

**BYLAWS  
OF  
MORNING SKY ESTATES OWNERS ASSOCIATION, INC.**

**1. PURPOSE AND APPLICATION**

These Articles are and shall be the Bylaws of the MORNING SKY ESTATES OWNERS ASSOCIATION, INC. (Hereinafter referred to as "Association") These Bylaws shall govern and control the administration of the Association. All Lot Owners in Morning Sky Estates, their guests and any renters or sublessees present and future shall have the rights and responsibilities described in these Bylaws and shall be subject to the provisions thereof.

The acquisition of an ownership interest in a lot in Morning Sky Estates signifies that the Owner accepts, ratifies and agrees to comply with these Bylaws.

The Association shall have all the powers of a nonprofit corporation enumerated and set forth in Title 35, Chapter 2, Mont. Code Ann. The purposes of the Association are those set forth in the Articles of Incorporation.

**2. MEMBERSHIP**

Every person, group of persons, partnership, corporation, or association who is a fee owner of real property within the boundaries of the area described a Morning Sky Estates, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Broadwater County, Montana, shall be a member of the Association. By this provision, each Lot as shown on the plat, and amendments thereto, shall entitle the owner of one membership interest in the Association.

Multiple owners of a single parcel of real property would have, collectively, one such membership or voting interest. If more than one Lot is owned, the owner, or owners, thereof would have one membership or voting interest for each separate Lot.

Membership interest shall run with the land so that said interest is an incident to ownership beginning when ownership rights are acquired and terminating when such rights are divested. Accordingly, no member shall be expelled, nor shall he be permitted to withdraw or resign while possessing a membership interest.

**3. OBLIGATIONS**

Each Lot Owner shall be obligated to comply with the Bylaws, the Declaration, and the laws of the County of Broadwater, State of Montana. Such obligations shall include, but not be limited to, the paying of assessments by the Association. Failure of any owner to abide by these Bylaws, and all rules made pursuant thereto, the Declaration, and the laws of the County of Broadwater, and the State of Montana, shall be grounds for appropriate legal action by the Association or by an aggrieved Lot Owner against such non-complying Owner.

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EXHIBIT A

Parcel No. 1:

TOWNSHIP 2 NORTH, RANGE 1 EAST, P.M.M.

Section 8: E $\frac{1}{2}$ , EXCEPTING THEREFROM: Lots 1, 2, 3, 4, and 5 of M. Scott Minor Subdivision, recorded in Book 1 of Plats, page 493.

Tract A of Certificate of Survey recorded in Book 1 of Plats page 467, located in Section 17, T. 2 N., R. 1 E., P.M.M., EXCEPTING THEREFROM: Lots 1, 2, 3, 4, and 5 of M. Scott Minor Subdivision.

Broadwater County, Montana.

Parcel No. 2:

Lots 1, 2, 3, 4 and 5 of M. Scott Minor Subdivision, recorded in Book 1 of Plats, page 493, located in Sections 8 and 17, Township 2 North, Range 1 East, P.M.M.

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4. MEETINGS.

A. Annual Meetings. There shall be an annual meeting of the membership, commencing in the year the Declarant turns over control of the Board of Directors to the Association, or on such other date properly announced by the Association. The date, hour and place of such meeting shall be contained in the notice of meetings as hereinafter described. The annual meeting shall be the time for the conduct of any and all legitimate business of the Association, including election of directors and presentation of reports. Voting at all meetings shall be in the manner prescribed in these Bylaws.

B. Special Meetings. Special meetings may be called at any time upon the initiative of the Board of Directors. A special meeting must be called when a Petition signed by twenty-five percent (25%) of the membership interest outstanding and eligible to vote at the time has been presented to any member of the Board of Directors. Such special meeting shall be called as soon as practicable after receipt of said Petition. Notice of any such special meeting shall state the hour, date and place of the meeting and shall further precisely state the reasons of such meeting, and said special meeting held shall be strictly confined to the matters set forth in the notice unless seventy-five percent (75%) of the said membership interest present agree otherwise.

