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By-Laws with Amendments Incorporated via Footnotes – May 5, 2015

FILM 161 PAGE 3243

BY-LAWS

FOR

LITTLE BEAR HOMEOWNERS ASSOCIATION INC.

ARTICLE I

Name

The following shall prevail throughout these By-Laws in the interpretation thereof unless specific provision directs otherwise:

Little Bear Homeowners Association, Inc. is the incorporated organization which is to be governed by and which is empowered to act in accordance with these By-Laws. Hereinafter said corporation shall be referred to as the "Association."

ARTICLE II

Address

The address of the principal office of the Association shall be: Box 289; the office shall be located in the Little Bear Subdivision in Gallatin County, State of Montana.

ARTICLE III

Powers

The Association shall have all the powers of a non-profit corporation enumerated and set forth in Title 35, Chapter 2, H.C.A. The purposes of the Association are those set forth in the Articles of Incorporation.

ARTICLE IV

Membership Interest

Every person, group of persons, partnership, corporation or association that is a fee owner of real property within the boundaries of the area described as the Little Bear Homeowners Association, Inc., subdivision as more particularly described in Exhibit "A", attached hereto, and made a part hereof by reference, shall be a member of the Association. By this provision lot, tract, and parcel as shown on plats and amendments thereto or ownership of record on file with the Clerk and Recorder of Gallatin County, State of Montana, or such commercial lessee situated in the property described in Exhibit "A", shall entitle the owner thereof to one membership interest in the Association. Membership shall be associated with ownership of specific lots or tracts of land of record within the said area described in Exhibit "A", and the owner, or owners thereof

shall be entitled to one membership or voting interest for each such lot or tract owned of record thirty (30) days in advance of the date of any election or determination of the total number of membership interests in the said area contained within Exhibit "A". Multiple owners of a single parcel of real property have collectively one such membership or voting interest. If more than one lot or tract is owned in the said subdivision, the owner or owners thereof shall have one membership or voting interest for each separate parcel of real property. Membership interest shall run with the land so that said interest is an incident to ownership beginning when ownership rights are acquired and terminating when such rights are divested. Accordingly, no members shall be expelled, nor shall he be permitted to withdraw or resign while possessing a membership interest.

Nothing herein shall preclude the Association, acting through the Board of Directors, from denying the use of general areas and facilities to:

- A. Owners who are delinquent in payment of assessments.
- B. Owners who violate the covenants of any subdivision filed of record within the area described in Exhibit "A", the provision of these By-Laws or any rules promulgated by the Board. Written notice of such action to be taken by the Board of Directors must be provided to the owner setting forth a time, date and place when the owner may appear before the Board to show cause why the Board of Directors should not take such action. No denial of the use of the general are or facilities to an owner by the Board of Directors can become effective until after the owner has been provided with an opportunity to appear at such a hearing.
- C. Guests of owners described in a. or b. above.

ARTICLE V

Meetings

There shall be an annual meeting of the membership interest held on a day selected by the Board of Directors in the Month of August¹, the hour and place of such meeting shall be contained in the notice of meetings as hereinafter described. The annual meeting shall be the time for the conducting of any and all legitimate business of the Association, including election of directors and presentation of reports. Voting at all meetings shall be in the manner prescribed in these By-Laws.

Special meetings maybe called at any time upon the initiative of the Board of Directors. A special meeting must be called when a petition signed by fifty percent (50%) of the membership interests outstanding and eligible to vote at the time it has been presented to any member of the Board of Directors. Such special meeting shall be called as soon as practicable after receipt of said petition. Notice of any such special meeting shall state the hour, date, and place of the meeting and shall further precisely state the reason of such meeting, and said special meeting held shall be strictly confined to the matters set forth in the notice unless seventy-five percent (75%) of the said membership interests present agree otherwise.

All meetings both annual and special shall be presided over by the Chairman of the Board of Directors or his appointed representative.

Any meeting may be adjourned by the Board of Directors at their discretion, but any meeting adjourned

¹ Amended on 10/14/94 and recorded on 6/17/99; previous text was "September".

before all its business is disposed of shall be reconvened within thirty (30) days of such adjournment upon due notice given.

Resolutions as hereinafter described may be introduced by any member at any annual meeting provided such resolution in written form is presented to the Secretary of the Board no later than ten (10) days prior to the date of such meeting.

