

**AMENDED BYLAWS
OF
BAXTER MEADOWS MASTER COMMUNITY ASSOCIATION, INC.**

ARTICLE I. INTRODUCTION

SECTION 1. Bylaws Definition. The Bylaws are a set of rules adopted by an organization or assembly for governing its own meetings or affairs.

SECTION 2. Association Name. The name of the Montana non-profit Corporation shall be Baxter Meadows Master Community Association, Inc., hereinafter referred to as the "Association."

SECTION 3. Organization and Operation. The provisions of these Bylaws shall apply to and govern the Association, established for the purpose of performing the rights, obligations and duties of the Association and the membership as set forth in these Bylaws, the Articles of Incorporation and the Community Declaration covering the Properties. The Association is organized and shall be operated as a Montana public benefit membership corporation. It is an exclusively nonprofit and volunteer Association with the purposes stated in the Articles of Incorporation.

SECTION 4. Supersede. These Bylaws supersede in its entirety all bylaws formerly adopted by the Baxter Meadows Master Community Association, Inc.

ARTICLE II. ASSOCIATION DEFINITIONS

SECTION 1. Definition of Terms. Definition of terms applicable to the Association, Owners, Members, Units, Association Directors and Committees shall be defined, maintained, and updated as necessary in the Baxter Meadows Master Community Association.

ARTICLE III. PRINCIPAL OFFICE

SECTION 1. Location. The principal office of the Association shall be the Association's property management company. The office location shall be reported in the Annual Report filed with the Montana Secretary of State, or as revised with election of the new Board of Directors of the Association.

ARTICLE IV. MEMBERSHIP, VOTING RIGHTS, PROPERTY RIGHTS

SECTION 1. Member. Member is defined in the Community Declaration. The Community Declaration definition shall apply to all references to "Member" in this document. . Each Owner shall agree to abide and be bound by these Bylaws, the Articles of Incorporation, the Community Declaration and the Resolutions of the Association.

A. Member Admission. Those persons and entities described in the Community Declaration are Members of the Association..

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B. Member in Good Standing. Member in Good Standing is defined in the Community Declaration. The Restrictive Covenant definition shall apply to all references to “Member in Good Standing” in this document.

C. Membership Quorum. A quorum of Owners shall consist of more than forty percent (40 %) of those Owners in person or by proxy in Good Standing with the Association.

SECTION 2. Voting Rights. Members shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit. All of the persons or entities collectively named in the Deed as owner(s) shall designate in writing to the Association the individual authorized to exercise voting rights for the Unit in any voting matter. The Association has the right through the Board of Directors to suspend the voting rights of any Member that is not In Good Standing. Voting rights are suspended automatically by nonpayment of dues or liens. In cases of extreme financial or personal health hardship, or military deployment, the Board of Directors may grant a temporary variance waiving the suspension of voting rights.

SECTION 3. Member’s Rights And Duties. Each member shall have the right, duties and obligations set forth in the Community Declaration, the Articles of Incorporation, these Bylaws, and any rules adopted by the Subdivision Board of Directors in accordance with the Community Declaration and these Bylaws, as the same may from time to time be amended.

SECTION 4. Termination of Membership. Immediately upon the transfer of a Owners legal or equitable title to a Unit subject to the Subdivision Community Declaration, as they exist or as they are amended, he/she shall be deemed to have transferred his/her membership as to that Unit to the grantee(s).

SECTION 5. Transfer of Membership. Membership in this Subdivision is not transferable or assignable, except by the way of a proxy in the event of Member absence from a Subdivision meeting scheduled by the Board.

SECTION 6. Proxies And Written Ballot. Any member entitled to vote may do so in person, by proxy or by written ballot. No proxy shall be deemed valid for more than two (2) months after the date of execution thereof unless otherwise provided in the proxy instrument. All proxies must be in writing. Voting by proxy or by written ballot shall be in accordance with the Community Declaration and Bylaws.

