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**Amended and Restated Bylaws
for the
Big Sky Owners Association, Inc.**

Table of Contents

Heading	Page Number
Article 1 Introduction	
1.1 Applicability	5
1.2 Name, Composition, and Purpose	5
1.3 Definitions	5-7
1.4 Compliance	7
1.5 Principal Office	8
1.6 Records	8
Article 2 Membership	
2.1 Membership Created	8
2.2 Entitlement of Membership Interests	8
2.3 Membership and Membership Interest Run with the Land	8
2.4 Annual Meeting	8
2.5 Special Meetings	9
2.6 Notice of Meetings	9
2.7 Adjournment of Meetings	9
2.8 Voting	9
2.9 Suspension of Voting Rights	10
2.10 Quorum	10
2.11 Membership Approval	10-11
2.12 Membership Rights and Privileges	11
2.13 Conduct of Meetings	11
2.14 Member Resolutions	11
Article 3 Directors	
3.1 Number and Qualification	11
3.2 Powers and Duties	11-13
3.3 Employees	13
3.4 Election	13-14
3.5 Term of Office	14
3.6 Removal or Resignation of Directors	14
3.7 Vacancies	14
3.8 Regular Meetings	14
3.9 Special Meetings	14-15
3.10 Notice of, and Waiver of Notice for, Regular and Special Director Meetings	15
3.11 Transaction of Business	15
3.12 Quorum of Directors	15
3.13 Compensation, Loans to, or Guarantees for Directors	15-16

3.14	Conduct of Meetings	16
3.15	Open Meetings	16
3.16	Executive Session	16
3.17	Action by Written Consent	16
Article 4	Officers	
4.1	Designation	16
4.2	Election of Officers	16
4.3	Resignation and Removal of Officers	16
4.4	Vacancies	16
4.5	Chairman	16-17
4.6	Vice Chairman	17
4.7	Secretary	17
4.8	Treasurer	17
4.9	Compensation, Loans to, or Guarantees for Officers	17
Article 5	Indemnification of Directors, Officers, Agents and Employees	
5.1	Indemnification of Directors	17-18
5.2	Advance Expenses for Directors	19
5.3	Indemnification of Officers, Agents and Employees	19
5.4	Mandatory Indemnification	19
Article 6	Committees	
6.1	Formation and Termination	19-20
6.2	Authority	20
6.3	Meetings	20
6.4	Nominating Committee	20
6.5	Big Sky Architectural Committee	20-22
Article 7	Assessments	
7.1	Liens and Assessments: Creation of the Lien and Personal Obligation of Assessments	23
7.2	Annual Assessments	23
7.3	Special Assessments	24
7.4	Rate of Assessment	24
7.5	Restrictions on Increase in Annual or Special Assessment	24
7.6	Effect of Nonpayment of Assessments and/or Fines: Remedies of the Association	24-25

Article 8	Finances	
8.1	Fiscal Year	25
8.2	Budget	25
8.3	Checks, Drafts, Etc.	25
8.4	Contracts	25
8.5	Deposits	25
Article 9	Enforcement Powers and Procedures	
9.1	Procedure	26
9.2	Discretion	26
9.3	Costs of Enforcement	26-27
9.4	Delegation	27
9.5	Remedies Cumulative	27
9.6	Joint and Several Liability	27
Article 10	Association Jurisdiction	
10.1	Existing Jurisdiction	27
10.2	Expansion of Jurisdiction	27-28
Article 11	Miscellaneous	
11.1	Severability	28
11.2	Interpretation and Amendment	28
Exhibit A		30-31

Article 1

Introduction

1.1 Applicability. These Amended and Restated Bylaws (hereinafter referred to as Bylaws) provide for governance of the Association for the real property as further described in the attached Exhibit A, incorporated herein by reference. These Bylaws supersede the bylaws recorded in Film 22, Page 738-748 on December 20, 1973; Film 22, Page 1650-1661 on January 29, 1974; Film 36, Page 808-828 on February 28, 1977; Film 68, Page 771-772 on February 19, 1982; Film 155, Page 1703-1704 on August 2, 1995; and Film 161, Page 4404-4421 on April 9, 1996 with the Gallatin County Clerk and Recorder's Office, Gallatin County, Montana and recorded in Book 240, Page 451-462 on January 29, 1974; Book 252, Page 595-615 on March 11, 1977; Book 284, Page 132-133 on February 19, 1982; Book 391, Page 120-121 on August 2, 1995; and Book 398, Page 375-392 on April 10, 1996 with the Madison County Clerk and Recorder's Office, Madison County, Montana.

1.2 Name, Composition and Purpose. The name of the Association shall be the Big Sky Owners Association, Inc. The Association shall be a Montana non-profit corporation and shall have all the powers of a non-profit corporation enumerated and set forth in §35-2-113 et. seq., MCA. The purpose of the corporation is formed exclusively as a home owners association within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986, and its regulations as the same now exists or as it may be amended from time to time.

1.3 Definitions. Capitalized terms herein shall have the following meanings, unless otherwise defined in the particular Article or Section.

1.3.1 Articles or Articles of Incorporation. Shall refer to the Articles of Incorporation of the Big Sky Owners Association, Inc. as filed with the Montana Secretary of State on October 24, 1972 and any amendments and restatements thereto.

1.3.2 Association. The Big Sky Owners Association, Inc., a Montana nonprofit corporation operating pursuant to §35-2-113, et. seq., MCA, its successors or assigns.

1.3.3 Association's Jurisdiction. Shall refer to the jurisdiction of the Association as set forth in these Bylaws, Exhibit A.

1.3.4 Board of Directors or Board. The body responsible for administration of the Association, selected as provided in these Bylaws and generally serving the same role as the board of directors under Montana corporate law.

1.3.5 BSAC. Shall refer to The Big Sky Architectural Committee as established in these Bylaws.

- 1.3.6 Bylaws.** Refers to these Amended and Restated Bylaws for the Big Sky Owners Association, Inc.
- 1.3.7 Common Area.** All real and personal property, including easements, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Members.
- 1.3.8 Date of Record.** The date set by the Board for determining the Members entitled to receive notice of any regular, special or annual meeting. If no date is set by the Board, then such date will be determined by statute under §35-2-532 MCA.
- 1.3.9 Declaration or Declarations.** Refers to a Declaration of Protective Covenants, but exclusive of a declaration of condominium, that are recorded in the Public Records and applicable to real property within the Association's Jurisdiction.
- 1.3.10 Design Regulations.** Refers to those design regulations adopted by the BSAC on May 30, 2003, effective July 1, 2003 and as subsequently amended.
- 1.3.11 Director.** Shall refer to those Members elected or appointed to serve on the Board.
- 1.3.12 Good Standing.** Refers to a Member's standing with the Association. In order to be in Good Standing, the Member must be current on the payment of their assessments; not be deemed by the Board to be in violation of the Governing Documents and/or resolutions or policies of the Board; and current on any other payments deemed due and owing to the Association (including but not limited to design review fees, performance deposits and fines).
- 1.3.13 Governing Documents.** Shall be the collective reference for Bylaws, Articles, Declarations, Design Regulations and resolutions of the Board, all as lawfully amended from time to time.
- 1.3.14 Improved Land.** Shall refer to any Unit, Lot or Tract within a platted subdivision (minor or major), or other real property that does not meet the definition of Raw Land.
- 1.3.15 Lot.** A legally described division of real property created pursuant to a subdivision plat recorded in the Public Records.
- 1.3.16 MCA.** Refers to the Montana Codes Annotated 2005 and any subsequent amendments.

