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**CATTAIL CREEK**  
*A Community Development  
by Sandan, L.L.C.*

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**Amended** Bylaws  
Phases 1, 2 & 3

Prepared By:  
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Prepared For:  
~~Sandan, LLC & the  
Cattail Creek Community Association~~

Approved by the Cattail Creek  
Community Association

Date: \_\_\_\_\_



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Article 1: Purpose	

The purpose of the Cattail Creek Community Association Bylaws is to outline the procedures and processes for the function of the Cattail Creek ~~Neighborhood~~ **Community** Association. This includes voting and membership interests, information on how ~~neighborhood~~ meetings are organized and conducted, and information on the overall meetings, powers, and responsibilities of the Board of Directors.

## Article 2: Relationship to other Documents

### 2.1 Cattail Creek Covenants

All properties in Cattail Creek are also subject to the Cattail Creek Covenants which are ~~on file at~~ **recorded in** ~~the~~ **office of the Gallatin County Clerk & Recorder's Office**. No acts by the Association or by the Board of Directors shall be contrary to the Covenants. On its own initiative, the Board may take such action as it deems necessary, including the taking of legal action and initiating suit to enforce the Declaration of Covenants, Conditions and Restrictions.

### 2.2 Cattail Creek Design Regulations

All properties in the Cattail Creek Subdivision are also subject to the Cattail Creek Design Regulations.

## Article 3: Contact Information

The mailing address of the Cattail Creek Community Association shall be: P.O. Box 11842, Bozeman, Montana 59719. The address of the Association may be changed by the Board of Directors upon written notice to the owners.

## Article 4: Meetings

The annual meeting of the Cattail Creek Community Association shall occur on the 1<sup>st</sup> Tuesday of October of each year, **unless another date is set by the Board of Directors**. Any special meetings may be called by the President, or in the absence of the President, by the Vice-President. In addition, a special meeting shall be held upon call of twenty-five (25) percent of the owners, **which shall be in writing and delivered to any corporate officer**. ~~Special meetings shall require forty eight (48) hours' notice in writing~~ **Upon receipt of an appropriate written request for a special meeting, the presiding officer of the Association shall set a date for such meeting and notice shall be sent to the Association members within 30 days of the date of delivery of the written demand to a corporate officer.**

Notice of annual and special meetings shall be mailed to owners **as of the record date for such notice**, at the address on file for each owner, **at least 10 days prior to such meeting and no more than 30 days prior to such meeting.**

The record date shall be that date 10 days prior to the mailing of the notices, at which time the list of known owners will be compiled. The Association shall not be responsible for failure to notify owners who have not made their ownership within Cattail Creek Subdivision known to the Association prior to the record date. To the extent allowed by law, and upon consent of the affected members, meeting notices may be sent to the members by electronic means and members may return proxies or ballots in the same manner. The presence of ten (10)<sup>(9)</sup> or more members, in person or by proxy at a noticed meeting shall constitute a quorum.

At the annual meeting, the members shall review and approve a budget for the next year, shall elect Directors to fill any expired term or vacant position, and shall conduct such other business as shall be reasonable or necessary to carry out the purpose of the Association.

The annual meeting of the Board of Directors shall be held immediately after the annual meeting of the members. At the annual meeting of Directors, the Directors shall elect a President, ~~and a Vice-President, Secretary, Treasurer~~ and Design Liaison. ~~At this time the Directors shall also designate a Secretary and Treasurer.~~ The Directors may choose to hire outside persons that are not non-members of the Association to fulfill the Secretary and Treasurer duties. For all other meetings of the Board, the time and location of such information on how to attend such meeting shall be posted on the website for the Association as soon as practicable after the time and location are determined.

The Board of Directors is authorized to adopt rules for conduct of all meetings of the Association membership or the Board, provided that such rules for meetings are made available to the membership of the Association or the Board, in advance of the meeting in which they are first employed. In the absence of any other rules for the conduct of meetings, Robert's Rules of Order shall govern.

#### Article 5: Duties

The duties of President and Vice-President shall be as follows:

President. The President shall preside over all meetings of the Association. He or she shall call the membership together whenever necessary. The President shall be the general administrative and executive officer of the Association, ~~and~~ shall perform such duties as may be specified, and exercise such powers as may be delegated to the office of President by the Board of Directors.

Vice-President. The Vice-President shall exercise the powers of the

President in the absence of the President.

The duties of the Secretary and Treasurer shall be as follows:

Secretary. The Secretary shall give notice of all meetings of the Association, and shall keep a record of the proceedings of the meetings of the Association. The Secretary shall be authorized to sign on behalf of the Association, all records, documents and instruments when such are authorized to be signed by the Association.

