

BY-LAWS OF STONEY BROOK VILLAGE
CONDOMINIUM ASSOCIATION

ARTICLE I.

APPLICABILITY

Section 1.1: The provisions of these By-Laws are applicable to an ultimate total of as many as seventy-two (72) Condominium units in an ultimate total of as many as twenty-six (26) buildings situated in Jefferson County, Montana described and known as STONEY BROOK VILLAGE CONDOMINIUMS (the "Condominium"), pursuant to the Declaration of Condominium Ownership (the "Declaration") to which a copy of these By-Laws is attached, all in accordance with the Montana Unit Ownership Act (Title 70, Chapter 23, MCA). The real property, to which these By-Laws are applicable, is specifically described in the Declaration.

Section 1.2: All present and future owners, occupants and tenants, and their guests, invitees or employees, and any other occupants or persons using the facilities of the Condominium in any manner, are subject to these By-Laws and the regulations set forth herein. The mere acquisition, lease or rental of any of the Condominium units, or the mere act of occupancy of any of said units, will signify that these By-Laws are accepted and ratified and will be complied with.

ARTICLE II.

OWNERS

Section 2.1: The "owner" of a Condominium unit means the person or person owning an interest in the unit and the appurtenant interest in the common elements, including a purchaser under a contract for deed, provided that a notice of purchaser's interest memorandum is recorded with the Jefferson County Clerk and Recorder. Each such owner, by virtue of such ownership, shall be a member of the Stoney Brook Village Condominium Association (the "Association"). (As provided by the Declaration, the Association may be incorporated as a Montana non-profit, mutual benefit corporation.) However, if such ownership of any Condominium unit is vested in more than one person, while each such owner shall be a member, the co-owners or joint owners shall be deemed

to be one owner for the purpose of voting and shall be entitled to vote only in accordance with the provisions of these By-Laws pertaining to voting.

Section 2.2: All provisions of this Article II of these By-Laws shall be subject to Paragraph 12 of the Declaration which provides that the Declarants shall be entitled (but not required) to exercise control until forty-eight (48) units have been constructed and sold or until seven (7) years have elapsed from the date the first unit is sold, whichever is earlier.

Section 2.3: Each unit owner shall be entitled to a voting interest equal to his percentage interest in the general common elements as set forth in the Declaration. 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 the vote with respect to any one unit exceed the total herein provided.

Section 2.4: As used in these By-Laws, the term "majority of owners" shall mean the owners, of constructed units, holding fifty-one percent (51%) of the votes assigned as shown by the records of the Clerk and Recorder of Jefferson County, Montana, or by the records of the Association in the event the Clerk and Recorder has no record or records of the ownership of a constructed unit. However, a personal representative, guardian, or trustee may vote in person or by proxy with respect to a Condominium unit owned or held by him in such capacity, whether or not the same shall have been transferred to his name by a duly recorded conveyance.

Section 2.5: Except as otherwise provided in these By-Laws, 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 2.6: 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 by the owner of his unit. While

every proxy shall be revocable, the authority contained therein, unless otherwise limited by its terms, shall be deemed to continue in effect until revoked in writing or until the recording of a conveyance by the owner of the unit or the filing of a lease which gives such voting right to the lessee by the lessor of a unit. Whenever a unit is owned by two or more persons, the vote therefor may be exercised by any one of such owners present in the absence of protest by the other or others. If the vote of any owner or owners has been pledged by mortgage, trust indenture or agreement of sale of any unit, and notice of such pledge has been furnished to the Association, only the vote of the pledgee will be recognized upon those matters upon which the owner's vote is so pledged.

Section 2.7: As is more specifically provided by the Declaration and until control has been transferred pursuant to Paragraph 12 thereof, the Declarants shall possess full control over all powers, duties and affairs of the Association and directors and shall have two votes for each unit actually authorized by Jefferson County but not yet constructed. Once control has transferred, the Declarants shall have one vote for each constructed unit which they own.

ARTICLE III.
ASSOCIATION

Section 3.1: The Association shall have the responsibility of administering the operation of Stoney Brook Village Condominiums and the general common elements and parkland, approving the annual budget, establishing and collecting annual assessments payable as directed by the Association, employing necessary and appropriate personnel, and/or 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 3.2: The organizational meeting of the Association shall be held not later than ninety (90) days after the completion of construction of the first building containing units.

