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BYLAWS

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OF

SONNENBLICK CONDOMINIUMS

ARTICLE I.

Section 1. The provisions of these bylaws are applicable to a condominium located at 1108 to 1114 South Black Avenue, Bozeman, Montana, known as "Sonnenblick Condominiums" pursuant to the Declaration of Condominium Ownership dated October 15, 1972, filed as Document # 99908, on December 1, 1972, at 16 of Film, page 1617, in the office of the County Clerk and Recorder of Gallatin County, Montana, and in accordance with the provisions of the Montana Unit Ownership Act, Chapter 120, Laws of Montana 1965 (Title 67, Chapter 23, R.C.M. 1947).

Section 2. All present or future owners, tenants, future tenants or their employees, or any other person who might use the facilities of Sonnenblick Condominiums in any manner, are subject to the regulations set forth in these bylaws. The mere acquisition or rental of any of the family units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said units will signify that these bylaws are accepted, ratified and will be complied with.

ARTICLE II.

Section 1. The owner of each unit in the building shall by virtue of such ownership be a member of the Sonnenblick Condominiums Association, hereinafter called the "Association". However, if ownership of any unit is vested in more than one person, while each such owner shall be a member, the several co-owners shall be entitled to vote only in accordance with the provisions of these bylaws on voting.

Section 2. Each owner shall be entitled to one vote for each unit owned; provided that the vote for any unit owned by more than one person shall be exercised as such co-owners may among themselves determine, but in no event shall more than one vote be cast with respect to any such unit.

Section 3. As used in these bylaws, the term "majority of owners" shall mean the owners holding three (3) of the votes assigned as herein provided.

Section 4. Except as otherwise provided in these bylaws, the presence in person or by proxy of a "majority of owners" shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. At all meetings of owners, each owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance of the owner of his unit.

ARTICLE III.

Section 1. The Association will have the responsibility of administering the operation of Sonnenblick Condominiums, approving the annual budget, establishing and collecting monthly 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 agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of owners.

Section 2. The annual meeting of the Association shall be held on the FELONIO MONDAY in JANUARY in each calendar year at 7.00 o'clock P m., at THE ASSOCIATION PREMISES Bozeman, Montana, unless written notice of a different time, date or place is given by the Directors of the Association as provided hereafter.

Section 3. Special meetings may be called at any time by order of the Board of Directors or by any two (2) members.

Section 4. Written notice of any annual or special meeting of the Association shall be mailed to each owner at his last known address as reflected by the Association's records not less than ten (10) days prior to the date of the meeting. Such notice shall specify the time, place and purpose of the meeting. At annual meetings, there shall be elected by ballot of the owners a Board of Directors, and such other business of the Association may be transacted as may properly come before them. No business shall be transacted at a special meeting except as stated in the notice unless by consent of three (3) of the owners present, either in person or by proxy.

Section 5. The order of business at all meetings of the Association shall be as follows:

- (a) Proof of notice of meeting or waiver of notice
- (b) Determination of quorum
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers
- (e) Report of Committees
- (f) Election of Directors
- (g) Unfinished business

(h) New business.

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ARTICLE IV.

Section 1. Board of Directors. The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons, two of whom must be owners of units in the project, who shall be elected by the owners. An interim Board of Directors shall govern the affairs of the Association prior to the first annual meeting of the Association. The interim Board of Directors may number less than three persons. The interim Board of Directors shall be: THOMAS A. OVERTURF and ANN L. OVERTURF.

Section 2. The Board of Directors shall 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 bylaws directed to be exercised and done by the owners. The directors shall serve without compensation.

Section 3. In addition to duties imposed by these bylaws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep and surveillance of the project and the common areas and facilities.
- (b) Collection of monthly assessments from the owners.
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the project, the common areas and facilities.
- (d) Approving vouchers for payment of all legal claims against the Association.

Section 4. The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 3, above.

Section 5. Election and Term of Office. At the first annual meeting of the Association the term of office of one (1) director shall be fixed for three (3) years. The term of office of

one (1) director shall be fixed at two (2) years. The term of one (1) director shall be fixed at one (1) year. At the expiration of the initial term of each respective director, his successor shall be elected to serve a term of three (3) years. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 6. Any director may be removed by a vote of a majority of votes entitled to be cast at any regular or special meeting of the Association called for that purpose. In the event of such a removal, a successor may then and there be elected to fill the vacancy thus created.