C. Conduct of Meetings. All meetings, both annual and special, shall be presided over by the Chairman of the Board of Directors or his appointed representative. Any meeting may be adjourned by the Board of Directors at their discretion, but any meeting adjourned before all its business is disposed of shall be reconvened within thirty (30) days of such adjournment upon due notice given. Resolutions as hereinafter described may be introduced by any member at any annual meeting provided such resolution, in written form, is presented to the Secretary of the Board no later than ten (10) days prior to the date of such meeting.

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

E. Quorum. No meeting, annual or special, shall be convened to conduct business unless a quorum is present in person or by proxy. A quorum shall consist of more than one-third of the total aggregate voting interest of the Association.

5. VOTING.

Each member shall have one (1) vote on all matters to come before the Association meeting. Voting of such interest shall be in the manner provided by the Board of Directors and in these Bylaws. Voting may be in person or by proxy.

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6. **BOARD OF DIRECTORS**

The initial Board of Directors shall consist of at least three (3) directors appointed by the Declarant. Until seventy-five percent (75%) of the Lots have been sold and title transferred to Owners, the Declarant reserves the right to appoint and remove all directors and to exercise the powers and responsibilities otherwise assigned by this Declaration to the Association. By express written declaration, Declarant shall have the option to at any time to turn over to the Association the total responsibility for electing and removing members of the Board. Upon Declarant turning over responsibility to the Association, the Association shall elect a new Board of Directors consisting of at least five (5) directors, all of whom shall be Lot Owners, and at least three (3) of which shall be residents of Broadwater County, Montana.

The manner of election of the Board of Directors shall be as follows:

Voting will be noncumulative with each Association member having one vote. Board members shall serve for one (1) year and shall be elected by majority vote of those present at any annual or special meeting.

7. **BOARD OF DIRECTORS POWERS AND DUTIES**

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

A. To enter into contracts and agreements as are necessary to effect the Business of the Association.

B. To provide for the construction, installation, acquisition, replacement, operation, maintenance, and repair by the Association of buildings, equipment, common areas, facilities and services, streets, roads, bridges, lighting, and garbage removal and disposal in common areas. Contracts for such work with third parties which provide for a term or duration in excess of one (1) year must be approved by a majority of the members, which approval may be ratified at the annual or any special meeting of the Association.

C. To make and establish rules and regulations for the governance of facilities and the performing of such functions, the taking of such action and operating in such areas as are within the jurisdictions of the Association.

D. To make assessments as described in these Bylaws and the Declaration of Covenants, Conditions and Restrictions including Design Regulations on file and of record in the Office of the County Clerk and Recorder of Broadwater County, Montana.

E. To take necessary and appropriate action to collect assessments from members, including the filing of liens and prosecuting foreclosures as provided in these Bylaws.

F. To call meetings of the Association, both annual and special, and to preside over

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such meetings and to give appropriate notice of such meetings as required by these Bylaws.

G. To formulate and introduce resolutions at the meetings of the Association.

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

I. To exercise ultimate decisional power in and on all matters affecting the Association.

J. To pay the expenses of the Association, including all taxes or assessments, and to contract and pay for such insurance as may be necessary in the best interests of the Association, and to provide for the use and disposition of the insurance proceeds in the event of loss or damage.

K. To fill vacancies on the Board by agreement of the remaining directors, should the vacancy not, however, be filled by the Board, it may be filled by an election at an annual or special meeting wherein each membership interest shall have one (1) vote.

L. To maintain lists of members.

M. To keep records in a good and businesslike manner of all assessments made, all expenditures, and the status of each member's payments of assessment; and to make such records accessible at reasonable times to all members.

