIATION

Each unit owner shall be a member of HISTORIC BABCOCK BUILDING NON-PROFIT OWNERS ASSOCIATION. Membership shall be appurtenant to and may not be separated from ownership of a unit. Owners shall be entitled to one vote for each unit owned. Votes shall be weighted, with the vote for a unit equaling the undivided interest in the common elements attached to that unit. When more than one person holds an interest in any unit, all such persons shall be members. The vote for such a unit shall be exercised as the owners determine, but in no event shall more than one vote be cast for a unit. The Bylaws of the Association shall include a voting agreement between current and future unit owners ensuring City the right to elect one director on the Association's three director Board of Directors.

USE

Units may be used for any lawful business, office, storage or commercial purpose, or for residences. The owner of two or more adjacent units may remove or perforate the wall or walls separating the units and use the units as a single business, residence, office or storage area, so long as the structural integrity of the building is not affected and any removed or perforated walls are replaced before the sale of any of the units. If an owner decides to remove walls between units, the owner of such units shall still be entitled to all rights of ownership of separate units and be subject to all obligations of separate units as provided for herein and contained in the Bylaws of the Association.

Additional restrictions on use are set forth in the Bylaws of the Association.

RESTRICTIONS ON LEASING.

Owners may lease all or a part of their unit. Any lease or rental agreement shall be in writing and shall subject the tenant to the provisions of this Declaration, the Bylaws for the Association, and all rules and regulations adopted by the Association. Owners shall be responsible for any violation by their Tenants of the provisions of this Declaration, the Bylaws of the Association or any rules and regulations adopted by the Association unless the owner has designated the tenant as the unit owner pursuant to the procedure set forth in 70-23-102(16) MCA. Owners shall not designate a tenant as a unit owner if the tenant's lease term is for less than one year or if the tenant leases only a part of the owner's unit.

COMMON EXPENSES

a) General Common Expenses. All of the following Association expenses shall be charged to the unit owners as a general common expense, according to each unit owner's percentage of undivided interest in the general common elements:

- ii. Administrative expenses of the Association, including management, accounting and legal fees incurred by the Association;
- iii. The Association's costs of enforcing this Declaration and the Bylaws and rules, and regulations of the Association to the extent such costs are not paid by the violating member;
- iv. Except as otherwise provided herein, the cost of maintenance, repair and replacement of general common elements, including the cost of maintenance and repair of the exterior surfaces of the building, except the roof, windows and doors;

- v. Casualty, fidelity and liability insurance premiums for the units and common areas, as provided in the Bylaws of Historic Babcock Building Non-Profit Owners Association;
- vi. All bills for common utilities, and all bills for garbage removal if the cost of such removal is not included in the property tax bills for each unit;
- vii. Salaries of employees of the Association, if any, and compensation of a manager and other agents of the Association, if any.

b) Limited Common Expenses. All costs of maintenance, repair and replacement of limited common elements used by two or more units shall be charged to the unit owners having the right to use the limited common elements. The share of each unit owner shall equal the undivided interest in the common elements appurtenant to that owner's unit, divided by the undivided interest in the common elements appurtenant to all units having the right to use the limited common element, multiplied by the total expense(s) to be shared. There are presently no limited common elements reserved for the use of a single unit.

c) Joint and Several Liability. Co-owners of a unit shall be jointly and severally liable for payment of common expenses for the unit owned.

d) Expenses Due to Misuse or Neglect of Owner. Expenses for maintenance or repairs due to the misuse or neglect of a unit owner shall be charged to such unit owner, and shall be payable solely by that owner. The charges shall be a lien on the unit of the responsible owner; the lien may be foreclosed by the Association in the same manner a lien for common expenses.

8) COVENANT TO PAY MAINTENANCE ASSESSMENTS.

Assessments shall be made by the Association for all common expenses set forth in Section above or elsewhere in this Declaration or the Bylaws of the Association. Each unit owner, by acceptance of a deed, whether or not it shall be expressed in said deed, is deemed to covenant and agree to pay to the Historic Babcock Building Non-Profit Owners

Association, all periodic and special assessments made by the Association for common expenses and to waive any right said owner may have, under the laws of the United States or the State of Montana, to claim a homestead exemption for said assessments.

9) REMEDIES FOR NON-PAYMENT OF ASSESSMENTS.

All unpaid sums assessed by the Association for common expenses and utility expenses chargeable to any unit, and all other monies owed by a unit owner to the Association, together with interest, late payment fees, collection costs, costs of suit or arbitration and reasonable attorney fees, shall constitute a lien on such unit, and if filed of record, may be foreclosed in the same manner as a construction lien. During any such foreclosure, the unit owner shall be required to pay a reasonable rental for the unit, and type plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the rent.

