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**SECOND RESTATED BYLAWS**

**OF**

**BIG MOUNTAIN HOMEOWNERS ASSOCIATION, INC.  
(Formerly BIG MOUNTAIN RESORT ASSOCIATION)**

These Second Restated Bylaws are and constitute the bylaws for the Big Mountain Homeowners Association, Inc. ("Homeowners Association"), effective as of July 27, 1999.

**ARTICLE I.**

**Definitions**

The terms defined in Article XI of the Second Restated General Declaration for Big Mountain Resort, recorded Aug. 9, 1999, as Document No. 199922115010 records of Flathead County, Montana, (the "Declaration") shall have the same meaning in these Bylaws.

**ARTICLE II.**

**Offices**

The initial principal offices of the Homeowners Association shall be at 3460 Big Mountain Road, P.O. Box 820, Whitefish, Montana 59937. The board of directors may change the location of the principal offices. The Homeowners Association may also have offices and may carry on its purposes at such other places within and outside the State of Montana as the board of directors may from time to time determine.

**ARTICLE III.**

**Membership, Voting, Quorum and Proxies**

1. **Members.** The members of the Homeowners Association shall be all Owners of the Residential Sites within the Residential Subdivisions, as defined in the Declaration. Initially, the Residential Subdivisions consist of the property described on Exhibit "A" attached hereto. The Declarant may expand the membership of the Homeowners Association by annexing additional real property to the Residential Subdivisions, as provided in the Declaration.

2. **Voting Rights.** The voting rights of the members within the Homeowners Association shall be limited to one (1) vote per residential site, unit, condominium, or townhouse.

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3. **Record Date.** The board of directors shall have the power to fix in advance a date as a record date for the purpose of determining members entitled to notice of or to vote at any meeting or to be furnished with any other information or material, or in order to make a determination of membership, for any purpose other than assessments which are provided in Article IV herein. The members existing on any such record date shall be deemed members for such notice, vote, meeting, furnishing of information or material, or other purpose, and for any supplementary notice or information or material with respect to the same matter and for any adjournment of the same meeting. A record date shall not be more than 50 days prior to the date on which the particular action requiring determination of membership is proposed or expected to be taken or to occur. If no record date is established for a meeting, the date on which notice of such meeting is first given to any member shall be deemed the record date for the meeting.

4. **Quorum.** Except as otherwise provided in the Articles of Incorporation or these Bylaws, the presence in person or by proxy of the Owners of forty percent (40%) of the Residential Sites shall constitute a quorum.

5. **Proxies.** Votes may be cast in person or by proxy. Every proxy must be executed in writing by the member or his duly authorized attorney in fact. Except as provided in Article XI herein, no proxy shall be valid after the expiration of eleven months from the date of its execution.

6. **Majority Vote.** At any meeting of the members where a majority vote is required, if a quorum is present, the affirmative vote of the Owners of a majority of the Residential Sites represented at the meeting, in person or by proxy, shall be the act of the members unless the vote of a greater number is required by law, the Articles of Incorporation, the Declaration or these Bylaws as from time to time in force and effect.

#### ARTICLE IV.

##### Property Rights and Rights of Enjoyment of Facilities and Functions

Each member and guest shall be entitled to the use and enjoyment of the Homeowners Association Common Areas, common facilities and functions, subject to such rules and regulations as may be adopted by the board of directors from time to time, pursuant to Article VI, Section 4(b), below.

#### ARTICLE V.

##### Administration

1. **Annual Meeting.** The annual meeting of the Homeowners Association shall be held at a place in Flathead County designated by the Homeowners Association board of directors. The meeting shall be for the purpose of providing a forum for the homeowners to elect directors and for the transaction of such other business and matters as may be pertinent to the Homeowners

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Association which is brought before the meeting. If the day fixed for the annual meeting shall be a legal holiday in Montana, such meeting shall be held on the next succeeding business day.

**2. Special Meetings.** Special meetings of the members, for any purpose, unless otherwise prescribed by statute, may be called by the president or by a majority of the board of directors, and shall be called by the president.

**3. Place of Meeting.** The board of directors may designate any place in Flathead County as the place for any annual meeting or for any special meeting called by the board of directors.

**4. Notice of Meeting.** Written or printed notice of any meeting of the members stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail to each member entitled to vote at such meeting and to the Declarant not less than fourteen (14) days nor more than fifty (50) days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears in the office of the Homeowners Association, with postage thereon prepaid. If requested by the person or persons lawfully calling such meeting, the secretary shall give notice thereof at residential expense.