Written notice of all meetings, annual and special, shall be mailed to every member of record no later than thirty (30) days and not more than fifty (50) days before the date of the meeting of the Association. In the absence of such notice, the member's address shall be the address of record with the Gallatin County Assessor's office, Bozeman, Montana, 59715.

ARTICLE VI

Voting

Each membership interest as defined in Article IV of these By-Laws shall have one (1) vote on all matters to come before the Association meeting. Voting of such interest shall be in the manner provided by the Board of Directors and in these By-Laws. Cumulative voting shall be provided for the election or removal of the Board of Directors. Voting may be in person or by written proxy.

ARTICLE VII

Resolutions

All matters that are the business and concern of the Association shall be presented to the Association and meetings of the Association in the form of resolutions directed to the Board of Directors. Such resolutions as are passed by over fifty percent (50%) but less than sixty percent (60%) of the membership interests outstanding and eligible to vote at that time shall only be persuasive with the Board of Directors and shall have the effect only of expressing the inclinations of the membership. All resolutions passed by over sixty percent (60%) of the said membership interests of record and eligible to vote shall be binding on the Board of Directors. Such binding resolutions shall have the effect of compelling the Board of Directors to take positive action in response to the general inclination of the resolution. However, the scope, extent and specific character of all such action shall be within the final discretion of the Board of Directors.

ARTICLE VIII

Powers and Duties of Board

The Board of Directors shall have the following powers and duties:

- A. To enter into contracts and agreements as are necessary to effect the business of the Association provided, however, that such contracts and agreements shall not be for a period in excess of the term of one (1) year.
- B. To provide for the construction, installation, acquisition, replacement, operation, maintenance, and repair by the Association of buildings, equipment, common areas, facilities and services for recreation and/or sporting activities, streets, roads, bridges,

lighting, garbage removal and disposal, security of persons or property, and other services and functions. Contracts for such work with third-parties which provide for a term or duration in excess of one year must be approved by a majority of the members, which approval may be ratification at the annual or any special meeting of the Association.

- C. To make and establish rules and regulations for the governance of facilities and the performing of such functions, the taking of such action and operating in such areas as are within the jurisdictions of the Association.
- D. To make assessments as described in these By-Laws.
- E. To take necessary and appropriate action to collect assessments from members including the filing of liens and prosecuting foreclosures as provided in these By-Laws.
- F. To call meetings of the Association both annual and special and to preside over such meetings, and to give appropriate notice of such meetings as required by these By-Laws.
- G. To formulate and introduce resolutions at the meetings of the Association.
- H. To hold meetings of the Board of Directors as are necessary to conduct Association affairs.
- I. To exercise ultimate decisional power in and on all matters affecting the Association.
- J. To pay the expenses of the Association, including all taxes or assessments and to contract and pay for such insurance as may be necessary in the best interests of the Association and to provide for the use and disposition of the insurance proceeds in the event of loss or damage.
- K. To fill vacancies on the Board by agreement of the remaining members. Should the vacancy not, however, be filled by the Board, it may be filled by an election at an annual or special meeting wherein each membership interest shall have one (1) vote.
- L. To maintain lists of members.
- M. To keep records in good and businesslike manner of all assessments made, all expenditures, and the status of each-member's payments of assessments; and to make such records accessible at reasonable time to all members.
- N. To provide facilities for the safety, health, and well-being of the residents of the subdivision.
- O. To do any and all things necessary to carry into effect these By-Laws and to implement the purposes as stated in the Articles of Incorporation and to do any and all things necessary to require compliance with and enforce the Covenants which by Article XIX are made a part of these By-Laws.
- P. To deal with agencies, officers, boards, commissions, departments, and bureaus of "other" governmental bodies of a Federal, State, County and local basis to carry out the above powers, duties, and responsibilities.

ARTICLE IX

Assessments

The Board of Directors shall have the power to levy assessments on its members, in conformity with the principles and procedures set forth in article V, Covenants for Assessments, Section 1 through 13 of the Declaration of Covenants mentioned above, a copy of which Article is attached hereto, and by this reference incorporated herein.

