PROPOSED
DECLARATION OF
PROTECTIVE PROPERTY RIGHTS
THROUGH THE
DOUBLE ARROW RANCH
LANDOWNERS ASSOCIATION
FOR TRAIL CREEK ADDITION

W I T N E S S E T H :

WHEREAS, Double Arrow Ranch Associates, Ltd., Double Arrow Ranch, Seeley Lake, Montana 59868, hereinafter referred to as Grantor, is the owner in fee simple of real property known as Double Arrow Ranch, hereinafter referred to as the Premises and more particularly described in Exhibit "A" attached hereto; and

WHEREAS, Grantor has subdivided said Premises into lots according to the plat thereof which has been given preliminary approval by the County Commissioners of Missoula County, Montana; and

WHEREAS, Grantor has deemed it desirable to create a corporate entity to which will be delegated and assigned the powers of maintaining, administering, and enforcing the covenants and charges hereinafter created; and

WHEREAS, Grantor has incorporated under the laws of the State of Montana, as a non-profit corporation, THE DOUBLE ARROW RANCH LANDOWNERS ASSOCIATION, for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, Grantor hereby makes, declares and imposes the following limitations, restrictions, regulations and uses upon and of such real property as restrictive and protective covenants running with the land and binding upon all present and future owners of any part of such real property, and further declares that each lot within the Premises is and shall be held, transferred,

sold, conveyed, and occupied subject to the restrictive and protective covenants, easements, charges, and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. Definitions as used herein, the following words and terms shall have the following meanings:

(a) Association" - THE DOUBLE ARROW RANCH LANDOWNERS ASSOCIATION.

(b) "Common Properties" - Those areas of land shown on any recorded plat of the Premises, including but not limited to, private access roads and common greens, except that this term shall not include (1) any platted lot unless the Association is the Owner thereof, and (2) any property which has been dedicated to and accepted by any public authority or body which has assumed the obligation to maintain the same.

(c) "Lot" - The parcels of land into which the property was divided as shown on any recorded plat of the Premises, with the exception of Common Properties as previously defined.

(d) "Structure" - Any construction erected or placed upon any lot, including but not limited to, parts of and additions to buildings, cisterns, walls, fences and other enclosures, television and other antennas, walks and driveways.

(e) "Owner" - The Record Owner (including without limitation the Grantor), whether one or more persons or entities, of the fee simple title to any lot except that (1) where a lot has been sold by Grantor under an agreement for deed, the buyer thereunder (provided he is not in default under said agreement), and not the Grantor, shall be deemed to be the owner, and (2) the term Owner shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure

or any proceeding in lieu of foreclosure.

ARTICLE II

LANDOWNERS ASSOCIATION

Grantors have established a landowners association known as "DOUBLE ARROW RANCH LANDOWNERS ASSOCIATION" the voting members of which association shall be the owners of record or purchasers under contract for deed of lands in any phase of "The Double Arrow Ranch Subdivision", subject to the condition that the declaration of covenants affecting each phase of the Subdivision shall remain intact and binding upon the Association as well as the lot owners affected thereby.

ARTICLE III

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing property: The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Missoula County, Montana, and is more particularly described in Exhibit "A" attached.

Section 2. Additional Property: So long as Grantor shall be entitled to all of the voting rights of the Association pursuant to Article IV of this Declaration, Grantor shall have the exclusive right, at its option, to subject additional property owned by it to this Declaration, provided such addition is approved by appropriate Missoula County Administrative Agencies.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. MEMBERSHIP: Every Owner shall be a Member of the Association, provided that (a) any person or entity who is merely holding an interest in a lot as security for the performance of an obligation shall not be a Member, and (b) the Grantor shall be a Member of the Association so long as it has any voting rights under Section 2 of this Article.

Section 2. VOTING RIGHTS: Until such time as the Grantor has conveyed by record deeds fifty (50%) percent of the total number of l.t.b. included in the Premises to others, the Grantor shall have all the voting rights of the Association and the other Members shall not be entitled to notice of or to vote at any meeting of Members. When Grantor has so conveyed such lots, every Member shall be entitled to notice of meetings and every lot shall be entitled to one vote in the business of such meetings which shall be cast by the Owner (including without limitation the Grantor) thereof. In the event that the Owner of any lot is comprised of more than one person or entity, such persons or entities shall determine between themselves how the vote for such lot is to be voted, but there shall never by any fractional voting with respect to any lot, nor more than one vote per lot; and if said common or joint owners do not unanimously agree on how their vote shall be voted, the Association at its option may refuse to recognize such vote.

ARTICLE V

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. TITLE TO COMMON PROPERTIES: The Grantor may retain the legal title to the Common Properties until such time as it has completed improvements thereon and it desires and is of the opinion the Association is able to maintain the same.

ARTICLE VI

ASSESSMENTS

Section 1. CREATION OF THE LIEN OF ASSESSMENTS: Each lot Owner (except the Grantor) hereby covenants and agrees to pay to the Association annual assessments, all such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual assessment, together with such interest thereon and costs of collection thereof as is hereinafter provided, shall be a charge and continuing lien upon the lot (except the lots owned

by the Grantor) against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as is hereinafter provided, shall be the obligation of the Owner (except the Grantor) of such lot from the date when such assessment becomes payable. However, the Grantor shall be subject to assessments for dust coating requirements in such amount as shall represent its proportionate share in said lots.

Section 2. PURPOSES OF ASSESSMENTS: The assessments levied by the Association shall be used for such purposes as are deemed desirable by the Association, as well as for dust coating and any other maintenance requirements on the roads, which roads until accepted by Missoula County in writing, shall remain in private ownership without dedication to or maintenance by the County.

Section 3. AMOUNT OF ANNUAL ASSESSMENTS: The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the annual assessment for each year.

