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**AMENDED BYLAWS**  
**OF**  
**LOLO CREEK TRAILS HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I - OWNERSHIP**

1.1 Name, Structure, and Location. The name of the owners association is "Lolo Creek Trails Homeowners Association, Inc." (the "Association"). The Association is a Montana nonprofit corporation. The principal office of the Association shall be in Missoula County, Montana.

1.2 Application to Project. The provisions of these Bylaws are applicable to the platted residential community known as Lolo Creek Trails, Phases I and II, located in Missoula County, State of Montana, as now existing or hereafter amended or filed, and including additional properties as may be annexed into and governed by the Declarations for said residential community (the "**Property**"). All present and future owners and their tenants, future tenants, employees, and any other persons who might use any portion of the Property or its facilities in any manner, are subject to the regulations set forth in these Bylaws, the Articles of Incorporation for the Association, and the Declaration of Covenants, Conditions, and Restrictions for the Property (the "**Declaration**"), all as now existing or as hereafter amended or modified. The mere act of occupancy of any portion of any Lot shall signify that these Bylaws are accepted and ratified, and will be observed.

1.3 Meaning of Terms. Unless otherwise specifically provided herein, the definitions contained in the Declaration are incorporated in these Bylaws by reference. Common Areas as used herein shall include all such areas, including roadways, as identified on the face of the Plat or plats.

**ARTICLE II – MEMBERSHIP, MEETINGS AND VOTING RIGHTS**

2.1 Classes of Members. The Association shall have one class of membership, with voting rights in accordance with the Articles. The class as set forth in the Declaration, describes the rights of Owners.

2.2 Voting Requirements; Majority of Quorum. Except as otherwise expressly provided in the Declaration, the Articles or these Bylaws, any action by the Association which must have approval of the Association membership before being undertaken shall require the vote or written assent of the prescribed percentage of the total voting power of the Association. Except on matters specifically provided for in the Declaration, the Articles, these Bylaws, or by law, the vote of the majority of a quorum present at any meeting (in person or by proxy) shall constitute the vote of the Members.

2.3 Quorum. The presence in person or by proxy of at least a majority of the voting power of members of the Association shall constitute a quorum. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.



1           2.4 Proxies. At all meetings of Members, each Member may vote in person or by  
2 proxy. All proxies shall be in writing and filed with the Secretary before the appointed  
3 time of each meeting. All proxies shall be valid only for the meeting for which the  
4 proxies are given (including any reconvened meeting in the event of an adjournment),  
5 unless provided otherwise in the proxy. Every proxy shall be revocable and shall  
6 automatically cease upon receipt of notice by the Secretary of the Board of the death or  
7 judicially declared incompetence of such Member.

8           2.4.1 Absentee Voting. Each member of the Association in good standing as  
9 determined by these Bylaws may cast an absentee vote by one of two (2)  
10 methods. The first method is by e-mail, which must be received by the Secretary  
11 1 hour prior to the published start time of the meeting at which the vote is taking  
12 place. Secondly, absentee ballots may be submitted via the postal system, and  
13 may not be postmarked any later than twenty four (24) hours prior to the start of  
14 the meeting at which the vote is taking place.

15           2.5 Annual Meetings. Regular annual meetings of the Members of the Association shall  
16 be held not less frequently than once each calendar year at the Property between the 15<sup>th</sup>  
17 of January and the 15<sup>th</sup> of February, or such other suitable place convenient to the  
18 Members, as may be designated by the Board.

19           2.6 Special Meetings. A special meeting of Members of the Association may be called  
20 by the President or by the Board (upon the vote for such a meeting by a majority of a  
21 quorum of the Board or upon written agreement of three or more Board members). A  
22 special meeting shall also be called by the Board upon receipt of a written request  
23 therefor signed by Members representing not less than twenty five percent (25%) of the  
24 total voting power of the Association.