ARTICLE X

Budgets

On or before 30 days prior to the annual meeting, the Board shall prepare and mail to each member a budget for both capital and operating expenses for the forthcoming fiscal year. The Board shall cause a copy of an operating statement to simultaneously be prepared showing income and disbursements for the preceding fiscal year, which statement shall be mailed to each member within ninety (90) days of the end of the fiscal year.

ARTICLE XI

Quorum

Meetings of the Association shall be convened at the time and place contained in the notice of such meeting only if a quorum of the membership interest is present either in person or by proxy. A quorum shall consist of twenty-five percent (25%) of the total membership interest on the Association outstanding and eligible to vote at the time. Any membership interest may be represented by the owner thereof or by his agent who has written authority to so act.

ARTICLE XII

Voting Interest

Whenever any lot, tract or parcel is owned by two or more persons or by an entity, such person or persons or entity must, prior to a meeting where voting may be allowed, among and between themselves determine who is entitled to vote the membership interest and in what manner it shall be voted. If in the judgment of the Board a bona fide and irreconcilable dispute arises as to the voting or right to vote a membership interest, such interest maybe declared to be in dispute and for the time such interest is in dispute it shall have no voting rights.

ARTICLE XIII

Secretary

The Secretary of the Board of Directors shall maintain a record of all membership interests in the Association. In order to make a determination of membership interest for any purpose stated in the By-Laws or the laws of the State of Montana, the Board may order the record closed for a stated period of time.

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Notice of Assessments and liability for assessments shall be in the name of the registered owner on the membership list at the time assessments are declared by the Board.

ARTICLE XIV

Board Members

The Board of Directors maybe any number from four (4) to nine (9). The initial Board shall be four persons and shall be selected as set forth in Article XVI. At such time as the Board in its discretion believes it to be in the best interests of the Association, it may increase the Board upon resolution.

ARTICLE XV

Terms and Replacement

The term of office for members of the Board shall be three (3) years. Positions on the Board of Directors shall be filed [sic] in the manner hereinafter described. At the first annual meeting of the Association, the members shall elect by majority vote the members of the initial Board. The terms of office for members of the Board shall be three (3) years.

Any vacancy created by resignation shall be filled immediately by appointment by the remaining Board members. Such appointment must be approved by a majority of the members of the Association at the next meeting of the Association, whether general or special. If the appointment is not approved, then-the members shall fill the vacancy by a majority vote. At any time .and for any reason that a vacancy occurs on the Board and an agreement cannot be reached on a successor, then such vacancy shall be filled by the membership interest at large at a special meeting held for that purpose. .At such election any membership interest may nominate candidates from the floor and voting shall be by ballot and each membership interest shall have one (1) vote. The person receiving the highest number of votes shall be deemed to be elected to the vacant position on the Board of Directors.

At any meeting, whether general or special, any one or all of the members of the Board may be removed and replacements selected upon a majority vote of the total membership interests outstanding and eligible to vote at that time. In addition, any board member who misses, two consecutive meetings of the Board of Directors shall be subject to removal by a majority vote of the remaining members of the Board of Directors.

ARTICLE XVI

Committees

Subject to the restrictions stated in § 35-2-407, MCA, the Board may appoint committees to act for the Board and to exercise the authority of the Board on matters referred to them by the Board. Such committees may be dissolved at any time by the Board of Directors.

ARTICLE XVII

Insurance

The Board shall purchase insurance policies, to protect the property of the Association against casualty

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loss and to protect the Association and the Board members (when acting in their official capacity) from liability. The extent and specific nature of coverage shall be determined by the Board.

ARTICLE XVIII

Covenants

No acts by the Association or by the Board of Directors shall be contrary to the Covenants as amended and on file with the Clerk and Recorder of Gallatin County in Book 50 of Miscellaneous; Page 817, and any subsequent Covenants filed in Gallatin County, on the lands described in Exhibit "A".

On its own initiative, the Board may take such action as it deems necessary, including the taking of legal action and initiating suit to enforce the Protective Covenants for such area now of record or hereafter filed of record as more particularly provided in such Covenants, which are incorporated herein by reference as if set forth below in their entirety.

ARTICLE XIX

Employees

The Board of Directors may at its discretion appoint persons to generally supervise and control the business of this corporation and delegate certain powers, duties and responsibilities to such persons. The manner of selection, the qualifications, salaries, the term of employment, the method of removal, the scope of duties and responsibilities, and the number of such employees shall be determined by the Board of Directors.

