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**BYLAWS
OF
BUFFALO TRAILS ESTATES HOMEOWNERS ASSOCIATION, INC.**

I. NAME

The name of the Association shall be BUFFALO TRAILS ESTATES HOMEOWNERS ASSOCIATION, INC., a Montana business corporation; herein called the Association.

II. MEMBERSHIP

The Owners of all lawful lots, tracts or parcels within the property described in Exhibit A hereto attached and incorporated herein by this reference, known as "Buffalo Trails Estates" (a subdivision), and hereinafter called the Property, shall be members of the Association. One membership in the Association shall be allowed for each lawful separate lot of the Property owned by the member. In the event that any lot in single ownership at the time of executing these ByLaws shall be lawfully divided, then the owner of each new lot or parcel shall be a member hereof, provided, that co-owners of any single lot shall share in a single membership.

No person shall be eligible to membership herein who is not the owner or purchaser of any lot of the Property or of such additional lands as may be added by amendment to these ByLaws. New members may be added who own additional properties served by the private Buffalo Trails Estates roads covered hereby, by vote of the membership, payment by the Owner(s) of such additional property of the annual assessment of the Association and of any fee for "Late Comers" set by the Board, and amendment to these ByLaws to add the additional parcels of land.

Any person who occupies any lot or portion of the Property included in the Association as a Lessee shall have no right to membership or the privileges thereof, except as may be derived through his or her Lessor.

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POST OFFICE BOX 81
1000P WASHINGTON STATE
509 887 1120

III. PURPOSES

The purpose of this Association shall be to provide for the maintenance, repair and upkeep of the private roads, known as "Buffalo Trail Road" and "Wineglass Loup West Road", as said roadways are depicted upon the plat of the subdivision of Buffalo Trails Estates, as filed with the recorder of Park County, Montana, and to perform the duties of an Architectural Review Board and such other duties as shall be set forth for the Homeowners Association in the "Declaration of Protective Covenants and Restrictions, Buffalo Trails Estates" (as recorded in Park County, Montana) and authorized by the Articles of Incorporation of the corporation and as may be authorized from time to time by the corporate membership, all for the mutual benefit of the members.

IV. BOARD OF DIRECTORS

1. The Board of Directors of the Association shall consist of three members, all of whom shall be members of the Association. Officers of any corporate member may serve as Directors, if authorized by the Board of Directors of such member corporation. Board members shall be elected at the annual meeting of the membership and shall serve for a term of 2 years and until their successors are elected. The Board shall elect from amongst its members, a President who shall preside at all meetings of the Board and of the membership, a Vice President who shall assume the duties of the President in their absence, and a Secretary/Treasurer who shall keep the books and records of the Association. Vacancies on the Board of Directors may be filled by the remaining directors until the next annual meeting of membership.

2. The Board of Directors shall have responsibility for the management and affairs of the Association. The Board shall hire necessary contractors and equipment to accomplish annual maintenance and including road surfacing and ditching on the private roads maintained by the Association (as set forth in Paragraph III above) to the end of keeping said roads available for vehicular travel throughout the year; Provided that snow removal shall only be performed by the Association subject to Paragraph VI.2 below. The Board may authorize emergency repairs or rebuilding of said roadways when in the sole judgment of the Board,

1 such emergency repairs or rebuilding are necessary immediately to
2 keep the roadway(s) open for vehicular traffic.

3 3. The Board of Directors may not authorize any major
4 repairs or improvements to the roadways, except emergency repairs
5 or rebuilding as above set forth, in excess of \$2,000.00 cost
6 granted at a regular or special meeting thereof.

7 4. The Board of Directors shall perform the duties as the
8 Architectural Review Committee (ARC) as set forth in these ByLaws
9 (or hereafter amended). The Directors may by vote add up to two
10 (2) members of the Association to serve on the ARC with the said
11 Directors; or the Board may delegate the duties of the ARC to three
12 members of the Association who shall be appointed by the Board.
13 Non Board members of the ARC shall serve for terms of two (2) years
14 and until their successors are appointed. The Board of Directors
15 may set an administrative fee from time to time to charge for
16 review of plans by the ARC to cover the expenses thereof to the
17 Association.