Section 3.3: The annual meeting of the Association shall be held on the first Saturday of July at the time and place specified in the written notice provided to members of the Association as provided in Section 3.5.

Section 3.4: Special meetings may be called at any time by order of the Board of Directors, by any two members, or upon a signed request of the management agent, if any.

Section 3.5: 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 seven (7) days, nor more than fourteen (14) days, prior to the date of the meeting. Such notice shall specify the time, date, place and purpose of the meeting. Such notice shall be given to each member by leaving the same with him personally, or by mailing it, postage prepaid, addressed to such member at his address as it appears on the records of the Association. If notice is given pursuant to the provisions of this section, the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat. Upon written request for notices mailed by registered mail addressed to the Secretary of the Association, the holder of any duly recorded mortgage or trust indenture against any unit may promptly obtain a copy of any and all notices permitted or required to be given to entitle the holder of any mortgage requesting such notice to receive all notices sent to the members from and after receipt of said request until the request is withdrawn and said mortgage or trust indenture discharged of record.

Section 3.6: 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-fourths (3/4's) of the owners present, either in person or by proxy.

Section 3.7: 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 or preceding meeting;
- (d) Reports of officers;
- (e) Report of committees;
- (f) Election of officers;
- (g) Unfinished business;
- (h) New business;
- (I) Adjournment.

Section 3.8: All provisions of this Article III of these By-Laws shall be subject to Paragraph 12 of the Declaration which provides that the Declarants shall be entitled (but not required) to exercise control until forty-eight (48) units have been constructed and sold or until seven (7) years have elapsed from the date the first unit is sold, whichever is earlier.

ARTICLE IV.
DIRECTORS

Section 4.1: The affairs of the Association shall be governed by a Board of Directors composed of three persons, all of whom must be owners of Condominium units in the project, who shall be elected by the owners.

Section 4.2: 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 By-Laws directed to be exercised and done by the owners. The directors shall serve without compensation.

Section 4.3: In addition to duties imposed by these By-Laws or by resolutions of the Association, the Board of Directors shall have the following powers and duties:

- (a) To enforce the provisions of the Declaration and By-Laws by appropriate action.
- (b) To provide for management of the Condominium units (including but not limited to, by contracting with suitable and capable management for operation and maintenance of the project and the common elements).

- (c) To operate and manage the Association's deeded parkland.
- (d) To levy and collect assessments as allowed by the Declaration.
- (e) To delegate authority to the manager for routine conduct of Condominium business, subject, however, at all times to ultimate authority residing in the Board of Directors (or in the Declarants if control has not yet transferred pursuant to Paragraph 12 of the Declaration), and further subject to the requirement that such personnel shall have not authority to make any expenditure in excess of \$500 without the prior approval of a majority of the directors; except in the case of an emergency which endangers a unit, the buildings, the common elements, or the Association's deeded parkland, when the manager is unable to contact a quorum of the directors, the manager shall be authorized to spend such funds as are deemed necessary to preserve the project and/or parkland and to mitigate damage.
- (f) To prepare an annual budget in order to determine the amount of the assessments payable by the unit owners to meet common expenses, and to allocate and assess common charges among unit owners according to their respective interests in the general common elements; provided that the directors shall have no authority to make any expenditure in excess of \$5,000 without the prior approval of a majority of the members at a duly called membership meeting.
- (g) To levy and collect special assessments whenever necessary in order to meeting increased operating or maintenance expenses or because of emergency.
- (h) To take appropriate legal action to collect delinquent assessments, and to levy penalties and charge interest, in accordance with the Declaration and/or these By-Laws.
- (i) To defend in the name of the Association any and all lawsuits wherein the Condominium or Association is a party defendant.
- (j) To enter into contracts and agreements necessary to carry out the duties herein set forth.
- (k) To establish a bank account for the Condominium and to keep records and accounts according to commonly accepted accounting procedures.

- (l) To establish rules and regulations for conduct, behavior and use of the general common elements and any limited common elements.
- (m) To make repairs, alterations, additions and improvements to the general common elements and any limited common elements consistent with managing the Condominium in the best interest of the unit owners.
- (n) To incorporate the Association as a Montana non-profit corporation for the mutual benefit of the owners.
- (o) To prepare and file state and federal tax returns and related reports and forms, and to hire or contract with qualified persons for such purposes.
- (p) To perform any other duty or function provided or allowed by law for a Board of Directors of a condominium association.