1.3.17 Member or Membership. A Person who is an Owner of a Unit, Lot or Tract. If a Unit, Lot, or Tract is held by more than one Person, all co-Owners shall share the rights and obligations of membership in the Association, provided that there shall be collectively only one membership for each Unit, Lot, or Tract. The term Membership is a collective reference of the total Members of the Association.

1.3.18 Membership Interest. A Membership Interest is assigned to each Unit, Lot or Tract in Article 2 of these Bylaws for purposes of assigning voting rights and allocating assessment liability to Members.

1.3.19 Owner. One or more Persons who hold the record title to any Unit, Lot, or Tract of land within the boundaries described in Exhibit A, excluding in all cases any Person holding an interest merely as security for the performance of an obligation.

1.3.20 Person. A natural person, a corporation, a partnership, a trustee, or any other legal entity.

1.3.21 Public Records. The public land records in the office of the Clerk and Recorder of Gallatin County, Montana and/or Madison County, Montana.

1.3.22 Raw Land. Shall be defined as land that is currently used or designated as publicly accessible ski slopes within the Association's Jurisdiction.

1.3.23 Staff. Shall refer to the employees or agents of the Big Sky Owners Association, Inc.

1.3.24 Tract. A legally described division of real property created pursuant to or described in a survey containing a surveyor's certificate which is recorded in the Public Records.

1.3.25 Unit. A Condominium Unit which is a legally described division of real property created pursuant to the Montana Unit Ownership Act, §70-23-101 et. seq., MCA.

1.3.26 Written Mail Ballot. A written instrument issued to each Membership Interest by the Association for purposes of voting in situations in which action of the Members is to be taken or authorized with or without a meeting of the Members as provided in §35-2-533 MCA.

1.4 Compliance. Each Owner or his/her tenants, guests and/or invitees of any Unit, Lot or Tract shall comply with all applicable Governing Documents.

1.5 Principal Office. The address of the principal office of the Association shall be: 145 Center Lane, Unit J, (P.O. Box 160057) Big Sky, Montana, 59716 or as thereafter designated with the Montana Secretary of State.

1.6 Records. The Association shall make available, during normal business hours, for inspection all minutes, contracts, resolutions and financial records of the Association to any Member in Good Standing, or his or her agent or attorney, for any proper purpose.

Article 2 Membership

2.1 Membership Created. Each Person who is an Owner, by accepting a recorded deed for real property within the Association's Jurisdiction, is deemed to consent to and shall be a Member of the Association.

2.2 Entitlement of Membership Interests. Every Unit, Lot, and Tract shall be entitled to one Membership Interest. Each Tract of 100 acres or more shall be entitled to one Membership Interest, and in addition, one Membership Interest for each 100 acre increment (or part thereof) if the Tract is greater than 100 acres. No Membership Interest shall be assigned to a Unit, Lot, or Tract, owned or held by the Association.

2.3 Membership and Membership Interest Run with the Land. All Owners of a Unit, Lot, or Tract shall automatically, upon becoming the Owner, be a Member of the Association, and shall remain a Member thereof until such time as the ownership ceases for any reason, at which time the membership in the Association shall automatically cease. Membership shall be appurtenant to and may not be separated from the ownership of any Unit, Lot or Tract subject to assessment. It is the responsibility of the grantor to contact the Association and provide it with a copy of the recorded document of transfer evidencing the grantee's name and accurate mailing address. Membership shall begin and the Membership Interests shall vest upon recording a deed. Membership shall terminate and Membership Interests shall be revoked upon a Person divesting ownership of a Unit, Lot or Tract. No Member may withdraw nor be expelled while being an Owner. A Mortgagee does not have membership rights until it obtains title to a Unit, Lot or Tract by foreclosure or deed in lieu thereof.

2.4 Annual Meeting. There shall be an annual meeting of Members held on a day selected by the Board; the date, 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 election of Directors and any other legitimate business deemed proper to come before the Membership by the Board. Voting at all meetings shall be in the manner prescribed in these Bylaws.

2.5 Special Meetings. Special meetings of Members may be called at any time upon the initiative of the Board. A special meeting must be called when a petition signed by five percent (5%) of the Membership Interests outstanding and eligible to vote has been presented to any Director in accordance with §35-2-527 MCA. Notice of a special meeting shall be given as soon as practicable but not more than thirty (30) days after such demand has been presented to any Director in accordance with §35-2-527 MCA. 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.

2.6 Notice of Meetings. Written notice of all meetings, annual and special, shall be mailed to every Member of record. For special meetings, notice must be given no less than ten (10) days before the meeting date or, if notice is mailed by certified mail, not less than thirty (30) days and not more than sixty (60) days before the date of the meeting. For annual meetings, notice must be given not less than thirty (30) days and not more than sixty (60) days before the date of the meeting. It shall be the duty of each Member to advise the Association of his current address. In the absence of such notice, the Member's address shall be the address on file with the Association. If no address is on file with the Association, then the address shall be the address on record with the applicable county treasurer's office.

2.7 Adjournment of Meetings. If at any meeting of the Members a quorum is not present, a majority of the Members present at such meeting in person may adjourn the meeting to a time not less than thirty (30) days after such adjournment and in compliance with the notice provisions of §35-2-530(4) MCA.

2.8 Voting. Each Membership Interest as defined in Article 2 of these Bylaws shall have one vote. Members in Good Standing may vote in person, or by Written Mail Ballot, as provided herein. Whenever any Membership Interest is held by two or more Persons such Persons shall determine among themselves prior to any Membership vote, who is entitled to vote the Membership Interest and in what manner it shall be voted. If more than one Person seeks to exercise the vote for such Membership Interest, the voting privilege shall be suspended. Membership Interest for purposes of receiving notice and the exercise of voting rights shall be determined by the Board but shall not be more than seventy (70) days in advance of the date of any annual or special meeting.