SECTION 7. Resignation Of Membership. As long as a Member has legal or equitable ownership in a Unit subject to the Subdivision Community Declaration, he/she may not resign as a Member of the Subdivision. By purchasing a Unit in the Subdivision, the Owner agrees to belong to the Association for the entire ownership period.

ARTICLE V. MEMBERSHIP ASSESSMENT AND LIEN RIGHTS

SECTION 1. Membership Assessments. Community Wide assessments, special assessments and fines as provided for in the Community Declaration and Bylaws shall be paid by the Members in accordance with the Community Declaration and Bylaws. The Board shall fix, levy, collect and enforce such assessments in accordance with the Community Declaration and Bylaws. Enforcement of the Community Declaration shall be by proceedings either at law or in equity against any person or persons violating or attempting to violate any covenant; and the legal proceedings may be either to restrain violation of the Community Declaration or to recover damages or both. In the event of any action to enforce these Community Declaration, the prevailing party shall be entitled to costs and a reasonable attorney's fee to be set by the Court. Any Owner, Declarant or the Association may enforce these Community Declaration. For the purpose of enforcing and collecting assessments, the Association shall have the lien rights set forth in the Community Declaration, and shall be enforceable by the Board in the manner set forth in the Community Declaration and Bylaws. The Board shall be entitled to exercise all other rights and remedies set forth in the Community Declaration and Bylaws or otherwise provided for at law or in equity.

ARTICLE VI. MEMBERSHIP RIGHTS AND PRIVILEGES

SECTION 1. Rights and Privileges of Members. No Member shall have the right, without the prior approval of the Board to exercise any of the powers or to perform any of the acts by these Bylaws or the Community Declaration delegated to the Board or the Association. Each Member in Good Standing shall have all of the rights and privileges, including, but not limited to, property rights and rights to access, use and enjoyment of the Common Area(s) and Facilities granted to the Members or Owners by these Bylaws or the Community Declaration subject to such limitations as may be imposed in accordance therewith.

SECTION 2. Suspension of Voting Rights. The Board shall have the right to suspend the voting right of any Member or Members of the Association for the period during which any assessment against the Unit owned by such Member or Members remains unpaid and delinquent. Voting rights are suspended automatically by nonpayment of dues or liens. In cases of extreme financial or personal health hardship, or military deployment, the board of Directors may grant a temporary variance waiving the suspension of voting rights. The Board shall have the right to suspend Member voting rights for each infraction of the Association Community Declaration committed by such Member. Any suspension of such voting rights shall be made by the Board only after a meeting of the Board at which a quorum of the Board is present, duly called and held for such purpose in the manner as provided in the Bylaws and Community Declaration for the notice. Written notice of such meeting shall be given to the Member whose rights are being sought to be suspended at least ten (10) days prior to the holding of such meeting. Such notice shall be given either by personal delivery, or deposited in the United States mail, certified or registered, postage and fees prepaid, return receipt requested, addressed to such Member at the address given to the Association by him for the purpose of Association records, or by e-mail if the Member has given the Association the Member's email address for the purpose of Association records. Such notice, if mailed, shall be deemed given and received four (4) days after being so deposited in the United States mail in the manner aforesaid, or if emailed, shall be

deemed given and received upon sending the email, and said Member whose rights are being sought to be suspended shall be entitled to appear at such meeting and present his/her case as to why such rights should not be suspended in accordance with the provisions of this Section. The decision to suspend a Member's rights shall be made by a majority of the Members of the Board present at such meeting and shall be binding upon all Members of the Association. No action taken at such meeting shall be effective unless a quorum of the Board is present at such meeting.

ARTICLE VII. DIRECTORS

SECTION 1. Number and Qualifications. The affairs of the Association shall be managed by a Board of a minimum of five (5) and a maximum of seven (7) Directors/Officers, each of whom shall be Members In Good Standing of the Association.

