

SECOND AMENDED AND RESTATED
BYLAWS
OF
BLACK BULL HOMEOWNERS ASSOCIATION

ARTICLE I
NAME

The name of the corporation is Black Bull Homeowners Association, hereinafter referred to as the "Association."

ARTICLE II
DEFINITIONS AND GOVERNANCE

2.1 The definitions contained in the Declaration are incorporated by reference herein.

2.2 "Declaration" shall mean and refer to the First Amended and Restated Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Black Bull Subdivision, recorded on October 28, 2011 as Document No. 2400311 in the Office of the Clerk and Recorder of Gallatin County, State of Montana, as such may be amended from time to time ("Declaration").

2.3 The terms of these Second Amended and Restated Bylaws of Black Bull Homeowners Association shall supersede and replace any and all previous versions of Bylaws for the Black Bull Homeowners Association.

ARTICLE III
DECLARANT TO INITIALLY CONTROL

3.1 Declarant to Control Association. Declarant shall control all rights and privileges set forth in the Declaration and these Bylaws until the earlier of the following to occur: (a) ninety percent (90%) of the Lots are sold from Declarant to third parties; or (b) Declarant delivers written notice to the Association that Declarant is voluntarily relinquishing its rights set forth in this Section 3.1. Until such time, no Member other than Declarant shall be entitled to vote and Declarant shall be solely entitled to elect and remove all directors and officers and enforce all of the obligations set forth in the Declaration and these Bylaws. When ninety percent (90%) of the Lots are sold from Declarant to third parties or Declarant relinquishes its rights as described herein, then the Members shall obtain the voting rights set forth in the Declaration and these Bylaws.

ARTICLE IV
MEETINGS OF MEMBERS AND VOTING

4.1 **Membership and Voting:** Membership shall be held as provided in the Declaration. Each Member shall be entitled to one vote for each Lot owned within the Property, as set forth in the Declaration. Notwithstanding the foregoing, Declarant shall be a Member and shall be entitled to one vote for each Lot owned within the Property and each Lot planned in the Master Plan.

4.2 **Annual Meeting:** The annual meeting of the Members shall be held in the month of December, at a date, time and place to be set by the Board. The first annual meeting shall be held in December following the date when either (i) ninety percent (90%) of the Lots are sold from the Declarant to a third party or (ii) Declarant voluntarily relinquishes its rights under Section 3.1 .

4.3 **Special Meetings:** Special meetings of the Members shall be promptly scheduled at any time by the Board in response to the vote of the Board, or a request by the President, or upon written request of five percent (5%) of total Lot votes of the Members.

4.4 **Notice and Place of Meetings:** Written notice of each meeting of the Members, annual or special, shall be given by, or at the direction of, the secretary or manager, by personal delivery or mailing a copy of such notice, first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days before such meeting to each first lienholders requesting notice and to all Members, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. 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. If action is proposed to be taken at any meeting for approval of any proposals, the notice shall also state the general nature of the proposal. Member action on the following items is invalid unless the notice states the general nature of the proposal(s): (a) removing or electing a director; (b) amending the Declaration or Bylaws ("Governing Documents"); (c) approving a conflict of interest transaction with a director; (d) indemnification of officers, employees or agents; (e) merger; (f) sale of assets; (g) dissolution; or (h) increasing the regular Assessment by over twenty percent (20%), or imposing a special Assessment in excess of ten percent (10%) of the budgeted gross expenses of the Association. Meetings shall be held within the Property or at a meeting place within the same county, as close to the Property as possible.

4.5 **Quorum:** The presence either in person or by proxy, at any meeting, of a majority of the total outstanding Lot votes of the Members shall constitute a quorum for any action except as otherwise provided in the Governing Documents. If, however, such quorum shall not be present or represented at any meeting, the Members thereat shall have power to adjourn the meeting to a date not less than five (5) days and not more than thirty (40) days later. Notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for special meetings. The quorum for any such adjourned meeting shall not be less than one-third of the Lot votes of the Members.

4.6 **Proxies:** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Unit, or upon receipt of written notice by the secretary or the manager of the death or judicially declared incompetence of a Member, or upon the expiration of eleven (11) months from the date of the proxy. Any form of proxy distributed by any persons to the Members shall afford the opportunity to specify a choice between approval and disapproval of each matter to be acted upon. The proxy shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice. The proxy also shall identify the person or persons authorized to exercise the proxy and the length of time it will be valid. In addition, voting by proxy shall comply with any other applicable requirements of Montana Code Annotated Section 35-2-539.

4.7 **Conduct of Meetings:** Meetings of the Members shall be conducted in accordance with a recognized system of parliamentary procedure adopted by the Board. Notwithstanding any other provision of law, notice of meetings of the Members shall specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action.

4.8 **Action Without Meeting:** Any action that may be taken at any annual or special meeting of Members (except for the election or removal of directors) may be taken without a meeting in accordance with the provisions of Montana Code Annotated Section 35-2-529. Any form of written ballot distributed by any persons to the Members shall afford the opportunity to specify a choice between approval and disapproval of each matter to be acted upon.