Each assessment for common expenses and for utility expenses, together with interest, late payment fees, collection costs and costs of suit or arbitration, and reasonable attorney fees, shall also be the personal obligation of the owner of the unit against which the assessment was made at the time the assessment fell due, and a suit or arbitration proceeding to recover a money judgment for unpaid assessments or for other monies owed to the Association shall be maintainable by the Association against said owner without foreclosing or waiving the lien securing the same.

All costs of collection of delinquent assessments, including but not limited to court costs, costs of filing liens, and attorney fees, shall be the obligation of the non-paying unit owner and may be added to the next regular assessment for that unit. Such costs shall be a lien on the unit of the non-paying owner and, if unpaid, the lien may be foreclosed in the same manner as a lien for unpaid common expenses.

PROTECTION OF CITY/LENDERS.

a) Eligible Mortgagee Protection. Except as specifically provided in this Declaration or in the Montana Unit Ownership Act, no provision of this Declaration shall be construed to grant to any owner or to any other person, any priority over any lien rights of an Eligible Mortgage Holder pursuant to its Security Interest in the case of distributions of insurance proceeds or condemnation awards.

b) Subordination. Notwithstanding any contrary provision of this Declaration, the lien of any assessment for common expenses upon any unit (and any penalties, interest on assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of an Eligible Mortgage Holder; provided, however, that such subordination shall apply only to assessments on a unit which have become due and payable prior to a sale or transfer of such unit pursuant to a decree of foreclosure, or to any deed or other proceeding in lieu of foreclosure, and any such sale or transfer in foreclosure or in lieu of foreclosure shall not relieve the purchaser of the unit from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessment.

c) Notice to Eligible Mortgage Holders. The Association shall give prompt written notice to each Eligible Mortgage Holder of:

- i. Any casualty loss which affects a material portion of the condominium project or any unit in which there is a security interest held by such Eligible Mortgage Holder;
- ii. Any delinquency in the payment of common expense assessments owed by an owner whose unit is subject to a first security interest held by such Eligible Mortgage Holder, which remains uncured for a period of 60 days;
- iii. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- iv. Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders; and
- v. Any judgment rendered against the Association.

d) Inspection of Books. The Association shall permit any Eligible Mortgage Holder to inspect the books and records of the Association during normal business hours.

e) Financial Statements. The Association shall provide any Eligible Mortgage Holder, upon written request, with a copy of an annual financial statement from the Association within 90 days following the end of each fiscal year of the Association. Such financial statement may be audited by an independent certified public accountant if any Eligible Mortgage Holder requests it, in which case the Eligible Mortgage Holder shall bear the cost of the audit. The Association shall require that the cost of audit be paid in advance.

f) Attendance at Meetings. Any representative of an Eligible Mortgage Holder may attend and address any meeting which an owner may attend.

g) Enforcement. The provisions of this Section are for the benefit of Eligible Mortgage Holders and their successors, and may be enforced by any of them by any available means, at law, or in equity.

MISCELLANEOUS

10) PROCESS.

Service of process in the cases provided for in Section 70-23-901, Montana Code Annotated, shall be made upon KIMBERLY OLSEN, of 208 North Broadway, Suite 350, Billings, Montana 59101. This provision may be amended in the manner provided in Section 70-23-902, MCA.

11) RIGHTS AND OBLIGATIONS OF DEVELOPER.

Developer shall have all of the rights and duties afforded to any owner under the terms of this Declaration, the Bylaws of the Association, and Montana law.

12) AMENDMENT.

This Declaration shall be amended only by written consent of the owners of 75% of the common elements and by written consent of City, so

long as City holds the City Deed of Trust. Amendments of a material adverse nature to Eligible Mortgagee Holders must be approved by Eligible Mortgagee Holders that represent at least 51% of the votes of units that are subject to mortgages. Approval shall be assumed when an Eligible Mortgagee Holder fails to submit a response to any written proposal for an amendment within sixty days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested, provided the notice references the 60 day waiver deadline.

All amendments to the Declaration shall be recorded in the office of the Yellowstone County Clerk and Recorder, Billings Montana.

13) UNITS SUBJECT TO DECLARATION, BYLAWS, RULES AND REGULATIONS, AND RESTRICTIVE COVENANTS.