SECTION 2. Directors. The business and affairs of the Association shall be managed, conducted and controlled by a Board of Directors. Each Director shall be elected for a three (3) year term by the Members of the Association at the Annual Meeting. Any vacancies that result after the Annual Meeting shall be filled by selection by the remaining members of the Board, and shall serve for the remainder of the term. Any elected person may serve two or more terms in succession. Directors shall hold office until successors are elected and qualified. A member shall be in Good Standing within the Association in order to be eligible for election to any office, or to remain in office. Only one elected Director shall be permitted from each Unit.

SECTION 3. Association Board Officers. The Membership of the Association shall elect the Board of Directors annually at an Annual Meeting. The Board shall consist of a minimum of five (5) and a maximum of seven (7) members. Any of these duties may be delegated to the Association's property management company; however, the officer must ensure that the property management company completes the duties. Officers may not be combined and filled by one person. The duties of the Officers shall be:

A. President. The President shall preside over all meetings of the Association and overall Board meetings. The President shall be the general administrative and Executive Officer of the Association, and shall perform such duties as may be specified, and exercise such powers as may be delegated by the Board. Issues that require a vote by the Board at any Board meeting shall be voted by the quorum of Board members present. The President or his designated Board Member shall attend and represent the best interests for the Association at all City of Bozeman Commissioners meetings that have agenda topics pertinent to the Association. A report of the meeting actions and results shall be provided to the Association Board of Directors in a timely manner and maintained in the Association files by the Secretary.

B. Vice-President. The Board may decide to appoint a Vice-President. If the Board appoints a Vice President, the Vice-President shall serve on the Board and perform such duties as may be directed by the President in conducting Association business and duties. The Vice-President shall preside over any meeting in the absence of the President and shall perform such duties as may be specified, and exercise such powers as may be delegated by the Board.

C. Secretary. The Secretary shall give written notice to the Membership of all Membership meetings of the Association. The Secretary shall keep written records of all Membership addresses, phone numbers, E-mail addresses (if available), Unit owned, and Subdivision Unit Number as a minimum; maintain records of the proceedings of all Membership meetings of the Association, and all Board meetings. The Secretary shall archive and maintain all historical Association records in chronological order, including historical Treasurer's records. The Secretary shall be authorized to sign or cosign on a directive from the President, on behalf of the Association, all records, documents and instruments when such are authorized by the Board. The Secretary shall file in a timely manner the annual report required by the state of Montana.

D. Treasurer. The Treasurer shall keep and maintain accurate financial records and accounts of all financial and business transactions, including accounts of assets, liabilities, receipts, disbursements, gains and losses, and property records of the Association. The Treasurer shall receive and prepare all bills for payment and verify adequate funding. The Treasurer shall present quarterly financial reports to the Board that are reconciled to the Association approved income/expense budget for the year. The Treasurer shall present an annual financial report at the Association Annual Meeting that reconciles income/expenses to the Association approved budget for the previous year, and shall present a budget for Member review and approval by the Membership for the ensuing year. The Treasurer shall render other accountings and reports as may be required by the Board, county, state and Federal Government.

SECTION 4. Election. The Board of Directors shall be elected by Members or their proxies by written or oral nomination at the Association's Annual Meeting. Election to the Board of Directors shall be by secret written ballot or any other means as the Board may designate. At such election the members or their proxies may cast as many votes as they are entitled to exercise under the provisions of the corporate articles. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

The Board shall elect from within the Board of Directors, a President, Vice-President, Treasurer, and Secretary at their first meeting following the Association Annual Meeting.

SECTION 5. Removal and Vacancies. Any director may be removed from the Board, with or without cause, by a majority vote of the members. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

SECTION 6. Annual Meetings. The Board shall hold an annual Membership meeting once per fiscal year at the place designated in the meeting notice sent to Members by the Secretary, for the purpose of organization, election of Directors, and the transactions of other business. Annual meetings may be held telephonically.