2.8.1 Proxies. There shall be no voting by proxy.

2.8.2 Cumulative Voting. Cumulative voting shall be allowed in the election or removal of the Directors.

2.8.3 Written Mail Ballot.

2.8.3.1 Action taken- Any action that may be taken at any annual or special meeting of Members may be taken without a meeting if approved

by Written Mail Ballot as provided herein. Approval by Written Mail Ballot shall be valid only when the number of votes cast by Written Mail Ballot equals the quorum required under Section 2.10 below and the number of approvals equals or exceeds the number of Membership Interests required under Section 2.11 below. Written Mail Ballots may also be used at a meeting for the election of Directors and other actions.

2.8.3.2 Procedure- The Board shall mail a Written Mail Ballot to each Membership Interest entitled to vote on the matter. The Written Mail Ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action and for nominees for the Board. All solicitations for votes by Written Mail Ballot shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter; and specify the time by which a Written Mail Ballot must be received by the Association in order to be counted. A timely Written Mail Ballot received by the Association may be revoked by a Member before the response deadline. The results of each action by Written Mail Ballot shall be certified by the Secretary and shall be included in the minutes of meetings of Members filed in the permanent records of the Association.

2.9 Suspension of Voting Rights. The Board shall have the right to suspend the voting right and or the right to use the Common Area, of any Member or Members of the Association for the period during which any assessment, covenant compliance violation, design review fee, fine, or performance deposit against the Unit, Lot, or Tract owned by such Member or Members remains unpaid and delinquent. Any suspension of such voting rights and or the right to use the Common Area shall be made by the Board at a meeting upon giving written notice to the Member whose rights are being sought to be suspended at least ten (10) days prior to the holding of such meeting. Such notice shall be given either by personal delivery, or deposited in the United States mail, certified or registered, postage and fees prepaid, return receipt requested, addressed to such Member at the address given to the Association by him/her for the purpose of Association records. Such notice, if mailed, shall be deemed given and received four (4) days after being so deposited in the United States mail in the manner aforesaid.

2.10 Quorum. Meetings of the Association or action taken by Written Mail Ballot shall be proper only if a quorum of the Membership Interest is established either in person or by Written Mail Ballot or any combination of the foregoing. A quorum shall consist of twenty-five percent (25%) of the total Membership Interest of the Association outstanding and eligible to vote at the time.

2.11 Membership Approval. Once quorum is established under Section 2.10 above, unless a greater number is otherwise stated, any action or issue requiring a vote of the Membership shall be approved upon the affirmative vote, in person or Written Mail

Ballot, or any combination of the foregoing, of more than fifty percent (50%) of all votes cast by the Membership on the issue.

2.12 Membership Rights and Privileges. No Member shall have the right, without the prior approval of the Board to exercise any of the powers or to perform any of the acts by these Bylaws or the Declarations delegated to the Board or the Association. Each Member in Good Standing shall have all of the rights and privileges, including, but not limited to, property rights and rights to access, use and enjoy the Common Area granted to the Members by these Bylaws subject to such limitations as may be imposed in accordance therewith.

2.13 Conduct of Meetings. All meetings both annual and special shall be presided over by the Chairman of the Board or his/her appointed representative. Meetings of the Members shall be conducted in accordance with a recognized system of parliamentary procedure adopted by the Board. Notwithstanding any other provision of law, notice of meetings of the Members shall specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action.

2.14 Member Resolutions. Resolutions may be introduced by any Member at any annual or special meeting provided such resolution in written form is presented to the Secretary of the Board no later than fifty (50) days prior to the date of such meeting. The Secretary shall include the language of the proposed resolution with the notice of the meeting and the Written Mail Ballot. All resolutions passed by Membership Approval under Section 2.11 above shall be binding on the Board. Such binding resolutions shall have the effect of compelling the Board 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.

Article 3 Directors

3.1 Number and Qualification. The Board may be made up of any number from three (3) to nine (9) Directors. 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, but there never shall be less than three (3) Directors. Directors and candidates for the Board shall be Association Members in Good Standing.

3.2 Powers and Duties. The Board shall have the following powers and duties:

3.2.1 The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents and as provided by law. The Board may not do or cause to be done

any acts and things as set forth in the Governing Documents or Montana law that are directed to be done and exercised exclusively by the Membership generally.

3.2.2 To make capital expenditures, to enter into contracts and agreements, and to provide services and functions as are necessary to effect the business of the Association; provided, however, that the following capital expenditures, contracts and agreements shall be approved by the Membership as provided in Article 2, Section 2.11 of these Bylaws: 1) individual contracts and agreements with a term in excess of five (5) years; 2) expenditures for the sum of all capital improvements in any given fiscal year totaling more than thirty percent (30%) of the Association's average annual operating budget for the preceding three (3) years; and 3) mortgaging, encumbering, or otherwise disposing of any property of the Association, whether real or personal, valued in excess of fifteen percent (15%) of the Association's average annual budget for the preceding three (3) years.

3.2.3 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 Association's Jurisdiction.

3.2.4 To make assessments as described in these Bylaws, including assessments collected for the purpose of establishing reserves.

3.2.5 To take necessary and appropriate action to collect assessments from Members including the recording of liens, the assessment of penalties and interest, and prosecuting foreclosures as provided in these Bylaws.

3.2.6 To call meetings of the Membership both annual and special and to preside over such meetings, and to give appropriate notice of such meetings as required by these Bylaws.

3.2.7 To formulate and introduce resolutions at the meetings of the Membership.

3.2.8 To hold meetings of the Board as are necessary to conduct Association affairs.

3.2.9 To pay the expenses of the Association, including but not limited to 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.

3.2.10 To keep records in a good and businesslike manner of all assessments made, all expenditures, the status of each Member's payments of assessment, minutes of meetings of the Membership and Board, and a record of its Members giving their names and address.

3.2.11 The Board shall purchase insurance policies, to protect the property of the Association against casualty loss and to protect the Association, Directors, and Staff (when acting in their official capacity) from liability. The extent and specific nature of coverage shall be determined by the Board.

3.2.12 To do any and all things necessary to carry into effect these Bylaws and to implement the purposes as stated in the Articles and to do any and all things necessary to require compliance with and enforce the Declarations which by Article 3, Section 3.2.14 are made a part of these Bylaws.

3.2.13 To deal with agencies, officers, boards, commissions, departments, and other governmental bodies on a Federal, State, County and local basis to carry out the powers, duties and responsibilities herein.

3.2.14 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 Declarations recorded in the Public Records on the lands described in Exhibit A as it may be supplemented as provide in Article 10.

3.2.15 To exercise all the powers generally granted to a Montana nonprofit corporation under §35-2-118 MCA.

3.3 Employees. The Board may at its discretion appoint Persons to generally supervise and control the business of this Association 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.