All present and future owners of units shall be subject to, and shall comply with the provisions of this Declaration, the Bylaws, restrictive covenants, and rules and regulations adopted by the HISTORIC BABCOCK BUILDING NON-PROFIT OWNERS ASSOCIATION, as these instruments may be amended from time to time. The execution of a purchase contract by a unit owner or the acceptance of a deed thereto shall constitute acceptance of the provisions of such instruments by such owner. All owners shall be responsible for insuring compliance by their tenants, family members, customers, other occupants of their unit and their guests. The provisions of the Declaration and the Bylaws, restrictive covenants and rules and regulations adopted by the Historic Babcock Building Owner's Association shall be covenants running with the land and shall bind any person having an interest in such unit as though the provisions were recited and fully stipulated in each deed or conveyance thereto. The invalidity of any provision of this Declaration shall not affect in any manner the: validity or enforceability of the remainder of the Declaration. No provision in this Declaration shall be deemed to have been

waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

14) RIGHTS OF ACTION.

The Historic Babcock Building Owner's Association and any aggrieved unit owner shall have the right to maintain an action for specific performance, for damages and/or for injunction, against any unit owner or the Association for failure to comply with the provisions of this Declaration or the Bylaws of the Association, or any restrictive covenants adopted by the Association.

The prevailing party in any such action and in binding arbitration shall be entitled to recover its costs and attorney fees actually incurred from the losing party. In addition, the Association shall be entitled to recover from any owner violating the provisions of this Declaration, the Bylaws of the Association, or Rules and Regulations duly adopted by the Association, including failure to pay assessments when due, all costs and attorney fees incurred in compelling compliance without filing for arbitration or bringing a court action. Owners shall be responsible for non-compliance by their tenants.

15) CONFLICTS.

In the event of any conflict between this Declaration and the provisions of the Bylaws of Historic Babcock Building Owners Association, the provisions of this Declaration shall govern and apply.

16) DEFINITIONS.

In the interpretation of this Declaration and Bylaws for Historic Babcock Building Non-Profit Owners Association, the following definitions shall apply:

- a. "Association" means the HISTORIC BABCOCK BUILDING NON-PROFIT OWNERS ASSOCIATION, being all the unit owners acting as a group in accordance with this Declaration and duly adopted Bylaws.
- b. "Building" means the multiple unit Historic Babcock Building located on the real property described herein.

- c. "Common Elements" means the general common elements and the limited common elements.
- d. "Common Expenses" means the general common expenses and the limited common expenses.
- e. "Developer" is THE BABCOCK, LLC, or any entity to whom THE BABCOCK, LLC assigns its development rights. A grant of a deed to a single unit shall not be deemed a transfer of development rights.
- f. "Eligible Mortgage Holder" means the holder of a first mortgage or trust indenture on any unit and the City of Billings, so long as it is the holder of a deed of trust on any unit, whether or not that deed of trust is a first mortgage, which has requested, in writing, that the Association notify it of any proposed action requiring the consent of a specified percentage of eligible mortgage holders.
- g. "General Common Elements" are defined in Section 5(a) of this Declaration. Any portion of the project not identified as part of a unit or as a limited common element shall be a general common element.
- h. "Limited Common Elements" means those common elements designated in this Declaration or by agreement of the unit owners as reserved for the use of fewer than all of the unit owners.
- i. "Majority of the Unit Owners" means those owners who own more than 50% of the undivided interest in the common areas.
- j. "Unit" means a separate living, office, storage or commercial space, as defined in paragraph 4 of this Declaration.
- k. "Unit Owners or Owner" means the person, partnership, LLC, corporation or city owning a unit, including a contract purchaser if a Notice of Purchaser's Interest is recorded with the Yellowstone County Clerk and Recorder, and including co-owners. A lessee of a unit shall not be considered a unit owner.
- l. "Utility Services" is broadly defined to include provision of gas, electricity, water and sewer, television, telephone, internet and other computer services, whether wireless or by wire or cable, and other communication systems and energy systems.

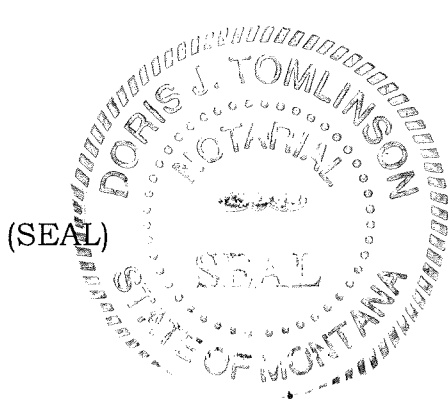
DATED this 26 day of MAY, 2010.

THE BABCOCK, LLC

By: Donald J. Olsen
 Donald J. Olsen, President

STATE OF MONTANA)
 : ss.
County of Yellowstone)

This instrument was acknowledged before me on May 26, 2010, by _____ and Donald J. Olsen, President of THE BABCOCK, LLC, a Montana limited liability company.