SECTION 7. Board Meetings. Immediately following the first annual meeting and each subsequent annual meeting of members, the Board of Directors shall hold a regular meeting at the same place for the purpose of organization, election of officers, and the transactions of other business. Notice of such meeting is hereby dispensed with. Other regular meetings of the Board of Directors may be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

A. Special Meetings. Special meetings of the Board shall be held when called by the President of the Board, or by any two Directors, after not less than three days notice to each Director and Board Member. An accurate written record of all business transactions shall be maintained as meeting minutes by the Board Secretary.

B. Meeting Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. Minutes of all Board Meeting shall record those present at the meeting.

C. Action Without Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written or electronic (electronic constitutes written) approval of all the Directors, and filing the same with the minutes of the proceedings of the Board. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

SECTION 8. Compensation. No Director shall receive compensation for any non-contracted service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his/her duties.

SECTION 9. Powers and Duties. Subject to the limitations of the Articles of Incorporation, these Bylaws, and the Community Declaration as to action required to be taken, authorized or approved by the Members of the Association, or a portion or percentage thereof, all Association powers and duties including those set forth in the Declaration shall be exercised or controlled by the Board. Without limiting the generality of the foregoing, the Board shall:

- A. Adopt and amend budgets for revenues, expenditures and reserves
- B. As a part of the adoption of the regular budget the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain a reserve fund for the replacement of those improvements that it is obligated to maintain, based upon age, remaining life, quantity and replacement cost;
- C. Collect Assessments to the extent expressly permitted by the Community Declaration or delegated;
- D. Hire and discharge an independent managing agent, provided that any

agreement for professional management of the Community must provide for the termination by either party with or without cause and without payment of a termination fee or penalty upon thirty (30) days written notice;

- E. Hire and discharge employees, independent contractors and agents other than managing agents;
- F. Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Community Declaration or Bylaws in the Community Association's name, on behalf of the Community Association or two (2) or more Owners on matters affecting the Community;
- G. Enter into contracts on the Association's behalf and incur liabilities;
- H. Regulate the use, maintenance, repair, replacement and modifications of Common Elements;
- I. Cause additional improvements to be made as a part of the Common Elements;
- J. Acquire, hold, encumber and convey, in the Community Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to state law or the terms of the Community Declaration;
- K. Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions, through or over the Common Elements;
- L. Impose and receive a payment, fee or charge for services provided and/or for the use, rental or operation of the Common Elements;
- M. Impose a reasonable charge for late payment of assessments and, after notice and hearing, levy reasonable fines or assessments provided for or allowed in the Community Declaration or Bylaws of the Community Association;
- N. Keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements of the Community Association;
- O. Borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Community Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary and give security therefor;
- P. Impose a reasonable charge for the preparation and recording of amendments to the Community Declaration, liens, or statements of

unpaid assessments;

- Q. Provide for the indemnification of the Community Association 's Officers and the Executive Board and maintain Directors' and Officers' liability insurance;
- R. Procure and maintain adequate liability and hazard insurance on property owned by the Community Association and as further set forth in the Community Declaration;
- S. Cause all Directors, Officers, employees or agents having fiscal responsibilities to be bonded or insured, as it may deem appropriate and in such amounts as it may deem appropriate. Such expense shall be a cost to the Association;
- T. Declare the office of a member of the Board to be vacant in the event such member shall be regularly absent from meetings of the Executive Board;
- U. Exercise for the Community Association all powers, duties, rights and obligations in or delegated to the Community Association and not reserved to the membership by other provisions of these Bylaws, Articles or the Community Declaration; and
- V. Exercise any other powers conferred by the Community Declaration, Montana law or Bylaws.

SECTION 10. Enforcement of Bylaws and Community Declaration. The Board shall enforce the Bylaws and Community Declaration. To this end, the Board shall, directly or by delegation, establish forms, procedures, and standards for enforcement of the Bylaws and Community Declaration. The Board may hire counsel and other experts necessary for such enforcement, within the limitations of the Bylaws and Community Declaration.