3.4 Election.

3.4.1 Nomination of Directors. Prior to each annual meeting, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which every eligible individual who has a bona-fide interest in serving as a Director may file as a candidate. The Board shall also establish such other rules and regulations as it deems appropriate to conduct the nomination of Directors in a fair, efficient and cost-effective manner. Nominations for election to the Board may also be made by a Nominating Committee as established herein under Article 6, Section 6.4.

3.4.2 Election Procedures. Directors shall be elected at the Annual Meeting. The Secretary shall cause notice of the elections to be mailed or delivered to each Member in accordance with Section 2.6. Such notice shall list all candidates for each vacancy who have qualified in accordance with the procedures described in Section 3.4.1 above.

The Board or its designees shall open and count the votes. Any Member who voted by Written Mail Ballot may rescind such Written Mail Ballot prior to the start of the annual meeting and be eligible to vote in person. Each Member may cast one vote for each Membership Interest held by such Member for each position to be filled. However, no Member shall have more than one vote per Membership Interest. There shall be cumulative voting for Board of Director candidates.

That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. The Board or its designee shall announce the candidates having been elected to the Board within thirty (30) days after the annual meeting by an acceptable means of communication as designated by the Board.

3.5 Term of Office. Directors shall serve a three year term of office. Terms shall commence in such a manner so that approximately one-third of the positions are eligible for election at each annual meeting. Directors shall hold office until their respective successors have been elected. Directors may be elected to serve a maximum of three (3) consecutive three-year terms. If a Director has served three (3) consecutive three-year terms, said Director shall not be eligible to serve as a Director again (whether by election or appointment) for a minimum of one year after completion of his or her third (3rd) three-year term of office.

3.6 Removal or Resignation of Directors. Any Director may be removed, with or without cause, by the Membership as provided in Article 2, Section 2.11 of these Bylaws. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall be elected by the Members to fill the vacancy for the remainder of the term of such Director. Any Director who has three or more consecutive absences from Board meetings, or who is more than sixty (60) days delinquent in the payment of any assessment or other charge due the Association, may be removed by a vote of the Directors and the Board may appoint a successor to fill the vacancy for the remainder of the term. Any Director who ceases to hold a Membership Interest shall cease to be a Director effective immediately.

3.7 Vacancies. In the event of the death, disability, disqualification, or resignation of a Director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members shall elect a successor for the remainder of the term.

3.8 Regular Meetings. The Board will meet regularly but not less than quarterly at a time and place designated by the Board. The Board may provide, by resolution, the date, time and place (which shall be within the county where the Association's principal office is located) of additional regular meetings. Regular Board meetings may be held by conference telephone, if convened in accordance with the provisions under this Article.

3.9 Special Meetings. The Chairman, or any two (2) Directors, may call and give notice of special meetings of the Board. Those authorized to call special Board meetings may fix any place within the county where the Association has its principal office as the special meeting place. Special Board meetings may be held by conference telephone, if convened in accordance with the provisions under this Article.

3.10 Notice of, and Waiver of Notice for, Regular and Special Director Meetings.

3.10.1 Notice. The Association's Secretary shall give either oral, e-mail, fax or written notice of any Board meeting at least five days before the meeting to the Director at the telephone number, e-mail address, fax number or mailing address provided by the Director for such notice. The notice shall include the meeting place, day, hour and purpose of the meeting. If the meeting is to be held by conference telephone, (regardless of whether it is regular or special), the Secretary must provide instructions for participating in the telephone meeting.

3.10.2 Effective Date. If mailed, notice of any Director meeting shall be deemed to be effective at the earlier of: 1) five days after deposited in the United States mail, addressed to the Director's business office, with postage prepaid; or 2) the date shown on the return receipt (if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the Director); or 3) the date when received.

3.10.3 Waiver of Notice. Any Director may waive notice of any meeting. The waiver must be in writing, signed by the Director entitled to the notice, and filed with the minutes or corporate records. A Director's attendance at a meeting waives the Director's right to object to lack of notice or defective notice of the meeting; this shall be true unless the Director, at the beginning of the meeting (or promptly upon arrival), objects to holding the meeting or transacting business at the meeting, and does not vote for or assent to action taken at the meeting.

3.11 Transaction of Business. If authorized by the Board, a Director or committee member may participate in a Board or committee meeting by means of a conference telephone or similar communications equipment, provided all Persons entitled to participate in the meeting received proper notice of the telephone meeting, and provided all Persons participating in the meeting can hear each other at the same time. A Director participating in a conference telephone meeting is deemed present in person at the meeting. The chairperson of the meeting may establish reasonable rules as to conducting the meeting by telephone.

3.12 Quorum of Directors. A majority of the Directors will constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the Directors are present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice and will have the authority to set the date for the next meeting.

- 3.13 Compensation, Loans to, or Guarantees for Directors.** Directors shall not receive compensation for their services. However, Directors may be reimbursed for Board approved expenses. In addition, the Association may not lend money to or guarantee the obligation of a Director of the Association.
- 3.14 Conduct of Meetings.** All meetings shall be presided over by the Chairman or his/her appointed representative.
- 3.15 Open Meetings.** All meetings of the Board shall be open to all Members, and the Board shall permit any Member to speak at any meeting of the Board, except for meetings of the Board held in executive session. The Board shall establish a reasonable time limit for all Members to speak before a meeting of the Board.
- 3.16 Executive Session.** The Board may meet and convene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and matters relating to the formation of contracts with third parties. Matters involving Member discipline or assessment payments shall be held in executive session and the Members involved are entitled to attend. Any matter discussed in executive session shall be generally noted in the minutes of the immediately following open meeting.
- 3.17 Action by Written Consent.** Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if consent in writing, setting forth the action so taken, is signed (fax signatures are acceptable) by all the Directors and is included in the minutes filed with the corporate records reflecting the action taken.

Article 4 Officers

- 4.1 Designation.** The principal officers of the Association shall be the Chairman, Vice Chairman, Secretary and Treasurer, all of whom shall be elected by the Directors from the current Board.
- 4.2 Election of Officers.** The officers of the Association shall be elected annually by the Directors at the first Board meeting after the annual meeting.
- 4.3 Resignation and Removal of Officers.** Any officer may resign at any time by giving dated written notice of such resignation to the Board. The resignation is effective upon receipt by the Board. Any officer may be removed from office by the vote of a majority of the Directors for any reason and without cause.
- 4.4 Vacancies.** In the event of the death, disability, disqualification or resignation of an officer, the Board may appoint a successor to fill the vacancy.

4.5 Chairman. The Chairman shall preside over all meetings of the Members and over all meetings of the Board. The Chairman shall be the general administrative and Executive Officer of the Association, and shall perform such duties as may be specified, and exercise such powers as may be delegated by the Board.

