

Executive Summary- below is an executive summary of the adopted Amended and Restated Bylaws for the Big Sky Owners Association, Inc. recorded at the Office of the Gallatin County Clerk and Recorder (Document #2290050, January 25, 2008) and the Office of the Madison County Clerk and Recorder (Document #124479, February 11, 2008). If Members have any questions please contact Mindy Nowakowski at BSOA at bsoamcn@3rivers.net or at 406-995-4166.

BSOA Bylaws

Original Amended and Restated BSOA Bylaws ¹	Amendment/Notes
Article I- Concepts and Definitions	<p>See Section 1.3- Definitions are the same with new terms added, updated Montana Code references, and removed definitions for "<i>Commercial Lessee</i>" and "<i>Parcel</i>".</p> <p>NEW LANGUAGE: definitions were added for the following: Articles, Association's Jurisdiction, BSAC, Bylaws, Date of Record, Design Regulations, Good Standing, Governing Documents, Improved Land, MCA, Raw Land, and Staff.</p>
Article II- Address	See Section 1.5- Updated address
Article III- Powers	<p>See Section 1.2- Includes the "<i>Powers</i>" language as in Article III (updating the Montana Code reference) and a clause reflecting the "<i>Purpose</i>" language from the proposed Amended and Restated Articles of Incorporation for the BSOA. In addition, see Section 3.2.15- the Board is granted the powers generally granted to a Montana nonprofit corporation.</p>
Article IV- Membership Interest	<p>See Section 2.1- Same language for "<i>Membership Created</i>" except that references to Commercial Lessee are removed.</p> <p>See Section 2.2- Same language for "<i>Entitlement of Membership Interests</i>" except the language referring to membership for Tracts of 100 acres has been clarified and the paragraph referring to Commercial Lessees has been eliminated.</p> <p>See Section 2.3- Same language as exists in Paragraph C of Article IV, "<i>Membership and Membership Interest Run with Land</i>," except that the language has been updated and clarified, but the premise is still the same that membership runs with the land.</p> <p>NEW LANGUAGE: See Section 2.12- this section delineates the rights and privileges of the Members with regard to Common Areas of the Association and powers and duties under the Bylaws.</p> <p>See Section 2.13- "<i>Conduct of Meetings</i>" was added to specify how meetings of the Membership are to be conducted (i.e., parliamentary procedure).</p>
Article V- Meetings	<p>See Section 2.4- Annual meeting language is the same as the existing language in Article V.</p> <p>See Section 2.5- Same language except that it has been rewritten to include language from the Montana Code Section 35-2-527.</p> <p>See Section 2.6- Same language except that it has been rewritten to comply with Montana law with regard to how many days must be given for notice of a meeting and what is required to be in the notice.</p>

¹ dated April 4, 1996 (recorded Gallatin County in Film 161, Page 4419 and Madison County in Book 398, Page 375)

Original Amended and Restated BSOA Bylaws ¹	Amendment/Notes
	<p>NEW LANGUAGE: See Section 2.7- “Adjournment of Meetings” this provision was added to provide instruction on what happens when a quorum is not present at a meeting of the Membership and how that meeting is adjourned.</p> <p>See Sections 3.8 and 3.9- Provisions added to define a process for Regular and Special meetings of the BSOA Board including participating via telephone conference call.</p> <p>See Section 3.10- “<i>Notice of, and Waiver of Notice for, Regular and Special Director Meetings</i>” section added to provide for a process to give notice to the Directors.</p> <p>See Section 3.11- “<i>Transaction of Business</i>” section added to provide for a process for Directors to attend meetings via telephone conference.</p> <p>See Section 3.12- “<i>Quorum of Directors</i>” section added state quorum requirements for meetings of the Board.</p> <p>See Section 3.14- “<i>Conduct of Meetings</i>” section added for Board meeting conduct.</p> <p>See Section 3.15- “<i>Open Meetings</i>” section added to require that Board meetings be open to Members and Members shall be provided an opportunity to speak.</p> <p>See Section 3.16- “<i>Executive Session</i>” section added to provide a process whereby Board meetings are closed to discuss personnel matters, litigation and contracts with third parties.</p> <p>See Section 3.17- “<i>Action by Written Consent</i>” section added from the Montana Code to provide for a process for the Board to deal with issues by written consent.</p>
<p>Article VI- Voting</p>	<p>See Section 2.8- Same language as existing in Article VI except the cross references are corrected to accurately refer to the new articles, the timing for determining who is entitled to vote is clarified, and the procedure for voting via a Written Mail Ballot is clarified.</p> <p>See Section 2.11- Same language as existing in Article VI for “<i>Membership Approval</i>” with added cross reference to Section 2.10 “<i>Quorum.</i>”</p> <p>NEW LANGUAGE: See Section 2.9- “<i>Suspension of Voting Rights</i>” provision added to give the Board the power to suspend a Member’s right to vote if he/she is delinquent on their dues. It also provides a process for the Board to give notice to a Member that their voting rights are being suspended.</p>
<p>Article VII- Resolutions</p>	<p>See Section 2.14- Same language as existing in Article VII except the date to get resolutions to the Secretary has been updated to comply with the Montana Code.</p>
<p>Article VIII- Powers and Duties of Board</p>	<p>See Section 3.2.1- Same language as existing in Paragraph A of Article VIII.</p> <p>See Section 3.2.2- Same language as existing in Paragraph B of Article VIII, except the reference to municipal and quasi-municipal functions was removed on advice of outside counsel.</p> <p>See Section 3.2.3- Same language as existing in Paragraph C of Article VIII.</p> <p>See Section 3.2.4- Same language as existing in Paragraph D of Article VIII, except the power to establish reserves was added.</p> <p>See Section 3.2.5- Same language as existing in Paragraph E of Article VII, except “<i>the assessment of penalties</i>” language was added.</p> <p>See Section 3.2.6- Same language as existing in Paragraph F of Article VIII.</p>