Section 7. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so selected shall serve until the next annual meeting of the Association, at which time the members shall elect a successor to fill out the balance of the unexpired term.

Section 8. The first meeting of a newly elected Board of Directors shall be held immediately following the annual meeting of the Association, and no notice shall be necessary to the newly elected directors in order to legally constitute such meeting, provided a majority of the whole Board shall be present.

Section 9. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director,

personally, or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 10. Special meetings of the Board of Directors may be called by the Chairman on three (3) days' notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors. All Directors' meetings shall be held within Gallatin County, Montana.

Section 11. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. A quorum of the Board for the transaction of business at any meeting shall be a majority of the directors. If, however, a quorum shall not be present or represented at any meeting, the directors present shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. The Board of Directors may require that officers and employees of the Association handling or responsible for Associa-

tion funds shall furnish adequate fidelity bonds, premiums on such bonds to be paid by the Association.

ARTICLE V.

Section 1. Officers. The Board of Directors at its annual meeting shall elect a Chairman, Vice-Chairman, Secretary, Treasurer and such assistants as the Board deems necessary. Any two (2) or more offices may be held by the same person, except the offices of Chairman and Secretary. Officers other than the Chairman are not required to be owners. Interim officers may be appointed by the interim Board of Directors to act until the first meeting of the Board of Directors after the first annual meeting of the Association.

Section 2. The officers of the Association shall hold office at the pleasure of the Board, and in the event of a vacancy for any reason, the Board shall elect a successor at any regular meeting or at any special meeting called for such purpose.

Section 3. The Chairman shall preside at all meetings of the Association and the Board of Directors. He shall have general supervision over the affairs of the Association and its officers and all of the powers and duties usually vested in the office of President or Chairman of an Association, including, but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4. The Vice-Chairman shall act for the Chairman in the event of the absence or disability of the latter, and shall also perform such other duties as from time to time may be imposed upon him by the Board of Directors.

Section 5. The Secretary shall keep all books and records of the Association and the Board of Directors and record all minutes

of meetings of both.

Section 6. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VI.

Section 1. Obligations of Owners. Assessments against the unit owners shall be made or approved by the Directors of the Association and paid by the unit owners to the Association in accordance with the following provisions:

- (a) Each unit owner shall be liable for his share of the common expenses, and any common surplus shall be owned by each unit owner in a like share.
- (b) Any assessment, the authority to levy which is granted to the Association or its Board of Directors by the Condominium declaration shall be paid by the unit owners to the Association in the proportions set forth in the provision of the declaration authorizing the assessment.
- (c) All sums collected by the Association from assessments may be commingled in a single fund but they shall be held for the unit owners in their respective shares in which they are paid and shall be credited to accounts from which shall be paid the expenses for which the respective assessments are made. Such accounts shall be as follows:
  - (i) Common expense accounts - to which shall be credited collections for assessments for all common expenses including liability and hazard insurance premiums as well as payments received for defraying costs of the use of common elements;
  - (ii) Alteration and Improvement account - to which shall be credited all sums collected for alterations and improvement assessments;



- (iii) Reconstruction and repair account - to which shall be credited all sums collected for reconstruction and repair assessments; and
- (iv) Emergency account - to which shall be credited all sums collected for emergencies.
- (d) All owners shall be obligated to pay monthly assessments imposed by the Association to meet all common expenses, including liability and hazard insurance premiums. Assessments for common expenses shall be made for the calendar year annually in advance on or before the second Monday in December of the year preceding for which the assessments are made and on such other and additional times as in the judgment of the Board of Directors additional common expense assessments are required for the proper management, maintenance and operation of the common elements. Such annual assessment shall be due and payable in twelve (12) equal consecutive monthly payments, on the first day of each month, commencing with January of the year for which the assessments are made. The total of the assessment shall be in the amount of the estimated common expenses for the year including a reasonable allowance for contingencies and reserves less the amounts of unneeded common expense account balances. If an annual assessment is not made as required, a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.
- (e) Other assessments shall be made in accordance with the provisions of the Condominium declaration, to be paid at the time determined by the Board of Directors. Assessments for common expenses of emergencies which cannot be paid from the common expense account shall be made only by the Board of Directors.
- (f) The Secretary and Treasurer shall maintain records showing assessments made against unit owners which shall be available for inspection at all reasonable times by unit owners or their representatives. Such records shall show the amounts of all assessments paid and unpaid. The Treasurer may issue certificates as to the status of a unit owner's assessment account to such persons as the unit owner may request in writing, and such certificates shall limit the liability of any person to whom it is addressed other than the unit owner.
- (g) Unit owners and their grantees shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor. Unpaid portions of assessments which are due shall be secured by a lien upon the family unit as provided in the declaration upon