ARTICLE VIII. COMMITTEES

SECTION 1. Design Review Board. The Board shall appoint a minimum of three (3) Members. Member to serve on the Design Review Board, subject to the requirements and limitations set forth in the Bylaws and the Community Declaration, for the purpose of Subdivision Architectural Control. All Committee Members shall not be replaced in any one year, with the exception of extenuating circumstances. The Committee's function shall consist of accepting, reviewing, approving and/or rejecting all submitted plans from Owners within the Subdivision that desire to make alterations to their Unit. The review, acceptance, or rejection of plans shall be in accordance with the Community Declaration requirements. The Design Review Board shall act by a majority of the Members. Any authorization, approval, or disapproval made by the Design Review Board shall be signed by a majority of the Members. The Board shall also notify the Secretary or President of the Board of Directors of any pending approvals on all new construction. Copies of all written approvals or denials shall be provided to the Board of Directors. A timeline record of all actions taken shall be maintained by the Design Review

Board for all plans submitted. The Design Review Board shall archive and maintain a copy of all approved plans, review documents, and correspondence as historical records of the Design Review Board for a period of no less than five (5) years. The Design Review Board, at a time determined to be adequate for completion of their review functions, shall retire their inactive files to the Secretary of the Association for permanent archive retention.

SECTION 2. Other Committees. Other Committees will be appointed if and when needed.

SECTION 3. Powers and Duties. All appointed Committees shall have the powers and duties given to them in the Bylaws, the Community Declaration, and the Resolutions by which they are created.

SECTION 4. Conflict of Interest. No Committee Member shall serve on a Committee where a conflict of interest arises, such as:

A. Design Review Board. A Committee Member shall not serve on the Design Review Board to review and approve any alterations of his/her Unit. The other two (2) Members shall perform the review process. In the event that approval cannot be given due to differing opinions, the Committee shall consult with the President of the Association for final resolution.

SECTION 5. Compensation. With regards to this Article, under no circumstances shall any compensation be paid to any Member of any Committee for services rendered as a Member thereof; provided, however, that any Committee Member may be reimbursed for his actual authorized expenses incurred in the performance of his duties. However, if the Board of Directors determines there is a need, the Board of Directors may hire an architect, engineer or other necessary person to aid the Design Review Board in their review of submissions.

ARTICLE IX. MEETING OF MEMBERS.

SECTION 1. Annual Meeting. The Association Board of Directors shall conduct an Annual Meeting of the Members at the place and hour designated by the Board. Subsequent regular Annual Meetings of the Members shall be held as close as practically possible during the same month of the year thereafter, and not on a legal holiday. At all Annual Meetings there shall be elected by the Members, a Board of Directors in accordance with the requirements of the Bylaws and the Community Declaration. The Board and Members present may also transact all other matters of Association business as may properly come before the Association Membership and Board.

SECTION 2. Annual Meeting Order Of Business. The order of business at an annual Membership meeting shall be, at a minimum as follows:

- (1) Call to order and determine that a quorum is present, by Members present and proxies.
- (2) Reading of prior minutes, discussion, correction, and approval by Membership vote.
- (3) Treasurer's Annual Report, to include a summary of all income/expenses reconciled to the Association approved operating budget for the year completed, followed by discussion, correction, and Report approval by Membership vote.

- (4) Old Business: to include a summary of all major actions taken or delayed by Board actions since last Annual Meeting, summary of verbal reports for all Committees.
- (5) New Business: all actions pending by Board action and those that are presented by Members present or by proxy request.
- (6) budget presentation, to include income needs and estimated expenditures for the ensuing year.
- (7) Committee report, discussion and election of Directors.
- (8) Adjournment.

SECTION 3. Special Meetings. Special meetings of the Members may be called at any time by the Board, or upon written request to the Board of Directors of twenty percent (20%) of the Members in Good Standing.