**5. Informal Action by Members.** Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the members, and may be stated as such in any articles or document filed with the Secretary of State of Montana.

**6. Voting.** In the election of directors each member shall have the right to vote as set forth in the Articles of Incorporation as from time to time in force and effect or as set forth in these Bylaws. If Declarant is an Owner of a Residential Site, Declarant shall have all the rights and duties of any other Owner of a Residential Site. In addition, even if Declarant is not an Owner of a Residential Site, Declarant shall be given notice of any regular or special meeting of members and Declarant shall be permitted to attend and participate in any meeting, provided that if Declarant is not an Owner of a Residential Site, Declarant shall not be permitted to vote at the meeting.

## **ARTICLE VI.**

### **Board of Directors**

**1. Number, Tenure and Qualifications.** The business and affairs of the Homeowners Association shall be managed by a board of directors initially consisting of five (5) directors. Directors shall be elected or appointed annually by the members at the Homeowners Association annual meeting, except that one non-voting member of the board of directors shall be appointed by the Declarant. The board member appointed by Declarant may be removed and replaced at any time by the Declarant, and such board member may not otherwise be removed. The total number of directors comprising the board of directors may be increased or decreased from time to time by act

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of the board of directors, but shall not be less than four (4) directors, including the director appointed by Declarant. Each director shall hold office until the election or appointment and qualification of his successor. If an initial director resigns, his replacement shall hold office only until the next annual meeting of the Homeowners Association. The total number of directors comprising the board of directors may be increased or decreased from time to time by act of the board of directors, but shall not be less than four (4) directors, including the director appointed by Declarant.

**2. Resignations, Vacancies.** Any director may resign at any time by giving written notice to the president or the secretary of the Homeowners Association. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the board of directors by reason of resignation or death, may be filled by the affirmative vote of a majority of the directors then in office though less than a quorum, except that if the ex-officio board member appointed by Declarant resigns, the vacancy shall be filled by Declarant. A director elected to fill such a vacancy shall be elected to serve until the next annual meeting of the members.

**3. General Powers.** The board of directors shall have and may exercise all the powers of the Homeowners Association consistent with the Second Restated General Declaration (Articles I-XVII), except such as are expressly conferred upon the members by law, by the Articles of Incorporation, or the Bylaws as from time to time in force and effect.

**4. Additional Powers and Responsibilities.** In addition to its general powers, the board of directors shall have the authority and the responsibility, acting through the board of directors and officers:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Articles of Incorporation, Declaration, or the Bylaws as from time to time in force and effect.

(b) To establish, make, amend, publish and enforce compliance with such reasonable rules and regulations governing (i) the operation and use of Common Areas, common facilities and functions, (ii) exterior maintenance of the structures and grounds of each Residential Site, (iii) the personal conduct of the members and Guests, and to establish, make, amend, publish and enforce payment of reasonable charges for the use of facilities and functions; provided, however, that no such rules or regulations shall be effective without the prior written consent of Declarant, which consent will not be unreasonably withheld.

(c) To maintain in good order, condition and repair Common Areas and all items of personal property used in the enjoyment of such property, to include roads, parking areas, landscaping, other facilities under control or deemed the responsibility of the Homeowners Association.

(d) To obtain and maintain appropriate insurance in connection with Common Areas and related personal property.

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(e) To fix, determine, levy and collect Assessments from Owners to meet the Common Expenses of the Homeowners Association and to create a reasonable reserve therefor, as more fully set forth in Article IX hereof.

(f) To collect promptly all delinquent assessments by suit or otherwise and to enjoy or seek damages from a member or Guest.

(g) To collect the charges and fees provided for by the Bylaws as in effect from time to time.

(h) To issue, or cause an appropriate officer to issue, upon written demand of any member a certificate setting forth whether any assessment, charge, fine or penalty has been paid by such member. Such certificate shall be conclusive evidence against the Homeowners Association for all purposes. The Homeowners Association may charge a reasonable fee for such certificate.

(i) To protect and defend Common Areas and related personal property from loss and damage by suit or otherwise.

(j) To borrow funds in order to pay for any expenditure or outlay authorized by these Bylaws, the Declaration, and the Articles of Incorporation as from time to time in force and effect.