Section 4. PAYMENT OF ANNUAL ASSESSMENTS: The assessments provided for herein shall be completed on a yearly basis, commencing on the 1st day of January of each year and terminating on the 31st day of December of the the same year. The assessments for any year shall become due and payable monthly, quarterly, annually and/or in advance, at the discretion of the Board of Directors of the Association. The Board shall fix the amount of the assessment against each lot for each assessment period at least thirty (30) days in advance of the due date specified herein and shall at that time, prepare, a roster of the properties and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to

inspection by any Owner. Written notice of the assessment shall thereupon be sent to every Owner subject thereto. The amount of the assessment which may be levied on any lot initially purchased shall be prorated in proportion to the total assessment for the entire year.

Section 5. EFFECT OF NON-PAYMENT OF ASSESSMENT: If the assessments are not paid by midnight on the date when due (being the date specified in Section 6 hereof), then such assessment shall become delinquent and shall, together with any interest thereon, become a continuing lien on the lot which shall run with the land. If the assessment remains unpaid for thirty (30) days after such due date, the assessment shall bear interest from the due date at the maximum annual percentage rate permitted by law but not in excess of ten per cent (10%). The obligation of the then Owner to pay any assessment or interest shall not be affected by any conveyance of transfer of title to said lot. The Association may bring an action at law against the Owner obligated to pay the same and/or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of collecting the same for foreclosing the lien thereof, including reasonable counsel fees.

Section 8. EXEMPT PROPERTY: The following property subject to this Declaration shall be exempted from the assessments, charge, and lien created herein:

(a) All properties to the extent of any easement or other interest therein dedicated to and accepted by the local public authority and devoted to public use;

(b) All common properties;

(c) All properties exempted from taxation by the laws of the State of Montana, upon the terms and to the extent of such legal exemption as such exemption may exist from time to time.

ARTICLE VII

GENERAL RESTRICTIONS AND COVENANTS

Section 1. GENERAL PURPOSES: These covenants are made for the purpose of creating and keeping the Premises, insofar as is possible, desirable, attractive, beneficial and suitable in architectural design, materials and appearance; and guarding against any unnecessary interference with the natural beauty of the Premises; all for the mutal benefit and protection of the owners of lots within the Premises.

Section 2. USES AND ZONING: All lots within the Premises except the Common Properties shall be known and described as residential lots and no business, trade, or commercial activity of any type or description shall be conducted thereon. Property usage shall conform to the zoning restrictions of Missoula County, as well as those of the Grantor. In the event of any conflict, Missoula County regulations shall prevail.

Section 3. CONSTRUCTION: All construction on or within the Premises shall be diligently prosecuted to completion and shall in any event be completed within twelve (12) months of commencement unless specific written extension is given by Grantor. No construction materials shall at any time be placed or stored so as to impede, obstruct, or interfere with pedestrian or vehicular traffic.

Section 4. BUILDING CODE: All buildings of every sort constructed within the Premises shall conform to the local building code in effect at the time of construction, and if none exist, shall conform to the requirements set forth by the Architectural Committee. Any and all external construction to any buildings on the Premises shall be approved in advance by the Architectural Committee. This includes any change in exterior materials or colors on all buildings, sheds, fences, etc.

Section 4A: No lots within the Premises shall be fenced without the express permission of the Architectural Control Committee

or the Landowners Association.

Section 5. PARKING: No vehicles shall at any time be placed or parked so as to impede, obstruct or interfere with pedestrian or vehicular traffic along any road or right-of-way within the Premises.

Section 6. EASEMENT RESERVATIONS: Grantor shall have, and does hereby reserve the right to locate, install, erect, construct, maintain, and use, or authorize the location, installation, erection, construction, maintenance, and use of drains, sewers, electric lines, telephone lines, and other utilities, and to give or grant a right-of-way easement, not more than twenty (20) feet in width therefore (a) over any part of the Common Properties, and (b) over any part of any lot within the Premises providing that such location, installation, erection, construction, maintenance, and use is harmonious with the development of the Premises. In addition, the Premises is subject to easements and right-of-way for roads as shown or described on any recorded plat of the Premises. All such road easements shall include a corresponding easement for any utilities, bridle paths, pedestrian traffic, skiing, or other service.

Section 6A: Grantor reserves ownership of all surface water rights on the Double Arrow Ranch property to be used by grantor and developer for the benefit of the lands retained by developer and for the general use of the subdivided lands within the Double Arrow Ranch as may be directed by the Architectural Control Committee or the Board of Directors of the Landowners Association. If a water district or a water company is formed on any area of the Double Arrow Ranch, such water district or water company shall have first preferencial rights to water available from such water rights.

Section 6B: Grantor shall have, and does hereby

reserve the right to locate, install, erect, construct, maintain, use or authorize the location, installation, erection, construction, maintenance and use of irrigation flumes, ditches, culverts, pipes, lines for the use of irrigating common areas, filling or draining ponds, lakes or streams.

Section 7. INGRESS AND EGRESS: Grantor retains rights of ingress and egress to, upon, and from the premises for purposes of locating, installing, erecting, constructing, maintaining or using drains, sewers, electric lines, telephone lines, and other utilities.

Section 8. WATER AND SEWAGE DISPOSAL SYSTEMS: No structure within the Premises shall be used for occupancy by human beings without first having complied with the laws of the State of Montana and any rules or regulations prescribed under the Montana Water Users Act, or the County of Missoula now or hereafter in effect in regard to water supply and sewage disposal systems.

Section 9. TRASH AND GARBAGE: No trash, garbage, or other refuse shall be thrown or dumped on any land within the Premises. There shall be no burning of refuse out of doors except as may be approved by both the Missoula County Health Department and the Grantor. This shall not be construed to prohibit or deny the installation and use of wood burning fire-places or barbecue pits. Each property owner shall provide suitable receptacles for the temporary storage and collection of refuse and all such receptacles shall be screened from the public view and protected from distrubance.

Section 10. SIGNS: No sign, billboard, or other advertising structure of any kind shall be erected or maintained in any portion of the Premises for any purpose whatsoever, except such signs as have been approved in advance by Grantor.

