

BY-LAWS OF THE ASSOCIATION OF  
UNIT OWNERS OF YELLOWSTONE CONDOMINIUM  
OF GALLATIN COUNTY, STATE OF MONTANA

Purpose and Application

These Articles are and shall be the BY-LAWS of the Association of Unit Owners of YELLOWSTONE CONDOMINIUM. These BY-LAWS shall, upon being recorded with the Recorder of Gallatin County, State of Montana, govern and control the administration of YELLOWSTONE CONDOMINIUM. All Unit Owners, their guests and any renters or sub-lessees present and future shall have the rights and responsibilities described in these BY-LAWS and shall be subject to the provisions thereof.

The acquisition of ownership interest in a unit in YELLOWSTONE CONDOMINIUM signifies that the owner accepts, ratifies, and agrees to comply with these BY-LAWS.

MEMBERSHIP

Persons owning a unit in YELLOWSTONE CONDOMINIUM, or an interest in a unit, or owning a unit in any real estate tenancy relationship recognized by the State of Montana shall be a member of the Association of Unit Owners. ("Association"). An owner may not decline membership in the Association. Membership begins concurrently with the acquisition of ownership interest and terminates at the time ownership interest is terminated. Such termination shall not relieve any owner of liability for obligations incurred while a member of the Association; further, membership in the Association does not in any way negate or impair any owner's legal remedies, right to bring legal action, or defenses to any and all actions involving the Association, other Unit Owners, or the Management which may arise from or be incidents of unit ownership.

OBLIGATIONS

Each Unit Owner shall be obligated to comply with these BY-LAWS, the Declaration, and the laws of the County of Gallatin and the State of Montana. Such obligations shall include, but not be limited to, the paying of assessments levied by the Association, and the adherence to the Protective Covenants which are a part of the Declaration. Failure of any owner to abide by these BY-LAWS, and all rules made pursuant thereto, the Declaration, and the laws of the County of Gallatin and the State of Montana, shall be grounds for appropriate legal action by the Association of Unit Owners or by any aggrieved Unit Owner against such non-complying owner.

MEETINGS AND VOTING

There shall be a regular meeting of the Association annually on the 2nd Monday in September of each year, or on such other date properly announced by the Association.

Pursuant to these BY-LAWS, the Association may at any time hold special meetings. Such special meetings may be called on the initiative of the Chairman of the Association; a signed request of the Manager; or a petition signed by twenty-five percent (25%) of the Unit Owners. Notice of any special meeting must specify the reason for said meeting and the matters to be raised. Only matters set forth in the petition or request may be brought before such meeting unless two-thirds (2/3) of the aggregate interest present agree otherwise.

Notice

Notice of all meetings regular or special shall be mailed by the Association's Secretary to every Unit Owner of record at his address of record at least ten (10) days prior to the time for holding such meeting. Such notice shall specify the date, time and place of the meeting and shall make provision to allow for the voting of each Unit Owner's interest by proxy at the discretion of the owner. The mailing of a notice in the manner provided in this paragraph or the personal delivery of such notice by the Secretary of the Association shall be considered notice served.

Quorum

No meeting regular or special shall be convened to conduct business unless a quorum is present in person or by proxy. A quorum shall consist of more than fifty percent (50%) of the total aggregate interest of YELLOWSTONE CONDOMINIUM. At any time, during any meeting, that quorum is not present, such meeting shall be adjourned forthwith.

VOTING INTEREST

Each Unit Owner at Association meetings shall have a voting interest equal to his percentile interest in the general common elements as set forth in the Declaration, a copy of which is being filed concurrently with the filing of these BY-LAWS with the Clerk and Recorder of Gallatin County, State of Montana.

Such percentile factor shall be the voting interest of each Unit Owner on all matters affecting the general business of YELLOWSTONE CONDOMINIUM, on all matters affecting the common elements; assessments for the common elements; and on all matters upon which the Association agreed to have voting by the common elements.

interests. Voting upon matters affecting limited common elements and assessments for limited expenses shall be only by owners having a unit or interest in units located in the building affected.

Whenever a quorum is present at a meeting of the Association or the Board of Directors, those present may do any and all acts they are empowered to do unless specific provisions of these BY-LAWS, the Declaration, or the laws of the State of Montana direct otherwise.

#### BOARD OF DIRECTORS

The governance of YELLOWSTONE CONDOMINIUM, shall be by a Board of Directors. Such Board shall have all powers and responsibilities attendant to the general administration, and control of the condominium. Additionally, the Board shall have the authority necessary to carry into effect the powers and duties specified in these BY-LAWS.