(k) To enter into contracts within the scope of their duties and powers.

(l) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the board of directors.

(m) To maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Homeowners Association. Any member may inspect such records upon reasonable notice at any reasonable time.

(n) To employ independent, third-party accountants and/or auditors to annually review and inspect the financial records of the Homeowners Association and prepare a written report to the board regarding the findings.

**5. Compensation.** By resolution of the board of directors, any director may be paid any one or more of the following: his reasonable expenses incurred, if any, in furtherance of the business or affairs of the Homeowners Association; a fixed sum for attendance at meetings; or a stated salary as a director. No such payment shall preclude any director from serving the Homeowners Association in any other capacity and receiving compensation therefor.

**6. Regular Meetings.** Regular meetings of the board of directors may be held without call or formal notice at such places within the State of Montana and at such times as the board may from time to time by vote determine. Any business may be transacted at a regular meeting. Until further

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determination, the regular meeting of the board of directors for the election of officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of members, or any special meeting of members at which a board of directors is elected.

**7. Special Meetings.** Special meetings of the board of directors may be held at any place within Montana at any time when called by the president, or by two or more directors, upon at least five (5) days' prior notice of the time and place thereof being given to each director by leaving such notice with him or at his residence or usual place of business, or by mailing or telegraphing it prepaid, and addressed to him at his post office address as it appears on the books of the Homeowners Association, or by telephone or facsimile transmission. Notices shall state the purposes of the meeting. No notice of any adjourned meeting of the directors shall be required.

**8. Quorum.** A majority of the number of directors fixed by the Bylaws (including the ex-officio director appointed by Declarant) shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the voting directors in attendance shall, except where a larger number is required by law, the Articles of Incorporation, or by these Bylaws as from time to time in force and effect, decide any question brought before such meeting. The director appointed by Declarant shall not be a voting member of the board of directors.

**9. Waiver of Notice.** Before, at or after any meeting of the board of directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him except when a director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

**10. Informal Action by Directors.** Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the directors.

**11. Executive Committee.** An executive committee may be appointed by the Directors as deemed necessary.

**12. Appeal of Committee Decisions.** Decisions of committees (excluding the board's executive committee) may be appealed to the board of directors by any member(s) adversely affected by the decision. Within ten (10) days following action of the committee, its decision shall be transmitted to the affected member(s) and board of directors. The board of directors may confirm, modify or reverse the decision of the committee within twenty (20) days following the committee's decision. The decision shall become final if no action is taken by the board of directors and no written request for reconsideration is made to the committee by the affected member(s) within twenty (20) days following the committee's decision. If no action was taken by the board of directors and a request for reconsideration is timely made, the committee shall reconsider the matter

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at its next regularly scheduled meeting. The decision rendered upon such reconsideration shall be transmitted to the affected member(s) and to the board of directors as set forth above, and shall become final if no written appeal to the board of directors is made to such decision within twenty (20) days following the date of notice of such decision. Not more than thirty (30) days following the filing of an appeal by the affected member(s), the board of directors shall review the action of the committee and shall, in writing, confirm, modify, or reverse the decision of the committee. If the board of directors deems insufficient information is available to provide the basis for a sound decision, the board of directors may postpone action for not more than an additional thirty (30) days. Failure of the board of directors to act within sixty (60) days from the date of filing of the appeal shall be deemed approval by the board of directors of the committee's decision.

## ARTICLE VII.

### Officers and Agents

1. **General.** The officers of the Homeowners Association shall be a president, one or more vice presidents, a secretary and a treasurer. The board of directors may appoint such other officers, assistant officers, committees and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the board of directors. The salaries, if any, of all the officers of the Homeowners Association shall be fixed by the board of directors. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of an officer, agent or employee are not prescribed by the Bylaws or by the board of directors, such officer, agent or employee shall follow the orders and instructions of the president or his designee.
2. **Removal of Officers.** Upon an affirmative vote of a majority of the members of the board of directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the board of directors, or at any special meeting of the board called for such purpose.
3. **Vacancies.** A vacancy in any office, however occurring, may be filled by the board of directors for the unexpired portion of the term.
4. **President.** The president shall be the chief executive officer of the Homeowners Association. He shall have the general and active control of the affairs and business of the Homeowners Association and general supervision of its officers, agents and employees.
5. **Vice Presidents.** The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the board of directors. In the absence of the president, the vice president designated by the board of directors or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made all vice presidents may exercise such powers and perform such duties.