Section 11. ENVIRONMENT: Every attempt shall be made to preserve and protect the environment indigenous to the area. Disturbance, destruction, or damage to any plant life, animal life, or their natural habitats is forbidden except where absolutely necessary for the placement or construction of improvements on the land, or for proper and orderly development of the Premises. All area disturbed by construction or other human activity shall be returned promptly to their natural condition and replanted with active plant life except where otherwise utilized for lawns, gardens, or exterior living areas. Living trees naturally existing upon a lot shall not be cut, trimmed, or removed from the Premises, except as approved in advance by the Grantor.

Section 12. MINING: No mining, quarrying, excavation, drilling, or other such activity shall be allowed within the Premises except as may be necessary in connection with the construction or placing of improvements thereon.

Section 13. TEMPORARY DWELLINGS: No trailer, mobile home, camper, or tent shall be used within the Premises as a residence, a place of habitation, or for sleeping in excess of thirty (30) days without prior approval of the Grantor.

Section 14. NUISANCE AND FIREARMS: No noxious or offensive activity shall be conducted within the Premises; nor shall anything be done or permitted which shall constitute a public nuisance therein; nor shall any livestock be kept on the Premises at any time, except for horses, which may be allowed on a temporary basis; nor shall any firearms be discharged within the Premises except in those areas which may be designated by the Grantor for such purpose.

Section 15. FURTHER SUBDIVISIONS: There shall be no further subdivision of the lots within the Premises without the prior written consent of the Grantor, except that lots 53 and 110 may be subdivided one time, and one time only, subject to all State and County regulations concerning further subdivision.

Section 16. DISTRICTS: Each present or future Owner of property within the Premises shall be deemed to have waived any right to object to the formation of one or more Local Improvement or Service Districts which include such Owner's land, and also to have waived any right to join in any action opposing the formation of such a District. Each Owner shall be deemed to support the formation and operation of any such District for the mutual protection of property Owners of all parts of the premises.

Section 17. FIRST REFUSAL: Should the Owner (except the Grantor) of any lot within the Premises receive an offer to purchase such lot and be desirous of accepting said offer, he shall first submit such offer in writing including the terms thereof and the name and address of the offerer to the Grantor, who shall then be given not less than two (2), nor more than seven (7), business days after receipt thereof to agree to purchase the property itself on said terms. Should the Grantor choose not to exercise its right of first refusal, the Owner of such lot shall be free to sell to said offerer, and no other, at the price offered or at a higher price. The Grantor shall not be deemed to have waived its rights hereunder as to subsequent sales of any lot or lots by virute of its failure to exercise its right of first refusal on any previous sale of said lot or lots.

Section 18. APPROVALS BY THE GRANTOR: The approvals by the Grantor provided for herein may be given by the Grantor, its duly authorized agent, its successors or assigns, or a committee appointed by the Grantor, until the authority to give such approvals shall be transferred by the Grantor, its successors, or assigns to the Association.

Section 19. EFFECT AND DURATION OF COVENANTS: The conditions, restrictions, stipulations, agreements, and covenants contained herein shall be binding upon each lot within the

premises and each Owner of property therein, his successors, representatives, and assigns, and shall continue in full force and effect until January 1, 2000, at which time they shall be automatically extended for successive periods of ten (10) years, each, unless otherwise terminated or modified in accordance with the provisions of Section 20 of this Article.

Section 20. AMENDMENT: The conditions, restrictions, stipulations, agreements, and covenants contained herein shall not be waived, altered, abandoned, terminated, or amended in whole or in part except by written consent, duly recorded within the office of the Clerk and Recorder, Missoula County, Montana, of the Owners of seventy-five (75%) percent of the privately owned land included within the boundaries of the Premises. Such consent may be given by a vote of the Members at a meeting thereof held after not less than thirty (30) days prior written notice of such meeting and the purpose thereof has been sent by Certified Mail, return receipt requested, to the last known address of record of each such Member. The Grantor reserves the right to grant variances to any of the provisions in this Declaration where, in its descretion, it believes the same to be necessary and where the same will not be injurious to the rest of the Premises, except that no variance affecting roads, lot size, or other such variance shall be granted by Grantor without prior written approval by the appropriate County offices.

Section 21. ENFORCEMENT: In the event of any violation or threatened violation of these covenants, the Grantor, the Association, or any Owner of real property within the Premises may enforce these covenants by proceedings at law or in equity, including the seeking of injunctive relief and damages. In association with such legal proceedings or as a separate remedy,

the Grantor, the Association or such Owner may enter upon the property in question and remove, remedy or abate the violation or threatened violation after first having given proper notice and a reasonable opportunity for the violator to take action himself to comply with these covements. Such notice shall be in writing and shall specify the violation or threatened violation, identify the property, demand compliance with the terms and conditions of these covenants, and state the action which will be taken if the violation or threatened violation is not abated, remedied, or satisfied. If such notice cannot be personally served after a reasonable effort to locate the person or entity to be served, service may be had by posting a copy of such notice at a conspicuous place on the property which is the subject of such violation or threatened violation and mailing a copy of the notice by Certified Mail, return receipt requested, to the last known address of record of the violator. Such notice must further provide for a period of fourteen (14) days from the date of personal service of such notice, or twenty-eight (28) days from the date of posting and mailing of the same, within which time compliance can be had with these covenants before any self-help, abatement, entry, or legal proceedings can be commenced. No representatives of the Grantor, the Association or the property Owner shall be liable to any person or entity for any proceedings provided for in this Section, and all property Owners shall be deemed to have waived any and all rights to or claims for damages for any loss or in[illegible]y resulting from action taken und[illegible] the terms and conditions of the Section. However, exception to the above shall exist for loss, injury, or damage resulting from intentionally wrongful acts. Actual costs, expenses, and reasonable attorney's fees incurred in connection with correcting remedying, abating, preventing, or removing any violation or threatened violation of these covenants either through litigation, entry, or self-

help, shall constitute a claim by the Grantor or the property Owners initiating such action against the Owner of the subject property. Such claim shall not, however, exceed Five Thousand ($5,000.00) dollars for any one claim. Such claim shall be enforceable through appropriate court action. The person or entity making such claim may file a lien against the subject property in the amount of and for the collection of the claim by filing a verified statement of the lien with the office of the Clerk and Recorder, Missoula County, Montana. Such lien statement must set forth the names of the claimant and the Owner of record of the property against which the lien is claimed, a description of the property, the amount of the claim, the date of the claim and a brief statement of the manner in which the costs and expenses constituting the claim were incurred. Once filed, the lien shall remain of record as a claim against the property until paid in full or foreclosed in the manner provided by law, subject to rights of redemption.