#### OFFICERS OF THE BOARD OF DIRECTORS

The Association shall elect from its membership a Board of Directors which shall consist of a: Chairman, Secretary, Treasurer, and two (2) additional Board members, who shall all serve for a term of one (1) year. The manner of election to the Board of Directors shall be as follows: At the first and all subsequent meetings of the Association, nominations for positions on the Board will be accepted from any of the Unit Owners present. Voting will be non-cumulative with each Association member having a vote equal to his percentage interest in the general common elements. Board members shall be elected by majority vote of those present at any annual or special meeting. The first Board, consisting of three persons, shall be appointed by Big Sky of Montana, Inc. as hereinafter provided; which Board shall serve until the first annual meeting of the Association at which time a full Board shall be elected by the members.

#### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) To call annual meetings of the Association and give due notice thereof.
- (b) To conduct elections to the Board of Directors.
- (c) To enforce the provisions of the Declaration, BY-LAWS, and Protective Covenants of YELLOWSTONE CONDOMINIUM, by appropriate action.
- (d) To provide for the management of YELLOWSTONE CONDOMINIUM, by hiring or contracting with suitable and capable management and personnel for the day-

to-day operation, maintenance, upkeep and repair of the common and limited common elements.

(e) To levy assessments as allowed by the Declaration, these By-Laws, and the State of Montana and to provide for the collection, expenditure and accounting of said assessments.

(f) To pay for the expenses for the maintenance, repair and upkeep of the common elements and limited common elements, and to approve payment vouchers either at regular or special meetings.

(g) To delegate authority to the Manager of the routine conduct of condominium business, however, such authority shall be precisely defined with ultimate authority at all times residing in the Board of Directors.

(h) To provide a means of hearing grievances of Unit Owners and respond appropriately thereto.

(i) To meet at regular scheduled times and to hold such meetings open to all Unit Owners or their agents.

(j) To prepare an annual budget for the condominium in order to determine the amount of the assessments payable by the Unit Owners to meet the common and limited common expenses and allocate and assess such charges among the Unit Owners according to their respective interests in the common and limited common elements.

(k) To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses, costs or additional capital expenses, or because of emergencies.

(l) To take appropriate legal action to collect any delinquent assessments, payments or amounts due from Unit Owners or from person or persons owing money to the condominium, and to levy a penalty and to charge interest on unpaid amounts due and owing.

(m) To defend in the name of the Association any and all lawsuits wherein YULIESTONE CONDOMINIUM, is a party defendant.

(n) To enter into contracts necessary to carry out the duties herein set forth.

(o) To establish a bank account for YULIESTONE CONDOMINIUM, and to keep therein all funds of the Association; withdrawal of monies from such accounts shall be only by check, signed by such persons as are authorized by the Board of Directors.

(p) In general, to act for and carry on the administration and affairs of the Association as authorized and prescribed by the Declaration and to do all

those things which are necessary and reasonable in order to carry out the governance and operation of YELLOWSTONE CONDOMINIUM.

(q) To establish rules and regulations for conduct, behavior and use of the common and limited common element areas.

(r) To make repairs, alterations, additions and improvements to the common and limited common elements consistent with managing the condominiums in a first class manner and in the best interest of the Unit Owner.

(s) To arrange, keep, maintain and renew the insurance for the Association as set forth in the Declaration.

(t) To carry out the duties and responsibilities of the Board in all other matters as may be authorized, needed or required by the Declaration.

#### VACANCIES AND REMOVAL

Should a vacancy occur on the Board of Directors, the Board, subject to the exception described below, shall appoint a member of the Association to serve the unexpired term. Such vacancy shall be filled no later than the next regular Board meeting after which it occurs. Should such vacancy not be filled by the Board at the next regular meeting of the Association, the Association may fill such vacancy.

At any regular or special meeting of the Association, any member of the Board may be removed by a majority of the aggregate interests of the condominium. Such vacancy shall be filled by the Association. Such removal matter must be announced in the notice of such special or regular meeting. The personal delivery of such notice by the Secretary of the Association shall be considered notice served.

#### COMPENSATION

No member of the Board of Directors shall receive any compensation for acting as such. Nothing herein, however, shall be construed to preclude compensation being paid to Managers which are hired by the Board of Directors.

#### MANAGERS

The Manager shall be appointed and/or removed by the Board of Directors. The Manager shall be bonded, and shall have maintained records of the financial affairs of the condominium. Such records shall also detail all assessments made by the Association and the status of payments of said assessments by all Unit Owners. All records shall be available for examination during normal business hours to any Unit Owner or his assigned representative.