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**6. Secretary.** The secretary shall:

- (a) Keep the minutes of the proceedings of the members, executive committee and the board of directors;
- (b) See that all notices are duly given in accordance with the provisions of these Bylaws, the Articles of Incorporation and Declaration, and as required by law;
- (c) Be custodian of the Homeowners Association's records and of the seal of the Homeowners Association and affix the seal to all documents when authorized by the board of directors;
- (d) Keep at its registered office or principal place of business within or outside Montana a record containing the names and registered addresses of all members, the designation of the property owned or leased by each member, and, if such property is mortgaged and the mortgagee has given the Homeowners Association notice thereof, the name and address of the mortgagee;
- (e) In general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

**7. Treasurer.** The treasurer shall be the principal financial officer of the Homeowners Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Homeowners Association and shall deposit the same in accordance with the instructions of the board of directors. He shall receive and give receipts for moneys paid into the Homeowners Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Homeowners Association of whatever nature upon maturity. He shall perform all other duties incident to the office of the treasurer and, upon request of the board of directors, shall make such reports to it as may be required at any time. He shall, if required by the board of directors, give the Homeowners Association a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of his duties and for the restoration to the Homeowners Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Homeowners Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the board of directors or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

**199922115030****ARTICLE VIII.****Obligations of the Members****1. Assessments.**

(a) Each Owner shall be obligated to pay and shall pay to the Homeowners Association the annual Common Assessment levied under Article IX with respect to such Owner's Residential Site, and each Owner shall comply with any determinations made by the board of directors with respect to such assessments.

(b) Each member shall pay all charges, fines, penalties, interest, or other amounts payable to the Homeowners Association in connection with the Common Assessments or otherwise payable under the Declaration, the Articles of Incorporation or these Bylaws.

**2. Time for Payments.** The amount of any assessment, charge, fine, penalty or other amount payable with respect to any member or such member's Guests or Residential Site shall become due and payable as specified in Article IX hereof or by the board of directors, and any such amount which is delinquent shall bear interest at the rate of 12 percent per annum from the date due and payable.

**3. Lien for Assessments and Other Amounts.** The Homeowners Association shall have a lien against each Residential Site to secure payment of any assessment, charge, fine, penalty or other amount due and owing to the Homeowners Association with respect to the Owner of that Residential Site or with respect to such Owner's Lessees, Guests or Residential Site plus interest from the date due and payable, plus all costs and expenses of collecting the unpaid amount, including reasonable attorneys fees. All liens granted pursuant to this Section 3 and Sections 1, 2, 3, and 4, Article IX, hereof, shall be junior to any first lien or encumbrance on a Residential Site taken in good faith and for value and perfected by recording in the office of the Clerk and Recorder of Flathead County, Montana, prior to the time a notice of failure to pay any such amount is recorded in said office, describing the Residential Site, and naming the Owner of the Residential Site. Such lien may be foreclosed in the manner for foreclosures of mortgages in the State of Montana.

**4. Compliance with the Articles of Incorporation, Bylaws and Rules and Regulations.** Each member shall comply with all provisions of the Declaration, Articles of Incorporation, these Bylaws, and any rules and regulations issued by the board of directors as from time to time in force and effect. The membership rights and privileges, including, but not limited to, the right to vote and the right to use Common Areas and functions of any member or Guest, shall be suspended by action of the board of directors during the period when any assessments or other amounts due relating to such member's Residential Site remain unpaid; but, upon payment of such assessments or other amounts, such rights and privileges shall be automatically restored. If the board of directors has adopted and published rules and regulations governing the use of residential common facilities or functions and the personal conduct of any person related thereto, the directors or the officers of the Homeowners Association, may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed 30 days, or if such person is in a

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continuous violation of such rules and regulations for a period until such time as the violation ceases. At the time such continuous violation ceases, the 30-day suspension may be applied to such person.

**5. Violations.** A member's violation of provisions or requirements, if any, imposed by the Second Restated General Declaration shall subject a member to the provisions of paragraph 4 above.

**6. Amendments.** This Article VIII may be amended only by the affirmative vote of the Owners of 60 percent of the Residential Sites.