Section 22. SEVERABILITY: A determination of invalidity of any one or more of the covenants or conditions of this Declaration by judgement or court order or decree shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

Section 23. LIABILITY OF THE GRANTOR: The grantor shall have no liability for any of its actions or failures to act, or for any actions or failures to act of the Association or any Owners of property within the Premises. The relationship between the Grantor, the Association, and the property Owners shall be deemed to be that of independant contractors, and not that of principal and agent, partnership, or joint venture. In addition, the Grantor shall have no liability or obligation under this Declaration to any person or entity except such

liabilities and obligations as the Grantor has expressly assumed herein.

DOUBLE ARROW RANCH ASSOCIATES, LTD.

By John M. Trippe

ATTEST:

Rue Paula Trippe

STATE OF MONTANA)
County of Gallatin)

On this 2nd day of Sept, 1977, before me the undersigned, a Notary Public for the State of Montana, personally appeared John M. Trippe, known to me to be the Individual General Partner of DOUBLE ARROW ASSOCIATES, LTD., a Montana limited partnership, and acknowledged to me that he executed the within and foregoing instrument for and on behalf of said partnership.

IN WITHNESS WHEREOF, I have hereunto set my hand and affixed my Norarial Seal the day and year in this certificate first above written.

LOIS J. ANDERSON NOTARIAL SEAL STATE OF MONTANA

Lois J. Anderson

Notary Public for the State of Montana.
Residing at Bozeman, Montana
My commission expires

NOTARY PUBLIC FOR THE STATE OF MONTANA
RESIDING AT BOZEMAN, MONTANA
MY COMMISSION EXPIRES DECEMBER 7, 1978

I received and filed this instrument for record on the 21 day of Sept 1977 at 8:58 o'clock A.M. and it is recorded in Vol. 104 of Micro Records of the County of Missoula, State of Montana, on page 724 Fee 20.00 Paid ok Return to Life of Mt. Drug Co. Witness my hand, Roberta Frank, County Recorder By [illegible] Deputy
Bozeman, Mt. 59715

AMENDMENT TO DECLARATION OF PROTECTIVE PROPERTY
RIGHTS THROUGH THE DOUBLE ARROW RANCH
LANDOWNER'S ASSOCIATION FOR TRAIL CREEK ADDITION

Article VI, Assessments, is hereby amended as follows:

Section 2. Purpose of Assessments:

The assessments levied by the Association shall be used for such purposes as are deemed desirable by the Association, as well as for annual oil dust coating, snowplowing and any other maintenance requirements on the roads, which roads shall remain in private ownership without dedication to or maintenance by the County.

DOUBLE ARROW RANCH ASSOCIATES, LTD.

By John M. Trippe

Attest:
Rue Rank Trippe

STATE OF MONTANA)
) ss.
County of Gallatin)

On this 7th day of December, 1977, before me the undersigned, a Notary Public for the State of Montana, personally appeared John M. Trippe, known to me to be the Individual General Partner of DOUBLE ARROW ASSOCIATES, LTD., a Montana limited partnership, and acknowledged to me that he executed the within and foregoing instrument for and on behalf of said partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Robin Niswanger
Notary Public for the State of Montana
Residing at Missoula
My Commission Expires: March 17, 1979

NOTARIAL SEAL

414387

I received and filed this instrument for record on the 21st day of Dec 1977 at 1:25 o'clock P. M. and it is recorded in Vol. 109 of Micro Records of the County of Missoula, State of Montana, on page 1156 Fee 2.00
Paid ca Return to Dennis Lind Witness my hand, Roberta Frank, County Recorder
Address Outlaw Fuller & McDonald By M. McConaughey Deputy

AMENDMENT TO DECLARATION OF PROTECTIVE PROPERTY
RIGHTS THROUGH THE DOUBLE ARROW RANCH
LANDOWNER'S ASSOCIATION FOR PHASE VI
TRAIL CREEK ADDITION

Article VI, Assessments, is hereby amended as follows:

Section 2. Purpose of Assessments:

The assessments levied by the Association shall be used for such purposes as are deemed desirable by the Association, as well as for annual oil dust coating, snowplowing and any other maintenance requirements on the roads, which roads shall remain in private ownership without dedication to or maintenance by the County.

DOUBLE ARROW RANCH ASSOCIATES, LTD.

By John M. Trippe
General Partner

STATE OF MONTANA)
) ss.
County of Gallatin)

On this 8th day of February, 1978, before me the undersigned, a Notary Public for the State of Montana, personally appeared John M. Trippe, known to me to be the General Partner of DOUBLE ARROW RANCH ASSOCIATES, LTD., a Montana limited partnership, and acknowledged to me that he executed the within and foregoing instrument for and on behalf of said corporations.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

LEIS J. RUEB
NOTARIAL SEAL
STATE OF MONTANA

Leis J. Rueb
Notary Public for the State of Montana
Residing at
My Commission Expires:

NOTARY PUBLIC FOR THE STATE OF MONTANA
RESIDING AT BOZEMAN, MONTANA
MY COMMISSION EXPIRES DECEMBER 7 1979

Attached is a notarized copy of the amended language intended to replace Section 2 of Article VI, appearing as a part of the Declaration of Protective Property Rights through the Double Arrow Ranch Landowners' Association for Phase VI, recorded in Volume 104, Page 710 with your office.