ARTICLE V DIRECTORS

5.1 **Number and Qualification:** The affairs of this Association shall be managed by a Board of at least three (3) and not more than five (5) Directors, and other than Directors appointed or elected by Declarant, all Directors must be Members in good standing. For the purposes of this section, good standing means current in the payment of Assessments and in compliance with the Governing Documents. Where more than one person owns a Lot, only one owner from that Lot may serve on the Board.

5.2 **Election:** Initially, the directors shall be appointed by the Declarant and need not be Members. After the date when ninety percent (90%) of the Lots planned for the overall Project (including subsequently planned phases) are sold from the Declarant to a third party or Declarant voluntarily relinquishes its rights pursuant to Section 3.1, the election of the Board shall be conducted at the annual meeting of the Members. At such election, the Members or their proxies may cast their vote(s) for each vacancy. The persons receiving the largest number of votes shall be elected. There shall be no cumulative voting. Voting for directors or for their removal shall be by secret written ballot.

5.3 **Term:** After the date when ninety percent (90%) of the Lots planned for the overall Project (including subsequently planned phases) are sold from the Declarant to a third party or Declarant voluntarily relinquishes its rights pursuant to Section 3.1, the term of three directors shall be for a term of two (2) years, and two (2) directors shall be elected for a term of one (1) year. Unless vacated sooner, each director shall hold office until the director's term expires and a successor is elected.

5.4 **Removal; Vacancies:** Any director may resign by giving notice to the Board. Any director, except a director appointed by the Declarant, may be removed by the vote of a majority of the Members. Notwithstanding anything to the contrary contained in this paragraph, any director, except a director appointed by the Declarant, who fails to attend three (3) consecutive Board meetings or becomes 90 days delinquent in the payment of assessments may be removed from office by a vote of the Board, and the successor director shall be chosen by the Board. If a director dies or resigns, the vacancy shall be filled by the Board at a duly held meeting, or by the sole remaining director. The Members may elect a director at any time to fill any vacancy not filled by the Board. A vacancy created by the removal of a director by the Members can only be filled only by election by the Members. A successor director shall serve for the unexpired term of his or her predecessor.

5.5 **Compensation:** No director shall receive compensation for any service rendered to the Association as a director. However, any director may be reimbursed for his or her actual expenses, if reasonable, incurred in the performance of his or her duties.

5.6 **Indemnification:** The Association shall indemnify any present or former director or officer of the Association to the fullest extent authorized under Montana Code Annotated Sections 35-2-447 and 35-2-452, or any successor statutes.

ARTICLE VI MEETINGS OF DIRECTORS

6.1 **Regular Meetings:** Regular meetings of the Board shall be held quarterly or as often as deemed necessary by the Board at such time as may be fixed from time to time by resolution of the Board.

6.2 **Special Meetings:** Special meetings of the Board may be called by the president, vice president or any two (2) Directors.

6.3 **Notice and Place:** Board meetings shall be held on the Property or a meeting place within the County, as close to the property as possible. Notice of the time and place of regular and special meetings of the Board shall be given to each director at least four (4) days by first class mail or seventy-two (72) hours delivered personally or by telephone or other electronic means prior to the meeting. For a special meeting, the notice shall specify the time and place of the

meeting and the nature of any special business to be considered. The notice shall be given to each director by one (1) of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, including a voice message system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail or other electronic means, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director. All such notices shall be given or sent to the director's address, email address, or telephone number as shown on the records of the Association. Notice of all Board meetings, except emergency meetings, shall be given to the Members by posting in prominent places in the Common Element, by mail, or by newsletter at least four (4) days prior to the meeting. In addition, notice shall be mailed at least four (4) days prior to the meeting to any Member who has requested notification of Board meetings by mail, at the address requested by the Member.

6.4 **Quorum**: A majority of the directors shall constitute a quorum for the transaction of business. Every act performed 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.

6.5 **Open Meetings**: All meetings of the Board shall be open to all Members, and the Board shall permit any Member to speak at any meeting of the Board, except for meetings of the Board held in executive session. The Board shall establish a reasonable time limit for all Members to speak before a meeting of the Board.

6.6 **Executive Session**: The Board may meet and convene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and matters relating to the formation of contracts with third parties. Matters involving Member discipline or assessment payments shall be held in executive session and the Members involved are entitled to attend. Any matter discussed in executive session shall be generally noted in the minutes of the immediately following open meeting.

6.7 **Telephone Attendance**: In the case of absence, a director may participate in a Board meeting by conference telephone, so long as all directors and Members participating in the meeting can communicate with one another.