18 5. Regular meetings of the Board of Directors shall be held
19 annually on the first Saturday of June of each year, immediately
20 after the annual meeting of the membership. Special meetings of
21 the Board may be called by any two directors by notice in writing
22 stating the time, place and purpose of such meeting, delivered in
23 person or by certified mailing, return receipt requested, at least
24 48 hours prior to the time of meeting, Provided, that the Board
25 members may in writing before or at any special meeting waive such
26 notice thereof.

27 6. Two board members shall constitute a quorum for the
28 transaction of business. All decisions of the Board of Directors
shall be made by a majority of not less than a quorum present.

7. The Board of Directors may authorize hiring of
professional advisors including accountants or attorneys, on behalf
of the Association, when deemed advisable by the Board in the
interest of the Association.

8. The initial Board of Directors of the Association shall
be Eugene F. Marelius, David Viers, and Herbert L. Rosenberg, who

shall serve for two (2) years until the regular membership meeting in June of 1996, and until their successors are elected.

V. MEMBERSHIP MEETINGS, VOTING

1. The membership of the Association shall hold an annual meeting on the first Saturday of June of each year. Notice of the time and place of the annual meeting shall be sent in writing to all members by the President or the Secretary/Treasurer, not less than ten days prior to the date thereof.

2. All membership meetings shall be held within a 5 mile radius of the Town of Livingston, Montana.

3. Special meetings of the membership may be called by the Board or by any 5 members of the Association, by written notice specifying the date, time, place and purpose of the meeting delivered personally or by certified mail to such members not less than ten days prior to the date set for meeting.

4. Sixty percent (60%) of the number of total memberships in the Association, present in person or by proxy, shall constitute a quorum for the transaction of any business by the membership.

5. Each member of the Association shall hold one vote for each membership held by said member, as set forth in Paragraph II hereof.

6. Members may vote on any question coming before the membership in person or by proxy. All proxies must be in writing, signed by the authorizing member and dated, and designating another member by name to be entitled to cast the vote of the authorizing member.

7. Except to specifically set forth herein, decisions of the membership shall be made by majority vote of the members present in person or by proxy, with not less than a quorum present in person or by proxy.

8. Any decision of the membership to perform capital improvements to the roadway in excess of \$2,000.00 shall be made by vote of not less than 51% of the membership.

VI. ASSESSMENTS

1. Regular annual assessments of the Association against the members shall be determined as to amount, by the membership, at the regular annual meeting thereof. Such annual assessments shall be calculated to collectively cover the anticipated costs of road maintenance and costs of mailing of notices, bank fees, corporate registration fees, and other expenses properly and regularly incurred in the regular course of business of the Association, plus a sum equal to not less than 20% of such total anticipated costs, for emergency expenditures.

2. In addition to regular assessments, the Board of Directors shall set snow removal assessments to cover the average or anticipated costs of snow removal from the covered roadways, which assessments are levied against and paid only by those memberships who have a dwelling unit upon their appurtenant lot as of October 1 of the calendar year in which the assessment is levied, in equal amounts for each such lot with a dwelling unit thereon.

3. Special assessments may be set by the membership at its annual meeting or at any special meeting called for such purpose, to cover additional or anticipated expenses for approved capital improvements, repairs or maintenance not covered by the annual assessments.

4. Regular and special assessments shall be levied in equal amounts for each membership in the Association, EXCEPT, that the unsold lots owned by the original owners and developers of Buffalo Trails Estates (the signators hereto) at the time of entry into this Agreement shall be assessed collectively as a single membership for purposes of special assessments only; and Provided, further, that upon sale or other disposition of any such lots by the original Developers/Owners, any lot(s) so sold shall no longer be included in this exemption from assessments. Snow removal assessments shall not be included as regular and special assessments for the purposes of this paragraph VI.4, but shall be levied as set forth in 2 above.

5. The Board of Directors shall be authorized to impose special assessments to be levied immediately, to cover costs of emergency road repairs or rebuilding authorized by the Board pursuant to Paragraph IV of these ByLaws to cover costs of regular authorized maintenance, or special snow removal assessments, when such costs due to weather, acts of God or other unanticipated events not within the control of the Board, exceed the assessments made and paid by applicable membership therefor.