Doris J. Tomlinson
Doris J. Tomlinson
(print or type name of notary)
Notary Public for the State of Montana
Residing at Billings, Montana
My Commission Expires July 30, 2012

CERTIFICATE

The undersigned, being the duly authorized agent of the Department of Revenue of the State of Montana, within the County of Yellowstone, herewith executes the following certificate relating to HISTORIC BABCOCK BUILDING situated on the following described real property:

All of Lots 7, 8, 9, 10, 11 and 12 and that part of Lot 6 described as follows:

Commencing at the northwest corner of said Lot 6;
Thence in a southerly direction along the west line of said Lot 6 0.22 feet;
Thence in a northeasterly direction to the northeast corner of said Lot 6;
Thence in a westerly direction along the north line of said Lot 6 to the point of beginning;

All in Block 93 of the Town of Billings, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County, under Document #16312.

The undersigned herewith certifies that:

1. The name "HISTORIC BABCOCK BUILDING" is in compliance with 70-23-303, MCA, and
2. All taxes and assessments due and payable for the said real property have been paid to date.

DATED this 19th day of October, 2009.

MONTANA DEPARTMENT OF REVENUE

By: Beth Connaghan

CERTIFICATE

The undersigned, being the duly authorized agent of the Planning and Community Services Department for the City of Billings, Yellowstone County, Montana, herewith executes the following Certificate relating to HISTORIC BABCOCK BUILDING situated on the following real property:

All of Lots 7, 8, 9, 10, 11 and 12 and that part of Lot 6 described as follows:

Commencing at the northwest corner of said Lot 6;
Thence in a southerly direction along the west line of said Lot 60.22 feet;
Thence in a northeasterly direction to the northeast corner of said Lot 6;
Thence in a westerly direction along the north line of said Lot 6 to the point of beginning;

All in Block 93 of the Town of Billings, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County, under Document #16312.


The undersigned herewith certifies that:

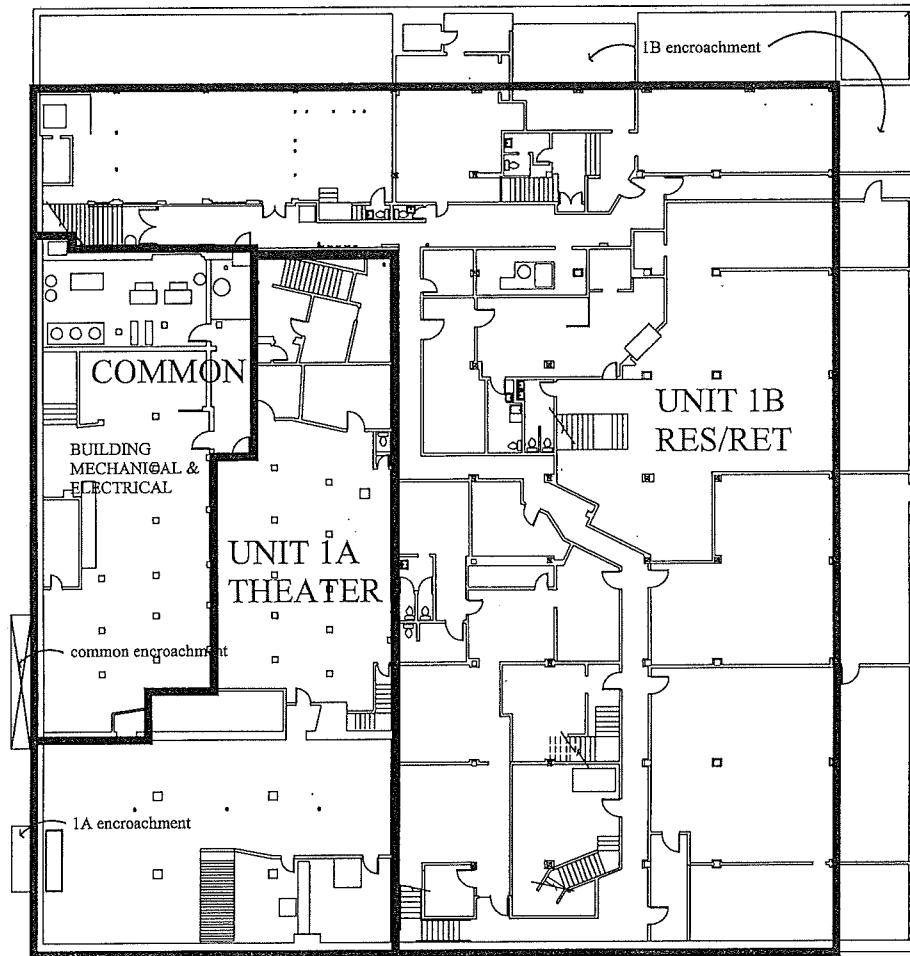
1. The condominium constructed on the land above written is exempt from the provisions of MCA Sections 76-3-101, et seq., pursuant to MCA Section 76-3-203(2).

