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AMENDMENT AND RESTATEMENT OF DECLARATION OF
COVENANTS AND USE RESTRICTIONS
FOR BIGFORK VILLAGE RESORT
AND R.V. PARK CONDOMINIUM

This is an Amendment and Restatement of Declaration of Covenants, Bylaws and Use Restrictions for Bigfork Village Resort and R.V. Park Condominium, made as of August 29, 2012, by the undersigned owners of Bigfork Village Resort and R.V. Park Condominium.

RECITALS:

1. Bigfork Village Resort and R.V Park Condominium was formed on July 11, 2002 with the recording of the initial Declaration of Unit Ownership, which recording was at Reception No. 200219809120, Flathead County records. This Declaration created the following units:

Units 1 – 29 of Bigfork Village Resort and R.V. Park Condominium, located on Lot "B" of J. H. Horn Tracts No. 3 according to the map or plat thereof on file and of record in the office of the Clerk and Recorder of Flathead County, Montana.

2. The initial condominium documents provided for their amendment. On June 25, 2005, the Association President recorded the First Amendment to Bylaws, Covenants and Use Restrictions by instrument recorded at 200520612570, Flathead County records;

3. On August 10, 2005, the Association President and Secretary recorded the Second Amendment to Bylaws, Covenants and Use Restrictions, which Second

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Amendment was recorded at Reception No. 200522213150, Flathead County records;

4. On August 22, 2006, the Association President and Secretary recorded the Fourth [sic 3rd] Amendment to Bylaws, Covenants and Restrictions, which amendment was recorded at Reception No. 200623412220, Flathead County Records;

5. The Association and its owners now desire to enter into a full restatement of the Covenants, Bylaws and Restrictions of Bigfork Village Resort and R.V. Park Condominium. This Amendment and Restatement now incorporates and supercedes all previously recorded documents.

ARTICLE 1

Property subject to covenants

The real property subjected to the Montana Unit Ownership Act is Units 1 through 29 of Bigfork Village Resort according to the Declaration of Unit Ownership recorded at Reception No. 200219809120, Flathead County records.

ARTICLE 2

Definitions

Unless otherwise indicated, the following terms will be interpreted herein as defined immediately below.

2.1 Agent for Service of Process. An existing member of the Board will serve as the Association's agent for service of process. The agent will not change unless the named agent resigns or sells his or her lot in Bigfork Village.

2.2 Association. Means the Bigfork Village Resort and R.V. Park Condominium Owners' Association, a non-profit corporation, which will consist of all the unit owners of the units of Bigfork Village Resort and R.V. Park Condominium, a Flathead County condominium.

2.3 Board and Board of Directors. Will mean the governing body of the Association.

2.4 Common Areas. Will mean all real property and easements governed by the Association for the common use and enjoyment of the Members of the Association including, but not limited to, roadways, utility easements, signage, refuse collection area and all areas of internal or perimeter vegetation, whether or not such vegetation is growing on an area specifically titled in the name of the Association or whether such vegetation is growing on a private unit. The Common Area includes a sprinkler system



and improvements and structures for laundry and restrooms.

2.5 **Common Expenses.** Will mean expenses of administration, maintenance, repair, or replacement of common elements, expenses agreed upon by the association, expenses set out herein and in the By-Laws, and expenses declared common by the Unit Ownership Act. Property taxes, telephone and utilities for each Unit will be the sole responsibility of the unit owner and will not be included in common expenses. Property taxes on the common elements are common expenses.

2.6 **Reserved.**

2.7 **Declaration.** Means this document and all attachments hereto or incorporated by reference.

2.8 **Member.** Will mean and refer to every person or entity who is a member of the Association. Member and Owner are used synonymously.

2.9 **Motor Vehicle.** Will mean and include automobiles, light duty trucks, motorcycles and motor scooters.

2.10 **Owner.** Will mean and refer to every person or entity who is a record owner of a fee, or undivided fee, interest in any unit. Record Owners who have sold any unit under a contract for deed will not be considered Owners, but the purchasers of a unit who are purchasing any unit under a contract for deed will be considered the Owner for all purposes herein. Persons or entities having an interest in any unit merely as security for the performance of an obligation (mortgages or beneficiaries) are hereby excluded.

2.11 **Property.** Means all the land, building, improvements and structures thereon, including both common elements and individual units, and all easements, rights and appurtenances belonging thereto as described in the original condominium documents recorded February 11, 2002.

2.12 **Record Officer.** Means the Clerk and Recorder of Flathead County, Montana.

2.13 **Recreational Vehicle.** "Recreational Vehicle" or "RV" shall mean Class A motorhomes which shall be not less than twenty-eight (28) feet in length and not more than ten (10) years old at the time of purchase of a condominium unit.

2.14 **Structure.** Will mean a storage shed, building, community building or structure for housing temporary or permanent television antennas, and satellites.



2.15 **Unit.** Means each of the twenty-nine separate RV park spaces located within the land comprising the condominium. Each unit's undivided interest in common elements is included in this definition.

2.16 **Unit Designation.** Each unit will be designated by a separate street address or separate unit letter as indicated in Article 5.1.

2.17 **Unit Owner or Owners.** Means the person or persons owning a fee simple absolute, or one who is a co-owner in any real estate relationship that is recognized under the laws of the State of Montana, in one or more units of the condominium.

2.18 **Vegetation.** Will includes trees, shrubs, grasses, and other plants.

ARTICLE 3

Name

The property is known as the Bigfork Villare Resort and R.V. Park Condominium, also known as Bigfork Village Resort.

ARTICLE 4

General Description of Condominium

4.1 **Condominium.** The condominium consists of twenty-nine recreational vehicle (RV) units described in paragraph 4.2 and 5.1 below. The location and plans were set forth in Exhibit A to the original condominium documents recorded July 17, 2002 and are again incorporated herein.

4.2 **Units.** Each unit is subject to the provisions of this Declaration, the By-Laws of this association, and all or any covenants running with the land to which this condominium Declaration is subject and such rules and regulations as the association will establish and amend from time to time. These restrictions, covenants and provisions are binding upon the unit owners, their heirs, successors, personal representatives and assigns, for so long as this Declaration and related By-Laws are in effect.

ARTICLE 5

Description of Units

5.1 **Designation and Square Footage of Units.** There are twenty-nine units with a location, description and layout as set forth in Exhibit A to the original condominium documents. There are no changes in the number of units, designation of



units, location description or size of unit. As provided in the original condominium declaration, each unit shares an equal 1/29 interest in the common elements and responsibility for dues and common expenses.

5.2 **Setback and Height Restrictions.** A “boundary” is defined as a vertical plane containing a property line.

- a) There are no height restrictions on recreational vehicles (RV).
- b) Unit front setbacks. No recreational vehicle (RV) shall be parked any closer than ten (10) feet from the front boundary of a Unit.
- c) Unit rear setbacks. For Units 1 through 8, Units 24 through 29 and Unit 17, no recreational vehicle (RV) shall be parked any closer to the rear boundary than three (3) feet.
- d) Unit side setbacks. The side of a recreational vehicle (RV), including slidedowns shall not be any closer than three (3) feet from the side boundary. Awnings of a recreational vehicle (RV) may touch the side boundary provided all other side setback rules are in conformance.

At the discretion of the board of Directors, decks, walls, curbs and retaining walls may be allowed to touch the side boundary.

ARTICLE 6

Common Areas, Utilities & Roads

6.1 Property Rights:

a) **Members’ Easements of Enjoyment:** Every Member has a right and easement of enjoyment in and to the Common Areas and such easement is appurtenant to and will pass with the title to every assessed unit.

b) **Delegation of Use:** Any Member is deemed to have delegated his right of enjoyment to the Common Areas and facilities to the members of his family within the first degree of kinship, his tenant, or contract purchasers who reside on the property, unless the Member has given the Association written notice to the contrary.

c) **The Association retains for itself and utility companies all necessary easements for the construction and maintenance of:**

- (i) water, gas, and sewer lines, and
- (ii) electric transmission, telephone, cable and television systems.