25           2.7 Notice and Location of Meetings. At the direction of the President, the Secretary, or  
26 the officers or persons calling a meeting, written notice of regular and special meetings  
27 shall be given by the Secretary to all Members in the manner specified for notices under  
28 these Bylaws. Such notice shall specify the place, day, and hour of the business to be  
29 undertaken, and, in the case of a special meeting, the purpose or purposes for which the  
30 meeting is called. Except in the case of an emergency, at least ten (10) days notice (but  
31 no more than fifty [50] days notice) of any meeting shall be provided prior to the  
32 meeting. Meetings of the Association shall be held at the Property or at a meeting place  
33 as close thereto as possible. Notice shall also be delivered to any institutional lender  
34 filling a written request with the Association, and any such lender shall be permitted to  
35 designate a representative to attend all such meetings.

36           2.8 Adjournment. In the absence of a quorum at a Members meeting, a majority of those  
37 present in person or by proxy may adjourn the meeting to another time, but may not  
38 transact any other business. An adjournment for lack of a quorum shall be to a date not  
39 less than five (5) days and not more than thirty (30) days from the original meeting date.  
40 The quorum for such a reconvened meeting shall be thirty percent (30%) of the voting  
41 power of the Association.



1 3.5 Regular Meetings. Regular meetings of the Board shall be conducted at least semi-  
2 annually at a time and place at the Property (or such a place as may be convenient to all  
3 Board Members), as may be fixed by the Board. Notice of the time and place of regular  
4 meetings shall be given to each Director, personally, or by mail, telephone, or e-mail, at  
5 least five (5) days prior to the day named for the meeting.

6 3.6 Special Meetings. A special meeting of the Board may be called by the President of  
7 the Association or by any two (2) Directors other than the President. Notice shall be  
8 provided to all Directors and shall include a description of the nature of any special  
9 business to be considered by the Board.

10 3.7 Waiver of Notice. Before, at, or after any meeting of the Board, any Director may, in  
11 writing, waive notice of such meeting and such a waiver shall be deemed equivalent to  
12 the giving of such notice to the Director. Attendance by a Director at any meeting of the  
13 Board shall be a waiver of notice by that Director of the time and place of the meeting  
14 except where such attendance is for the limited and express purpose of objection to the  
15 transaction of any business to be considered by the Board.

16 3.8 Quorum. The presence in person of a majority of the Directors at any meeting of the  
17 Board shall constitute a quorum. The vote of a majority of the quorum actually present at  
18 any meeting shall constitute the vote of the Board unless expressly provided to the  
19 contrary in these Bylaws, or in any future amendment thereto.

20 3.9 Action by Consent of Directors. Any action which may be taken by the Board of  
21 Directors may be taken without a meeting, if all members of the Board shall individually  
22 or collectively consent in writing to such action.

23 3.10 Adjournment; Executive Session. The Board may, with the approval of a majority  
24 of a quorum of the Directors, adjourn a meeting and reconvene in executive session to  
25 discuss and vote upon personal matters, litigation in which the Association is or may  
26 become involved and orders of business of a similar nature. The nature of any and all  
27 business to be considered in executive session shall first be announced in open session.

28 3.11 Board Meeting Open to Members. Regular and special meetings of the Board shall  
29 be open to all Members of the Association. Provided, however, that Association  
30 Members who are not on the Board may not participate in any deliberation or discussion  
31 unless expressly so authorized by the vote of a majority of a quorum of the Board.

32 **ARTICLE IV – POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

33 4.1 Powers and Duties The Board shall have the powers and duties necessary for the  
34 administration of the affairs of the Association. Without limitation on the generality of  
35 the foregoing powers and duties, the Board shall be vested with, and responsible for, the  
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4.1.1 To select, appoint, supervise, and remove all officers, agents and employees of the Association; to prescribe such powers and duties for them as may be consistent with law, and with the Articles, the Declaration and these Bylaws; and to require from them security for faithful service when deemed advisable by the Board.