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	<p>See Section 3.2.7- Same language as existing in Paragraph G of Article VIII.</p> <p>See Section 3.2.8- Same language as existing in Paragraph H of Article VIII.</p> <p>See Section 3.2.9- Same language as existing in Paragraph I of Article VIII.</p> <p>See Section 3.2.10- Same language as existing in Paragraph J of Article VIII, except modified to reference other records that must be kept and records available to the Membership was deleted as this is covered under Section 1.6.</p> <p>See Section 3.2.12- Same language as existing in Paragraph M of Article VIII.</p> <p>See Section 3.2.13- Same language as existing in Paragraph N of Article VIII.</p> <p>Paragraph K (to provide municipal functions) was eliminated on advice of counsel. Paragraph L (promote Big Sky resort) of Article VIII was also eliminated as a Board power.</p>
Article IX- Assessments	<p>See Article 7- Incorporated into new Article. Provisions are the same.</p> <p>See Section 7.4- Same language as existing in Article IX, but clarifies that the annual assessments will be billed in October.</p> <p>NEW LANGUAGE: See Section 7.1- this clarifies an Owners responsibility to pay assessments and the obligation of the Association to verify assessment payments to an Owner's title or mortgage company.</p> <p>See Section 7.2- Change from bi-annual to annual assessments.</p> <p>See Section 7.3- Establishes provisions for special assessments.</p> <p>See Section 7.5- Restricts how much the BSOA Board can increase assessments each fiscal year without a membership vote, but provides for emergency situations.</p>
Article X- Budgets	<p>See Section 8.1- Reference to the fiscal year remains October 1st to September 30th.</p> <p>See Section 8.2- Includes budget requirements. Budget cap removed in lieu of assessment cap - Section 7.5 added "<i>Restrictions on Increases in Annual or Special Assessments.</i>" In addition, the time to mail out the operating statement at the end of each fiscal year to the Members was extended from ninety (90) days to one hundred twenty (120) to accommodate auditor and publication timeframe.</p> <p>NEW LANGUAGE: See Section 8.3- Section added to define Board officers with authority to sign checks and drafts.</p> <p>See Section 8.4- Section added to define Board officers with authority to sign contracts.</p> <p>See Section 8.5- Section prescribes how deposits are made and authorizes Board to select appropriate financial institutions.</p>
Article XI- Liens for Assessments and Foreclosures	<p>See Section 7.6- Rewritten to include similar provisions for processing overdue assessments or other amounts due and owing the BSOA which are not paid within 60 days. Includes a procedure for establishing a late payment penalty; the right of the BSOA to file a lien and be reimbursed for the cost of drafting and filing the lien; and it defines BSOA powers to foreclose liens.</p>
Article XII- Quorum	<p>See Section 2.10- Same language as existing in Article XII except the last sentence of Article XII was eliminated as it was not necessary to state "<i>Any Membership Interest may be represented by the Owner thereof or by his agent who has written authority to so act.</i>"</p>