Specifically:

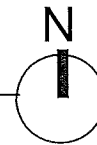
The proposal for HISTORIC BABCOCK BUILDING is in conformance with applicable local zoning regulations where local zoning regulations are in effect.

DATED this 27th day of May, 2010.

By: 
Planning and Community Services
Department, City of Billings,
Yellowstone County, Montana



BASEMENT



FLOOR AREA	20,960 SF
UNIT 1A-THEATER	4,835 SF
UNIT 1B	13,275 SF
UNIT 1C	0 SF
COMMON	2,850 SF

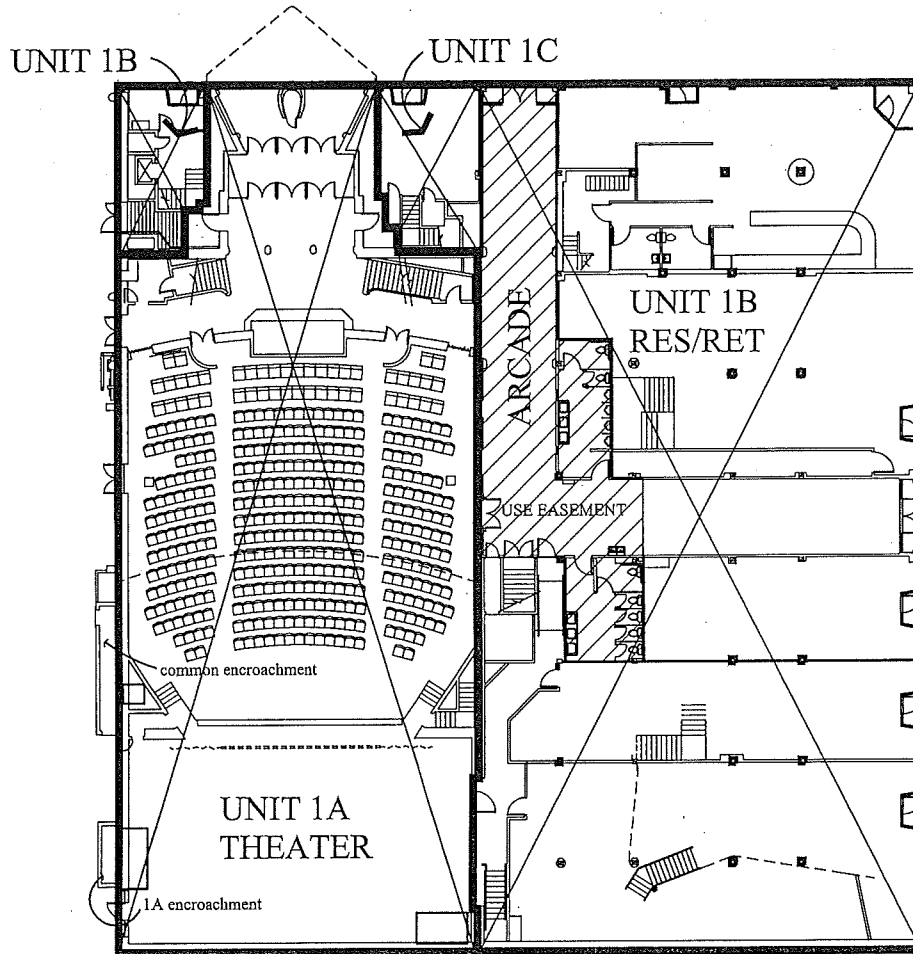


O2 ARCHITECTS
 208 N. BROADWAY #360
 BILLINGS, MONTANA 59101
 FAX 406-256-7123
 PHONE 406-259-7123

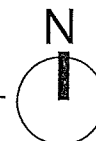
BASEMENT FLOOR PLAN

BABCOCK THEATRE BUILDING 2ND & 28TH ST BILLINGS, MONTANA