N. To promote, conserve, and preserve the premises.

O. To do any and all things necessary to carry into effect these Bylaws and to implement the purposes as stated in the Articles of Incorporation and to do any and all things necessary to require compliance with and enforce the Declaration of Covenants, Conditions and Restrictions including Design Regulations.

P. To deal with agencies, officers, boards, commissions, departments, and bureaus or other governmental bodies in a federal, state, county and local basis to carry out the above powers, duties, and responsibilities.

Q. To establish accounts for operating and/or development funds as set out in the Declaration of Covenants, Conditions and Restrictions including Design Regulations.

R. To provide, through assessments, an adequate reserve fund for maintenance, repairs and replacement of those elements in the common area that must be replaced or maintained on a periodic basis.

S. In addition to the above powers, the Board of Directors shall act and perform the

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functions of the Design Review Committee, or, in the alternative, may appoint a Committee for Design Review, as referenced in the Declaration of Covenants, Conditions and Restrictions including Design Regulations on file and of record in the office of the County Clerk and Recorder of Broadwater County, Montana, and shall have all of the powers, duties, obligations and responsibilities set forth in said document.

8. **OFFICERS OF THE BOARD OF DIRECTORS**

The Board of Directors shall elect from its members a Chairman, Vice-Chairman, and a Secretary/Treasurer.

9. **VACANCIES AND REMOVAL**

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

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

10. **COMPENSATION**

No member of the Board of Directors shall receive any compensation for acting as such.

11. **COMMITTEES**

Pursuant to the Title 35, Chapter 2, Mont. Code Ann. and, subject to the restrictions stated therein, the Board of Directors may appoint Committees to act for the Board and to exercise the authority of the Board on matters referred to them by the Board. Such Committees may be dissolved at any time by the Board of Directors.

12. **INSURANCE**

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

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13. **AMENDMENT OF BYLAWS**

These Bylaws may be amended at any annual or special meeting of the Association providing that a copy of the proposed revision is included in the notice of such meeting, by a majority vote of the members present in person or by proxy. Notwithstanding the amendment procedures set forth above, the Declarant may unilaterally amend these Bylaws, until seventy-five percent (75%) of all the Lots in Morning Sky Estates have been sold.

14. **SEVERABILITY**

A determination of invalidity of any one, or more, of the provisions or conditions hereof, by judgment, order, or decree of a Court shall not affect, in any manner, the other provisions hereof which, shall remain in full force and effect.

15. **INTERPRETATION**

The Board of Directors shall have the power to interpret all the provisions of these Bylaws. The Board of Directors must reach unanimous agreement on interpretation which shall be binding on all persons.

16. **THE DECLARATION**

The undersigned has filed a Declaration of Covenants, Conditions and Restrictions with the Office of the Clerk and Recorder for Broadwater County, Montana (herein referred to as "Declaration"), subjecting the property know as Morning Sky Estates to certain covenants, condition and restrictions. The Declaration shall govern the act, powers, duties and responsibilities of the Association and in the event these Bylaws and the Declaration are in conflict, the Declaration shall prevail.

The definition of terms set forth in the Declaration shall be applicable throughout these Bylaws and the interpretation thereof.

By virtue of these Bylaws and the Declaration, each Lot Owner has the right to membership in the Association and any Lot Owner may be on the Board of Directors of the Association.

The Association and its Board of Directors shall have the primary and final authority on all matters solely affecting the Association, subject to the laws, rules and regulations of the Broadwater County, State of Montana.

No acts by the Association or by the Board of Directors shall be contrary to the Declaration, and amendments thereto.

IN WITNESS WHEREOF, the undersigned, as owner of record of all of the Morning Sky Estates property and one hundred percent (100%) of the voting interests of the Association as of the

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date hereof, hereby declare and affirm the adoption of the foregoing Bylaws of the 14<sup>th</sup> day of November, 2005.