The Association also retains the authority and necessary easements for maintaining all naturally occurring Vegetation within Common Areas, and the right of maintenance, repair and replacement of Common Area Structures and facilities.

d) The Association may make, amend and enforce rules and regulations governing use of Common Areas.

6.2 **Roadways:** The Association reserves an easement at the location and widths provided in Exhibit A to the original condominium documents of July 17, 2002. The easement is for ingress, egress and utilities over, under and across the roadways shown on the plat of the subdivision for the purpose of locating, installing, erecting, constructing, and maintaining the roadways, ditches, electric lines, telephone lines and other utilities. The roadway as shown in Exhibit A to the original condominium documents is limited to the private use of Owners, tenants, guests and others performing official or delivery functions to or for these individuals.

6.3 **Utilities:** Rights of ingress and egress over, under, across, to, upon and from the units for purposes of locating, installing, erecting, constructing, maintaining or using electric lines, telephone lines, other utilities and ditches are retained by the Association and/or appropriate utility companies. All costs for extension of utilities and telephone lines will be borne by unit Owners, and all such utilities will be underground. Any unit Owner who will place any building, improvement, shrub, hedge or tree on any easement will be required, without notice, at the request of any other affected unit Owner or utility company to remove such Structure, improvement or Vegetation, if such removal will facilitate installation, repair or maintenance of utilities within said easement area.

6.4 **General Common Elements.** Each unit owner owns an undivided 1/29 interest in the general common elements. The general common elements include the common areas for the entryway, sign, mailbox site, the shower and laundry building, all natural areas, the private roads and common areas designated on Exhibit A to the original condominium documents, all utilities within the common areas and rights of way, the electrical power system, natural gas system, cable television system and telephone system for the project.

No owner, tenant, guest or member may store any items temporarily or permanently within any common elements. No unit owner will remove any property from the common elements. No owner will erect or place any building or structure, fence or wall or make any addition to or alteration of common elements. No owner may construct or place any sign on, in or near the common elements except with the prior, express written consent of the Board.



The Board is exclusively responsible for maintenance of common elements.

6.5 **Limited Common Elements.** There are no limited common elements.

ARTICLE 7

Property Use

7.1 **Vehicles.** Owners may place no more than one RV, one golf cart, two cars or pickups and two motorcycles within each residential unit. Owners are also allowed to keep and maintain no more than one storage trailer which does not exceed twenty-five (25) feet in length. The storage trailer placement and use must be approved by the Board of Directors in order to be parked on a designated lot. All such trailers must always be accompanied by its attendant RV. The Board may issue additional rules and regulations in connection with this covenant. Vehicles and other items will not obstruct access roads. Owners may not keep, maintain or store any non-operating vehicles or motorcycles on any unit. No other commercial or agricultural use is permitted. No owner may construct any improvements or structures on their unit except for storage facilities described in Article 7.3 and except for facilities for obtaining and maintaining radio, television or other telecommunication. The Association may issue rules and regulations further regulating construction which are not inconsistent with this covenant.

7.2 **Landscaping:** The Association will maintain primary landscaping for Common Areas. Owners are responsible for maintaining landscaping on private units. Unit Owners are prohibited from altering or removing any perimeter or Common Area vegetation or any vegetation which may grow on their unit, when such vegetation is maintained by the Association. Unit Owners will not plant any trees or shrubs without advance written approval of the Association. Unit Owners may plant seasonal flowers in the ground or in portable or permanent pots or planters, provided that all such plants are tastefully maintained and are not a wildlife attractant. The Board may issue additional rules or regulations in connection with this covenant.

7.3 **Structures, Lockers and Entertainment Centers.** Structures, such as shelters, overhangs, lockers, kitchens and entertainment centers are allowed on a unit with advance approval by the Board of Directors. None of the eaves, overhangs nor any portion of the structures may encroach beyond a unit boundary. Structures may be tangent to a boundary with advance Board approval. Any new or modified structure larger than 120 square feet must be approved by the Board and by adjacent property owners. The owner intending new or modified construction must submit a written plan, design or drawing, plot plan and list of and description of materials to be used, including finish, trip, roofing and paint or stain. All building materials must be new. Roofing material should be fireproof. The Board may issue additional rules and regulations in



connection with this covenant.

7.4 **Garbage and Refuse:** Owners will not store, place, or dump garbage on their unit at any time, except in the enclosed receptacles provided. All garbage and refuse will be promptly taken to the central refuse collection area for disposal by the Association.

7.5 **Barbeques and Outdoor Cooking:** Owners may utilize outdoor propane or charcoal barbeques. Cooking over any other open fire utilizing wood or other flammable products is prohibited. All barbeques will be thoroughly cleaned or "fired" following any cooking. Owners will endeavor to empty grease traps and otherwise clean, collect and remove, and dispose of any food or grease residue from barbeques or eating areas after each meal. Self-contained, pre-constructed outdoor fireplaces with a protective grate are permitted, but may only be utilized when safe to do so. Such outdoor fireplaces may not be used if the State or County issues a general ban of all outdoor burning. The Board may issue additional rules and regulations governing outdoor cooking or fireplaces. In the event of severe fire danger or wildlife difficulties, the Board and law enforcement may impose additional restrictions on outdoor cooking.

7.6 **Utilities:** The Association will maintain water, sewer, electricity, and telephone to each unit in a location specified in the unit layout and design, attached to the covenants in Exhibit A of the original declaration recorded July 17, 2002, incorporated herein. Unit Owners, tenants and guests are responsible for hookups between utility connections and their RV. All such cords, cables, hoses and connections will be in good condition so that they do not become hazardous, unsightly or allow leakage.

7.7 **Fences:** No Owner may install any fence on their property at any location. The Board may, by appropriate rule and regulation, allow limited privacy fencing in designated locations of approved material and height, and provided that an Owner maintain such fencing in an aesthetically pleasing manner.

7.8 **Fuel Storage:** Owners may store liquid fuel in a container on their property. Underground fuel tanks are prohibited. Propane may be stored only in approved, certified and current tanks. The Board may issue additional rules and regulations in connection with this covenant.

7.9 **Offensive Activity:** No noxious or offensive activities will be carried on upon any unit, nor will anything be done thereon which may become a nuisance to neighbors or the neighborhood. By way of example and not as an exclusive list, the following activities will be considered nuisances: operation of motorcycles, all-terrain vehicles, snowmobiles or similar mechanical devices on any Common Area. The



Association may issue additional rules and regulations regarding noise generation or quiet hours.

7.10 **Wildlife:** All Owners acknowledge that Bigfork Village Resort and R.V. Condominium is in an area inhabited by deer, bears, raccoons, mountain lions and other wildlife which may be a nuisance or threatening to the neighborhood. Owners will therefore undertake the following to prevent their use of the property from attracting wildlife.

a) Garbage. No garbage will be stored outdoors, except in the enclosed receptacle provided. All garbage and refuse will be taken to and disposed of in the Association's refuse containers in container area.

b) Foods.

1) There will be no over-night, outside food storage in coolers, or food chests. All food will be stored in a secure refrigerator or preferably inside, anytime it is not being used. If bears or other animals become attracted to food in the Park, the Board may issue additional rules regarding external refrigerators or freezers.

2) Pet foods must be treated the same as human foods. Pet food should not be left out for extended periods of time, and is prohibited from being left out over night.

c) Pets. Pets must be on leashes as much as possible to prevent them from chasing wildlife or from becoming an attractant for bears, coyotes, and mountain lions. Pets should not be left out over night.

d) Wildlife Attractants. No Owner may place or store any wildlife attractant such as a salt block, hay, pellets, grain or any such food or material outside. Bird feeders including hummingbird feeders are prohibited.

e) Landscaping. The Association will utilize native materials whenever possible. They attract fewer deer and are adapted to some browsing. Fertilizer use will be kept to a minimum as fertilized plants tend to attract deer.

f) Wild game storage. No Owner will store or hang any wild game, game parts, carcasses or hides outside.

g) Hunting. There will be no hunting or shooting of any game animal

within the subdivision. No one may discharge any firearm within the subdivision.