Section 4.4: At the organizational meeting of the Association the term of office for the three directors shall be fixed at three (3) years, provided that the initial term of office for one director shall be fixed for three (3) years, the initial term of office of one director shall be fixed for two (2) years, and the initial term of the office of one 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. This causes the term of office of one director to expire each year. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 4.5: Any director may be removed by a vote of three-fourths (3/4's) of the votes entitled to be cast at any regular or special meeting of the Association called for that purpose. In the event of such removal, a successor may then and there be elected to fill the vacancy thus created.

Section 4.6: No remuneration shall be paid to a director or officer for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. A director may not be an employee of the Association.

Section 4.7: Vacancy 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 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 4.8: 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, providing a majority of the whole Board shall be present.

Section 4.9: 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 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 telefax, at least three (3) days prior to the day named for such meeting.

Section 4.10: Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally or by mail, telephone or telefax, which notice shall state the time, date, place and purpose of the meetings. 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 directors. All directors' meetings shall be held within Jefferson County, Montana.

Section 4.11: 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 hereof. 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 4.12: 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 4.13: The Board of Directors shall require that officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds, with premiums on such bonds to be paid by the Declarant until such time as the Association is formed and thereafter with such premiums to be paid by the Association.

Section 4.14: All provisions of this Article IV of these By-Laws shall be subject to Paragraph 12 of the Declaration which provides that the Declarants shall be entitled (but not required) to exercise control until forty-eight (48) units have been constructed and sold or until seven (7) years have elapsed from the date the first unit is sold, whichever is earlier.

ARTICLE V.

OFFICERS

Section 5.1: The Board of Directors at its annual meeting shall elect a President, Vice-President and Secretary-Treasurer, from among the directors. No two offices may be held by the same person.

Section 5.2: 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 5.3: The President 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 powers and duties usually vested in the office of the president of an association or chairman or its directors, 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 5.4: The Vice-President shall act for the President 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 or her by the Board of Directors.

Section 5.5: The Secretary-Treasurer shall keep all books and records of the Association and the Board of Directors, shall record all minutes of meetings of both, 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 monies 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. No person shall serve as Secretary-Treasurer unless he is bondable.

Section 5.6: All provisions of this Article V shall be subject to Paragraph 12 of the Declaration which provides that the Declarants shall be entitled (but not required) to exercise control until forty-eight (48) units have been constructed and sold or until seven (7) years have elapsed from the date the first unit is sold, whichever is earlier.

ARTICLE VI.

OBLIGATIONS OF OWNERS

Section 6.1: Assessments against the unit owners shall be made or approved by the Directors of the Association, and shall be paid by the unit owners to the Association, in accordance with the following provisions:

- (a) Assessments shall be made for the repair, replacement and general maintenance, management and administration of general common elements and any limited common elements, the Association's deeded parkland, and the roads, and for payment of insurance premiums. The assessments shall be made pro rata according to each owner's percentage interest in and to the general common elements, which percentage shall be determined by the proportion which the owner's unit (or units) bears to the total of all units constructed and sold as of the assessment date. Initially, however, such assessments shall not be less than \$75.00 per month.
- (b) Any assessments, the authority to levy which is granted to the Association or its Board of Directors by the Declaration or these By-Laws, shall be paid by the unit owners to the Association in the

proportions set forth in the provision of the Declaration authorizing the assessment and in the foregoing subsection (a).

- (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 share 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 expense including liability and hazard insurance premiums and payments received for defraying costs of the management, operation, use, reconstruction and/or repair of common elements and parkland.
 - (ii) Alteration and improvement accounts - to which shall be credited all sums collected for alterations and improvement assessments;
 - (iii) Emergency account - to which shall be credited all sums collected for emergencies.
- (d) All owners shall be obligated to pay annual assessments (in installments as set by the Association) to meet all common expenses, including also liability and hazard insurance premiums. Assessments for common expenses shall be made for the fiscal year annually in advance on or before the second Monday in June preceding the fiscal year 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 and/or parkland. Such assessments shall be approved at the Association's annual meeting. The total of the assessments shall be in the amount of the estimated common expenses for the year including a reasonable allowance for contingencies and reserves less than the amount of unneeded common expense account balances. If an annual assessment is not made as required, a payment in the amount required in the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.
- (e) Other, "special" assessments shall be made in accordance with the provisions of the 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-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 Secretary-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 therefore. Unpaid portions of assessments which are due shall be secured by a lien upon the unit, as provided in the declaration, upon the filing of a claim in accordance with the provisions of Section 70-23-607, MCA.
- (h) Assessments and installments thereof paid more than ten (10) days after the date when due shall bear interest at the interest rate of one and one-half percent (1½%) per month. 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.
- (i) If an assessment is not paid within thirty (30) days after the due date, the Association may discontinue service of any utilities, if the costs of the same are paid by the Association, after first giving written notice by certified mail (with return receipt requested) addressed to the owner, at such owner's last record address, of its intention to take such action.