THE BROADLAND COMPANY, LLC

[Signature]  
By: David U. Smith, Jr. - Managing Member

STATE OF MONTANA )  
  : ss.  
County of GALLATIN )

On this 14<sup>th</sup> day of November, 2005, before me, a Notary Public in and for the State of Montana, personally appeared David U. Smith, Jr., known to me to be the managing member of The Broadland Company, LLC, whose name is subscribed to the within instrument and acknowledged to me that he executed the same on behalf of The Broadland Company, LLC.

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



Sign: [Signature]  
Print Name TROY L. BENSON  
Notary Public for the State of Montana  
Residing at: BIGEON, MONTANA  
My commission expires: JUNE 4, 2007

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**ARTICLES OF INCORPORATION OF  
MORNING SKY ESTATES OWNERS ASSOCIATION, INC.  
A NON-PROFIT CORPORATION**

The undersigned incorporator, for the purpose of forming a corporation under the Montana Non-Profit Corporation Act, does hereby adopt the following articles of incorporation.

ARTICLE ONE: NAME

The name of the organization is MORNING SKY ESTATES OWNERS ASSOCIATION, INC.

ARTICLE TWO: DURATION

The corporation is to exist perpetually.

ARTICLE THREE: PURPOSES

- a. In way of explanation and not of limitation, the purposes for which this corporation is organized and shall be operated are as follows:
- i. To be and constitute the Association to which reference is made in the Declaration of Morning Sky Estates, and as amended from time to time (hereinafter the "Declaration"), establishing a plan of development recorded in the Office of the Clerk and Recorder of Broadwater County, Montana, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the Bylaws, and as provided by law; and
  - ii. To provide an entity for the furtherance of the interests of the owners of lots in Morning Sky Estates;
  - iii. To do such other things as are incidental to the purposes of the corporation or necessary or desirable in order to accomplish them.
- b. The corporation is a mutual benefit corporation.

*Articles for Morning Sky Estates*

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c. No part of the net earnings of the corporation shall insure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article Three.

d. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(6) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of pursuant to Section 35-2-702 M.C.A.

#### ARTICLE FOUR: MEMBERSHIP

The corporation shall have such members as provided for in its Bylaws who shall have all the rights and privileges of members of the corporation.

#### ARTICLE FIVE: REGULATION OF CORPORATION

a. The affairs of the corporation shall be managed by the Board of Directors; any class of membership established in the Bylaws shall have the right to vote.

b. Bylaws for the regulation and management of the affairs of the corporation shall be adopted by the Board of Directors; the power to alter, amend or repeal the Bylaws or adopt new Bylaws shall be vested in the Board of Directors.

c. The directors, officers, employees and members of the corporation shall not be liable for its debts.

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*Articles for Morning Sky Estates*

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*Articles for Morning Sky Estates*

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ARTICLE SIX: REGISTERED OFFICE AND REGISTERED AGENT

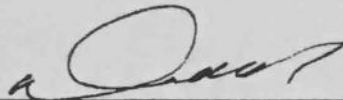
The address of the corporation's initial registered office 709 Golden West Drive #C, Belgrade, Montana 59714. The name of its initial registered agent at such address is David U. Smith, Jr.

ARTICLE SEVEN: INCORPORATOR

The name and address of the incorporator is:

<u>Name</u>	<u>Address</u>
David U. Smith, Jr.	709 Golden West Drive #C Belgrade, Montana 59714

IN WITNESS WHEREOF, the incorporator has hereunto set her hand this 14 day of November, 2005.


  
David U. Smith, Jr. - Incorporator

STATE OF MONTANA    )  
                                  :ss.  
County of Gallatin    )

On this 14 day of November, 2005, before me, a notary public in and for said State, personally appeared David U. Smith, Jr., known to me to be the person who subscribed this document, and acknowledged to me the execution of this document.

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



  
Print Name: TROY L. BENTSON  
Notary Public for the State of Montana  
Residing at BOZEMAN, MONTANA  
My commission expires: JUNE 7, 2007

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