4.6 Vice Chairman. The Vice Chairman shall serve on the Board and perform such duties as may be directed by the Chairman in conducting Association business duties. The Vice Chairman shall preside over any meeting in the absence of the Chairman and shall perform such duties as may be specified, and exercise such powers as may be delegated by the Board.

4.7 Secretary. The Secretary of the Board shall maintain a record of all Members and the number of Membership Interests to which each Member is entitled. In order to make a determination of Membership Interest for any purpose stated in these Bylaws or the laws of the State of Montana, the Board may order the record closed for a stated period of time.

4.8 Treasurer. The Treasurer shall: (1) have charge and custody of and be responsible for all funds and securities of the Association; (2) receive and give receipts for moneys due and payable to the Association from any source, and deposit all moneys in the Association's name in banks, trust companies, or other depositories that the Board shall select; (3) work with the bookkeeper and/or accountant in the preparation and presentation of any financial documents and submit those necessary documents to the Secretary for inclusion in the corporate records; and (4) in general perform all of the duties incident to the office of Treasurer and any other duties that the Chairman or Board may assign to the Treasurer. If required by the Board, the Treasurer shall give a bond for the faithful performance of the Treasurer's duties and as insurance against the misappropriation of funds. If a bond is required, it shall be in a sum and with the surety or sureties that the Board shall determine. However, nothing in this provision prohibits the Treasurer from delegating the above duties to the Association's agents (i.e., including but not limited to accountants, bookkeeper, and auditors) or employees.

4.9 Compensation, Loans to, or Guarantees for Officers. Officers shall not receive compensation for their services. However, Officers may be reimbursed for Board approved expenses. In addition, the Association may not lend money to or guarantee the obligation of an officer of the Association.

Article 5 Indemnification of Directors, Officers Agents, and Employees

5.1 Indemnification of Directors.

5.1.1 General. An individual made a party to a proceeding because the individual is or was a Director of the Association may be indemnified against liability incurred in the proceeding, but only if the indemnification is both: 1) determined permissible; and 2) authorized, as defined in subsection 5.1.2 of this Section 5.1 (the indemnification is further subject to the limitation specified in Subsection 5.1.4 of this Section 5.1).

5.1.2 Determination and Authorization. The Association shall not indemnify a Director under this Section 5.1 of this Article unless: 1) determination has been made in accordance with procedures set forth in the Montana Nonprofit Corporation Act that the Director met the standard of conduct set forth in Subsection 5.1.3 below; and 2) Payment has been authorized in accordance with procedures listed in the Montana Nonprofit Corporation Act based on a conclusion that the expenses are reasonable, the Association has the financial ability to make the payment, and the financial resources of the Association should be devoted to this use rather than some other use by the Association.

5.1.3 Standard of Conduct. The individual shall demonstrate that: 1) the individual acted in good faith; and 2) in acting in an official capacity with the Association, that the individual's conduct was in the Association's best interests; in all other cases, that the individual's conduct was at least not opposed to the Association's best interests; and in the case of any criminal proceeding, that the individual had no reasonable cause to believe that the conduct was unlawful.

A Director's conduct with respect to an employee benefit plan for a purpose the Director reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirement of Subsection 5.1.3 (2) that "in all other cases, that the individual's conduct was at least not opposed to the Association's best interests."

The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, is not, of itself, a determination that the Director did not meet the standard of conduct described in this Subsection 5.1.3.

5.1.4 No Indemnification Permitted in Certain Circumstances. The Association shall not indemnify a Director under this Section 5.1 of this Article if: 1) the Director was adjudged liable to the Association in a proceeding by or in the right of the Association; or 2) the Director was adjudged liable in any other proceeding charging that the Director improperly received personal benefit, whether or not the individual acted in an official capacity.

5.1.5 Indemnification Limited. Indemnification permitted under this Section 5.1 of this Article in connection with a proceeding by the Association or in the right of the Association is limited to the reasonable expenses incurred in connection with the proceeding.

5.2 Advance Expenses for Directors. The Association may pay for or reimburse, in advance of final disposition of the proceeding, the reasonable expenses incurred by a Director who is a party to a proceeding if:

5.2.1 By following the procedures of the Montana Nonprofit Corporation Act the Board determined that the Director met requirements of Subsection 5.2.3-5.2.5 listed below; and

5.2.2 The Board authorized an advance payment to a Director; and

5.2.3 The Director has furnished the Association with a written affirmation of the Director's good faith belief that the Director has met the standard of conduct described in Subsection 5.1 of this Article; and

5.2.4 The Director has provided the Association with a written undertaking, executed personally or on the Director's behalf, to repay the advance if it is ultimately determined that the Director did not meet the standard of conduct; the Director's undertaking must be an unlimited general obligation, but need not be secured, and the Association may accept the undertaking without reference to financial ability to make repayment; and

5.2.5 The Board determines that the facts then known to it would not preclude indemnification under Subsection 5.1 of this Article or the Montana Nonprofit Corporation Act.

5.3 Indemnification of Officers, Agents and Employees. The Board may choose to indemnify and advance expenses to any officer, employee, or agent of the Association applying those standards described in Section 5.1 of this Article.

5.4 Mandatory Indemnification. Notwithstanding any other provisions of these Bylaws, the Association shall indemnify a Director or officer, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the Director or officer was a party because he or she is or was a Director or officer of the Association, against expenses incurred by the Director or officer in connection with the proceeding.

Article 6 Committees

6.1 Formation and Termination. There shall be a Nominating Committee as provided for in Section 6.4 below, as well as a Big Sky Architectural Committee as provided for in Section 6.5 below. All other committees may be formed by a majority vote of the Board of Directors. The Board will designate the committee chair and the chair will then appoint committee members, to carry out specific action items, all as

determined by the Board. Committees may be dissolved at any time by a majority vote of the Board of Directors.

6.2 Authority. Committees will provide recommendations to the Board but will not have the authority to make decisions on behalf of the Board. All decision-making authority rests with the Board, unless the specific committee has been created (chartered) so that it has authority to act on the Board's behalf and the committee has two or more Directors who serve at the pleasure of the Board. However, such authority does not authorize the committee to: authorize distributions; elect, appoint, or remove Directors or fill vacancies on the Board or any of its committee; adopt, amend, or repeal, the Articles or Bylaws; and any other limitations on authority as imposed by the laws of the State of Montana. In addition, the designation of a committee with authority to act on behalf of the Board does not operate to relieve the Board of Directors, or any individual Director, of any responsibility on it or him/her by law.

6.3 Meetings. Any such committees will meet as needed to effectively carry out their objectives.

6.4 Nominating Committee. The Nominating Committee shall consist of two Directors, one of whom shall be chair of the committee, 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.