04/30/10
 EXHIBIT A
 PAGE 1



GROUND FLOOR



FLOOR AREA	20,960 SF
UNIT 1A-THEATER	8495 SF
UNIT 1B	11,365 SF
UNIT 1C	500 SF
COMMON	0 SF



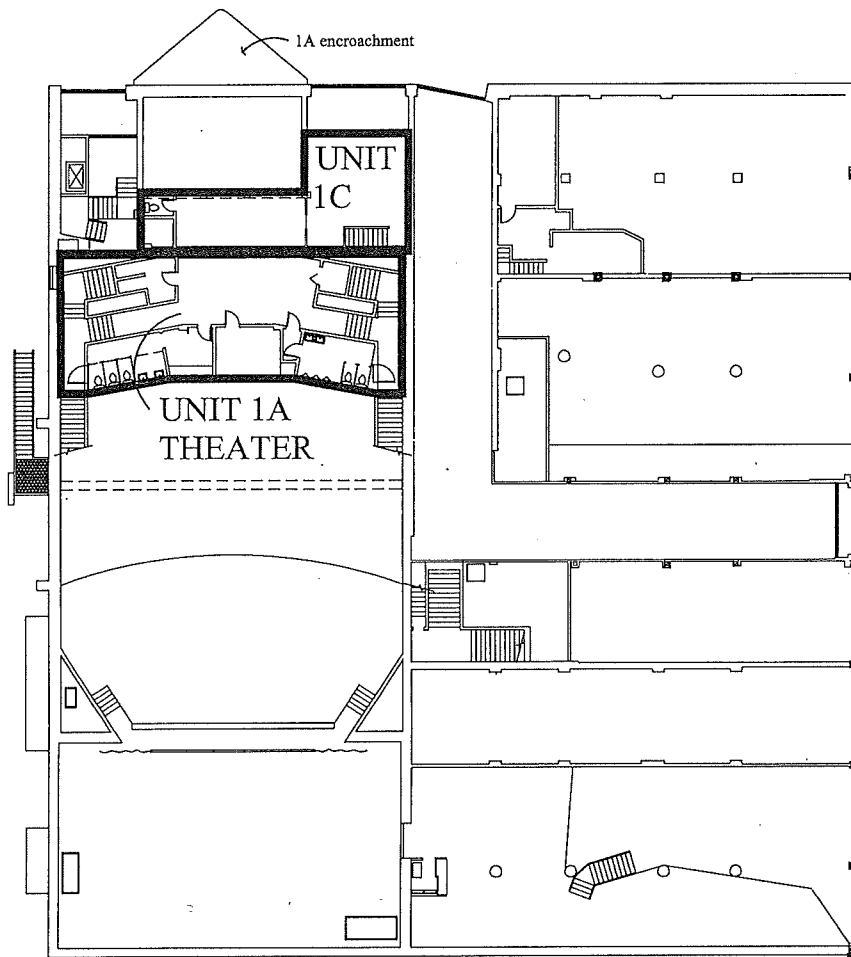
O2 ARCHITECTS
 208 N. BROADWAY #360
 BILLINGS, MONTANA 59101
 FAX 406-256-7123
 PHONE 406-259-7123

GROUND FLOOR PLAN

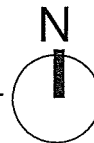
BABCOCK THEATRE BUILDING 2ND & 28TH ST BILLINGS, MONTANA

04/30/10

EXHIBIT A
 PAGE 2



MEZZANINE



FLOOR AREA	2,015 SF
UNIT 1A-THEATER	1,355 SF
UNIT 1B	0 SF
UNIT 1C	660 SF
COMMON	0 SF



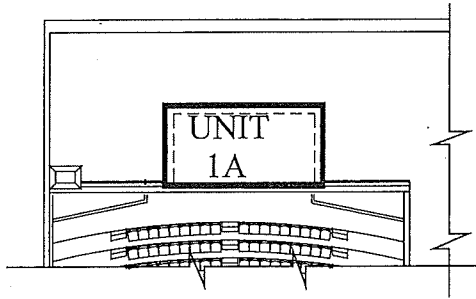
O2 ARCHITECTS
 208 N. BROADWAY #350
 BILLINGS, MONTANA 59101
 FAX 406-256-7123
 PHONE 406-259-7123