SECTION 4. Notice of Meetings. Written notice of the Annual Meeting of Members shall be given by, or at the direction of, the President or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than fifteen (15) nor more than forty (40) days before such meeting to each Member entitled to vote thereat addressed to each Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice, or by email if the Member has furnished Member's email address to the Association for the purpose of notice,. Written notice of any meeting called for the purpose of approving special assessments pursuant to the Community Declaration shall be given not less than fifteen (15) days or more than forty (40) days before such meetings. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

SECTION 5. Quorum. A quorum of Members for any Association meeting shall be Forty percent (40 %) of the Members, including proxies submitted by absentee Members who are entitled to vote. If a quorum is not present at the first meeting called for the purpose conducting any Association business, another meeting shall be called subject to the same notice requirement as set forth herein. The required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 6. Action Without Meeting. Any action, which under the provisions of the Montana Non-Profit Corporation act, may be taken at a meeting of the Members, may be taken without a meeting if authorized in writing and signed by all of the Members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the Association.

SECTION 7. Proxies. Every Member entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such Member or his duly authorized agent and filed with the Secretary and/or Treasurer of the Association at which the proxy is to be exercised. Except for the Secretary, no Member present at the meeting can hold and vote for more than three (3) proxies of absent Members. Every proxy shall be revocable by the person granting it announcing its revocation to the Secretary of the meeting at which it would otherwise be exercised prior to the exercise thereof and shall automatically cease upon sale or conveyance of the person granting the proxy of his interest in his Unit.

SECTION 8. Member Address. Each Member of the Association is responsible for delivering to the Secretary of the Association his/her current address, phone number and E-mail address for notice purposes and for keeping the Association advised as to current contact information. In the event that current Member address or contact information is not on file with the Secretary and/or Treasurer so that conventional mail or electronic mail is not delivered, received or responded to by the Member in the requested time frame, the Member/Owner shall not hold the Board, Association or Members of the Association liable for decisions made in the absence of a response from the addressed Member.

ARTICLE X. MEMBER DUES, ASSESSMENTS, FINES, AND PENALTIES

SECTION 1. Member Dues, Unit Assessments, Fines and Penalties. Member dues, Unit assessments and Unit fines shall be as required, defined, and enforced in the Community Declaration and Bylaws. The Board of Directors shall have the responsibility to establish, levy and enforce fines and penalties, and file liens with the Gallatin County Recorder when a Unit and/or Owner are not in conformance with the Bylaws and Community Declaration or is delinquent in payment of Member dues, Unit assessments, fines and penalties.

SECTION 2. Developed Owner Warnings for Infractions. Any member of the Board of Directors will give a written warning for an infraction of the Community Declaration. An Owner must immediately correct the infraction and not make the same infraction again in order not to be assessed a fine(s). Warnings may not be given for Major Violations as outlined below.

- A. **Procedure.** Each Owner or his/her tenants, guests and/or invitees of any Unit shall comply with the Community Declaration and resolutions of the Board, all as lawfully amended from time to time. Each Owner shall be responsible to the Association for compliance with the foregoing by his/her tenants, guests and/or invitees. The Association shall have the right (but not the obligation) to enforce the Community Declaration, through its procedure adopted by resolution of the Board, abatement of the violation by the Association, or by proceedings either at law or in equity against any Person(s) violating or attempting to violate any of the Community Declaration. Legal proceedings may be either to restrain violation of the Community Declaration or to recover damages or both. Such procedures adopted by the Board to enforce the Community Declaration shall include provisions for due process (including but not limited to notice and an opportunity to be heard at a regular meeting of the Board) for Person(s) violating or attempting to violate any of the Community Declaration.
- B. **Discretion.** The decision to have the Association pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:
- i. the Association's position is not strong enough to justify taking any or further action; or
 - ii. the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or
 - iii. although a technical violation may exist or may have occurred, it is not of such

a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

iv. it is not in the Association's best interest, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be deemed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule, nor shall it preclude any Owner from taking action at law or in equity to enforce the Community Declaration.