6.5 Big Sky Architectural Committee. There is hereby created the Big Sky Architectural Committee (hereinafter "BSAC"), which is a committee of the Association. Said BSAC is the same committee as that established and/or referred to in the Declarations of other subdivisions created within the area defined by the Association's Jurisdiction. There shall be seven members of the BSAC: two Directors from the Board appointed by the Board; three members appointed by Boyne USA, Inc.; and two members elected by the Members of the Association from the Membership. BSAC members are to serve staggered three year terms. Mid-term vacancies are to be filled accordingly: Board of Directors vacancies and Member vacancies shall be filled by the Board, Boyne USA, Inc. vacancies shall be appointed by Boyne USA, Inc.

The right bestowed to Boyne USA, Inc. to appoint three members of the BSAC ceases in the year 2020 or when Boyne USA, Inc. by written statement relinquishes this right, whichever comes first. During this time, this right is nontransferable except Boyne USA, Inc. may transfer this right to a wholly owned subsidiary of Boyne USA, Inc. or to a company where Boyne USA, Inc. holds a majority interest. In the year 2020 or when Boyne USA, Inc. has relinquished its right to make

appointments to the BSAC, such appointments and vacancies shall be filled by the Board.

6.5.1 Powers and Duties.

6.5.1.1 The BSAC shall have the authority to establish Design Regulations and such other reasonable rules and procedures as it deems necessary to carry out its functions, which rules, and procedures may not be inconsistent with the provisions of the Governing Documents.

6.5.1.2 The BSAC has the express authority by these Bylaws to review and accept or deny all plans for any construction, reconstruction, alteration, remodeling, maintenance, and landscaping prior to construction or installation for property within the Association's Jurisdiction, except where specifically reserved under a Declaration.

6.5.1.3 The BSAC shall have the authority to approve or reject materials, designs and colors submitted with plans or the plans themselves if they are not compatible, or are inappropriate, within the Association's Jurisdiction.

6.5.1.4 The Association and the BSAC through their authorized officers, employees, and/or agents shall have the right to enter any Lot or Tract upon twenty-four (24) hours notice to the Owner or Owner's agent for the purpose of ascertaining whether such Lot or Tract or the construction, erection, placement, remodeling or alteration of any improvement thereon is in compliance with the approved architectural or landscape plans approved by the BSAC. The BSAC, the Association or such officer, employee, or agent thereof shall not be deemed to have committed a trespass or wrongful act solely by reason of such action or actions under this part. Notice as provided under this part may be either in person, via telephone, e-mail, or in writing, provided such notice is documented.

6.5.1.5 The BSAC shall have the authority to require reasonable fees to be paid with the filing of plans to offset expenses. In addition, the BSAC shall have the authority to set and require that Owners or their agent post certain deposits prior to commencing construction for the purpose of assuring that construction and landscaping will be completed within the time specified and in substantial compliance with the aesthetics of the approved architectural and landscape plans.

6.5.1.6 The BSAC shall have the authority to revoke or suspend its approval and/or order the suspension or cessation of any construction or work in violation of the Governing Documents.

6.5.1.7 In addition to the above powers and duties, the BSAC may have such powers and duties as delegated to it by the Board.

6.5.2 Operational Procedures.

6.5.2.1 The BSAC shall hold regular meetings as necessary. Meetings of the BSAC may be called by Staff, the chair of the BSAC or by a majority of the members of said BSAC.

6.5.2.2 A majority of the members of the BSAC present at any meeting shall constitute a quorum.

6.5.2.3 The BSAC shall maintain minutes of its meetings and a record of the votes taken thereat.

6.5.2.4 All meetings of the BSAC shall be open to the Members of the Association and any vote of the BSAC shall be taken at an open meeting. Nothing contained herein, however, shall prevent the BSAC from meeting in executive session.

6.5.2.5 A copy of all minutes, rules, regulations, and policy statements, shall be filed with the records of the Association and shall be maintained by the Association as a permanent record.

6.5.2.6 Any approval or disapproval by the BSAC shall be in writing and in the case of a denial shall state the reasons for such denial. Decisions of the BSAC are final; however, an Owner can appeal in writing to the BSAC to reconsider its decision.

6.5.3 Liability. The standards and procedures established by this Article or the BSAC are intended to enhance the overall aesthetics of the Association's Jurisdiction. Neither the BSAC, the individual members, or the Association shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring the appropriateness of soils, drainage, and general site work. Neither the Association, the Board, the BSAC or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Unit, Lot or Tract within the real property. In all matters, the BSAC and its members shall be defended and indemnified by the Association.

Article 7 Assessments

7.1 Liens and Assessments: Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Unit, Lot or Tract, within the Association's Jurisdiction, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments and (2) special assessments. Annual assessments shall be billed on an annual basis as established in the Bylaws and notice of the same shall be mailed to each Owner. Notice of assessments and liability for assessment shall be in the name of the registered Owner on the Membership list at the time assessments are declared by the Board. All assessments become due 30 days after the date of mailing notice of such assessments. All assessments together with interest, costs, and reasonable attorney's fees, shall be a charge on the land, run with the land and shall be a continuing lien upon the property against which each such assessment is made.

Failure of the Board to set the annual assessment amounts or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay these assessments. In such event, each Owner shall continue to pay the annual assessments on the same basis as during the last year for which an annual assessment was made, if any, until a new budget becomes effective and a new annual assessment is levied pursuant thereto. Any such budget may include as an expense item any shortfall in amounts previously collected.

No Owner may exempt himself/herself from liability for any assessments by non-use of or abandonment of his/her Unit, Lot or Tract, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon request, the Association shall furnish to an Owner or his/her title company or mortgage company written (mailed, e-mailed, or faxed) or oral verification of the amount of such assessment owing and whether the Owner has paid such assessment. The Association may require the advance payment of a reasonable processing fee for the issuance of such verification.

7.2 Annual Assessments. The Board shall establish and levy annual assessments in an amount that the Board estimates will be sufficient to raise the funds needed to perform the duties of the Association during each fiscal year. The annual assessments shall include a portion for reserves in such amounts as the Board in its discretion considers appropriate to meet the costs of the future repair, replacement or additions to the major improvements and fixtures that the Association is obligated to maintain and repair.

7.3 Special Assessments. In addition to the annual assessments authorized above, the Board, at any time, may levy and establish the due dates for a special assessment in order to raise funds for unexpected operating or other costs, insufficient operating or reserve funds, or such other purposes as the Board in its discretion considers appropriate. Special assessments shall be allocated among the, Units, Lots and Tracts in the same manner as annual assessments.

7.4 Rate of Assessment. Annual assessments shall be billed on an annual basis on the first of October of each year and notice thereof shall be mailed to each Member at his/her address of record with the Association. All assessments shall be based upon the total number of Membership Interests existing within the boundaries of the lands described in Exhibit A, at the time of assessment in each assessment class. All assessments shall be equal on each Membership Interest in each assessment class. There shall be two assessment classes: 1) Improved Land and 2) Raw Land. The Board is authorized to set assessments for Raw Land at a reasonable rate which may be less than the amount of the annual assessment for Improved Land.