6.8 **Action Without Meeting**: In the case of an emergency, any action required or permitted to be taken by the Board may be taken without a meeting if all directors consent in writing to the action. . Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. An explanation of the action taken shall be reported in the minutes and posted at a prominent place or places within the Common Elements within seven (7) days after the written consent of all directors have been obtained.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 **Powers and Duties:** It shall be the exclusive duty of the Board to exercise all powers and duties of the Association as expressed in the Governing Documents, and to manage and conduct the affairs of the Association, except as expressly reserved to a vote of the Members. Such powers and duties shall include, but are not limited to, the following:

- A. To enforce the provisions of the Governing Documents by appropriate action.
- B. To levy Assessments as allowed by the Declaration, these Bylaws and the State of Montana, and to provide for the collection, expenditure and accounting of said Assessments.
- C. To pay for the expenses of the maintenance, repair and upkeep of the common roads and parks.
- D. To provide a means of hearing grievances and foreclosure proceedings of Unit Owners and to observe all due process requirements imposed upon owners associations for condominiums.
- E. To meet at regularly scheduled times and hold such meetings open to all Members or their agents.
- F. To levy and collect special Assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operation or maintenance expenses, costs, or additional capital expenses, or because of emergencies.
- G. To take appropriate legal action to collect any delinquent Assessments, payments or amounts due from Lot Owners or from any person or persons owing money to the Association, and to levy a penalty and to charge interest on unpaid amounts due and owing.
- H. To defend in the name of the Association any and all lawsuits wherein the Association or Condominium is a party defendant.
- I. To enter into contracts with third parties to carry out the duties herein set forth, for and on behalf of the Association.
- J. To establish bank accounts and to keep therein all funds of the Association. Withdrawal of monies from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors.
- K. To establish rules and regulation for conduct, behavior and use of any common areas.

L. In general, to act for and carry on the administration and affairs of the Association as authorized and prescribed by the Declaration and to do all those things which are necessary and reasonable in order to carry out the governance and operation of the Black Bull Subdivision.

M. To exercise all the powers generally granted to a Montana nonprofit corporation under Montana Code Annotated Section 35-2-118.

7.2 **Enforcement (Notice and Hearing):** The Board shall have the power to enforce the Governing Documents, provided that any Lot Owner charged with violating the Governing Documents, except for default in payment of Assessments, shall be entitled to a hearing before the Board. Notice of the hearing that shall include a description of the alleged violation and the potential remedies therefor, shall be given to the Member at least ten (10) days prior to the meeting. Notice shall be given by personal delivery or by first class mail. The Board shall inform the Member of any disciplinary action within fifteen (15) days following the hearing.

ARTICLE VIII OFFICERS AND THEIR DUTIES

8.1 **Enumeration of Officers:** The officers of this Association shall be a president, treasurer and secretary. The Directors may also elect such other officers as they deem necessary. The duties of these officers shall be established by the Board of Directors.

8.2 **Election and Term:** The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year and until his or her successor is elected.

8.3 **Resignation and Removal:** Any officer may be removed from office (but not from the Board, if he or she is also a director) either with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, or the manager. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.4 **Vacancies:** A vacancy in any office may be filled by the Board. The officer appointed to such vacancy shall serve the remainder of the term of the officer he or she replaces.

ARTICLE IX BOOKS AND RECORDS

9.1 **Inspection by Members:** The membership register (including names, mailing addresses, and voting rights), accounting books and records, and minutes of meetings of the Members, of the Board (including drafts and summaries), and of committees shall be made

available for inspection and copying by any Member, or by his or her duly appointed representative, at any reasonable time and for a purpose reasonably related to his or her interest as a Member, at the office of the Association.

9.2 **Rules for Inspection:** The Board shall establish reasonable rules with respect to: a) notice to be given to the custodian of the records by the Member desiring to make the inspection; b) hours and days of the week when such an inspection may be made; c) payment of the cost of assembling and reproducing copies of documents requested by a Member.

9.3 **Inspection by Director:** Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents, at the expense of the Association.

ARTICLE X MISCELLANEOUS

10.1 **Amendment of These Bylaws:** Until ninety percent (90%) of the Lots planned for the overall Project (including subsequently planned phases) are sold from the Declarant to a third party or Declarant voluntarily relinquishes its rights under Section 3.1, Declarant may amend these Bylaws. After ninety percent (90%) of the Lots planned for the overall Project (including subsequently planned phases) are sold from the Declarant to a third party or Declarant voluntarily relinquishes its rights under Section 3.1, these Bylaws may be amended only by the affirmative vote or written consent of sixty-six and two thirds percent (66 2/3%) of the total available Lot votes of the Members.

10.2 **Conflicts:** In the case of any conflict between the Articles and the Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

10.3 **Fiscal Year:** The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year.

I, the undersigned, do hereby certify:

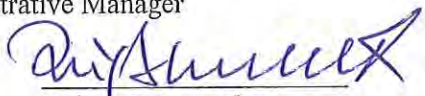
That these Second Amended and Restated Bylaws were adopted as the Bylaws of the Black Bull Homeowners Association on the 27th day of October, 2011, and that the same do hereby supersede and replace all previous Bylaws of said corporation.

Declarant

BLACK BULL OWNER LLC,
a Delaware limited liability company

By: Black Bull Holdings LLC,
a Delaware limited liability company,
its Sole Member

By: Schumacher BB Investor LLC,
a Delaware limited liability company,
its Administrative Manager

By: 
Name: Robert Schumacher
Title: Administrative Manager