SECTION 3. Non-payment of Dues or Assessments. Notice will be sent via regular mail or email that payment is due. Failure to pay any dues or assessment by its due date will create an automatic lien against the property being assessed. The Association may file that lien with the Gallatin County Clerk and Recorder's Office, bring an action at law to collect the lien or foreclose the lien against the property in the same manner as a mortgage on real property, and the Association shall be entitled in any such actions or foreclosure proceedings to recover its costs, including lien release fees, expenses and reasonable attorneys' fees. No Owner may waive or otherwise escape liability for the dues or assessments provided for in the Community Declaration or herein by non-use of the Association Common Area(s) or non-use or abandonment of his Unit. In cases of extreme financial or personal health hardship, or military deployment, a temporary variance for delayed payment of any assessment and fines may be granted by the Board of Directors.

SECTION 4. Notice of Violations, Fines and Penalties. Notice of any fine must be approved by the Board of Directors and mailed with return receipt or hand delivered to the offender or by email if the Member has given the Association Members email address for the purpose of notice within three (3) days of the date that the fine has been levied or commenced. In the event of a tenant incurring the infraction the Owner shall also be notified if their current address is on file with the Association. The notice shall contain:

- (a) Description of the violation, Covenant Article(s) and Sections(s) not in compliance.
- (b) Recommended action, the fine assessed, and date for compliance by the Owner.
- (c) The Owner shall have a thirty (30) day period to comply from the delivery date of the notice. Included will be a description of penalties for not paying the fine or coming into compliance. Penalties shall include fines being doubled after 30 days. After 60 days of noncompliance and/or nonpayment of the fine it shall cumulate monthly at the same amount of the doubled fine.
- (d) Description of any legal action that will take place.
- (e) The Board of Directors will also assess and take similar action on any other Owner not in compliance for a similar violation.

SECTION 5. Failure to Pay or Come into Compliance. In the event of failure to pay a fine and/or come into compliance with the Community Declaration by the due date/time set by the Board for compliance, the Association may take such action, including legal action, needed to alleviate the violation at the Owner's expense and a lien may be placed upon the Unit. Once the violation/offense is corrected and in compliance with the Community Declaration, the offending

Owner/tenant may request in writing within 30 days of compliance to the Board for the assessed fine to be refunded or the lien to be removed. If approved by the Board of Directors, the refund shall be reduced to no less than the costs incurred by the Association in enforcing the Community Declaration and Association Bylaws for the specific violation. The Board of Directors retains the right to refuse refund requests. There is no refund taken if legal action has been taken.

SECTION 6. Fines for Minor or Easily Corrected Violations. Amounts of fines for violations that are easily corrected and/or happen for the first time are set at the discretion of the Board of Directors. They shall be appropriate for the offense. Examples of such minor violations include but are not limited to: parking of campers beyond the accepted term, setting off fireworks outside of the allowed days, junk vehicle or trash, etc. A minimum fine of \$25 but not more than one half of the established current year Owner's dues shall be levied (if no dues were assessed for the current year, then the established dues of the previous year shall be used for the fine assessment).

SECTION 7. Fines for Major Violations. Amounts of fines for violations that are willful, continually repeated, or cannot come back easily into compliance will be set at the discretion of the Board of Directors as outlined below. They shall fit the seriousness of such noncompliance. Examples of such major violations include but are not limited to: repeated minor violations, discharging a Firearm, performing a nonconforming Unit Alteration, Commercial or Industrial Use of a Unit etc. Such fines shall be a minimum of \$100 for each day the violation occurs.

ARTICLE XI. FINANCES

SECTION 1. Budget. Prior to the Annual Membership Meeting, the Board of Directors shall cause a budget for the forthcoming year to be prepared and adopted. Based on the adopted budget, the Board shall set the annual dues assessment for the forthcoming year. A copy of the budget and the recommended dues assessment, with any explanation deemed desirable by the Board, shall be sent to the Membership with the notice of Annual Meeting. The adopted budget and dues assessment shall be discussed at the Annual Meeting.