## ARTICLE IX.

### Assessments

**1. Budget.** The board of directors shall adopt an estimated annual budget each fiscal year. Such budget shall include:

- (a) The costs of operation of the Homeowners Association;
- (b) the estimated costs and expenses and proposed capital expenditures which will be chargeable to the Homeowners Association to fulfill its obligations under the Declaration, Articles of Incorporation and the Bylaws as then in force and effect;
- (c) the estimated income and other funds which will be received by the Homeowners Association; and
- (d) the estimated total amounts required to be raised by Common and Special Assessments to cover such costs, expenses and capital expenditures of the Homeowners Association and to provide a reasonable reserve.

The tentative budget for each fiscal year shall not be finally established until after an opportunity for discussion of such budget by the members at a meeting of the members, which may be the same meeting as the annual meeting of the Homeowners Association. The board of directors shall give notice of the time and place of the meeting for review of the tentative budget to all members and to the Declarant at least 30 days prior to such meeting. During such 30-day period the board of directors shall make copies of the tentative budget available to all interested members and the Declarant at the principal office of the Homeowners Association. At such meeting, members and the Declarant shall have the right to be heard concerning the budget; however, the board of directors shall retain the sole power to establish the budget. Any Special Assessment proposed in the budget shall become effective with final establishment of the budget shall be approved by the members as herein provided. Special meetings may be held in like manner upon like notice to consider supplementation or revision of any budget. Notice of any such special meeting shall contain a reasonably detailed description of the supplement or revision proposed. Except as emergencies may require, the Homeowners Association shall make no commitment or expenditures in excess of the funds reasonably expected to be available to the Homeowners Association through assessments, all other sources of income and approved borrowing.

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**2. Common Assessments.** The Board of Directors, on or about August 1st of each year, may levy upon and subsequently collect from each Owner a Common Assessment for each Residential Site. The Common Assessment shall be equal for each Residential Site. Payment shall become due and payable in its entirety on or before August 31st of each year. Any portion of any Common Assessment not paid when due and payable shall become a lien on and against all of the Residential Sites owned by such Owner subject to the Homeowners Association, including any Residential Sites owned by such Owner other than the Residential Site with respect to which the Common Assessment has not been fully paid. The board of directors in cases of extreme hardship may release any such lien if it receives other security for the payment of the delinquent Common Assessment which it deems sufficient to protect the interest of the Homeowners Association.

**3. Special Assessments.** Special Assessments shall include Local Improvement Assessments, as those terms are used below. They shall be imposed as provided in the Section and shall be collected by the Homeowners Association. Any portion of any Special Assessment not paid by any member when due and payable shall become a lien on and against all of the Residential Sites owned or leased by such member in the Homeowners Association. The board of directors in cases of extreme hardship may release any such lien if it receives other security for the payment of the delinquent Special Assessments which it deems sufficient to protect the interests of the Homeowners Association.

**(a) Local Improvement Assessments.**

**(i) Local Improvements.** In the judgment of the board of directors, if certain improvements within the Common Areas of the subdivision are desirable, if those improvements will especially benefit certain Residential Sites, and if all or a part of the costs of those improvements should in fairness be paid for by the Owners of the benefitted Residential Sites (such as only Wood Run, or only Sun Rise Ridge or portions thereof), the board of directors may propose a Local Improvement Assessment. With respect to each proposed Local Improvement Assessment, the board of directors shall specify the nature of the proposed improvement, shall designate those Residential Sites which will be especially benefitted by the improvement (the "Benefitted Sites") and shall recommend a Local Improvement Assessment calculated to meet the costs applicable to the local improvement, with the board specifying the amounts of such assessments, the dates for payment of such assessments, and the portion, if any, of the costs of any improvement that will be borne by the Homeowners Association. The Local Improvement Assessment shall then be submitted to a vote of the Owners of the Benefitted Sites, at a meeting duly called for such purpose upon written notice which sets forth the purpose of the meeting and is sent to the Owners of the Benefitted Sites and Declarant at least 30 days in advance (unless each such Owner waives such notice). If the Owners of more than 50 percent of the total Benefitted Sites approve the Local Improvement Assessment at such a meeting, the Local Improvement Assessment shall take effect.

**(ii) Apportionment of Local Improvement Assessments.** Local Improvement Assessments shall be equal for each Benefitted Site.

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**(iii) Disposition of Funds Raised Through Local Improvement Assessments.**

All funds collected through the imposition of a Local Improvement Assessment shall be applied to the costs of making, constructing and installing the local improvement for which such assessment was imposed, except that any funds remaining unspent upon completion of such improvement shall be returned to the Owners of the Benefitted Sites in the proportion on which such Sites were assessed.