the filing of a claim in accordance with the provisions of §67-2326, R.C.M. 1947, as amended.

- (h) Assessments and installments thereof paid more than ten (10) days after the date when due, shall bear interest at the rate of 10% per annum from the date when due until paid. All payments upon assessments shall be applied first to interest and then to the earliest assessment due. Interest collected shall be credited to the common expense account.

Section 2. Maintenance and Repair.

- (a) Every owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.
- (b) All the repairs of internal installations of the unit such as water, light, gas, power, sewerage, telephones, air conditioners, sanitary installations, doors, windows, lamps and all other accessories and appliances belonging to the unit area shall be at the owner's expense.
- (c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damaged through his fault.

Section 3. An owner shall not make any structural modifications or alterations in his unit of installations located therein without previously notifying the Association in writing, through the management agent, if any, or through the Chairman of the Board of Directors, if no management agent is employed. The Association shall have the obligation to answer within thirty (30) days thereafter, and failure to do so within the stipulated time shall mean there is no objection to the proposed modification or alteration.

Section 4. An owner will grant the right of entry to the management agent or to any other person authorized by the Board of Directors of the Association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

Section 5. An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided request for entry is made in advance and that such entry is at a time convenient to the owner. In the case of an emergency, such right of entry shall be immediate.

Section 6. Rules of Conduct.

- (a) No resident of the building shall post any advertisements or posters of any kind in or on the project except as authorized by the Association.
- (b) Residents shall exercise extreme care about making noises or the use of musical instruments, radios, televisions and amplifiers that may disturb other residents.
- (c) Hanging garments, rugs, etc. from the windows or from any other facades of the project is prohibited.
- (d) Dusting rugs, etc. from the windows, or cleaning rugs by beating on the exterior part of the project is prohibited.
- (e) Disposal of garbage or trash outside the disposal installations provided for such purposes in the service areas is prohibited.
- (f) No owner, resident or lessee shall install wiring for electrical or telephone installation, television antenna, machines or air conditioning units, etc. on the exterior of the project or that protrudes through the walls or the roof of the project except as authorized by the Association.

Section 7. Additional Administrative Rules and Regulations relating to the details of the operation of Sonnenblick Condominiums and the use of the common elements may be adopted or amended by the Board of Directors at any regular meeting or at any special meeting called for that purpose.

ARTICLE VII.

Section 1. Amendments. These bylaws may be amended by the

Association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by the owners of at least three (3) of the four (4) units and until a copy of the bylaws, as amended, certified by the presiding officer and Secretary of the Association is recorded in the office of the Clerk and Recorder of Gallatin County, Montana.

ARTICLE VIII.

Section 1. Any owner who mortgages his unit shall notify the Association through the management agent, if any, or the Chairman of the Association in the event there is no manager, the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Units". The Association shall, at the request of the mortgagee of a unit, report any unpaid assessments due from the owner of such unit.

Section 2. In the event of foreclosure suit against a unit, the unit owner shall pay a reasonable rent for such unit.

IN WITNESS WHEREOF, the undersigned, constituting the sole owner of all of the units in Sonnenblick Condominiums executes this instrument as evidence of the adoption of the aforesaid bylaws of the Association, consisting of the present and future owners of Sonnenblick Condominiums more particularly described in ARTICLE I, this 15th day of October, 1972.

  
THOMAS A. OVERTURE