ARTICLE XII. MISCELLANEOUS

SECTION 1. Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as, shall be determined by resolution of the Board of Directors. If any check is return non-sufficient funds, the Board will charge the person or persons a reasonable fee for the returned check costs. The reasonable fee will be determined by the Board.

SECTION 2. Contracts, Etc. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any Officer or Officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no Officer, agent, or employee shall have any power or authority to bind the Association by a

contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

SECTION 3. Inspection of Bylaws. The Association shall keep the original or a copy of the current Bylaws at the residence of the Association Secretary which shall be open to inspection by the Members at all reasonable times by appointment or at the office of the Gallatin County Clerk and Recorder.

SECTION 4. Fiscal Year and Tax Exemption. The fiscal year of the Association shall be from January 1 through December 31. The Association shall apply for and maintain a tax exempt status under Internal Revenue Code Section 528.

SECTION 5. Books and Records. The books, records and papers of the Association shall be kept at the residence of the Association Secretary and/or Treasurer, or at the property management company or appropriate Committee or Director, which shall be open to inspection by the Members at all reasonable times by appointment.

SECTION 6. Reports to Members. The Board of Directors shall cause an annual operating statement reflecting income and expenditures of the Association for the recent fiscal year to be prepared and shall cause the delivery of a copy thereof to all Members of the Association at the Annual Meeting.

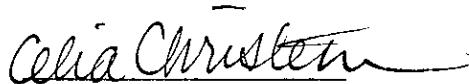
SECTION 7. Evidence of Membership. The Board of Directors shall have the power, but not the obligation, to cause the issuance of evidence of Membership in the Association to Members thereof in such form as the Board may determine.

ARTICLE XIII. BYLAW REVISIONS AND AMENDMENTS

SECTION 1. Bylaw Revisions and Amendments. The Bylaws shall be reviewed, and may be updated as needed. All Bylaw revisions and amendments shall be voted on for acceptance by the Membership at any duly called meeting or the Annual Meeting at which a quorum of Membership is present in accordance with the operating Bylaws and Community Declaration. After Membership vote and acceptance by the members by two-thirds of the votes cast or a majority of the voting power, whichever is less, the updated Bylaws shall be recorded at the office of the Gallatin County Clerk and Recorder.

SECTION 2. Conflicts. In the event of any conflict or inconsistency between these Bylaws and the Articles, the Articles shall control. In the event of any conflict or inconsistency between these Bylaws or the Articles and the Community Declaration, the Community Declaration shall control.

IN WITNESS WHEREOF, the undersigned has caused these Amended Bylaws to be made and executed on this 13th day of April, 2016.


Celia Christensen, President
Baxter Meadows Master Community
Association, Inc.

Certificate of Amendment of Presiding Officer and Secretary

We, the undersigned President and Secretary of the Baxter Meadows Master Community Association do hereby certify that the foregoing Amended Bylaws for the Baxter Meadows Master Community Association were approved and adopted by a vote of Fifty-One percent (51%) or more of the membership at a duly called and noticed meeting of the Association. This certificate of Amendment is made this 13 day of April, 2016.

Celia Christensen
Celia Christensen, President

Attest: *Kellen Gamradt*
Kellen Gamradt, Secretary

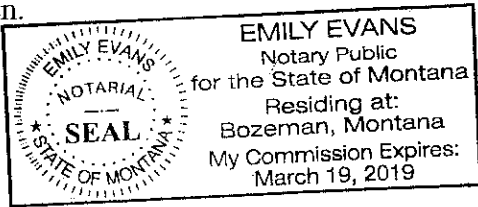
STATE OF MONTANA)

:ss.

County of Gallatin)

On this 13th day of APRIL, 2016, before me, a notary public in and for said State, personally appeared Celia Christensen and Kellen Gamradt, known to me to be the President and Secretary of the Baxter Meadows Master Community Association, the Association that executed this document, and acknowledged to me that such Association executed the same.

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



Emily Evans
Notary Public for the State of Montana
Print Name: Emily Evans
Residing at: Bozeman MT
My commission expires: 3/19/2019