VII. BOOKS AND RECORDS

The books and records of the Association shall be kept by the Secretary/Treasurer thereof, or by the President, and shall be open for inspection by any member at any reasonable time. Books and records shall be kept within a 5 mile radius of the Town of Livingston, Montana.

American Bank of Livingston is hereby designated as the depository for all Association funds. A check drawn upon the Association's account, or any other withdrawals therefrom, shall be authorized by signature of any one director.

VIII. PAYMENT OF ASSESSMENTS

1. Regular assessments of the Association as determined in the annual meeting of members or snow removal assessments shall be paid to the Secretary/Treasurer not less than sixty days from determination of such amount and notice thereof sent in writing to the last known address of all members. Special assessments properly assessed by the Board of Directors or the members according to the provisions of these ByLaws shall be paid within thirty days of notice of such special assessment being mailed to each member.

2. Any assessment not paid within the time period allowed therefor as set forth in subparagraph 1 above, shall bear interest at the rate of 12% per annum from the date due, until paid. In addition to such interest, delinquent special assessments shall incur a penalty of 5% effective the day after due.

3. Any delinquent assessments, plus interest and penalties, shall be a lien upon the appurtenant lot, and may be recorded and collected in the same manner as authorized for a laborer or materialman lien under the laws of the State of Montana, by decision of the Board of Directors, and/or may be subject to collection by suit to recover same, the venue of which shall be in Park County, Montana. Such suit for collection shall be brought in the name of the Association, as plaintiff, as and when authorized by a vote of the Board of Directors. In any action brought by the Association for collection of such delinquent assessments or to enforce lien for the same the Association shall be entitled to recover judgment for its costs and expenses therein, including attorney fees incurred.

4. Members who are delinquent in payment of such assessments shall not be entitled to vote in any matter coming before the membership until such delinquent assessments, including interest and penalties, have been paid in full.

5. No technical error not affecting actual or constructive notice to members, in the setting or levying of assessments, shall void such assessment.

IX. ARCHITECTURAL REVIEW COMMITTEE

1. The Architectural Review Committee (ARC) shall consist of the Board of Directors and/or their member appointees, as authorized in Section IV of these ByLaws. The ARC shall review all plans, materials and colors for the size and external appearance of all buildings and structures proposed to be constructed, built, moved or placed upon, or remodeled/alterd as to exterior appearance on any lot or tract within the Buffalo Trails Estates Subdivision.

2. The ARC shall not consider and assumes no responsibility for, any of the following:

- A. The structural capacity, safety features or building codes compliance of any proposed buildings/structures.
- B. The safety of the location of any proposed building or structure, or the existance of any potential

geological or natural hazard on or affecting such location.

C. The compliance of the proposed building or structure with any building or land use codes of Park County, the State of Montana, or any agency or political subdivision thereof.

3. Written approval of the A.R.C. is required prior to any new construction or erection or exterior alteration of any building or structure within or upon the property. Review by the ARC shall include review of external design and appearance, building size, and external siding and roofing materials and colors/stains thereof. Review will consider compliance of such plans and materials with any covenants affecting construction and external appearance of structures and the following policies and goals for building design:

A. Generally, the principal dwelling or structure on a lot shall have a minimum of 1,200 sq. feet of living space. Exceptions may be made by the ARC when the exterior appearance of mass will in the opinion of the ARC be compatible and consistent with the area and with the concept of a residential development.

B. The exterior appearance of all structures must be compatible with the natural surroundings and with other buildings and development in the area.

C. Outbuildings should be compatible in size, proportion and materials with primary structure and other outbuildings on the lot or parcel.

D. Unfinished buildings or inferior materials will not be allowed.

4. Procedure for review of plans and materials and colors by the ARC shall be as follows:

A. The property owner shall submit to the ARC plans for the proposed building or alteration depicting external appearance thereof drawn to scale showing height and

other sizes, and a description of roof/siding materials and stains/colors, or samples of such materials/colors. Legal description of the owner's lot or property on which the improvement will be located shall be included, as well as a description (or photograph) of existing buildings or structures on the lot.