Section 6.2: Maintenance and repairs shall be subject to the following:

- (a) Every owner must perform promptly all maintenance and repair work within his own unit, which, if omitted, would affect his building or 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, sewage, telephone, 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, or the fault of any of his lessees, tenants, guests, invitees, agents, or employees.

Section 6.3: An owner shall not make any structural modifications or alterations in his unit or installations located therein without previously notifying the Association in writing, through the management agent, if any, or through the President of the Association, if no management agent is employed at the time. The Board shall have the obligation to answer within thirty (30) days thereafter, the failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 6.4: Every unit owner and occupant, when so required, shall permit the Association or its representatives to enter his unit at reasonable times for the purpose of performing authorized installations, alterations, or repairs to the common elements therein for central services provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In emergency situations, the manager and any person authorized by the Board of Directors shall have the right to enter each unit, whether or not the owner or occupant is present at the time, in order to make repairs necessary to protect or preserve the building, the common elements, or the project, or to suppress fires or to protect the life or physical safety of any person.

Section 6.5: All provisions of the foregoing Sections 6.1 through 6.4 shall be subject to Paragraph 12 of the Declaration which provides that the Declarants shall be entitled (but not required) to exercise control until forty-eight (48) units have been constructed and sold or until seven (7) years have elapsed from the date the first unit is sold, whichever is earlier.

Section 6.6: Each and every owner and occupant of any unit shall observe the following conditions, restrictions and rules of conduct:

(a) No occupant or resident of any unit or building shall post any advertisements or posters, except standard signs advertising the property and that a unit is for sale or lease, of any kind or on the property except as authorized by the Association.

(b) Occupants and residents shall exercise extreme care about making noises or the use of musical instruments, radios, stereo players, televisions and amplifiers which may disturb other owners, occupants or residents.

(c) Hanging garments, rugs, etc., from the windows or from any other facades of any building or unit is prohibited. Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of a building or unit and no sign, awning, canopy, radio or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior consent of the Association.

(d) No owner, resident, occupant or lessee shall install wiring for electrical or telephone installation, television antenna, machines, or air conditioning units, etc., on the exterior of any building or unit or that protrude through the walls or the roof of any building or unit except as authorized by the Association.

(e) No domestic livestock, poultry or pets shall be kept for breeding or commercial purposes. Personal pets, limited to not more than two (2) dogs not exceeding thirty (30) pounds in weight apiece, or two (2) cats, or one such dog and one cat in combination, per unit, are permitted within individual units as long as such pets do not become a nuisance to others within the building. Personal pets shall not be kept outside at any time. If take outside, pets must be kept on a leash, and the owner of the pet shall immediately clean up, remove and dispose of, in a sanitary manner, any and all animal waste.

(f) There shall be no parking of automobiles, trucks or vehicles of any type upon any part of the property, including without limitation any streets or roads, except as shown for parking on the Condominium map or plat, or as permitted in writing by the Association's Board of Directors, or in a unit's garage. Violation of this provision shall permit the Board or any owner to remove the offending vehicle at the expense of the owner thereof. No commercial vehicles, campers, trailers, or vans shall be stored on or otherwise parked on any part or any street or road within the property except when temporarily engaged in transport or unless parked in a garage

or area designated for such purpose by the Board. For purposes of this Section, a 3/4-ton or smaller vehicle, commonly known as a pickup truck, shall not be deemed to be a commercial vehicle or truck. Recreational vehicles may be parked only in any area designated for such purpose by the Board. No mechanical work shall be performed upon any vehicle located upon the property unless performed in a garage, or as otherwise permitted by the rules of the Board.