7.11 Animals and Pets:

a) An Owner may keep pets in, on or around their unit and park trailer RV, limited to: two dogs or two cats or a dog and cat. No other pets are allowable. All pets will be kept under the control of or on the Owners' property. Such animals may be kept only if they are not a nuisance to neighbors or the neighborhood. No animal may be kept on the property if it is dangerous, unmanageable or uncontrolled. No animals may be kept for breeding or commercial purposes. All household pets must be on direct control by a leash or tether. Kennels or other temporary enclosures are prohibited. Each Owner will immediately remove and dispose of all solid waste created by their animals upon a Common Area or private unit. Waste will be disposed of at central refuse collection area in a sanitary manner.

b) If a pet engages in any annoying activity, such as excessive barking, biting, harassing persons in the neighborhood, chasing vehicles, eating or disturbing garbage, destroying vegetation or any other obnoxious activity, any Owner or the Association may give the Owner of such animal ten (10) days written notice to restrain the animal from the activity. In such case, the Owner will be required to restrain their animal by tether or leash or keep the animal inside their residence. If the Owner then fails to comply, any resident or the Association may resort to any legal means to remedy the nuisance activities caused by the animal including, but not limited to, having the animal removed by law enforcement authority.

c) The Board may issue additional rules and regulations in connection with this covenant.

7.12. Rentals: Owners may rent their units to the public. The Board may issue additional rules and guidelines consistent with the following:

- a) Owners may be required to use the Bigfork Village Website for advertising their rentals;
- b) All rentals are subject to a per-day rental use charge, payable to the Association;
- c) The Board may regulate the terms and length of rentals;
- d) Owners will furnish all tenants with a copy of the current rules and regulations of the Park, especially including quiet hours;



ARTICLE 8

Owners' Association

8.1 **Membership:** Every person or entity who is a record Owner of any Unit which is subject to these Covenants, including buyers in possession under Contract for Deed and Contract Sellers in possession are Members of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership is appurtenant to and may not be separated from ownership of the unit which is subject to assessment by the Association. Ownership of such unit is the sole qualification for membership.

a) All Owners are responsible for informing the Association of their current, permanent physical mailing address, current email address and any changes in such addresses. Any notice sent by or for the Association to an Owner's most recent address on file with the Association is presumed to have been received, and no Owner is permitted to raise any claim or defense based on a mailing to an address other than the most recent one on file with the Association.

b) To be in good standing in the Association, an Owner must have paid all assessments that are their personal obligation. Whenever these Covenants permit a vote of Members or require the approval of Members for any action, only Members in good standing are entitled to vote. All Members, regardless of standing, may attend meetings and be included in a "quorum" count.

8.2 **Voting:** A quorum will consist of 15 votes in order to call a meeting to order. A quorum may be obtained by written proxy and meetings may be attended by telephone conference or other electronic conferencing means. Additionally, votes and resolutions may be ratified by subsequent votes received via facsimile or electronically.

One (1) vote is allocated to each Unit for which dues are separately paid within the Property. When more than one person owns an interest in any unit, the vote for such unit will be exercised as such persons among themselves determine, but in no event will more than one (1) vote be cast with respect to any unit. If joint Owners of the same unit vote in opposite ways, the vote attributed to their unit will be apportioned fractionally in proportion to the vote of the joint Owners. If one joint Owner of a unit casts a vote, the entire one vote of that Unit will be considered as cast, unless one or more additional joint Owners cast a contradictory vote.

8.3 **Board of Directors:** The Association authorizes the creation and operation of a Board of Directors, consisting of five (5) members. All directors will be Members

of the Association prior to election. The Board of Directors will organize and supervise the business and affairs of the Association subject to these covenants. The Board is primarily responsible for enforcement of covenants. The Board is authorized to create and revise a set of by-laws, subject to Association approval at a regular annual meeting, but they may be approved at a special meeting with proper notice. These by-laws, as amended from time to time, will be binding upon each and every homeowner and upon all real property within the subdivision. The Board of Directors will be elected and will serve for terms of office as are provided for in their by-laws.

8.4 **Officers:** The Association will have a President, Vice President, Secretary and Treasurer, who will be elected by the Board. The duties, term, removal and replacement of officers will be as provided in the Association's bylaws. The Secretary and Treasurer may be one individual.

8.5 **Purpose, Powers & Duties of the Association:**

a) The Association does not contemplate pecuniary gain or profit to the Members thereof. The Association will maintain its nonprofit corporation status. The Association will maintain one or more bank accounts, including interest-bearing savings or certificates of deposit.

b) The purposes for which this Association has been formed and will be maintained are as follows:

- 1) To promote the health, safety, and welfare of the residents of Bigfork Village Resort and R.V. Park Condominium; and to provide for the maintenance of Common Areas within that certain tract of property known as Bigfork Village Resort and R.V. Park Condominium, Flathead County, Montana, according to the official plat thereof on file and of record in the office of the Clerk and Recorder of Flathead County, Montana, and within any additions as may hereafter be brought within the jurisdiction of this Association by annexation;
- 2) to exercise all of the powers and privileges, and to perform all of the duties and obligations of the Association as set forth in these covenants and recorded in the office of the Clerk and Recorder for Flathead County, Montana, and as the same may be amended from time to time, as herein provided; and to exercise similar functions with respect to such other properties and additions as may be subsequently



annexed and brought within the jurisdiction of this Association, as set forth herein;

- 3) to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration and other similar instruments concerning such other properties as may be subsequently annexed and brought within the jurisdiction of the Association; and to pay all expenses in connection with all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association.
- 4) to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- 5) to borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- 6) to have and to exercise all powers, rights, and privileges which a nonprofit corporation organized under the laws of the State of Montana may now or hereafter have or exercise; and
- 7) to do all things necessary to carry out the purposes herein set forth.

8.6 **Committees and Manager:** The Board may appoint permanent or temporary committees for specific purposes. The Board may also hire a permanent or temporary/part-time or full-time manager to handle any portion of the Association's business or day to day affairs.

8.7 **Meetings:** The Association will have one, regular meeting each year on a date designated by its officers. The Association will give at least 10 days written notice of this meeting, together with the following documents or information:

- a) A written agenda for the meeting;
- b) Summary of the previous year's income, expenses, assets and liabilities

- (financial statement);
- c) A proposed budget for the ensuing calendar or fiscal year;
 - d) Nominations for officers or the Board of Directors;
 - e) Any proposed covenant amendments; and
 - f) General business to be discussed or voted upon by the membership at large.

The Board or any two officers may call a special meeting of Association Members, upon 30 days advance, written notice, as more particularly set forth in the bylaws.

ARTICLE 9

Maintenance

9.1 **Common Area Maintenance.** The Association is responsible for maintenance and repair of all common elements, the roadway, public utilities up to the point of connection of individual lots, structures and improvements within common areas and such additional items or matters as the Association affirmatively undertakes.

9.2 **Access at Reasonable Hours.** For the purpose of performing maintenance authorized by this Article, the Association's agents or employees will have the right after reasonable notice to a unit owner, to enter a unit or upon any portion of the common areas at reasonable hours to complete required repairs and maintenance. Such notice is not required in the event of an emergency.

9.3 **Maintenance by Owner.** Except as provided in Article 9.1, all maintenance within a unit is the responsibility of each unit owner. In the event a unit owner neglects or fails to maintain his or her unit, the Board may send written notice of an infraction to a unit owner, particularly describing the maintenance required and a demand that the maintenance or repair be completed within a reasonable, designated time period. If the unit owner neglects or fails to make the requested repair or maintenance, the Board is authorized to undertake and complete the required maintenance and then to assess the unit owner for the cost of such repair and maintenance. This cost or expense will be added to the assessments chargeable to such unit and will be payable to the Association, together with any other dues and assessments levied on the subject unit.