**4. Amendments.** This Article IX may not be altered, amended or repealed except by the affirmative vote of the Owners of 60 percent of the Residential Sites, and by the written approval of Declarant.

**ARTICLE X.**

**Evidence and Determination of Membership,  
Registration of Mailing Address and Lien Holders**

**1. Evidence of Membership and Registration of Mailing Address.** Members in the Homeowners Association shall attain membership status by ownership of a Residential Site.

Members shall furnish to the Homeowners Association a photocopy or a certified copy of the recorded instrument vesting that party with the interest required to make it a member of the Homeowners Association. Each such member shall at the same time give a single name and address to which notices to such member may be sent. In the event of any change in the facts reported in the original written notice, including any change of ownership, the member shall give a new written notice to the Homeowners Association containing all the information required to be covered by the original notice. As against any member, and any party claiming by, through or under such member, the Homeowners Association may, but shall not be obligated to, rely, for any and all purposes, on the information reflected in the most recent written notice furnished with respect to such member. The Homeowners Association shall keep and preserve the most recent written notice received by the Homeowners Association with respect to each member.

**2. Homeowners Association Determination as to Membership.** The Homeowners Association shall keep records of its determinations of membership which shall be used and may be relied upon by it for any and all purposes. No party shall be entitled to any notice or the right to vote until it has been determined by the Homeowners Association that such party is a member and that all dues assessed to that site have been paid in full. Any party aggrieved by any determination of the Homeowners Association with respect to its voting rights may contest such action within 45 days after it has notice thereof by commencing a legal action in the District Court of Flathead County, Montana, within such 45-day period. If such action is not commenced in such period, the determination of the Homeowners Association shall be final.

**3. Liens.** Any member who mortgages or grants a deed of trust covering his Residential Site may notify the board of directors of the name and address of the mortgagee or beneficiary of the deed of trust and may file conformed copies of the note and security instrument with the board of directors. Such notice shall include an agreement by the lending institution that it will notify the

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Homeowners Association when its lien has been released. If such notice is given, the board of directors, when giving notice to a member of default in paying an assessment or other default, shall send a copy of such notice to each mortgagee or beneficiary of a deed of trust covering such member's Residential Site whose name and address has theretofore been filed with the Homeowners Association, and which has not been removed by appropriate notice that the lien has been released. However, failure to give such notice to a mortgagee shall not invalidate the notice to a member.

4. **Address of the Homeowners Association.** The initial address of the Homeowners Association shall be as provided in Article II, above. Such address may be changed from time to time upon written notice to all members and all mortgagees or beneficiaries of deeds of trust whose names have been previously filed with the Homeowners Association.

**ARTICLE XI.**

**Security Interest in Membership**

Members shall have the right irrevocably to constitute and appoint the mortgagee or the beneficiary of a trust deed their true and lawful attorney-in-fact to vote in the Homeowners Association at any and all meetings of the Homeowners Association and to vest in the mortgagee or the beneficiary any and all rights, privileges, and powers that they have as members under the Declaration, Articles of Incorporation and these Bylaws as from time to time in force and effect. Such proxy and vesting shall become effective upon the filing of notice by the mortgagee or the beneficiary with the secretary of the Homeowners Association at such time or times as the mortgagee or the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Homeowners Association, the board of directors or the members to carry out their duties. A release of the mortgage or the beneficiary's deed of trust shall operate to revoke such proxy and vesting. Nothing contained in this Article XI shall be construed to relieve members, as mortgagors, of their duties and obligations as members or to impose upon the mortgagee or the beneficiary of the deed of trust the duties and obligations of an Owner.

**ARTICLE XII.**

**Amendments**

Any provision contained in these Bylaws may be amended or repealed as follows. Any amendment shall require the consent of the Owners of sixty percent (60%) of the Residential Sites. Such consent may be evidenced by written consent or by vote at a regular or special meeting of the members of the Homeowners Association, or by a combination of written consents and votes. In addition, any such amendment must be approved in writing signed by the Declarant.

**ARTICLE XIII.**

**Miscellaneous**

1. **Seal.** The corporate seal of the Homeowners Association shall be circular in form and shall contain the name of the corporation, the year of its organization, and the words "Seal, Montana".



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