(g) No abandoned vehicles or parts thereof shall be stored or parked upon any part of the property or upon the Association's deeded parkland, including but not limited to any residential street, road, alley or way of access within or adjacent to the property, but excluding any area designated for such purpose by the Board. In the event that the Board shall determine in its sole discretion that a vehicle is an abandoned vehicle, then a written notice describing the vehicle will be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or will be conspicuously placed on the unused vehicle (if the owner thereof cannot be reasonably ascertained), and if the unused vehicle is not removed within seventy-two (72) hours thereafter, the Board shall have the right to remove the vehicle at the sole expense of its owner. For the purpose of this provision, an "abandoned vehicle" is any automobile, truck, motorcycle, motor bike, boat, trailer, camper, motor home, housetrailer or other similar vehicle which can not be driven under its own propulsion, or which has not been moved for a period of ten (10) days or longer.

(h) No recreational vehicles, boats, snowmobiles, trailers, or inoperable vehicle shall be on the property for more than ten (10) days, unless kept in a unit's garage. No motorcycle, snowmobile, golf cart, or other recreational vehicle powered by internal combustion engine may be operated on the property except as might be hereafter authorized by the Association in writing. Vehicles shall be parked in the unit's garage, not on the lawn or landscaped area surrounding the unit. The Association may set, assess, and collect a fine not to exceed \$20.00 per day against the owners of any vehicles parked or operated in violation of this paragraph. Any funds so collected shall be placed in the general fund of the Association.

(i) Garage doors shall be kept closed at all times except when in immediate use for ingress or egress of motor vehicles and except when in immediate use for access to public utility meters which shall not be obstructed in any way whatsoever. Garages shall not be occupied or used for living areas. Mechanical garage door openers shall not be installed unless they contain vibration insulation mounts and meet any rules and regulations which may be imposed by the Board at any time.

(j) All garbage shall be deposited in, and only in, covered garbage collection receptacles provided by the Association. These collection receptacles are to be kept at the designated areas at all times with the exception of the day of garbage collection. The entire property of this Condominium shall be kept free from all trash and garbage and other accumulated materials. No individual garbage receptacles shall be maintained in open view by any of the unit owners or occupants. The Association may set, assess and collect a fine not to exceed \$20.00 per day against owners or occupants who violate this paragraph. Any funds so collected shall be placed in the general fund of the Association. In addition, the Association may hire an agent to collect garbage improperly disposed of, and charge the costs to owner or occupant responsible for such garbage.

(k) All clotheslines, equipment, garbage cans, service yards, wood piles, or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from the view of neighboring units or streets. Patios and balconies shall not be used as storage areas. Clothing, bedding or similar items shall not be displayed on any patio or balcony area.

(l) Each owner shall keep the interior of his unit and the common elements appurtenant thereto in a clean, sanitary and attractive condition and in good state of repair. All rubbish, trash or garbage shall be regularly removed from the property, and shall not be allowed to accumulate thereon. The Board may, in its discretion, enter into agreements or arrangements for common trash and garbage removal from all units.

(m) No fence or hedge shall be erected or maintained on properties hereinabove described without first having obtained written authority from the Association.

(n) No resident shall use excessive amounts of water, nor shall any owner create or discharge undue quantities of water or waste into the sewage and sanitation system.

Section 6.7: Additional administrative rules and regulations, relating to the details of the operation of Stoney Brook Village Condominiums, the use of the common elements, and/or the use of the Association's deeded parkland, may be adopted or amended by the Board of Directors at any regular meeting or at any special meeting called for that purpose.

Section 6.8: Any mortgagee or beneficiary of a trust indenture may file a copy of its mortgage or trust indenture with the Board of Directors through the President or the

manager, if any, and the Secretary-Treasurer shall record such information in the record of ownership of the Association. After the filing of the mortgage or trust indenture, the Board of Directors, through the President or any manager, shall be required to notify the mortgagee or beneficiary of any unit owner who is in default in the expenses for the administration of the Condominium and the mortgagee or beneficiary at its option may pay the delinquent expenses.

ARTICLE VII.