The accompanying amendment appears on page 714, Volume 104. Please record it. Thank you.

417421

I received and filed this instrument for record on the 14 day of Feb 19 78 at 10:00 o'clock A M. and it is recorded in Vol. 112 of Micro Records of the County [illegible] 819 [illegible] 200
Part Cl Return to Life of Mt. Dev. Co. [illegible]
Address Life of Mt. Bldg. By Bill L Bean Deputy
Bozeman, Mt. 59715

BYLAWS OF
DOUBLE ARROW RANCH LANDOWNERS ASSOCIATION
(AS AMENDED)

Phases IA, III, IV, V, VI, VII & VIII **A Montana Non-Profit Corporation**

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Missoula County Vickie M Zeier BL

ARTICLE I.
Meetings of Members and General Voting Rights

Section 1. Time and Place of Meetings. The annual meeting of members (landowners) shall be held at the registered office of the Association at Seeley Lake, Montana, or at such other place within the State of Montana as the Board of Directors may from time to time designate, on the Saturday of Labor Day Weekend of each year, or at such other time as the Board of Directors may fix prior to the notice of such meeting.

Special meetings of the members may be held at the same place or places as the annual meeting and shall be called by the President or Secretary upon direction of the Board of Directors or upon written application of 5% of the members, said application to be directed to and certified by the Secretary or a member of the Board of Directors within 5 business days. These special meetings shall be called within 30 days of the certification of the receipt of this application.

Section 2. Notice of Meetings. Notice of each meeting of members shall be given to each member entitled to vote at such meeting, not less than ten (10) or more than thirty (30) days before the day on which the meeting is to be held, unless some other period of time is required by statute for any particular corporation action that may necessitate members' approval. Notice shall be given by mailing to each member, postage prepaid, a written or printed notice thereof, addressed to the member at the member's last known address appearing on the books of the Association, or if approved in writing by the member, via electronic mail. Deposit of the notice in the United States Post Office official depository, or transmission of electronic mail shall constitute giving timely notice of mailing, if deposited or transmitted not less than ten (10) or more than thirty (30) days before the day on which the meeting is to be held. Such notice shall include a description of the matter or matters for the meeting. The notice shall also state a matter a member intends to raise at the meeting if:

(a) requested in writing to do so; and

(b) the request is received by the secretary or president at least 10 days before the notice of the meeting.

Unless otherwise required by statute, notice of any adjourned meeting of members need not be given, provided, however, in the event such meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

Section 3. Quorum. At each meeting of members, those members of the Association present, either represented in person or by proxy, entitled to vote at such meeting, shall constitute a quorum for the transaction of business, unless by statutory requirement a greater majority is necessary.

Section 4. Qualifications for Membership. Every owner of property in the Double Arrow Subdivision in Missoula County, Montana, shall be a member of the Association, provided that any person or entity who is merely holding a lot as security for the performance of an obligation shall not be a member.

Section 5. Voting. Except as may otherwise be required by law, each member, whether an individual or corporate entity, shall be entitled to only one vote per lot tract on all resolutions, elections and other matters presented to the members. In the event that the owner of any lot is comprised of more than one person or entity, such persons or entities shall determine between themselves how the vote for such lot is to be voted, but there shall not be any fractional voting with respect to any one lot nor more than one vote per lot, and if said common or joint owners do not unanimously agree on how their vote shall be voted, the Association, at its option, may refuse to recognize such vote. Any person acting in a representative or judicial capacity may represent the member at all meetings of members and may vote thereon as a member. No owner is entitled to vote who has an outstanding financial obligation to the Association. A simple majority (see Section 3) represented at a meeting or a simple majority of votes cast in a mailed solicitation shall be sufficient to pass motions or approve resolutions, unless by statutory requirement a greater majority is necessary.

Section 6. Proxies and/or Power of Attorney. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary no later than one week prior to the appointed time of the meeting. Each proxy shall be valid through the date indicated on the proxy. All proxies must be on the approved DARLOA proxy form and an expiration date must be indicated. Every form of proxy or written ballot, which provides for an opportunity to specify approval or disapproval with respect to any proposal, shall also contain a space marked "abstain". Anyone holding a power of attorney can exercise such to vote for a member, as long as they meet the same standards as above and for the duration of the power of attorney.

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Missoula County Vickie M Zeier BL

ARTICLE II
Board of Directors

Section 1. General Powers. The business affairs of the Association shall be managed by the Board of Directors. The Board of Directors shall have the exclusive authority to employ and discharge all employees, agents and contractors.

Section 2. Number, Qualifications and term of Office. The number of directors shall be seven (7). Election of directors shall be arranged so that approximately one-third of the directors shall be elected each year. Each of such directors shall serve for a term of three years, or until a successor shall have been elected and qualified, or until he or she shall have resigned or shall have been removed in the manner provided in this Article II. Qualifications for office shall be the same as those pursuant to Article I, section 4. Newly elected directors shall be installed at the conclusion of the Annual Meeting. The first meeting of the Members of the Board of Directors shall be held within five (5) days after the annual meeting for the express purpose of election of officers. The time and place of this meeting will be announced at the annual meeting.

Section 3. Election of Directors. At least 90 days, but not more than 120 days prior to the annual meeting date (AMD) the membership will be notified in writing (or via electronic transmission if so agreed to by the member) of the board positions and partial term positions to be filled in the current year. The membership will be asked to submit nominations (including a brief biographical sketch and position statement for each nominee as well as a disclosure of any potential conflicts of interest) in writing to be received no later than 60 days prior to the AMD. A ballot listing all

nominations will be mailed to all members no later than 30 days prior to the AMD. To be counted in the election all ballots must be returned no later than 7 days prior to the AMD. Those nominees receiving the most votes (in a numerical rank ordering of votes received) will be declared winners of the election. Of those nominees elected, those receiving the most votes will be awarded the full terms and those receiving the fewest votes will be awarded any partial term(s). In the event of a tie vote the membership will decide the outcome by a simple majority of votes cast by written ballot at the annual meeting. Results of the election will be announced at the annual meeting and in writing or, if approved in writing by the member, via electronic mail, to the general membership no later than 90 days following the annual meeting date. All ballots received will be maintained on file and available to the membership for review for one (1) year following the annual meeting date, after which time they shall be destroyed. The board of directors will provide adequate monies to fund the election process as defined by the election commission. Items to be covered include: printing, posting, collection, and counting of ballots.