9.4 The Board may issue rules and regulations governing maintenance and repair of individual units.

ARTICLE 10

Insurance



10.1 **Association Liability Insurance.** The Association will maintain comprehensive general liability insurance, including contractual liability coverage, providing coverage for bodily injury, death and property damage. Such insurance will be on an occurrence basis providing single limit coverage in an amount not less than \$1 million per occurrence, or such greater amount as the Association may establish from time to time.

10.2 **Common Area Property Coverage.** The Association will maintain and keep in force a policy or policies in the name of the Association with a loss payable to the Association, insuring loss or damage to the common element improvements of the project. This insurance will be equal to the full replacement costs of the improvements as they exist from time to time, but in no event more than the commercially reasonable and available insurance. The Association may negotiate a deductible in a reasonable amount, not to exceed \$5,000.00 per occurrence. If coverage is available and commercially appropriate, such policy or policies will also insure against all direct risks of direct physical loss or damage, including coverage for debris removal and enforcement of any applicable requirements requiring upgrading, demolition, reconstruction or replacement of any portion of common elements as a result of a covered loss. The Association's coverage will extend only to common elements of the project and not to portions of the project which are a part of any of the individual units. The Association is not required to name any owner as an additional named insured. The policy or policies will also contain an agreed valuation provision in lieu of any co-insurance clause, and such policies will also contain a waiver of subrogation and inflation guard protection causing an increase in annual property insurance coverage amount.

10.3 **Directors and Officer's Liability Coverage.** The Association will purchase and maintain a policy of Director's and Officer's liability insurance coverage, also known as "errors and omissions" insurance, which will provide for the defense and payment of claims made against the directors and officers of the Association. This policy will be in an amount and with coverages determined by the Board. All Board members and officers will be beneficiaries of this policy.

10.4 **Owners Vehicle, Casualty and Liability Coverage.** All owners are required by appropriate State laws, to carry liability coverage on their licensed motor vehicles. Aside from coverage amounts which may be required by State law, all owners covenant to maintain liability insurance coverage with individual limits of not less than \$500,000, with a recommended minimum coverage amount of \$1 million per occurrence. Additionally, each unit owner is obligated to carry their own casualty insurance coverage for their RVs, trailers and other personal property and equipment.

It is encouraged, but not required, that unit owners additionally insure improvements such as appliances, storage lockers and other improvements within their individual units against loss from casualty or theft.

10.5 **Unit Owners Liability Coverage, Apart from Vehicle Coverage.** In addition to liability coverage on any licensed motor vehicle, owners are recommended to obtain a public liability insurance policy covering acts, omissions, accidents, property damage, injury or death which may occur to another unit owner or any member of the public on their individual unit properties. Such coverage may be an extension of an owner's existing homeowner policy (on an owner's permanent residence) or a separate policy, or an umbrella policy. The Association recommends coverage of not less than \$500,000 per occurrence for liability for personal injury and \$300,000 per occurrence for property damage.

10.6 **No Representation of Adequate Coverage.** The Association strongly recommends that each owner provide the owner's insurance agent with a copy of the insurance requirements under this declaration to ensure that an owner obtains adequate coverage. However, the Association makes no representation, express or implied, that the limits or forms of any insurance coverage required to be carried by the owner under this declaration is adequate to cover an owner's obligations under this declaration. The risk of any inadequate insurance coverage lies with the owner.

10.7 **Waiver of Subrogation.** Without affecting any other rights or remedies, the Association and the owners each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against within this declaration. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable thereto. The parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against the Association or an owner, as the case may be, so long as the insurance is not invalidated thereby.

10.8 **Indemnity.** Except for the Association's gross negligence or willful misconduct, each owner agrees to indemnify, protect, defend and hold harmless the Association and its agents, partners, officers, employees or agents or affiliates from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys and consultants fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the unit by the owner. If any action or proceeding is brought against the Association by reason of any of the foregoing matters, the owner will upon notice, defend the same at the owner's expense by counsel reasonably satisfactory to the Association, and the Association will cooperate with the owner in such defense. The Association need not have first paid any such claim in order

to be defended or indemnified.



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ARTICLE 11

Assessments

11.1 **Creation of the Lien and Personal Obligation of Assessments.** Each Owner, by acceptance of a deed for their property, whether or not it will be so expressed in such deed, is deemed to covenant and agrees to pay: (1) annual assessments or charges, (2) special assessments for capital improvements, as provided in Paragraph 9.4 hereof, (3) an amount sufficient to indemnify and hold the Association harmless from all obligations undertaken or incurred by the Association at or on account of an individual Owner's special request and to repay the Association for all expenditures on account thereof, and (4) an amount sufficient to reimburse the Association for the cost of performing an obligation of an Owner hereunder which he has failed to timely pay or perform. The aforesaid obligations together with interest, taxable court costs, reasonable attorney's fees and all other collection expenses, will be a charge and a continuing lien upon the Owner against which each such assessment is made, or with reference to which each such charge is incurred. Each assessment or charge together with interest, costs, and reasonable attorney's fees will also be the personal obligation of the person who was the Owner of such unit at the time when the assessment fell due or charge was incurred. The personal obligation for delinquent assessments or charges will not pass to his successors in title unless expressly assumed by them.

11.2 **Purpose of Assessments.** The assessments levied by the Association will be used exclusively to promote the recreation, health, safety, and welfare of the Owners in the properties and for the improvement, maintenance and taxation of the roads, common area or common elements, and of the open spaces situated upon the properties. The Board may also collect assessments for:

a) **Contingency fund.** A working capital and contingency fund in an amount to be determined by the Board of Directors. The fund will be used by the Association as the Directors will deem fit to carry out the objectives and purposes of the Association, and will be added to and made apart of the regular assessments.

b) **Purchase insurance.** The Board will maintain public liability insurance. The Board will purchase insurance for the Common Areas and common elements for such risks, with such companies, and in such amounts as the Board will determine appropriate.

c) **Rental Supervision.** The Board may impose a special assesement for the expense of supervising rentals within the Park. This will be a per-day assessment upon units which are rented in an amount determined by the Board.



11.3 **Annual Assessment.** The annual assessment will be as determined by the Board of Directors.

11.4 **Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area such as landscaping and road maintenance, provided that any such assessment will have the assent of sixty-six percent (66%)(19 votes) of the votes of Members who are voting in person or by proxy at a meeting duly called.

11.5 **Notice and Quorum for Any Action Authorized Under Paragraph 11.4.** Written notice of any meeting called for the purpose of taking any action authorized under Paragraph 11.4 will be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At such meetings called, the presence of Members or their proxies entitled to cast sixty-six percent (66%) of all votes will constitute a quorum.

11.6 **Rate of Assessment.** Both annual and special assessments must be fixed at a uniform rate for all Owners. Assessments may be collected on any calendar basis the Board or Association may elect. All Owners will share all expenses attributable to maintenance of Common Areas. This provision will not preclude the Association from making a separate or additional charge to an Owner for and on account of special services or benefits rendered, conferred, or obtained.

11.7 **Date of Commencement of Annual Assessments: Dues.** The annual assessments provided for herein will commence as to all Owners on the first day of the month following the titled ownership by a purchaser. The first annual assessment will be adjusted according to the number of months remaining in the calendar year. The Board of Directors will fix the amount of the annual assessment against each Owner at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment and of any special charges will be sent to every Owner subject thereto. The due dates will be established by the Board of Directors. The Association will, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth when the assessments and charges on a specified Owner have been paid.