ARTICLE XX

Compensation

Board members shall be reimbursed for any expenses incurred while acting in their official capacity. The Board members shall not be entitled to any fee for compensation while attending Board meetings or otherwise performing their duties and functions as members of the Board.

ARTICLE XXI

Architectural Control and Land Use Restrictions

Attached hereto and by this reference incorporated herein are Articles VI and VII of the said Declaration of Covenants, which shall govern the Board of Directors and the members of the Association with respect to architectural control and land use restrictions in Little Bear Subdivision. The Board of Directors may enhance or supplement the land use restrictions contained in the Covenants in any manner not inconsistent therewith; but in no case may the Board degrade the standards for architectural and land use in the subdivision.

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ARTICLE XXII

Severability

A determination of invalidity of any one or more of the provisions or conditions hereof by judgment, order or decree of a court shall not affect in any manner the other provisions' hereof which shall remain in full force and effect.

ARTICLE XXIII

Interpretation and Amendment

The Board of Directors shall have the power to interpret all the provisions of these By-Laws and such interpretation shall be binding on all persons. These By-Laws may be amended from time to time whenever at least fifty-one percent (51%) of the membership interests shall have voted in favor of such amendment.

These By-Laws were adopted by the Board of Directors for the Little Bear Homeowners Association, Inc. on the 26th day of November, 1991.

<<< NEXT PAGE IS EXHIBIT A >>>

EXHIBIT "A"

TO

LITTLE BEAR HOMEOWNERS ASSOCIATION, INC.

BY-LAWS

The following described lands shall be subject to the provisions of the Articles and By-Laws of the Little Bear Homeowners Association, Inc., to-wit:

Gallatin County, Montana; and being further described as follows:

Beginning at the Southwest corner of said Section Twenty-Five, said corner being also the Northwest corner of said Section Thirty-six. Thence North 00° 50' 52" West along the West line of said Section Twenty-five a distance of 1321.06 feet. Thence North 89° 59' 50" East along the North line of the South One-half of said Southwest One-quarter a distance of 2632.87 feet. Thence North 89° 59' 29", East along the North line of the South One-half of said Southeast One-quarter a distance of 1674.60 feet. Thence Southerly along the Westerly right-of-way of an existing county road through the following courses:

South 00° 59' 18" East a distance of 46.01 feet.

South 08° 24' 14" East a distance of 1384.67 feet.

South 04° 23' 23" East a distance of 101.32 feet.

Thence leaving said right-of-way South 55° 47' 38" West a distance of 167.23 feet. Thence South 11° 22' 50" West a distance of 2422.66 feet to a point on the South line of said Northeast One-quarter. Thence North 89° 57' 26" West along said South line a distance of 1226.15 feet. Thence North 00° 28' 40" West along the West line of said Northeast One-quarter a distance of 2663.48 feet. Thence North 89° 59' 40" West along the South line of said Southwest One-quarter a distance of 2634.12 feet to the Point of Beginning.

Said tract being 225.736 Acres along with and subject to all existing easements.

The above described tract of land is to be known and designated as LITTLE BEAR SUBDIVISION, Gallatin County, Montana, and the lands included in all streets, are hereby granted and donated to the use of the public forever. Land in the park is hereby granted to the Little Bear Property Owners Association.

<<< NEXT AND LAST PAGE IS SIGNATURE PAGE ONLY >>>

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Wayne Nicholas
Rick Ellison
Ken Williams

STATE OF MONTANA)

:ss

County of Gallatin)

On this 14th day of March, 1996 before me, the undersigned Notary Public for the State of Montana, personally appeared WAYNE NICHOLAS RICK ELLISON KEN WILLIAMS known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.



Shirley K Long

Notary Public for the State of Montana
Residing at : Bozeman, Montana My
Commission expires: 8 - 22 - 98

322050

OFFICE OF COUNTY
RECORDER) COUNTY OF
GALLATIN
STATE OF MONTANA

THIS INSTRUMENT WAS FILED FOR RECORD IN THIS OFFICE
ON

THE 1 DAY OF APRIL, A.D., 1996
AT 11:35 A M., AND WAS DULY RECORDED IN BOOK 161