Section 4. Elections. The Board of Directors shall establish procedures for review of ballots that will protect the privacy of landowners and maintain the integrity of the voting process. These procedures shall be reviewed each year by the Election Commission and any changes must be approved by the Board of Directors, and implemented by the Election Commission.

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Section 5. Resignations. Any director may resign at any time by giving written notice of such resignation to the President or any other officer of the Association. Such resignation shall take effect upon receipt thereof by any such officer. Any director who ceases to own property in the Double Arrow Subdivision or who misses two or more meetings of the Board of Directors within a one year period without valid reason (which shall be determined by the Board of Directors), shall be deemed to have resigned. Any director, who resigns or has been recalled, is disqualified from serving on the Board of Directors for 2 years from the date of resignation or recall.

Section 6. Removal of Directors. A director elected by members may be removed by the members only at a meeting called for the purpose of removing the director. The member(s) may remove one or more directors from office with or without cause. The member(s) shall allow the affected director(s) five (5) calendar days from receipt of the notice of recall to review the request for recall. The affected director may mail a rebuttal at their own expense. The member(s) seeking the recall shall be responsible for all costs incurred in meeting the requirements for proceeding with the recall. The Association will provide the most current mailing list in hard copy or electronically only when requested in writing. At least 5% of the members must return a signed form requesting a meeting for the purpose of recall. If this condition is met, the Secretary will certify that the application meets all guidelines and set a date for the special meeting to be held no later than 45 days following the certification. The meeting notice must state that the purpose or one of the purposes of the meeting is removal of the director. This special meeting must be separate from the Annual Meeting or a Board of Director's meeting. The Association will be responsible for all costs in the notification to members of this special meeting. The final decision on the recall will be made at this special meeting and a simple majority represented will constitute the outcome of the recall.

Section 7. Vacancies. If any vacancy shall occur in the Board of Directors by reason of death, resignation, disqualification, removal or otherwise, the remaining directors shall promptly act to fill such vacancy. Upon receipt and after review of

biography(s), position statement(s) and disclosure(s) of any potential conflicts of interest, such vacancy or vacancies will be filled by the affirmative votes of a majority of the remaining directors, cast via secret ballot to be counted by either the Secretary or, in the absence of a Secretary, by the President. The minutes will reflect the newly appointed director(s) and the term of their office. The newly appointed Director's term of office shall be until the next annual meeting date. If such an appointment occurs after the deadline to submit nominations for the election of that calendar year, the appointed Director shall serve until the AMD of the next calendar year and the next full election process.

Section 8. Quorum. A quorum shall be four (4) directors.

Section 9. Voting. A simple majority of the quorum present at meetings of the Board of Directors shall be sufficient to pass motions or approve resolutions.

Section 10. Meetings. The Board will establish a schedule of regular meetings. An officer or a quorum of directors may call for special meetings of the Board. No member shall be deprived of the right to observe the deliberation of the Board of Directors at special or scheduled meetings of the Board of Directors except in cases which:

(1) The demand of individual privacy exceeds the merits of public disclosure: and
(2) Matters relating to personnel decisions or potential or pending litigation is to be considered.

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Section 11. Emergency Meetings. In the event that any officer of the Association believes that an emergency situation exists which in his or her discretion requires immediate action by the Board of Directors, in order to prevent irreparable harm to the interests of the Association, the Board shall have the power to waive all notice requirements of any kind and to immediately call an emergency meeting. If necessary, the meeting may be conducted by teleconference, and a simple majority vote by the Board will constitute Board approval or disapproval of any action. Such Board action shall include but not be limited to the right to seek a court order to restrain unwarranted or unauthorized lot changes or construction upon lots. In the event the Association successfully obtains such a court order or any affirmative relief, it shall recover reasonable attorney's fees and all expenses and costs necessary to obtain the order or relief, in addition to all recoverable damages as applicable. Any violator of the Bylaws of the Association or of the Declaration of Protective Rights through the Double Arrow Ranch Landowners Association may also be liable, at the discretion of the court, to pay treble the sum of the actual monetary damages, or a fine, or both to the Association, for intentional or grossly negligent violation of any such covenant or Bylaw.

Section 12. Actions Requiring Membership Approval. The Board of Directors shall not take any of the following actions except with the written consent of a two-thirds majority of the total votes cast by ballot by the members of the Association.

1. Incurring additional aggregate expenditures (over budgeted expenses) in any fiscal year in excess of $25,000 (excluding emergency expenditures).
2. The sale or purchase of any real property on behalf of the Association.

ARTICLE III.
Election Commission

The Double Arrow Association shall establish an Election Commission each year for the specific purpose of election coordination and oversight. The Election Commission shall be made up of three members with a term of one year. The chair of the commission shall be a member of the Board, not up for re-election, and appointed by the Board. The other two members and an alternate shall be elected from the general membership each election cycle. Nomination processes and ballot processes for this election shall be the same as, and shall be in concert with, the election of the Board of Directors. The Election Commission shall follow the guidelines as recommended by the Commission and approved by the Board of Directors.

ARTICLE IV.
Committees

Section 1. Creation, Control & Dissolution The Board of Directors may appoint committees consisting of landowners in good standing to exercise delegated powers of the Board. These committees can be either permanent, function oriented or special, task oriented committees. The Board shall:

a) Define the title, purpose and authority of each committee
b) Specify the start date and the intended duration of each committee
c) Select committee members
d) Appoint the chairperson who may or may not be a member of the board of directors.
e) Dissolve committees but not the Roads, Architectural Control, or Fire Safety Committees.
f) Remove members or chairpersons.