7.5 Restrictions on Increases in Annual or Special Assessments. The Board may not impose an annual assessment on any Unit, Lot or Tract which is more than ten percent (10%) greater than the annual assessments for the immediate preceding fiscal year, without Membership Approval under Article 2, Section 2.11. In addition, the Board may not levy special assessments to defray the cost of any action or undertaking on behalf of the Association which in the aggregate exceed five percent (5%) of the operating expenses of the Association for that fiscal year, without Membership Approval under Article 2, Section 2.11. Notwithstanding the foregoing, the Board, without Membership Approval, may increase annual assessments or levy special assessments necessary for an emergency situation. For purposes of this section, an emergency situation is one of the following: 1) an extraordinary expense required by an order of a court; and 2) an extraordinary expense necessary to repair or maintain the Property or any part of it for which the Association is responsible where a threat to personal safety on the Property is discovered. Property as used in this section shall refer to all the real property described in Exhibit A attached hereto and subject to these Bylaws.

7.6 Effect of Nonpayment of Assessments and/or Fines: Remedies of the Association. Any assessment or fine not paid within sixty (60) days after the due date shall be delinquent, shall incur a late payment penalty in an amount to be set by the Board from time to time, not to exceed the maximum permitted by applicable law, and shall bear interest at a rate established by the Board which shall not exceed the maximum interest rate authorized by law until paid. Failure to pay within sixty (60) days of the due date will result in the Association recording a lien against the property being assessed or bringing an action at law or both. Suit to recover a money judgment for unpaid assessments, fines, late charges, interest and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

The Association may record that lien with the applicable county clerk and recorder's office, bring an action at law to collect the lien or foreclose the lien against the real property in the same manner as a mortgage on real property, and the Association shall be entitled in any such actions or foreclosure proceedings to recover its costs, expenses and reasonable attorneys' fees. The Association, acting on behalf of the Owners, shall have the power to bid for the Unit, Lot, or Tract at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. During the period a Unit, Lot, or Tract is owned by the Association following foreclosure, no right to vote shall be exercised on behalf of the Unit, Lot, or Tract and no assessment shall be assessed or levied on the Unit, Lot, or Tract. The Board may authorize the execution and recordation of a deed conveying title to the Unit, Lot or Tract which deed shall be binding upon the Owners, their successors, and all other parties.

Article 8 Finances

8.1 Fiscal Year. The Association's fiscal year shall commence on October 1 and end on September 30th. The Association shall apply for and maintain a tax exempt status under the Internal Revenue Code.

8.2 Budget. On or before the Annual meeting, the Board shall prepare and mail to each Member a budget for the forthcoming fiscal year. The Board shall cause a copy of an audited operating statement to be prepared showing income and disbursements for the preceding fiscal year, which statement summary shall be mailed to each Member within one hundred twenty (120) days after the end of the fiscal year.

8.3 Checks, Drafts, Etc. All checks, drafts or orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be jointly signed by the Executive Director and countersigned by the Chairman, or a Vice Chairman or the Treasurer of the Association.

8.4 Contracts. The Board may authorize any officer or officers, agent or agents, or employees of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

8.5 Deposits. All funds of the Association shall be deposited to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

Article 9

Enforcement Powers and Procedures

9.1 Procedure. Each Owner or his/her tenants, guests and/or invitees of any Unit, Lot or Tract shall comply with all applicable Governing Documents. Each Owner shall be responsible to the Association for compliance with the foregoing by his/her tenants, guests and/or invitees. The Association shall have the right (but not the obligation) to enforce the above, through its procedure adopted by resolution of the Board, abatement of the violation by the Association, or by proceedings either at law or in equity against any Person(s) violating or attempting to violate any of the Governing Documents. Legal proceedings may be either to restrain violation of the Governing Documents or to recover damages or both. Such procedures adopted by the Board to enforce the Governing Documents shall include provisions for due process (including but not limited to notice and an opportunity to be heard at a regular meeting of the Board) for Person(s) violating or attempting to violate any of the Governing Documents.

9.2 Discretion. The decision to have the Association pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case: 1) the Association's position is not strong enough to justify taking any or further action; or 2) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or 3) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or 4) it is not in the Association's best interest, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be deemed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule, nor shall it preclude any Owner from taking action at law or in equity to enforce the Governing Documents.

9.3 Costs of Enforcement. Costs incurred for enforcing the provisions of the Governing Documents (inclusive of giving notice of the violation), costs of correcting the defect or undoing the violation, if undertaken by the Association, or any fines levied against the Owner after the Owner or his/her tenants, guests and/or invitees is determined by the Board to be in violation of the Governing Documents shall be paid by the Owner. Any costs incurred for enforcing the provisions of the Governing Documents, for correcting the defect or undoing the violation, or fine assessed against the Owner that is not paid within sixty (60) days as provided for in Article 7, Section 7.6 above, shall result in a lien being recorded against the Unit, Lot, or Tract and/or the Owner's interest therein, such lien to be enforceable by sale under the laws of the State of Montana. Such a lien may be recorded at the applicable county clerk and recorder's office.

Should any lawsuit, arbitration or other legal proceeding be instituted by the Association against an Owner alleged to have violated one or more of the provision of the Governing Documents and should the Association be wholly or partially successful in such proceeding, the offending Owner shall be obligated to pay the costs of such proceeding, including reasonable attorney's fees and costs.

9.4 Delegation. The Board may delegate any of its obligations with respect to enforcement as set forth above to its Staff or any committee of the Board, including but not limited to the BSAC; except that any decision to pursue or not pursue any legal proceeding may not be delegated, and shall be determined by the Board.

9.5 Remedies Cumulative. Each remedy provided under this Article 9, is cumulative and not exclusive.

9.6 Joint and Several Liability. In the case of joint ownership of a Unit, Lot, or Tract, in any form, the liability of each Owner thereof in connection with the liabilities and obligations of Owners as set forth in or imposed by the Governing Documents shall be joint and several.

Article 10 Association Jurisdiction

10.1 Existing Jurisdiction. The property within the existing jurisdiction of the Association is described in Exhibit A to these Bylaws. Property within the jurisdiction of the Association is subject to all provisions of the Governing Documents.