11.8 **Delinquent Assessments.** If the assessments are not paid when due, then such assessment(s) will become delinquent and will, together with interest accruing thereon (at a rate determined by the Board, in compliance with Montana law), from the



due date of said assessment(s), become a continuing lien on the unit owned by Owner delinquent in the payment of said assessment(s). The Association may file notice of such liens with the Owner(s) and with the office of the Flathead County Clerk and Recorder. All recorded liens will contain a statement by an officer certifying the amount due, owing and unpaid, the amount of interest, the amount of attorneys fees which will be due in order to pay and remove the lien, and a statement that a true and correct copy was sent to the owner of the lien unit by certified mail, return receipt requested to the owner's name and address on record with the Association or the Flathead County Treasurer's Office as determined by their website GIS information service. The obligation of the Owner to pay any assessment or interest will not be affected by any conveyance or transfer of title to said unit and said obligation memorialized by any lien will run with the land. Not sooner than 30 days following the recording of a lien, the Association may bring an action at law to foreclose the lien against the applicable unit. As part of this foreclosure, the Association may add to the amount due, their actual costs and attorneys fees for enforcement of the lien.

No Owner is excused from the payment of any assessments due to the Owner's non-use or waiver of use of any common area.

The Association will remove or "satisfy" a lien upon full payment of the lien amount, accrued interest, and costs and attorney's fees associated with recording and releasing the lien. Such satisfaction of the lien will contain a similar statement that a copy was mailed to the owner at their last known address of record. This copy may be sent via regular mail or via email.

11.9 Default of Covenants. The Association will give an Owner written notice of default of any covenant of unit maintenance by certified mail, return receipt requested. If the unit Owner neglects or fails to cure the default within 30 days of the mailing of the notice (or the deadline imposed by the notice) then the Association may abate the problem. In the event the Association removes garbage or refuse, removes or burns deadfall, slash, or debris or other material creating a fire hazard, removes or sprays noxious weeds, or otherwise maintains, modifies or removes any unit or structure after an Owner has neglected or refused to do so in violation of these Covenants, the Association may assess the noncompliant unit Owner with all of the costs incurred. If the Board expends funds maintaining a unit after giving required notice, then the Board will bill the unit Owner. The Board may collect such costs by any lawful means and will be entitled to all costs of collection, including reasonable attorney's fees.

Alternatively, or in addition to such collection, the Board is authorized to file and record a lien against the offending unit Owner's real property. The lien will describe the infraction, and the Board's costs in remedying or maintaining the property in compliance with the covenants. Such lien will state that a true and correct copy of the lien will have

been mailed to the unit Owner at their last known address, or address of record with the Lake County Treasurer's Office, by certified mail, return receipt requested. If the offending unit Owner refuses to pay the amount demanded in the lien, the Board may foreclose the lien in accordance with mortgage foreclosure laws of Montana. Any Owner desiring to cure such a default must pay to the Association, all delinquent amounts, interest and attorney's fees attributable to the collection and lien. The Association will, within ten days of receiving full payment, record a satisfaction and discharge of the lien.

11.10 **Subordination of the Lien to Mortgages and the Deeds of Trust.** The lien of the assessments and charges provided for herein will be subordinate to the lien of any first mortgage or first deed of trust. Sale or transfer of any Owner will not affect the lien for assessments or charges. However, the sale or transfer of any Owner pursuant to foreclosure of a first mortgage or first deed of trust (including without limitation the exercise by the trustee of an Owner of sale thereunder) or any proceeding or deed in lieu thereof, will extinguish the lien of such assessments or charges as to payment which became due prior to such sale or transfer. No sale or transfer will relieve such Owner from liability for any assessments or charges thereafter becoming due or from the lien thereof.

11.11 **Transfer Fee Upon Sale or Conveyance of Unit.** There is hereby imposed upon each unit, the obligation to pay to the Association the sum of \$250.00 upon the sale or conveyance of any unit. This fee does not apply to gifts or transfers for estate planning transfers where the controlling owner or individual(s) have not change. The transfer fee will apply to gifts or transfers to children and to all other *bona fide* sales. This fee is due and payable at the closing of any transaction and ought to be the Seller's obligation, PROVIDED THAT if the fee is unpaid, the Association may levy the fee upon the new purchaser/owner and proceed to collect it.

ARTICLE 12

Enforcement

12.1 **Who May Enforce Covenants.** The Association through its Board of Directors or any unit Owner will have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants and amendments now or hereafter imposed pursuant to the provisions of this Declaration. The Association's or any Owner's failure to enforce any covenant or restriction will not be deemed to be a waiver of the right to do so thereafter.

12.2 **Procedure to Enforce.** The Board of Directors or unit Owner may notify any Owner violating any restrictive covenant specifying the failure and demanding that

it be remedied within a period of thirty (30) days. If the Owner fails or refuses to remedy the violation within said 30 days, then Association or affected unit Owner may institute a civil action to enforce the covenants. All Owners are hereby deemed to consent to entry upon their property prior to or during construction to insure compliance with architectural guidelines and these covenants. After completion of a structure, an officer or director may give reasonable notice (not less than 24 hours) of intent to enter and inspect a property or residence. No entry upon a unit by the architectural control committee or the Board of Directors, or its agent for purposes of enforcing these covenants will be deemed a civil or criminal trespass.

12.3 **Attorneys Fees and Costs.** If any person or entity commences legal proceedings in court to enforce any provisions of these covenants, the prevailing party in such action will be entitled to recover from the other party reasonable attorneys' fees and costs of said action.

ARTICLE 13

Amendments

13.1 **Amendments.** The covenants will be appurtenant to and run with the land and will continue indefinitely. The Association may revise these covenants at any time, as follows:

a) The Association or any Owner may propose any revision, addition or deletion of a covenant(s) at any time. For any proposed change, the Association will send or give written notice of a proposed change to each Member of the Association at least 30 days prior to the Association's regular annual meeting. The proposed changes may be summarized.

b) At or before the annual meeting, the precise, proposed change(s) will be distributed in writing to each Member.

c) The Association will provide to the Owners in attendance, in person, a written ballot reflecting proposed changes. Owners who timely request in advance to vote by mail will be sent a ballot and unmarked envelope for its sealing and return.

d) The Owners will vote by secret, written ballot. Any Owner may waive the confidentiality of his ballot without compromising its effect. Any Owner may vote by proxy by giving the proxy a signed, written authorization to act as proxy. A proxy may be revoked either orally or in writing at any time by the Owner who gave it. The ballots cast in person or by proxy, and by mail, if received prior to the date of the annual meeting, will be counted by the Association's secretary and by at least one other



individual appointed to assist the secretary.

e) A quorum for voting on amendment of these Covenants will be representation of sixty-six percent (66%) (20 members) of the units of which the Owners are in good standing in the Association. Units of which any Owner is present in person, by signed, written proxy or by timely received mailed ballot will be counted as represented for purposes of determining a quorum. Once present, a quorum cannot be broken by the subsequent departure or withdrawal of Owners, their proxies or their ballots.

f) If sixty-six percent (66%) (20 members) of those units represented vote in favor of a proposed change, then that change has passed and these covenants will be revised to reflect the change.

g) The results of the ballot(s) will be announced at the meeting or as soon thereafter as possible, with the number of units voting in favor of the proposed change(s) and the number of units voting against the proposed change(s).

h) The President and Secretary will certify in writing, under oath, that these steps have been followed and that change(s) have been approved by the requisite majority.

i) The amendment(s) and the President and Secretary's sworn certificate will be filed for recording with the Flathead County Clerk and Recorder's office. Upon recording, the amendments will be in full force and effect.

