



**THE LEGENDS AT BRIDGER CREEK II HOMEOWNERS ASSOCIATION, INC.
BYLAWS**

ARTICLE I.

Purpose

The purposes of this Homeowners Association as set forth in the Articles of Incorporation and these Bylaws.

ARTICLE II.

Definitions

- 1) **Subdivision:** The Legends at Bridger Creek II Subdivision is referred to as the "Subdivision", "Legends II", "Legends II Subdivision" or "Legends II at Bridger Creek".
- 2) **Homeowners Association:** The Legends at Bridger Creek II Homeowners Association, Inc.
- 3) **Bylaws:** This document and amendments thereto from time to time.
- 4) **Declaration:** The Declaration of Protective Covenants and Restrictions of The Legends at Bridger Creek II Subdivision, as amended from time to time.
- 5) **Guidelines:** The Design Guidelines of The Legends at Bridger Creek II Subdivision, as amended from time to time.
- 6) **Property Disclosure:** The Property Disclosure for The Legends at Bridger Creek II Subdivision, as amended from time to time.
- 7) **Board of Directors:** The managing entity over the affairs of the Homeowners Association established and constituted pursuant to Article VI of the Bylaws.
- 8) **Lot:** Any separate, designated parcel within the Legends II designated and set apart for the purpose of ownership.
- 9) **Residence:** An Owner's place of habitation or dwelling which is a structure constructed upon a Lot within the Subdivision, which structure shall meet the requirements set forth in the Guidelines, Declaration, Bylaws, and Property Disclosure.
- 10) **Owner:** Persons owning a Lot or Residence in fee simple absolute, individually or as co-owner in any real estate tenancy relationship recognized under the laws of the State of Montana.
- 11) **Common Area:** The portion of the Subdivision over which the Homeowner's Association and Declarant retain control, and the portion of the Subdivision in common ownership among the members of the Homeowner's Association.

- 12) **Declarant:** Initially means Edgefield, LLC.
- 13) **Contractor:** Any person, general contractor, subcontractor, firm, association, partnership, corporation, limited liability partnership, or limited liability company engaged in construction services or performing any type of labor in or around a Residence or Lot.

ARTICLE III.

Meeting of Members

- 1) **Annual Meetings.** The first annual meeting of the members shall be held within one (1) year from the date of formation of the Homeowners Association, and each subsequent regular annual meeting of the members shall be held on or before the 31st day of December in each year thereafter, at the hour of 7:00 o'clock, p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.
- 2) **Special Meetings.** Special meetings of the members may be called at any time by the president or by the Board of Directors or upon written request of a majority of the members.
- 3) **Notice of Meetings.** Written notice of the first meeting of the members shall be given by the Declarant in writing at least fifteen (15) days before such meeting to each member known to Declarant. Thereafter, written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Homeowners Association, or supplied by such member to the Homeowners 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.
- 4) **Quorum.** The presence at the meeting of sixty percent (60%) of the members represented in person or by proxy shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.
- 5) **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. Every proxy shall be revocable and shall automatically cease upon conveyance by the member.

ARTICLE IV.

Membership

- 1) **Membership.** Every Owner of a Lot which is subject to assessment by the Association shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be

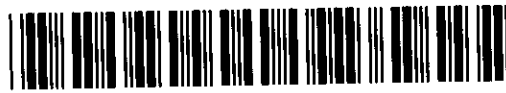
appurtenant to, and may not be separated from, ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

- 2) **Proof of Membership.** No person or persons shall exercise the rights of the membership until satisfactory proof has been furnished to the Secretary of the Association of qualification as a member pursuant to the terms of the Declaration and Articles of Incorporation. Such proof may consist of a copy of a duly executed and acknowledged deed or title insurance policy showing said person or the person nominating him, her or it qualified in accordance therewith, which said deed or policy shall be deemed conclusive in the absence of a conflicting claim based upon a later deed or policy.
- 3) **Suspension of a Membership and Fines.** During any period in which a member shall be in default in the payment of any assessment levied by the Association, the voting right of such member may be suspended by the Board of Directors until such assessment has been paid. The board of Directors may also impose a fine in an amount not exceeding Fifty Dollars (\$50.00) for any single infraction of the rules and/or regulations of the Association by such member, members of his or her family or his or her social guests, or by such member's tenant or contract purchaser, their family members or social guests.
- 4) **Voting.** Each member of the Homeowners Association shall be entitled to one (1) vote for each Lot in which they hold the interest, which qualifies for membership. If one or more Lots has been combined, the Owner thereof shall be entitled to one vote and/or one signature for each original Lot which created the combined Lot. If there is more than one Owner for an individual Lot, each Owner must vote on the issue for the vote to be considered cast on the issue.
- 5) **Consent to Membership.** Acceptance of a Deed, Notice of Purchaser's Interest, or other documentation evidencing ownership shall be deemed to be consent of an Owner to membership in the Homeowners Association and to the provisions and restrictions contained herein.
- 6) **Consent to Assessments.** The Owner by virtue of membership in the Homeowners Association is deemed to covenant and agree to pay all assessments established hereunder and is deemed to have consented to the enforcement of a lien for such assessments.

ARTICLE V.

Board of Directors, Selection, and Term of Office

- 1) **Number.** The affairs of the Homeowners Association shall be managed by a board of three (3) directors. A representative of the Declarant shall be one of the initial directors.
- 2) **Term of Office.** At the first annual meeting the members shall elect one (1) director for a term of one (1) year, and one (1) director for a term of two (2) years. The third director shall be a representative of the Declarant, who shall be chosen by the Declarant and shall serve for a term of three (3) years. At each annual meeting thereafter the members shall elect the appropriate number of retiring directors for a term of three (3) years.