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Article XIII- Secretary	<p>See Section 4.7- Same language as existing in Article XIII except the last sentence which refers to how assessments are mailed was included in Section 7.1.</p> <p>NEW LANGUAGE: Article 4 “<i>Officers</i>” is new. The article was added to clarify roles and responsibilities of BSOA Officers.</p>
Article XIV- Board Members	<p>See Section 3.1- Same language as existing in Article XIV.</p>
Article XV- Board Election Procedures and Terms of Office	<p>See Section 3.14- Same language as in existing Article XV for “<i>Nomination of Directors</i>” except that the language referring to the Nominating Committee is now found under Section 6.4 and is modified to read “<i>The Nominating Committee shall consist of two Members of the Board, one of whom shall be chairman, and not less than two or more than five Members in Good Standing. The Nominating Committee shall be appointed by the Board to serve a term of one year or until their successors are appointed and such appointment shall be made at the first Board meeting after the annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled.</i>”</p> <p>See Section 3.4.2- Same language as in existing Article XV for “<i>Election Procedures</i>” except that the time for sending out notice has been modified to comply with Montana law and the announcement of the elected directors will now be on or before thirty (30) days after the annual meeting as it is not feasible to announce who won the election at the annual meeting.</p> <p>See Section 3.5- Same language as in existing Article XV for “<i>Term of Office.</i>”</p> <p>See Sections 3.6 and 3.7- Same language as in existing Article XV for “<i>Removal or Resignation of Directors</i>” except removal by the Membership cross references the appropriate section for determining majority vote, and thirty (30) days delinquent was changed to sixty (60) to match the language for delinquent dues in Section 7.6.</p>
Article- XVI- Committees	<p>While Article XVI provided for committees to be created by the Board, there was no direction as to the process for formation, termination, authority and meetings. So Article 6 was added and addresses formation, termination, authority, and meetings of committees. In addition, Section 6.4 “<i>Nominating Committee</i>” includes the language from Article XV and establishes this committee as a standing committee of the Board.</p> <p>NEW LANGUAGE: See Section 6.5 – this section makes the Big Sky Architectural Committee (BSAC) a standing committee of the BSOA Board and dictates the makeup of the BSAC, its powers and duties, operational procedures, and limits of liability for members serving on this committee.</p>
Article XVII- Insurance	<p>See Section 3.2.10- Same language as in existing Article XVII except Staff when acting in their official capacity is included as an insured group.</p>
Article XVIII- Covenants	<p>See Section 3.2.14- the right of the Board to enforce the Declarations of property under its jurisdiction was retained, but the first sentence of this Article XVIII was removed.</p>
Article XIX- Employees	<p>See Section 3.3- Same language as in existing Article XIX except using the term “<i>Association</i>” instead of corporation.</p>

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Article XX- Compensation	See Section 3.13- Modified so that Directors do not receive compensation except they may receive reimbursement for Board approved expenses.
Article XXI- Severability	See Section 11.1- Same language as in Article XXI.
Article XXII- Interpretation and Amendment	See Section 11.2- Same language as in Article XXII.
Article XXII- Enforcement Powers and Procedures	<p>NEW LANGUAGE- See Article 9- the enforcement and procedure section was rewritten in its entirety.</p> <p>See Section 9.1- “<i>Procedure</i>” section includes similar process by which the Board is required to adopt a resolution for enforcing the BSOA’s governing documents and to provide for due process.</p> <p>Section 9.2- “<i>Discretion</i>” section addresses the Board’s authority to resolve enforcement issues, including but not limited to, litigation.</p> <p>Section 9.3- “<i>Costs of Enforcement</i>” was in the original Article XXII, but clarifies the process by which the BSOA would be entitled to costs, attorney’s fees etc. in the event the BSOA had to enforce the Bylaws and/or covenants against an Owner.</p> <p>Section 9.4- “<i>Delegation</i>” section permits the Board to delegate certain duties of enforcement to either Staff or the Big Sky Architectural Committee, excluding the determination for litigation.</p> <p>Section 9.5- “<i>Remedies Cumulative</i>” section added to allow the Board multiple enforcement avenues as provided for under Article 9.</p> <p>Section 9.6- “<i>Joint and Several Liability</i>” section added to provide enforcement authority on multiple owners.</p>
Article XXIV- Jurisdiction	<p>See Section 10.1- Same language as in existing Article XXIV except using the term “<i>Governing Documents.</i>”</p> <p>See Section 10.2- Same language as in existing Article XXIV except modifying the cross references to the different articles and removing the reference to Commercial Lessees.</p>
Exhibit A	This exhibit lists the legal descriptions of the real property within the Association’s Jurisdiction. It has been updated to reflect the plat maps for the specific subdivisions and includes clarification to legal descriptions.
NEW LANGUAGE	See Article 5- “ <i>Indemnification of Directors, Officers, Agents and Employees</i> ”. Article added to update the Bylaws and prescribe what is allowed under the Montana Nonprofit Corporation Act.