ARTICLE 14 MISCELLANEOUS

14.1 **Dispute Resolution Between and Amongst Unit Owners.** In the event of any dispute between the Unit Owners on any matter or issue, the Unit Owners will endeavor to resolve the matter between themselves through direct discussion or negotiation, with or without the assistance of representatives. In the event negotiation is unsuccessful, the parties agree to next employ the services of a third party mediator. The mediator must be trained and experienced in professional mediation and be licensed to practice law in Montana. The parties will cooperate in exchanging all information and documents reasonable and necessary to engage in mediation and will timely calendar and attend mediation. If the parties are unable to resolve all disputes at mediation, the parties will resolve as many disputes as are possible at mediation, reserving only the unresolved issues for arbitration. If there are remaining, unresolved issues, then the parties agree to resolve such disputes by binding arbitration under the Montana Uniform Arbitration Act. Either party, following mediation, may give written

notice to the other party of (1) the remaining issues for arbitration and (2) the name of a proposed arbitrator (who will not be the mediator). Within 20 days, the receiving party will give a written response (1) responding to the issues or claims and (2) accepting the nominated arbitrator or nominating an alternative arbitrator. The parties will endeavor to employ a single arbitrator. If they cannot agree on an arbitrator, then the nominated arbitrators will meet and nominate a new arbitrator, which decision is final. Once appointment is accepted, an arbitration hearing will be scheduled, with the hearing to proceed according to the Montana Rules of Evidence. The arbitrator may compel any discovery authorized by the Montana Rules of Civil Procedure and may issue subpoenas for testimony or documents. The hearing must be scheduled within 90 days of the notice of arbitration. The arbitrator must issue a decision within 30 days of the hearing. Either party may register the decision as a district court judgment.

14.2 **Dispute Between Owner or Owners and Association.** In the event of any dispute between a unit owner or owners and the Association on any matter or issue, the parties will endeavor to resolve the matter between themselves through direct discussion or negotiation, with or without the assistance of representatives. If they are not able to resolve their differences, then the parties are required to utilize the services of a mediator and of mediation as provided in the previous article. If mediation is unsuccessful, then the parties agree to submit the dispute to binding arbitration under the Montana Uniform Arbitration Act, again incorporating the requirements and provision of the preceding article. This Article regarding resolution of disputes between an owner or owners and the Association does not apply to any matter relating to dues or assessments. The Board and the Association are authorized to take any legal action for collection of dues and assessments without regard to mediation or arbitration.

14.3 **Amended Bylaws.** The Amended Bylaws of Bigfork Village Resort and RV Park Condominium are attached hereto and incorporated herein in Exhibit A.

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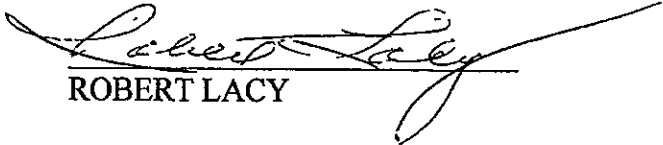
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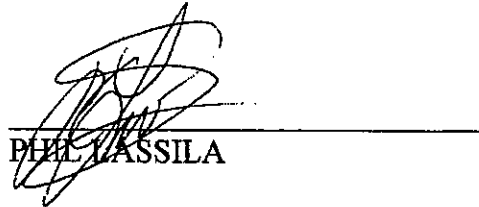
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CERTIFICATION

We, the undersigned, Robert Lacey and Phil Lassila, do hereby certify under penalty of perjury that this document was approved by written ballot by 23 owners and members of Bigfork Village Resort and R.V. Park. There were no abstentions or dissenting votes. This affirmative vote constitutes the required 75% majority to approve a change of covenants and bylaws. The owners and members also approved the amended bylaws of this date, a copy of which are also attached and incorporated.

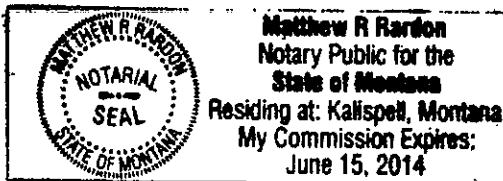

ROBERT LACY



PHIL LASSILA

STATE OF MONTANA

COUNTY of Flathead

Subscribed and sworn to before me August 29, 2012 by Robert Lacey and Phil Lassila.




Matthew R. Rardon
Notary Public for the State of Montana
Residing at Kalispell, Montana
My commission expires June 15, 2014



AMENDED BY-LAWS OF
BIGFORK VILLAGE RESORT AND R.V. PARK
CONDOMINIUM
OWNERS ASSOCIATION, INC.

ARTICLE I.
PURPOSE AND APPLICATION

Section 1. The provisions of these By-Laws apply to the use and occupancy of Bigfork Village Resort and R.V. Park Condominium located upon the real property described in the unit map (Exhibit "A") of the Declaration of Condominium under the Montana Unit Ownership Act. These By-Laws will govern and control administration of the Bigfork Village Resort and R.V. Park Condominium Owners Association. All unit owners, their guests and any renters will have the rights and responsibilities described in these By-Laws and will be subject to the provisions thereof. The acquisition of an ownership interest in a unit in Bigfork Village Resort and R.V. Park Condominium signifies that the owner accepts, ratifies and agrees to comply with these By-Laws.

Section 2. The Association created in accordance with Section 70-23-307 Montana Code Annotated, to which these By-Laws apply is a Non-Profit Corporation, organized under the laws of Montana and in accordance with the applicable provisions of the Internal Revenue Code, Section 501 (C) (7) as amended, pertaining to Owners Associations.

ARTICLE II.
NAME AND OFFICE OF ASSOCIATION

The name of this Association will be Bigfork Village Resort and R.V. Park Condominium Owners Association, Inc. Its office is located at 8546 Montana Highway 35, Bigfork, MT 59911.

ARTICLE III.
THE ASSOCIATION

The Association will have the responsibility for administering the operation of the water, sewer and power systems, common space areas, natural areas, easements, maintaining its finances, laundry facility and road maintenance, of Bigfork Village Resort and R.V. Park Condominium, approving the annual budget, establishing and collecting assessments and arranging for the management of the Project pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the



management. Except as otherwise provided, decisions and resolutions of the Association will require approval by the majority of owners.

ARTICLE IV. DEFINITIONS

Except as expressly stated herein and unless the context hereof requires otherwise, the terms used in these By-Laws, will be those set forth in the Declaration of Condominium and in the Montana Unit Ownership Act, Section 70-23-102 Montana Code Annotated.

ARTICLE V. MEMBERSHIP & VOTING

Section 1. All unit owners in Bigfork Village Resort and R.V. Park Condominiums will be members of and constitute the Bigfork Village Resort and R.V. Park Condominium Ownership Association, hereinafter the Association. Membership begins with the acquisition of an ownership interest in a unit and terminates at the time such ownership interest is terminated. Such termination will 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 which may arise from or by incidence of unit ownership.

Section 2. Each unit owner is obligated to comply with the Articles of Incorporation, the By-Laws, the Condominium Declaration, and the laws of the State of Montana. Such obligation will include, but not limited to, the paying of assessments to the Association. Failure of any owner to abide by these By-Laws and all rules made pursuant thereto, the Declaration, or laws of the State of Montana will be ground for appropriate legal action by the Association of unit owners or by an aggrieved unit owner against such non-complying owner.

Section 3. Voting will be done on a unit basis, each unit as shown in the record of ownership of the Association, representing one vote. Co-owners of any unit will mutually determine the vote for their unit. Votes may be cast in person, by proxy, or by mail ballot, as determined by the Board of Directors. An executor, administrator, personal representative, guardian or trustee may vote for any unit owned or controlled in such capacity, provided that such person will present evidence satisfactory to the Secretary that he owns or controls such unit in such capacity.

Section 4. A majority of the aggregate interest present at any meeting or by proxy will be sufficient to act on matters brought before the Association.