4.1.2 To enforce the applicable provisions of the Declaration, Articles, these Bylaws and other documents relating to the ownership, management and control of the Property;

4.1.3 To adopt and publish rules and regulations governing of the Properties, the use of the Common Areas, and to establish procedures and penalties for the infraction thereof, subject to the approval of the membership;

4.1.4 To pay all taxes, assessments and other monetary obligations which rightfully are or could become a lien upon any portion of the Common Areas or facilities;

4.1.5 To contract for casualty, liability and other insurance on behalf of the Association as appropriate for such an Association or as required by the Declaration;

4.1.6 To cause any Common Areas and facilities to be maintained and insured, and to contract for goods and/or services for the Association, subject to the limitations set forth by these Bylaws.

4.1.7 To delegate its powers to committees, officers, or employees of the Association, or to a management company pursuant to a written contract, or to others as expressly authorized by these Bylaws;

4.1.8 To keep complete and accurate books and records of the receipts and expenditures of the Association (relating to the Common Areas and otherwise), specifying and itemizing the maintenance and repair expenses incurred, and to prepare budgets and financial statements for the Association as required in these Bylaws in accordance with good accounting procedures; to provide for independent audits as required by law and these Bylaws.

4.1.9 To initiate and execute disciplinary proceedings against Members of the Association for violations of the provisions of the Articles, Declaration, these Bylaws and such rules as may be promulgated by the Board, in accordance with procedures set forth in these Bylaws.

4.1.10 To enter upon any privately owned Lot as necessary in connection with construction, maintenance or emergency repair for the benefit of the Property or the Owner;

1 4.1.11 To fix and collect regular and special assessments according to the  
2 Declaration and these Bylaws, and, in the Board's discretion, foreclose the lien  
3 against any Lot for which an assessment is not paid within thirty (30) days after  
4 the due date, or bring an action at law against the Owner personally obligated to  
5 pay such assessment.

6 4.1.12 To prepare and file annual tax returns with the federal government and to  
7 make such elections as may be necessary to reduce or eliminate the tax liability of  
8 the Association.

9 4.2 Limitation on Boards Power. Except with the vote or written approval of a majority  
10 of the voting power of the Association, the Board shall be prohibited from taking the  
11 following actions:

12 4.2.1 Incurring aggregate expenditures for planned capital improvements to any  
13 Common Areas in any fiscal year in excess of five percent (5%) of budgeted gross  
14 expenses of the Association for that fiscal year; provided, that this shall not limit  
15 the ability of the Board to provide for expenditures in order to meet unanticipated  
16 extraordinary or emergency capital improvements which were not reasonably  
17 anticipated at the time the annual budget was determined.

18 4.2.2 Selling during any fiscal year, property of the Association having an  
19 aggregate fair market value greater than five percent (5%) of the budgeted gross  
20 expenses of the Association for the fiscal year;

21 4.2.3 Paying compensation to Directors or to officers of the Association for  
22 services performed in the conduct of the association's business; provided,  
23 however, that the Board may cause a Director or officer to be reimbursed for  
24 expenses incurred in carrying on the business of the Association.

25 4.2.4 Entering into a contract with a third person wherein the third person will  
26 furnish goods or services for the Common Areas, facilities or the Association for  
27 a term longer than one (1) year with the following exceptions:

28 (a) A Contract with a public utility company if the rates charged for the  
29 materials or services are regulated by government authority; provided,  
30 however, that the term of the contract shall not exceed the shortest term  
31 for which the supplier will contract at the regulated rate;

32 (b) Prepaid casualty and/or liability insurance policies not to exceed three  
33 (3) year's duration, provided that the policy permits for short rate  
34 cancellation by the insured;

35 4.2.5 Any agreement for professional management of the Property or any other  
36 contract providing for services by the Association shall provide for termination by  
37 either party without cause and without payment of a termination fee on thirty (30)  
38 days or less written notice and shall provide for a maximum contract term of one  
39 (1) year.

**ARTICLE V – OFFICERS**

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5.1 Enumeration and Term. The officers of this Association shall be a President, Vice President, Secretary and Treasurer, and such other officers as the Board may, from time to time, by resolution create. The officers shall be elected annually by the Board, from Board membership, and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

5.2 Election of Officers. The election of officers shall take place at the first meeting of the Board and following each annual meeting of the Members.