It shall be the responsibility of the Committee Chairs to:

a) Define committee operating procedures and number of members
b) Keep the Board of Directors advised on work progress
c) Make recommendations for the addition and/or removal of members. The Committee Chair shall present all nominations for committee members to the Board of Directors
d) Become and act as the authority in the assigned areas of responsibility, making recommendation to and advising the Board in these areas
e) Responsible for providing committee minutes to the Secretary prior to the next scheduled meeting for review.

Section 2. Architectural Control Committee. This permanent committee shall have the power and the duty to review all plans and specifications for site development or buildings which are required to be submitted by virtue of the Declaration of Protective Property Rights affecting the lands of Double Arrow (Article VII Architectural Control Guidelines).

Section 3. Road Committee. This permanent committee shall have the power and the duty to maintain, or cause to be maintained, all roads within the purview of

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the Association by virtue of the Declaration of Protective Property Rights (Article VI Assessments). This shall include grading, graveling, snow plowing, ditching, bridge maintenance, installation and maintenance of culverts, dust control, signing, weed control, and other projects as approved by the Board. The Committee shall seek grant(s) for committee projects and, if approved by the Board of Directors, administer such grants. The Committee shall undertake to obtain cost estimates and to negotiate contracts for the performance of such work, provided, however, that such contracts are subject to final approval by the Board of Directors.

Section 4. Fire Safety Committee. This permanent committee shall have the power and the duty to review all timber related plans and specifications, which are required to be submitted by virtue of the Declaration of Protective Property Rights affecting the timber of Double Arrow (Article VIII, Section 11. Environment). This shall include reviewing and approving landowners' proposals for creating defensible space around structures, thinning lots, and formulating and proposing for Board approval commons thinning and roadside clearing projects. The Committee shall seek grant(s) for fire mitigation and, if approved by the Board of Directors, administer such grants.

Section 5. Parks and Resources Committee. The Parks and Resources Committee plans and maintains the various common areas within the subdivision; as well as protects and maintains other association resources. The concern and activity of this committee extends also to matters of water shed, forest management and fuel mitigation within the common areas. This committee works to develop services and structures, which allow low impact usage of our common areas and subdivision through exercise, recreation, and nature appreciation by landowners and guests. Forest management and fuel mitigation within the commons area will require an approved fire safety application.

Section 6. Hospitality Committee. The purpose of the Hospitality Committee is to: welcome and assist new landowners; organize informational and social gatherings for landowners; encourage participation in all activities and committees of DARLOA; and provide updated information on landowners to the DARLOA office.

Section 7. Special Committees. The Board of Directors may appoint committees from time to time to work and serve on special projects deemed appropriate by the Board of Directors. Special Committees will be charged with completing those tasks designated by the Board of Directors, and shall serve for the purposes and time designated by the Board at the time said committees are created.

ARTICLE V.
Officers

Section 1. Kinds of Officers. The officers of the Association shall consist of a President, a Vice-President, a Secretary, and a Treasurer (or a Secretary/Treasurer).

Section 2. Election, Term of Office, and Qualifications. Each officer shall be elected by the Board of Directors and shall hold office until the next annual meeting of the members and/or until a successor shall have been elected or qualified or until his or her death or until he or she shall have resigned or shall have been removed

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as provided in Article II. Qualifications for office shall be the same as those pursuant to Article I, Section 4, except that an officer must also be a director. The Board of Directors may remove any officer at any time with or without cause.

Section 3. Resignations. Any officer may resign at any time by giving written notice of such resignation to the Board of Directors or the Secretary of the Association. Unless otherwise specified in said written notice, such resignation shall take effect upon acceptance thereof by the Board of Directors.

Section 4. President. The President shall be the chief executive officer of the Association. Subject to the direction of the Board of Directors, the President shall have general charge of the business affairs and property of the Association and general supervision over its officers, employees, agents and contractors. If present, he or she shall preside at all meetings of the members and of the Board of Directors. In the absence of the President, the Vice-President shall execute said duties. The President may sign with any other officer hereunto duly authorized, in the name of the Association, such agreements and other instruments as shall be duly authorized by the Board of Directors, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent. The President shall report monthly to the Board of Directors all matters within his or her knowledge which the interests of the Association may require to be brought to their attention. The President shall also perform such other duties as are given to him or her by these Bylaws or as from time to time may be assigned to him or her by the Board of Directors. The president is authorized to expend up to $250 (two hundred and fifty dollars) at his discretion per item without prior approval by the Board of Directors. Expenditures of this nature will be itemized in the subsequent monthly President's report at the Board of Directors meeting.

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Section 5. Vice-President. The Vice President shall be the chief executive officer of the Association, in the absence of the President. Further, in the event the President is absent or is unable to serve, the Vice President shall execute the duties of the President as set forth in Section 4 herein, and shall further perform those tasks and duties designated by the Board of Directors.

Section 6. Secretary. The Secretary shall:

(a) Cause all notices to be duly given in accordance with the provisions of these Bylaws and as required by statute;
(b) Whenever any committee shall be appointed in pursuance of a resolution/motion of the Board of Directors, furnish the Chairman of such committee with a copy of such resolution/motion;
(c) Safeguard, or cause to be safeguarded, the seal of the Association and cause such seal to be affixed to all instruments the execution of which on behalf of the Association under its seal shall have been duly authorized;
(d) See that the lists, books, reports, statements, and other documents and records required by statute are properly kept and filed.
(e) Record, or cause to be recorded, all the proceedings of the meetings of members and the Board of Directors in a book or books to be kept for that purpose;
(f) See that the minutes of the committees are properly kept and filed.

(g) Safeguard, or cause to be safeguarded, the official corporate records concerning all meetings of the members, Directors, and Committees.