ARTICLE VI. MEETINGS OF MEMBERS

Section 1. There will be an Annual Meeting of the voting members of the Association on the 2nd Saturday of August of each calendar year or at such other date as determined by the Board. The Board of Directors will send notice to all unit owners at least ten (10) days prior to the date of said meeting. As part of the meeting notice, the Board will provide:

- a) A written agenda for the meeting;
- b) Summary of the previous year's income, expenses, assets and liabilities (financial statement);
- c) A proposed budget for the ensuing calendar or fiscal year;
- d) Nominations for the Board of Directors;
- e) Any proposed covenant or Bylaws amendments; and
- f) General business to be discussed or voted upon by the membership at large. Any owner may request that a subject be placed on the agenda at or before the meeting for discussion and voting.

Section 2. Special meetings may be called any time for the purpose of considering matters which requires the approval of members. A special meeting may be called by written notice mailed at least ten (10) days prior to the date of such meeting to all unit owners. Such written notice may be initiated by the majority of the Board of Directors or by seven (7) of the unit owners. Such notices will specify the date, time and place of the meeting as well as all matters to be considered.

Section 3. The presence at any meeting in person or by Proxy of the unit owners having the majority of the total votes will constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the unit owners upon the affirmative vote of unit owners having the majority of the total votes present at the meeting.

Section 4. In the alternative, the Board of Directors may from time to time, submit to the membership, in their discretion and by mail ballot, proposed resolutions. In such event a complete and accurate tally of each vote cast will be prepared and made available to any member requesting it.

ARTICLE VII.

BOARD OF DIRECTORS

Section 1. The affairs of the Association will be governed by a Board of Directors composed of five (5) persons or entities, each of whom will be the owner or co-owner of record of a unit in Bigfork Village Resort. If a Corporation or Partnership is a unit owner, any officer of such Corporation or a partner will be eligible to serve as Director, provided he remains an officer of such Corporation or Partnership.

Directors will be nominated and elected by the members at their annual meeting each year. Directors' term of office is three years and they will be elected in staggering terms.

Section 2. The Board of Directors will have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not by law or by these By-Laws direct to be exercised and done by the owners. The Directors will serve without compensation. Such powers and duties of the Board of Directors will include, but not be limited to the following:

- a. To call Annual Meetings of the Association and give due notice thereof.
- b. To conduct elections of the Board of Directors.
- c. To enforce the provisions of the Declaration, By-Laws, Covenants, and Use Restrictions of the Bigfork Village Resort by appropriate action.
- d. To promulgate and adopt rules and regulations for the use of the common elements and for the occupancy of the units so as to promote the peace and quiet of all the owners. Such rules must be approved by seventy-five (75%) percent of the unit owners at any regular or special meeting of the Association.
- e. To provide for the management of the Association by hiring or contracting with suitable management and personnel for the day-to-day operation, maintenance, upkeep and repair of the common elements and individual units, as determined by the Board.
- f. To levy assessments as allowed by the Declaration and these By-Laws, and to provide for the collection, expenditure, and accounting of said assessments.
- g. To delegate authority to the Manager for the conduct of Association business, to carry out the duties and powers of the Board; however, such authority will 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 to observe all due process requirements imposed upon Owners Associations, for Condominiums.
- i. To meet at regularly scheduled times and 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 general common expenses, and to submit such budget to the unit owners on or before the date of the Annual Meeting.



- k. To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so because of an emergency.
- l. To take appropriate legal action to collect any delinquent assessments, payments or amounts due from unit owners or from any 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 prosecute or defend in the name of the Association, any and all lawsuits, hearings or proceedings in which Association is an interested party.
- n. To enter into contracts with other parties to carry out the duties herein set forth, for and in behalf of the Board and the Association.
- o. To establish a bank account for the Bigfork Village Resort and R.V. Park Condominium Owners Association and to keep therein all funds of the Association. Withdrawal of monies from such accounts will only be by checks signed by such persons as are authorized by the Board of Directors.

Section 3. The Board of Directors may employ for the Association, a Management Agent at compensation established by the Board, to perform such duties and services as the Board will authorize.

Section 4. The Board will meet at least fifteen days in advance of the members' meeting in order to finalize and approve financial reports, nominees or candidates for office, a final agenda and such other documents or matters as will be sent to the owners as part of their annual meeting notice. The Directors will meet again within five days of the annual members' meeting for any necessary followup work. The Board will not have regular meetings except for special meetings.

Section 5. Special meetings of the Board of Directors may be called by any officer or by any two Directors. Meetings may be held in person, telephonically or electronically. Minutes of any such meeting may be exchanged electronically. Voting on any matter, motion or resolution before the Board may be conducted by conference call, electronically, or by written vote confirmed within twenty days of a meeting electronically.

Section 6. Notice of all regular and special meetings, except those held by 4/5 consent of the Directors, will be sent to each Director by an officer at least ten (10) days prior to the time fixed for the meeting. Notice may be sent electronically. The notice will specify the time, place and purpose of the meeting. All Directors who actually attend the meeting in person, telephonically or electronically are deemed to have waived notice of the meeting. Before or at any meeting of the Board of Directors, any Director may in writing Waive Notice of attendance of such meeting.

Section 7. A quorum for the transaction of business at any regular or special meeting of the Directors will consist of three (3) members of the Board.

Section 8. The Directors will elect the officers of the Association specified in these By-Laws at the Directors Meeting following each Annual Meeting of the members of the Association. An officer may be removed at any time by a vote of three (3) members of the full Board of Directors of the Association.

Section 9. Any vacancy or vacancies on the Board of Directors may be filled by the remaining Directors at any special or regular Directors meeting. Death, incapacity or resignation of any Director will cause his office to become vacant. Each person selected to fill a vacancy will serve until the next Annual Meeting of the Association, at which time the members will elect a successor to fill out the unexpired term.

Section 10. At a meeting called expressly for that purpose, one or more Directors, or the entire Board of Directors, may be removed, with or without cause, by a vote of the majority of the unit owners. In the event of such removal, a successor may then and there be elected to fill the vacancy created.

Section 11. All checks, notes, drafts, acceptances, conveyance contracts and other instruments will be signed on behalf of the Association by such person or persons as will be provided by general or special Resolution of the Board of Directors, or in the absence of any such Resolution applicable to such instrument, the President or Vice-President or the Secretary/Treasurer.

Section 12. The Board of Directors may require that officers and employees of the Association handling and responsible for the Association funds, will furnish adequate fidelity bonds, premiums on such bonds to be paid by the Association.

ARTICLE VIII.

OFFICERS

Section 1. The officers of the Association will be a President or Vice-President, a Secretary and a Treasurer, each of whom will be elected for a term of one year and will hold office until their successors are duly elected and qualified. The Board may appoint such committees and committee chairpersons as it appears necessary in its judgment.

Section 2. In the event of a vacancy in any office, the Board will elect a successor at any regular or special meeting called for such purpose.

Section 3. The President will preside at all meetings of the Association and the Board of Directors and will have general supervision over the affairs of the Association and its officers, and will have all of the powers and duties usually vested in the office of President of the Association. This authority includes, but is not limited to, the power to appoint committees from among the owners from time to time.



Section 4. The Vice-President will act for the President in the event of the absence or disability of the President and will also perform such duties as from time to time may be imposed by the Board of Directors.

Section 5. The Secretary will keep all books and records of the Association and the Board of Directors and record all minutes of the meetings and will issue notices of all meetings of the directors and of the members.

Section 6. The Treasurer will have custody of all money and securities of the Association and will be responsible to keep full and accurate accounts of all receipts and disbursements and will submit said accounts, together with all of the vouchers, receipts, records and other papers to the Directors for their examination and approval, and will be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association at such depositories as from time to time may be designated by the Board of Directors.

ARTICLE IX. **MANAGING AGENT**

Section 1. Appointment: The Board of Directors may employ a Managing Agent to manage and control the property, subject at all times to direction by the Board, with such administrative functions and powers as will be delegated to said Managing Agent by the Board. The compensation of the Managing Agent will be specified from time to time by the Board.

Section 2. The powers and duties: The Board may delegate such administrative powers and duties to the Managing Agent, and the Managing Agent will exercise such powers and perform such duties and services as the Board will authorize.