MEZZANINE FLOOR PLAN

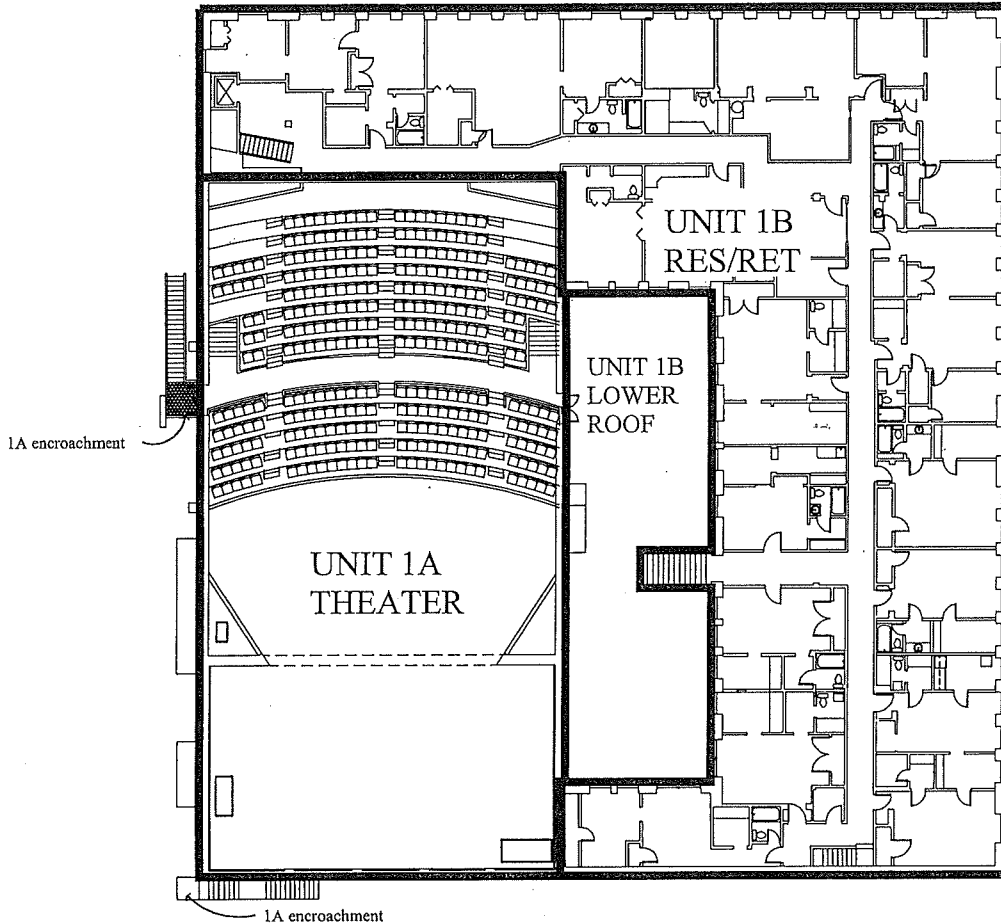
BABCOCK THEATRE BUILDING 2ND & 28TH ST BILLINGS, MONTANA

04/30/10

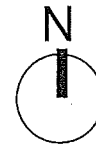
EXHIBIT A
 PAGE 3



PARTIAL SECOND FLOOR (PROJECTION BOOTH)



SECOND FLOOR



FLOOR AREA	19,675 SF
UNIT 1A-THEATER	8,455 SF
UNIT 1B	11,220 SF
UNIT 1C	0 SF
COMMON	0 SF



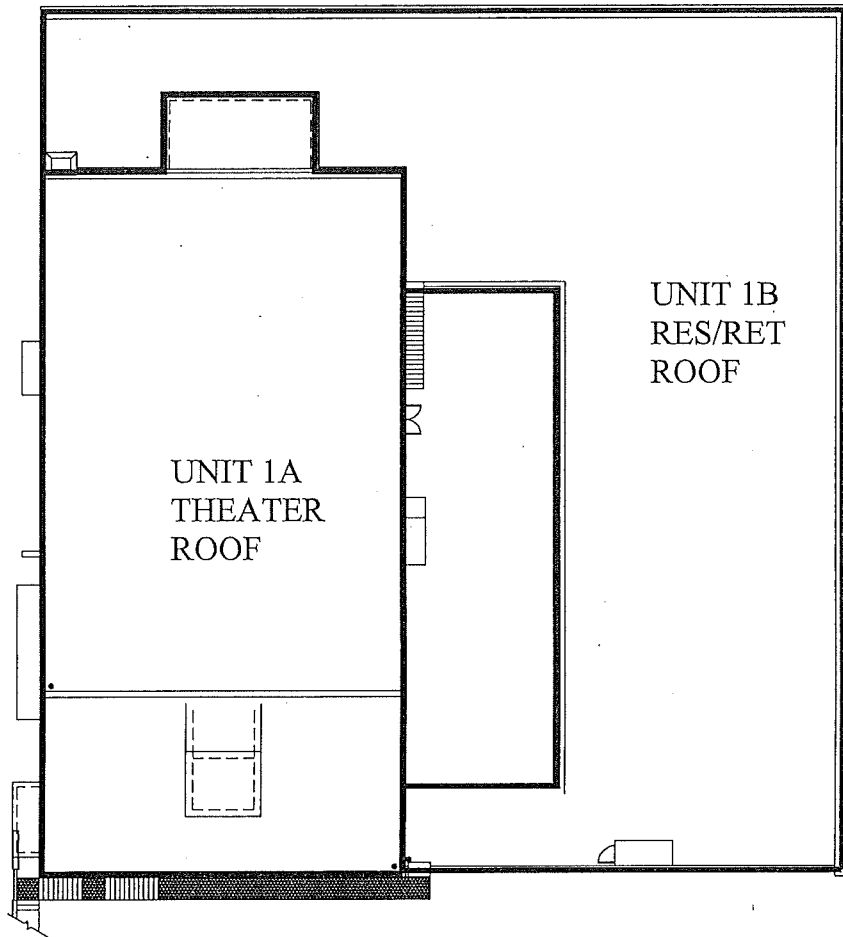
O2 ARCHITECTS
 208 N. BROADWAY #350
 BILLINGS, MONTANA 59101
 FAX 406-256-7123
 PHONE 406-259-7123