(a) Accounts - The receipts and expenditures of the Association shall be under the direction of the Manager and be classified as appropriate, into common expenses and limited expenses:

(1) Current Expenses, which shall include all receipts and expenditures to be made within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditure chargeable to reserves or to betterments. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for succeeding years.

(2) Reserve for Deferred Maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(3) Reserve for Replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(4) Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property which shall be a part of the common elements.

(b) The Manager shall prepare and submit to the Board a budget, each calendar year, which must be approved then and adopted by the Board. The budget shall include the estimated funds required to defray the common and limited common expenses and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices.

Copies of the budget and proposed assessments shall be transmitted to each member on or before December 1, preceding the year for which the budget is made. If the budget is subsequently amended budget shall be furnished to each member.

(c) An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the audit report shall be furnished to each member not later than April 1, of the year following the year for which the audit is made.

The Manager shall generally operate and manage the condominium for and in behalf of the Unit Owners and shall have such other powers and authority as the Board may delegate.

#### AMENDMENT OF BY-LAWS

These BY-LAWS may be amended at any regular or special meeting of the Association providing that a copy of the proposed revision is included in the notice of such meeting. Upon a vote of over seventy-five percent (75%) of the aggregate interest in the condominium, the amendment shall be declared adopted. The Secretary shall as soon as practicable after adoption prepare a copy of these BY-LAWS as amended for certification by the Chairman and Secretary of the Association. Such amended and certified BY-LAWS shall then be filed and recorded in the

office of the Clerk and Recorder, Gallatin County, State of Montana. BY-LAWS as amended shall become effective at the time of such recording.

#### ASSESSMENTS

In accordance with the percentile interest in the general common elements as set forth in the Declaration, each Unit Owner shall be assessed for general common expenses. Such assessments, and assessments for limited expenses shall be collected and paid according to the terms and under the procedures more particularly set forth in the Declaration. The amount of assessments described above and any other assessments allowed by these BY-LAWS, the Declaration and by the State of Montana, shall be fixed by the Board of Directors. Notice of each owner's assessments shall be mailed to said owner as his address of record.

#### THE DECLARATION

Big Sky of Montana, Inc., has filed along with these BY-LAWS a Declaration whereby the properties known as YELLOWSTONE CONDOMINIUM, are submitted to Title 67, Chapter 23, B.C.M., 1947. Attached to and made a part of that Declaration are Protective Covenants. The Declaration and the provisions of the Protective Covenants shall govern the acts, powers, duties and responsibilities of the Association of Unit Owners and in the event these BY-LAWS and the Declaration are in conflict the Declaration shall prevail.

The definitions of terms set forth in the Declaration shall be applicable throughout these BY-LAWS and the interpretation thereof.

Additionally, the Protective Covenants provide for an Architectural Committee and Owners Association. Association members shall not by these BY-LAWS be in any way precluded from membership of either the Architectural Committee or the Owners Association as described in the Protective Covenants.

By virtue of the BY-LAWS and the Declaration and the Protective Covenants each Unit Owner has the right to membership in the Association of Unit Owners, and the Owners Association and additionally, any Unit Owner may be on the Board of Directors of YELLOWSTONE CONDOMINIUM, and/or on the Architectural Committee.

The YELLOWSTONE CONDOMINIUM, Association of Unit Owners and its Board of Directors shall have primary and final authority on all matters solely affecting the condominium area. Primary and final authority concerning areas outside the condominium shall be with the Big Sky Owners Association.



IN WITNESS WHEREOF, Big Sky of Montana, Inc., as the owner of record of all of the condominium units and 100% of the voting interests of the said YELLOWSTONE CONDOMINIUM as of the date hereof, hereby, appoints the following persons to serve on the Board of Directors until the first annual meeting of the Association to wit:

ROBERT LINDSEY - CHAIRMAN

EDWARD STRACHOTA - TREASURER

J. DAVID PENWELL - SECRETARY

And Big Sky of Montana, Inc. and the said Board hereby declares and affirms the adoption of the foregoing BY-LAWS on the 10th day of September, 1973.

BIG SKY OF MONTANA, INC.

By

J. DAVID PENWELL

VICE PRESIDENT

Attest:

JEFFREY J. FOSS

Certified to be a true and correct copy of the By-Laws of Yellowstone Condominium. September 10, 1973

ROBERT LINDSEY

EDWARD STRACHOTA

J. DAVID PENWELL