Section 7. Treasurer. The Treasurer shall:

(a) Have charge of, supervision over, and be responsible for the funds, securities, receipts and disbursements of the Association;

(b) Cause the monies and other valuable effects of the Association to be deposited in the name and to the credit of the Association in such banks or trust companies or with such bankers or other depositories as shall be selected by the Board of Directors or to be otherwise dealt with in such a manner as the Board of Directors may direct;

(c) Cause the funds of the Association to be discharged by checks or drafts upon the authorized depositories of the Association, the same to be drawn in the manner and by the officers to be determined from time to time by the Board of Directors, and cause to be taken and preserved proper vouchers for all monies disbursed;

(d) Render, or cause to be rendered, to the members of the Board of Directors, a monthly statement of the financial condition of the Association and all of his or her transactions as Treasurer;

(e) Cause an independent audit of the books to be rendered at a minimum of every 5 years.

Section 8. Check signing restrictions. Checks that exceed $1000 will require the signature of two Board Officers. No Director may sign a check made payable to him/herself.

ARTICLE VI.
Indemnification of Directors and Officers

Every person who now is or hereafter shall be a director or officer of the Association shall be indemnified by the Association against costs and expenses (including counsel fees) actually and necessarily incurred by or imposed upon him or her in connection with or resulting from any action, suit, or proceeding of whatever nature to which he or she is or shall be made a party by reason of his or her being or having been a director or officer of the Association (whether or not he or she is a director or officer of the Association at the time he or she is made a party to such action, suit, or proceeding, or at the time such costs or expenses are incurred by or imposed upon him or her), except in relation to matters as to which he or she shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or misconduct in the performance of his or her duties as such director or officer; provided, however, that in the case of an action, suit, or proceeding which is settled or compromised, such right of indemnification shall be applicable only (a) if such settlement or compromise is approved by the Court having jurisdiction of such action, suit, or proceeding, and (b) to the extent provided in the terms of such compromise or settlement so approved. Every such person shall be entitled, without demand by him or her upon the Association or any action by the Association, to enforce his or her right to such indemnity, in an action at law against the Association.

The right of indemnification herein above provided shall not be deemed exclusive of any other rights to which any such person may now or hereafter be otherwise entitled and specifically, without limiting the generality of the foregoing, shall not be deemed exclusive of any rights, pursuant to statute or otherwise, or any such person in any such action, suit or proceeding to have assessed or allowed in his or her favor, against the Association or otherwise, his or her costs and expenses incurred therein or in connection therewith or any part thereof.

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ARTICLE VII.
Corporate Seal

The corporate seal shall bear the name of the Association and otherwise shall be in such form as shall be approved from time to time by the Board of Directors.

ARTICLE VIII.
Fiscal Year

The fiscal year of the Association commences on December 1 each year, and ends on November 30th of each year.

ARTICLE IX.
Budget

The Board of Directors shall establish an annual operating budget prior to the annual landowners meeting and the next fiscal year. The budget shall be included in the Notice of the Annual meeting for landowner review. This budget shall address the major categories listed below.

Road Maintenance Expenses: Road maintenance expenses include but are not limited to grading, graveling, snow plowing, culvert maintenance on culverts installed by DARLOA, weed control, ditching, bridge maintenance, dust control spraying, and street signs.

Administration Expenses: Administration expenses shall include office staff, postage, printing, electricity, telephone, ACC and Fire/Safety trip reimbursement, equipment repair, building repair, reimbursement to officers and/or committee chairmen, and/or members for approved expenses

The Board shall set guidelines or targets for reserves such as Bridge replacement, Fire Safety Funds, and general reserves. Each standing committee shall propose a budget to be approved by the Board of Directors annually, as well as a projected five-year budget for planning. Any committee expenditures must be approved by the Board of Directors. The Board shall include in each yearly budget a general reserve fund to be determined by the Board of Directors annually.

No Director, Committee Chairperson or other volunteer shall receive any compensation from the Association. A Director, Committee Chairperson or volunteer may be reimbursed for expenses incurred on behalf of the Association by submitting written documentation to the Board of Directors for approval of expenses incurred.

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ARTICLE X.
Assessments

+Annual assessments shall be determined by the Board of Directors to fund the operating budget and consider future needs of the Association. Information used in making this determination will be included in the notice of the Annual Membership Meeting and presented at the Annual Membership Meeting. The amount of the per lot assessment may vary from year to year as requirements change.

Special assessments to meet unexpected or emergency expense increases or non-budgeted items outside of the control of the Board of Directors are also at the discretion of the Board of Directors.

ARTICLE XI.
Contract Labor

All labor contracts must be approved by the Board of Directors after review by the appropriate Committee. These must include the following:

1. Contract
2. Statement of work
3. Proof of insurance with the Association named as additional insured
4. Proof of Bonding (if required)
5. Hourly or monthly rate (if required)
6. Number of hours (if required)
7. Contract Monitor
8. Termination clause

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ARTICLE XII.
Amendments

Any member, including a Director, may propose in writing an amendment to these by-laws to the Board of Directors. If the Board agrees with the proposed amendment, via an affirmative vote, the proposed amendment(s) will be submitted to the entire membership via the next newsletter (or a special mailing if deemed necessary by the Board). The Proposed amendment to the bylaws shall be adopted by written ballot with the affirmative vote of a two-thirds majority vote of the total votes cast. The Board of Directors shall have the right to amend the by-laws in the event of a conflict between these by-laws and Montana Law.

ARTICLE XIII.
Severability and Conflicts

If any portion of these Bylaws is deemed to be contrary to law by a court of competent jurisdiction, such portion is severable from the remainder of the provisions of the Bylaws and such remainder shall be legally binding.

If there are any conflicts or inconsistencies between the Provisions of Montana

Law, The Articles of Incorporation, the Covenants and these By-Laws, the provisions of Montana Law, the Covenants, the Articles of Incorporation and the By-Laws (in that order) shall prevail.

These BYLAWS adopted this12th day of September 2007

Jack Piippo
President

Myrna Solis
Secretary

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