- 3) **Removal.** Any director, except Declarant (or his representative), may be removed from the Board of Directors, with or without cause, by a majority vote of the members of the Homeowners Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor.
- 4) **Compensation.** No director shall receive compensation for any service he may render to the Homeowners Association. However, any director may be reimbursed for his actual expense incurred in the performance of his duties.
- 5) **Action Taken Without a 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 approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI.

Nomination and Election of Directors

- 1) **Nomination.** Nomination for election to the Board of Directors shall be made by a nominating committee. Nomination may also be made from the floor by any member at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Homeowners Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting.
- 2) **Election.** Election to the Board of Directors shall be by secret ballot. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.
- 3) **Declarant as Director.** Declarant, or its designated representative, shall be entitled to remain an "Ex Officio" Member of the Board of Directors regardless of voting results so long as Declarant owns one or more Lots in the Subdivision, and Declarant shall be entitled to vote on all issues before the Board of Directors.

ARTICLE VII.

Meeting of Directors

- 1) **Regular Meetings.** A regular meeting of the Board of Directors shall be held without other notice than the Bylaws immediately after, and at the same place as, the annual meeting of the members. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Montana, for the holding of additional regular meetings without other notice than such resolution.
- 2) **Special Meetings.** Special meetings of the Board of Directors shall be held when called by the president of the Homeowners Association or by any two (2) directors after not less than three (3) days notice to each director.



- 3) **Quorum.** A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or 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 of Directors.

ARTICLE VIII.

Powers and Duties of the Board of Directors

- 1) **Powers.** The Board of Directors shall have the power to:
 - a. Exercise for the Homeowners Association all powers, duties and authority vested in or delegated to the Homeowners Association and not reserved to the membership by other provisions of these bylaws or Articles of Incorporation;
 - b. Declare the position of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
 - c. Employ an independent contractor, or such other employees as it deems necessary, to prescribe their duties.
- 2) **Duties.** It shall be the duty of the Board of Directors to:
 - a. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by a majority of the members;
 - b. Supervise all officers, agents and employees of the Homeowners Association, and to see that their duties are properly performed;
 - c. Fix the amount of the annual assessment in accordance with the Declaration against each Lot at least thirty (30) days in advance of each annual assessment period;
 - d. Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;
 - e. Foreclose the lien against any property for which assessments are not paid after due date or to bring an action at law against the owner personally obligated to pay the same all in accordance with any procedures and/or provisions of the Declaration;
 - f. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 - g. Procure and maintain adequate liability and hazard insurance on property owned, operated, or maintained by the Homeowners Association; pay all federal, state and local income or

property taxes in any way related to the business of the Homeowners Association and the ownership of its property;

- h. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

ARTICLE IX.

Officers, Reviewer, Design Review Board, and Associated Duties

- 1) **Enumeration of Officers.** The officers of this Homeowners Association shall be a president, who shall at all times be a member of the Board of Directors, and such other officers as the Board of Directors may from time to time by resolution create.
- 2) **Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.
- 3) **Term.** The officers of this Homeowners Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.
- 4) **Reviewer/Design Review Board.** The initial Reviewer shall be a professional chosen by Declarant, and named in the Guidelines. Declarant shall have sole responsibility for the appointment of any subsequent Reviewer, and for creation and operating guidelines of any Design Review Board formed by the Declarant. Until a Design Review Board is created, the Reviewer shall have the sole responsibility for the review requirements of construction and improvements on the Lots, as such is set forth in the Declaration, Property Disclosure and Guidelines. When/If the Declarant elects to create a Design Review Board, it shall replace the Reviewer and take over the Reviewer's review responsibilities. The Declarant shall have sole discretion in determining the number of members on the Design Review Board, the appointing those members, the length of the terms of those members, and all other matters concerning the operations of the Design Review Board, including but not limited to, the election and reelection of said members, the governing body over the Design Review Board (whether the Declarant or some other entity or individual).
- 5) **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time giving written notice to the Board of Directors. Such resignation shall take effect on the date of receipt of such notice.
- 6) **Vacancies.** A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.
- 7) **Duties.** The duties of the officers are as follows:
 - a. **President.** The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds, and other instruments and shall co-sign all checks and promissory notes;



b. **Secretary.** The secretary shall:

- record the votes and keep the minutes of all meetings and proceeds of the Homeowners Association
- keep the corporate seal of the Homeowners Association and affix it on all papers requiring said seal
- serve appropriate current records showing the members of the Homeowners Association, together with their addresses, and shall perform such other duties as required by the Board of Directors

c. **Treasurer.** The treasurer shall:

- receive and deposit in appropriate bank accounts all monies of the Homeowners Association and shall disburse such funds as directed by resolution of the Board of Directors shall sign all checks and promissory notes of the Homeowners Association
- keep proper books of account
- cause an annual audit of the Homeowners Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE X.

Committees

The Board of Directors shall appoint such committees as the Board of Directors deems appropriate to carrying out the purposes of the Declaration. However, the B.O.D. shall form any committee that will conflict in its duties and responsibilities, with the Reviewer and/or Design Review Board.

ARTICLE XI.

Assessments

As more fully provided in the Declaration, each Member is obligated to pay to the Homeowners Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments, which are not paid when due, shall be delinquent.