5.3 Resignation and Removal. Any officer may be removed from office by a majority of the Board at any time with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.4 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

5.5 Multiple Offices. Any two or more offices may be held by the same person, except the offices of President and Secretary may not be held by the same person unless there is only one Director.

5.6 Duties. The duties of the officers are as follow:

5.6.1 President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks (unless the authority to sign checks in the ordinary course of Association business has been delegated to a management company as provided in these Bylaws) and promissory notes.

5.6.2 Vice-President. The Vice-President shall act in the place and stead of the President in the event of the President’s absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

5.6.3 Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

1           5.6.4 Treasurer. The Treasurer shall receive and deposit, in appropriate bank  
2           accounts, all monies of the Association and shall disburse such funds as directed  
3           by the resolution of the Board of Directors; shall co-sign all checks and  
4           promissory notes of the Association; and shall keep proper books of account and  
5           prepare or have prepared financial statements as required in these Bylaws. The  
6           duty of the Treasurer to receive and deposit funds and to sign checks in the  
7           ordinary course of Association business may be delegated to a management  
8           company as provided in these Bylaws.

9           **ARTICLE VI – DISCIPLINE OF MEMBERS: SUSPENSION OF RIGHTS**

10          The Association shall have no power to cause a forfeiture or abridgement of an Owner's  
11          rights to the full use and enjoyment of such Owner's individually owned Lot on account  
12          of a failure by the Owner to comply with provisions of the Declaration, Articles, these  
13          Bylaws, or of duly enacted rules of operation for the Common Areas and facilities, except  
14          where the loss of forfeiture is the result of the judgment of a court of a foreclosure or sale  
15          under a power of sale for failure of the Owner to pay assessments levied by the  
16          Association. Notwithstanding the foregoing, the Board shall have the power to impose  
17          monetary penalties, temporary suspension of an Owner's rights as a Member of the  
18          Association, or other appropriate discipline for failure to comply with the Declaration,  
19          Articles, these Bylaws or duly enacted rules; provided that the accused shall be given  
20          notice and the opportunity to be heard by the Board with respect to the alleged violations  
21          before a decision to impose discipline is reached. In the case in which monetary penalties  
22          are to be imposed, such penalties shall include actual attorney's fees and all costs in  
23          connection with the collection of such penalties.

24          **ARTICLE VII – BUDGETS, FINANCIAL STATEMENTS, BOOKS AND**  
25          **RECORDS**

26          7.1 Budgets and Financial Statements. Financial statements and pro forma operating  
27          budgets for the Association shall be regularly prepared (at least annually) and posted on  
28          the Lolo Creek Trails Homeowners Association official website. All books and records  
29          shall be audited at least annually.

30          7.2 Fiscal Year. The fiscal year of the Association shall be designated by resolution of  
31          the Board. In the absence of such a resolution, the fiscal year shall be a calendar year.

32          7.3 Inspection of Association's Books and Records. The membership register, books of  
33          accounts, vouchers authorizing payments, and minutes of meetings of the Members of the  
34          Board, and of committees of the Board of the association shall be made available for  
35          inspection and copying by any Member of the Association, or by any Members duly  
36          appointed representative, at any reasonable time and for a purpose reasonably related to  
37          such Member's interest as a Member, at the office of the Association or at such other  
38          place within or near the Property as the Board shall prescribe. Such inspection may take  
39          place on weekdays during normal business hours, following at least forty eight (48)  
40          hours' written notice to the Board by the Member desiring to make the inspection. Any  
41          Member desiring copies of any document shall pay the reasonable cost of reproduction.  
42          Every Director shall have the absolute right at any reasonable time to inspect all books,



1 records and documents of the Association and the physical properties owned or  
2 controlled by the Association. The right of inspection by a Director includes the right to  
3 make extracts and copies of documents.