Section 3. Representation: The Managing Agent will be subject to the direction of the Board of Directors will represent the Association in any action, suit, hearing or other proceeding concerning the Association and the common elements or more than any one unit within the Condominium Project.

ARTICLE X. **FINANCE**

Section 1. All checks, drafts and notes, acceptances and conveyances, contracts and other instruments, will be signed by the President and Secretary, or in their absence, by the Vice President and one other officer.

Section 2. The Directors will prepare a financial statement and a budget for each annual meeting. The financial statement will include a summary of all income received from dues, refunds or other sources and a summary by category of all expenses paid. The financial report will include a statement of assets and liabilities of the corporation, including balances on account, savings on account, value of assets and the amount of any

short term or long term liabilities. The Directors will additionally approve an annual budget and amount to be charged to owners for dues.

Section 3. The Directors will distribute the financial report to all members as part of the annual meeting notice. Additionally, any member may request a copy of supporting documents or records regarding the corporation's financial affairs. Unless otherwise demanded, copies will be furnished electronically. If printed paper copies are demanded, the Board may charge a reasonable fee and may have a reasonable time within which to produce the requested documents. The Board may employ an accounting firm for management of its accounts, bookkeeping, invoicing for dues and assessments and for preparation of financial reports and tax returns. The accounting firm will be responsible only to the Board and its officers, not to individual members, provided that individual members can request copies of documentation from the Board and the Board will provide them.

ARTICLE XI.

OWNERS RIGHTS AND OBLIGATIONS; ASSESSMENTS

Section 1. Each unit owner will be entitled to the exclusive ownership interest and possession of the unit purchased and to the exclusive use of the common elements appurtenant to a unit, and each unit owner will be entitled to an undivided interest in the common elements as described in these By-Laws and the Declaration of Condominium. The undivided interest of a unit owner in the common elements will not be separated from the unit to which it pertains. Each unit owner may use the common elements in accordance with the purposes for which they are intended, but may not hinder or encroach upon the lawful rights of other unit owners.

Section 2. Any common expenses of the common elements of the property will be charged to the unit owners according to the percentage of undivided interest of each of the common elements.

Section 3. No unit owner may be exempted for liability for contribution toward the common expenses by Waiver of the use or enjoyment of any of the common elements or abandonment of the unit.

Section 4. Each unit owner will comply with the By-Laws and the Administrative Rules and Regulations adopted pursuant thereto, and with the covenants and restrictions in the Declaration of the Condominium. Failure to comply therewith will be grounds for an action maintainable by the Association or by an aggrieved unit owner.

Section 5. All necessary work of maintenance, repair and replacement of common elements and additions or improvements of the common elements will be carried out only as provided by these By-Laws and under the supervision of the Board of Directors of the Association.

Section 6. The Board will fix the amount of assessments which unit owners will pay to the Association in accordance with the following provisions:

- a. Each unit owner is liable for his/her/its equal share of common expenses as determined by the Board in its annual budget. In the event any unit owner has a credit balance on their account, the credit balance will remain with that unit, but will not be refunded. A credit balance within a unit owner's account may be applied to the transfer fee (see Covenant No. 11.11), but there will be no refunds of credit balances in a unit owner's account. A credit balance in a unit owner's account upon a sale or conveyance of a unit will pass to the new unit owner.
- b. All funds collected by the Association from assessments may be commingled in a single bank account. The Association will maintain for bookkeeping purposes, separate accounts for general expenses, including expenses for insurance and maintenance of common elements (by way of example and not by way of exclusion), an alteration and capital improvement account, and a major reconstruction and repair account.
- c. Owners are obligated to pay assessments imposed by the Association when due. The Board may authorize installment payment of assessments on any calendar basis. Any assessments not paid within thirty days of the date the assessments (or its installment) is due is deemed delinquent. The Board may charge interest on delinquent assessments at any rate authorized by Montana law, including upon assessments for rentals. Interest may be compounded annually
- d. The board may assess and collect dues for any purpose authorized by the amended and restated covenants. Such assessments will be due when determined by the Board.
- e. The Board will pay all expenses of the Association. This duty may be delegated to the Treasurer and/or to a managing agent or CPA firm. The board will keep books of accounts in accordance with generally accepted accounting principles. The Board is responsible for filing an annual tax return, if such a return is required by the Internal Revenue Service.
- f. All sums assessed as dues to owners constitute a lien on the unit as of the date such assessments are mailed or sent to unit owners. This homeowner dues lien will take priority over all other liens on the unit, except:
 - i. Liens for property taxes and assessments lawfully imposed by Flathead County; and

- ii. Mortgages, contracts for deed, or trust indentures of record. *See also* Covenant No. 11.10
- g. The Board may file and record a lien for unpaid assessments in accordance with Covenant No. 11.8. The Board may foreclose or satisfy this lien, also in accordance with Covenant No. 11.8. Alternatively, the Board may commence any collection action at law and utilize any rights or remedies to which the Association may be entitled under Montana law. For any such collection action, the Board and its attorney will be entitled to all costs of collection, including a reasonable attorney's fee. Any judgment will bear interest at the same rate which the Board charges for delinquent assessments.

ARTICLE XII.

PROPERTY USE, RULES AND REGULATIONS

Section 1. All owners, tenants, guests and invitees may use the units and common areas in accordance with the Restated Covenants, these bylaws, and any and all rules and regulations issued by the Board.

Section 2. The Board may issue rules and regulations from time to time concerning the use of units and common elements or guidelines for construction of improvements within a unit. Members may amend or repeal any of these rules at a general or special meeting of members by majority vote. The Board will furnish copies of rules and regulations to each unit owner at least thirty days prior to the time when such rules become effective. The Board's failure to deliver such rules within this time frame will not affect the enforceability of the rules.

Section 3. The Board is authorized to enforce all covenants imposed by the Restatement of Covenants, as amended from time to time. The Board is authorized to enforce all provisions of these bylaws and all rules and regulations by any appropriate action at law or equity or which may be available under any remedy under Montana law. The Board is authorized to assess appropriate fines upon reasonable notice as provided in the rules and regulations.

ARTICLE XIII.

Electronic Notice Requirements

Section 1. The Board may post its covenants, restatement of covenants and amended covenants on its website. The Board may post bylaws and rules and regulations on its website. The posting or lack of posting, or errors in posting any such document will not affect the enforceability of the provisions of these documents. All owners are subject to all covenants as amended from time to time, bylaws and rules and regulations. The posting of such documents on the Association's website is for convenience and notification, not legal notice.



Section 2. The Board may additionally post documents pertaining to an upcoming members meeting on its website. In sending a meeting notice to its members, the Board may send a URL link to its members for the purpose of referring members to documents on its website or which are otherwise available on the internet for review by members. Such notices and links to additional documents constitute legal notice to the members for meetings.

Section 3. All unit owners are required to provide a valid and current email address to the Association for contact purposes. The Association is not responsible for keeping members' mailing and email addresses current. The obligation to inform the Association of changed or current addresses remains with the unit owners.

ARTICLE XIV.

Amendment

Section 1. The Board may amend these bylaws at any time and from time to time by a 4/5 majority vote, which amendment must then be ratified by 66% (twenty members) of the unit owners at a general meeting or at a meeting called for such purpose.

Section 2. Alternatively, these bylaws may be amended by 66% of the unit owners at a general meeting or at a special meeting called for that purpose. For such an amendment to be effective at a general or special meeting, where the amendment is initiated by the owners, which was not initiated by the Board, the notice of meeting must contain the complete text of the proposed amendment to the bylaws as well as a general description for the purpose of the amendment. Any seven owners may make written request to the Board and the amendment proposed by these owners will be placed on the agenda at a general or special meeting for discussion and voting.

Section 3. Any amendment to these bylaws which is approved in accordance with this article will be attached to the bylaws and certified as having been approved by the signature of the President and Secretary of the corporation.