HOUSING FOR OLDER PERSONS

Section 7.1: The Condominium, the property, the buildings, and each of the units constitute, and are intended to be, "housing for older persons" as defined in the Montana Human Rights Act [§49-2-305(10), MCA], the Federal Housing For Older Persons Act of 1995 (H.R. 660, 104 P.L. 76), any applicable provisions of the Federal Fair Housing Act [42 U.S.C. § 3607(b)], any and all implementing regulations adopted pursuant to any of the same, and any amendments thereto. Therefore, each of the units shall be occupied by at least one person who is fifty-five (55) years of age or older, and no person under the age of forty-five (45) years shall occupy any unit except as the temporary guest or temporary visitor of a qualified occupant. (For purposes of this provision, "temporary" shall mean for a period of time not exceeding twenty-one total days out of any one hundred eighty (180) day period.) The Declarants and/or Association shall comply with all applicable requirements of the foregoing state and federal laws and regulations, as the same may from time to time be amended. Therefore, the Declarants and/or the Association shall provide the unit occupants with at least the minimum number(s) and/or type(s) of "significant facilities and services designed to meet the social and physical needs of older persons," as such facilities and services are defined and required by applicable law and/or regulation, for so long as such a provision or requirement remains a part of applicable state and/or federal law and regulation.

Section 7.2: Each unit occupant shall provide the Declarants and/or the Association with such proof or documentation of age, in the form of a sworn affidavit, as will enable the Declarants and/or the Association to affirmatively demonstrate, through

credible and objective evidence, that the requirements of the foregoing provisions, laws and regulations are being met. The Declarants and/or Association shall perform every act, and provide all documentation, necessary to affirmatively demonstrate to governmental agencies, through credible and objective evidence, that any and all lawful requirements, in regard to such housing for older persons, are being met.

Section 7.3: The Declarants and Association shall adopt and enforce appropriate policies and regulations to express the intent that the property, the buildings, and each of the units are housing for older persons and to maintain the same as such housing.

Section 7.4: Any and all advertising for sale, of the property and any of the units, shall expressly and consistently state that housing for older persons is being advertised and shall state that at least one occupant of each unit shall be fifty-five (55) years of age or older and that no person under the age of forty-five (45) years shall occupy any unit except as the temporary guest or temporary visitor of a qualified occupant.

ARTICLE VIII.

LIMITATION ON LIABILITY OF DIRECTORS AND OFFICERS

Section 8.1: No director or officer of the Association shall be liable for acts or defaults of any other officer or member or for any loss sustained by the Association or any member thereof unless the same has resulted from his own willful misconduct or gross negligence.

Section 8.2: Every director and officer of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including attorney's fees) actually and necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of his having been an officer of the Association whether or not he continues to be such director or officer of the Association at the time of incurring or imposition of such cost, expense, or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or gross negligence in the performance of his duties, or in the absence of such final adjudication,

any determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such person may be entitled as a matter of law and shall inure to the benefits of the legal representatives of such person.

ARTICLE IX.

FISCAL YEAR

Section 9.1: The fiscal year of the Association shall be from July 1 through June 30 of the following year.

ARTICLE X.

AMENDMENTS AND CONFLICTING PROVISIONS

Section 10.1: These By-Laws may be amended by the Association in a duly constituted meeting for such purposes, and no amendment shall take effect unless approved by the owners of at least seventy-five percent (75%) of the constructed units and until a copy of the By-Laws, as amended, certified by the presiding officer and Secretary-Treasurer of the Association is recorded in the Office of the Clerk and Recorder of Jefferson County, Montana; provided, however, that the content of these By-Laws shall always contain those particulars which are required to be contained herein by the Montana Unit Ownership Act and/or the Declaration.

Section 10.2: All provisions of the foregoing Section 10.1 shall be subject to Paragraph 12 of the Declaration which provides that the Declarants shall be entitled (but not required) to exercise control until forty-eight (48) units have been constructed and sold or until seven (7) years have elapsed from the date the first unit is sold, whichever is earlier.

Section 10.3: In the event of any conflict between these By-Laws and the provisions of the Declaration and Montana Unit Ownership Act, the latter shall govern and apply.

IN WITNESS WHEREOF, the undersigned, constituting the interim Chairman and Secretary-Treasurer of Stoney Brook Village Condominium Association, have executed this instrument as evidence of the adoption of the aforesaid By-Laws of the Association, this 30th day of Oct., 1998.

ATTEST:

Julie Oasmussen
INTERIM SECRETARY-TREASURER

David L Oasmussen
INTERIM CHAIRMAN

Subscribed and sworn to before me this 30th day of October, 1998.

Bonnie Ramey
Notary Public for State of Montana
Residing at Boulder, Mt.
My Commission Expires 10-30-1998

189658

State of Montana County of Jefferson
Recorded May 6 1999 at 8:45am
Book 155 Misc Page 110-119
By Bonnie Ramey Clerk & Recorder
Cap. Fee 120.00