4 **ARTICLE VIII – AMENDMENT OF BYLAWS**

5 These Bylaws may be amended at any time and in any manner by the vote or written  
6 assent of a bare majority of the total voting power of the Association; provided, however,  
7 that the percentage of the voting power necessary to amend a specific clause, or provision  
8 herein shall not be less than the percentage of affirmative votes prescribed for action to  
9 be taken under said clause or provision; and provided further, that any such amendment  
10 shall not be inconsistent with the law.

11 **ARTICLE IX – MISCELLANEOUS PROVISIONS**

12 9.1 Regulations. All Owners, tenants, or their employees, or any other person that might  
13 use the facilities of the Property in any manner are subject to the regulations set forth in  
14 these Bylaws and in the Project Documents and to all reasonable rules enacted pursuant  
15 to the Declaration. Acquisition, rental, or occupancy of any Unit shall constitute  
16 acceptance and ratification of the provisions of all such rules and regulations.

17 9.2 Compensation and Indemnity and Release of Officers and Directors. No Director or  
18 officer shall receive any loan from the Association, or shall receive any compensation for  
19 services rendered for or on behalf of the Association, except reimbursement referenced in  
20 Article 4 of these Bylaws. To the fullest extent permitted by law, the Association shall  
21 indemnify and release Directors from liability or obligations arising from their conduct  
22 on behalf of the Association. Provided, this provision shall not eliminate or limit the  
23 liability of a Director for acts or omissions that involve intentional misconduct by a  
24 Director, or a knowing violation of law by a Director, or for any transaction from which  
25 the Director will personally benefit in money, property or services to which the Director  
26 is not legally entitled.

27 9.3 Committees. The Board may, by resolution, designate one or more committees, each  
28 of which shall include at least one (1) of the Directors, and which shall have such powers  
29 to act on behalf of the Board as may be set forth in the resolution, subject to the  
30 prohibitions or limitations imposed by law.

31 9.4 Notices. Any notice permitted or required to be given by these Bylaws, the Articles,  
32 the Declaration, or other Documents enacted to govern the affairs of the Property may be  
33 delivered either personally, electronically, or by mail, or as otherwise specifically  
34 provided in such Document. If delivery is by mail, it shall be deemed to have been given  
35 upon deposit thereof in the United States mail, postage prepaid, addressed to each person  
36 at the current address given by such person to the Secretary of the Association or  
37 addressed to the Unit of such person if no address has been given to the Secretary.

**ADOPTION OF BYLAWS**

We, the undersigned, being a majority of the Directors of Lolo Creek Trails Homeowners Association, Inc., do hereby assent to the within and foregoing Bylaws and hereby adopt the same as Bylaws of Lolo Creek Trails Homeowners Association, Inc.

DATED the 10<sup>th</sup> day of July, 2012.

*Walter E. Stuart*

Director

*Thomas Schaff*

Director

*Denise E. Johnson*

Director

*Robert M. Free*

Director

*Kay Garner*

Director

*Bill Doty*

Director

*Michael J. Lambert*

Director

I, the undersigned, the Secretary of LOLO CREEK TRAILS HOMEOWNERS ASSOCIATION, do hereby certify that the foregoing Bylaws were adopted as the Bylaws of said Association on the 10<sup>th</sup> day of July, 2012, and that the same do now constitute the Bylaws of said Association.

DATED the 12 day of July, 2012.

*Thomas Schaff*

Secretary

1 ACKNOWLEDGMENT

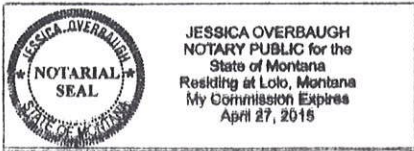
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STATE OF MONTANA )

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County of Missoula )

This instrument was acknowledged before me on the 12 day of July, 2012, by  
Sharman Schauff, Secretary of Lolo Creek Trails Homeowners Association, a Montana Non-  
Profit Corporation.



Jessica Overbaugh  
Notary Public for the State of Montana  
Residing at: Lolo  
My Commission expires: 4.27.2015