10.2 Expansion of Jurisdiction. The jurisdiction of the Association may be expanded by annexation of other real property, subject to the approval of the Board unless such expansion whether at annexation or at full development, would cause the total number of Membership Interests to increase by more than fifteen percent (15%) per fiscal year over the number of Membership Interests of record at the beginning of the fiscal year. Any additions that would cause the total Membership Interests to increase by more than fifteen percent (15%) per fiscal year shall be approved by the Membership Interests as provided in Article 2, Section 2.11 of these Bylaws. Such annexation shall be accomplished by filing in the Public Records of Gallatin or Madison Counties, as appropriate, a supplement to Exhibit A describing the property being annexed. Such supplement shall not be deemed an amendment to the Bylaws. Annexation shall require the consent of the owner of such property, and such property must be subject to recorded Declarations requiring the Owners thereof to be Members of the Association, subject to the Governing Documents. Nothing herein shall be construed to require the Association to annex or develop any property whatsoever.

Any such annexation shall be effective upon the filing of record of such supplement and Declarations, unless otherwise provided therein. Upon annexation the Owner(s) of the annexed property shall become full Members in the Association and be allocated Membership Interests on the same basis as existing Members in the Association as set forth in Article 2 of these Bylaws. The Board, in its sole discretion, may impose a fee to be paid by the Owner(s) of the annexed property to defray any costs of annexation.

Article 11 **Miscellaneous**

- 11.1 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.
- 11.2 Interpretation and Amendment.** The Board shall have the power to interpret all the provisions of these Bylaws and such interpretation shall be binding on all Persons. These Bylaws may be amended from time to time whenever a vote taken pursuant to Article 2, Section 2.11 of these Bylaws approves such amendment.

IN WITNESS WHEREOF, the undersigned Chairman of the Board of Directors of the Big Sky Owners Association, Inc. hereby certifies that these Amended and Restated Bylaws have been duly adopted by the Association and a vote of at least fifty-one percent (51%) of the Membership Interests by Written Mail Ballot and these Bylaws hereby supersede those bylaws as referenced in Article 1, Section 1.1 above.

By: _____
Donald G. Loyd, Chairman

IN WITNESS WHEREOF, the undersigned Secretary of the Board of Directors of the Big Sky Owners Association, Inc., hereby certifies that these Amended and Restated Bylaws were approved and adopted by the Board of Directors of the Big Sky Owners Association, Inc. at its regularly held meeting on the 18th day of January, 2008.

and: _____
Barb Starz, Secretary

STATE of MONTANA)

: ss.

County of Gallatin)

On this ____ day of _____, 2008, before me, a Notary Public in and for said State, personally appeared **Donald G. Loyd as the Chairman of the Big Sky Owners Association, Inc.** and acknowledged to me that he executed the same on behalf of the corporation pursuant to the power and authority vested in him.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal the day and year written above.

Mindy C. Nowakowski
Notary Public for the State of Montana
Residing at: Big Sky, Montana
My commission expires: October 12, 2008

STATE of MONTANA)

: ss.

County of Gallatin)

On this ____ day of _____, 2008, before me, a Notary Public in and for said State, personally appeared **Barb Starz as the Secretary of the Big Sky Owners Association, Inc.** and acknowledged to me that she executed the same on behalf of the corporation pursuant to the power and authority vested in her.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal the day and year written above.

Mindy C. Nowakowski
Notary Public for the State of Montana
Residing at: Big Sky, Montana
My commission expires: October 12, 2008

Exhibit A
Legal Description

The following described lands shall be included in the Association's Jurisdiction and subject to the provisions of the Articles of Incorporation and Bylaws of the Big Sky Owners Association, Inc.

All of the lands contained within the subdivisions and tracts known as:

- (1) Big Sky of Montana, Inc., Meadow Village Second Filing, Gallatin County, Montana [Plat Reference: I-12 and any amendments thereto];
- (2) 25 Lot Addition to Meadow Village, Second Filing, Gallatin County, Montana [Plat Reference: J-157 and any amendments thereto];
- (3) Big Sky of Montana, Inc., Sweetgrass Hills Subdivision, Gallatin County, Montana [Plat Reference: H-36 and any amendments thereto];
- (4) Big Sky of Montana, Inc., Mountain Village, Cascade Subdivision, Madison County, Montana [Filed April 27, 1973, Recorded in Book 4 of Plats, Page 74-81 and any amendments thereto];
- (5) Phases I and II of Aspen Grove Subdivision [Plat Reference: J-240 and any amendments thereto and Plat Reference; J-246 and any amendments thereto]
- (6) Tracts 1-8 of Certificate of Survey No. 1739 (and any amendments thereto), Township 6 South, Range 3 East, M.P.M., Gallatin County, Montana (commonly known as the Northfork Properties);
- (7) N1/2 and the N1/2 of the S1/2 of Section 17, Township 6 South, Range 3 East, P.M.M., Madison County, Montana (commonly known as Beehive Basin)

In addition to the above the following real property is also in the Association's Jurisdiction:

Madison County, State of Montana

Township Six (6) South, Range Two (2) East, M.P.M.

Section 25: All

Township Six (6) South, Range Three (3) East, M.P.M.

Section 19: All

Section 29: All, excluding Tract 1 of Section 29, Township Six (6) South, Range Three (3) East.

Section 30: All

Section 31: NW¹/₄ & NW¹/₄NE¹/₄ & W¹/₂NE¹/₄NE¹/₄ less all Yellowstone Mountain Club Subdivision in Section 31, Township 6S, Range 3E.

Gallatin County, State of Montana

Township Six (6) South, Range Three (3) East, M.P.M.

Section 25: Crail Creek Minor Subdivision No. 259 and Tract 2 of COS 1875.

Section 27: All; excluding that portion of Section 27 lying within the Antler Ridge Subdivision as shown on the Final Plat of Antler Ridge Subdivision [Plat Reference J-329].

Section 35: All, excluding that portion of Section 35 known as Big Sky Hidden Village Condominiums.

Section 36: All

Township Six (6) South, Range Four (4) East, M.P.M.

Section 32: All that part of the Northeast Quarter of the Southeast Quarter of Section 32, Township 6 South, Range 4 East, M.P.M., lying West of the West Gallatin Road, as laid from Charles L. Anceney and Kate R. Anceney to Gallatin County, recorded in Book 66 of Deeds at page 85, and West of Montana State Highway No. 191 and its right-of-way as described in Deed recorded in Book 113 of Deeds at page 81, all reference to records herein made being to the records of the office of the County Clerk and Recorder of Gallatin County, Montana; reserving, however, the tract described as follows: Beginning as an initial point at the Southwest corner of said Northeast Quarter of the Southeast Quarter and running thence North along the West line of said Northeast Quarter of the Southeast Quarter and running thence North along the West line of said Northeast Quarter of the Southeast Quarter a distance of 455 feet to Corner No. 1 of the reserved tract; thence East 300 feet; thence North 260 feet; thence West 300 feet; thence South along the West line of said Northeast Quarter of the Southeast Quarter 260 feet to said Corner No. 1, together with an easement for ingress and egress. And excepting that portion of said lands known and described as Big Horn Tract, a subdivision in Gallatin County, Montana.