UPPER FLOOR PLAN

BABCOCK THEATRE BUILDING 2ND & 28TH ST BILLINGS, MONTANA

04/30/10

EXHIBIT A
 PAGE 4



UPPER ROOF



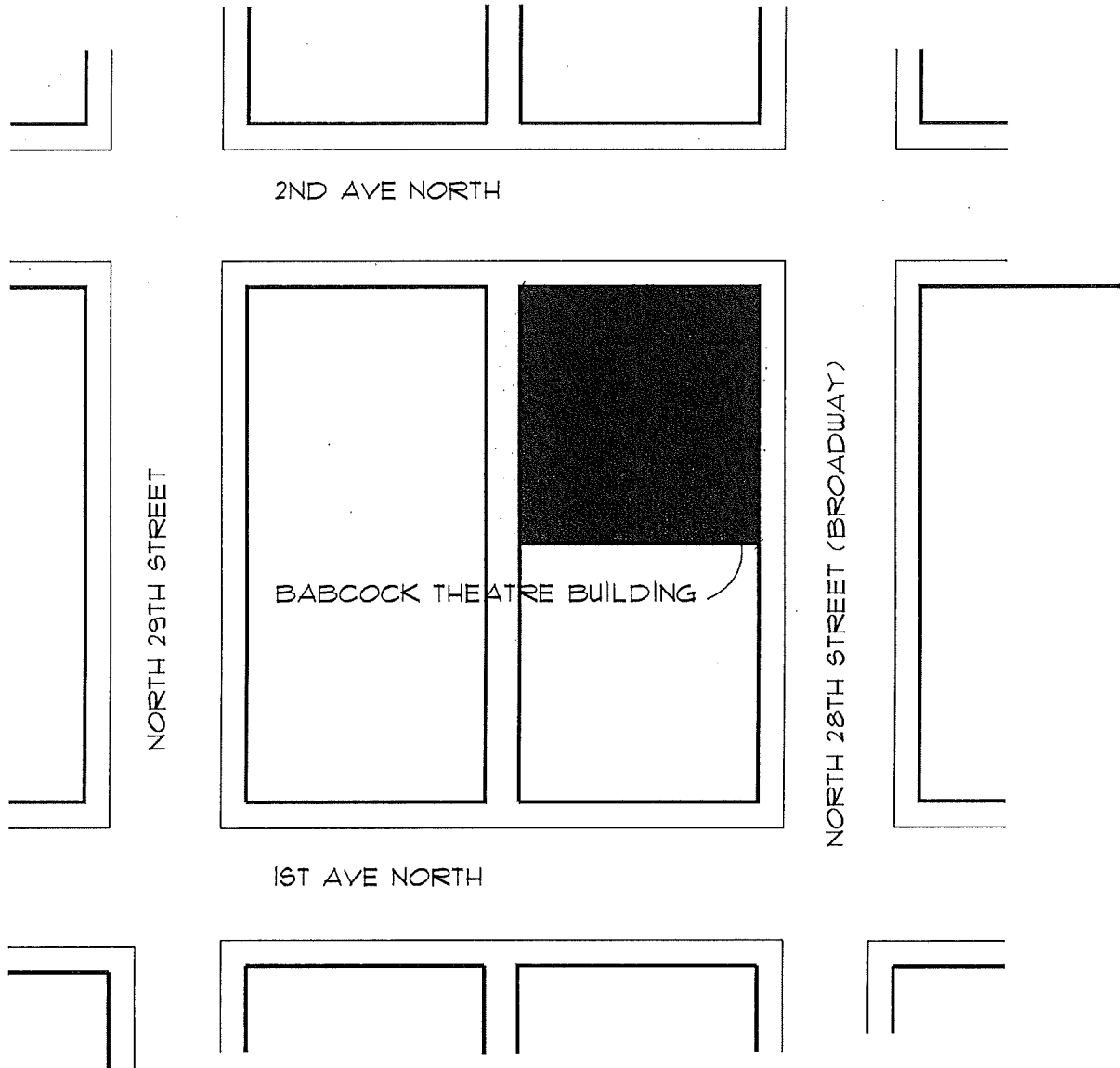
O2 ARCHITECTS
208 N. BROADWAY #350
BILLINGS, MONTANA 59101
FAX 406-256-7123
PHONE 406-259-7123

ROOF PLAN

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EXHIBIT A
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SITE PLAN