B. The ARC will convene a meeting within fifteen (15) days of receipt of all materials required under A above, to consider the plans and specifications and render a decision thereon; Provided, that holidays or special circumstances may require a delay in such meeting. Such decision shall be given in writing to the owner applicant within five days of the meeting; and if the plans or any portion thereof are not approved, then such written decision shall give specific reasons for such disapproval to facilitate resubmittal of amended plans and specifications.

C. The ARC may charge a fee for plan submittal to cover costs of the meeting, copies, and clerical services to the ARC, as may be authorized and set from time to time by the Board of Directors of the Association. Any such fee must be submitted with the proposed plans and specifications.

X. MEMBERSHIP APPURTENANT TO LAND

The rights, privileges, and obligations of this Association, including membership herein and assessments hereunder, shall be and are hereby declared to be binding upon, appurtenant to, and covenants running with the Property described in Exhibit A hereto, and each lot and parcel thereof. Membership and its rights and obligations may not be transferred, except to subsequent owners or purchasers of any lot or parcel of said Property.

XI. AMENDMENTS

These ByLaws may be amended by affirmative vote of not less than sixty-six percent (66%) of the total Association membership entitled to vote (voting in person or by proxy), at any regular or special meeting of the membership called for such purpose;

1 Provided, that the notice of such meeting given to all members
2 shall set forth in full the portion of these ByLaws sought to be
3 amended and the full text of such proposed amendment.

4 **XII. ATTORNEY FEES; VENUE**

5 In the event that any action be brought to enforce any term or
6 provision of these ByLaws, or to determine the right of any party
7 in privity hereto, the prevailing party shall be entitled to
8 judgment against the nonprevailing party for all costs and expenses
9 of such action, inducing attorney fees. Venue on any such action
10 shall be in Park County, Montana.

11 **XIII. DISSOLUTION**

12 In the event of dissolution of the Association, the assets, if
13 any, shall be distributed in accordance with the provisions of the
14 Articles of Incorporation of the Association and of the laws
15 relating to business corporations of the State of Montana.

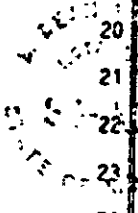
16 ADOPTED by the members of the Association at a duly called
17 meeting thereof this 2 day of November 1994.

18 **BUFFALO TRAILS ESTATES HOMEOWNERS ASSOCIATION, INC.**

19 By: [Signature]
20 Its President

21 By: Herbert J. Rosenberg
22 Its Secretary - Treasurer
23 by David Weiss P.O.A.

24 Notary
25 David Weiss
26 for Herbert J. Rosenberg
27 [Signature]



28 The State of Montana
29 Residing in Livingston, Montana
30 (See Commission Expires December 21, 1995)

31 State of Montana }
32 County of Park }
33 Subscribed and sworn to before me this 2nd day of November A.D. 1994
34 [Signature] 104 Pages 91-928

35 Recording Fee \$ 60.00 Document No. 212898 Return to David Weiss
36 * Exhibit A not attached Box 1874
37 Livingston, MT 59047

STATE OF MONTANA
County of Park

I hereby certify that this instrument is a full, true and correct copy of the original now on file and of record in my office.

Witness my hand and Official Seal this 22 day of August 19 97.

Denise Nelson, County Clerk & Recorder

By:

J. Dean Paul
Deputy

*Document is being re-recorded to attach "Exhibit A"

EXHIBIT 'A'

All Lots of Buffalo Trail Estates Phase I of Subdivision plat No. 162 and Phase II, excepting therefrom the parcel referred to as "Reserved For Future Development", Subdivision plat No. 197, being a resurvey of a portion of Certificate of Survey No. 484B, located in Section 27, Township 2 South, Range 9 East, P.M.M., Park County, Montana, according to the official survey thereof on file and of record in the office of the County Clerk and Recorder, Park County, Montana.

State of Montana }
 County of Park } ss
 Filed for record this 22 day of August, A.D. 1997, at 4:39
 o'clock: P M. Dennis Nelson 123 Pages 519-530
 By D. Dea Paul
 County Clerk & Recorder Deputy
 Recording Fee \$ 72.00 Document No. 261340 Return to Security Title
6.50 cc Livingston, MT