Treasurer. The Treasurer shall keep and maintain adequate and correct accounts of the accounts, properties, and business of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains and losses of the Association. **In the event that a manager is hired to handle designated affairs of the Association, including the handling of Association funds, the Treasurer may be relieved of the duties of preparing such accounts and records, but shall oversee the financial activities conducted by the manager.** —The Treasurer shall prepare ~~and report~~ such periodic accountings as shall be required by the Association, **or oversee their preparation if prepared by a manager and the Treasurer shall be responsible for presenting to the Board of Directors all such reports.**

The duties of the Design Liaison shall be as follows:

Design Liaison. This position shall act as the liaison between the Board of Directors and the Cattail Creek Design Review Committee.

#### Article 6: Voting & Membership Interest

Every person, group of persons, partnership, corporation, or association who is a fee owner of real property within the boundaries of the area described as Cattail Creek, Phases 1, 2 and 3, on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana, shall be a member of the Association. By this provision, each lot, as shown on the plats and amendments thereto shall entitle the owner of one membership interest in the Association.

Membership interest shall run with the land so that ~~said~~ **such** interest is an incident to ownership, beginning when ownership rights are acquired and terminating when such rights are divested. Accordingly, no member shall be expelled, nor shall he be permitted to withdraw or resign while possessing a membership interest, **but nothing contained herein shall preclude the**

suspension of a member's voting rights for non-payment of assessments. Only those Owners in good standing shall be entitled to vote on matters coming before the Association. In order to be in good standing for voting purposes, an Owner must be current in all financial obligations to the Association, regardless of the basis for such obligation. Any obligation owed to the Association which is not paid within 30 days of the date such obligation is incurred shall be deemed past due, unless specific payment arrangements are agreed to in writing between the Owner obligated to make such payment and the Board, in writing.

The following chart illustrates voting interests by use:

Use	Voting Interest
Vacant Lot	1 vote per lot
Developed Lot – Residential Uses	1 vote per individual single family residence, condominium unit or townhouse unit (Note: upon the issuance of an Occupancy Permit by the City of Bozeman and the presentation of a copy of that Occupancy Permit to the Association, the Association shall grant each owner of a multi-family unit a vote. Should a multi-family unit be owned by more than one person, or entity, the unit shall have only one (1) vote.)
Developed Lot – Commercial/ Industrial Uses	1 vote per lot

Multiple owners of a single condominium unit or parcel of real property ~~would have collectively~~ have one ~~such membership or voting interest~~ vote. If more than one condominium unit, lot, parcel, or tract is owned, the owner or owners thereof ~~would~~ shall have one ~~membership or voting interest~~ vote for each separate unit or parcel of real property. Whenever any lot, tract or parcel is owned or leased by two or more persons, or by an entity, such person or persons or entity must, prior to a meeting where voting may be allowed, among and between themselves determine who is entitled to vote the membership interest and in what manner it shall be voted.

If, in the judgment of the Board, a bona fide and irreconcilable dispute arises as to the voting or right to vote a membership interest, such interest may be declared to be a ~~an~~ in dispute and for the time such interest is in dispute, it shall have no voting rights.

~~Cumulative voting per phase shall be provided for election or removal of members of the Board of Directors. Voting may be in person or by proxy.~~

~~Cumulative voting shall be provided for all other Association matters. Voting may be in person or by proxy.~~

#### Article 7: Resolutions

All matters that are the business and concern of the Association shall be presented to the Association and meetings of the Association in the form of resolutions directed to the Board of Directors, **provided that notice of the proposed resolution is included in the notice for the meeting in which a vote is taken. In the event that a resolution is proposed at a meeting of the Association, but no prior notice was given, then the presiding officer shall call a special meeting to vote on the adoption of such resolution if a majority of the votes present at the initial meeting are cast in favor or such action.** Such resolutions as are ~~passed~~ **properly adopted** by over fifty (50) percent of the ~~said~~ membership interest of record and eligible to vote shall be binding on the Board of Directors. Such binding resolution shall have the effect of compelling the Board of Directors to take positive action in response to ~~the general inclination of the resolution;~~ **provided, however, that to the extent the scope, nature and/or specific character of such resolutions are not clearly defined, the Board shall exercise its discretion in carrying out such actions.** However, ~~the scope, extent and specific character of all such action shall be within the final discretion of the Board of Directors.~~

#### Article 8: Powers and Duties of the Board of Directors

The Board of Directors, **which shall consist of nine members,** shall have the following powers on behalf of the Cattail Creek Community Association:

- (a) To provide for the construction, installation, acquisition, replacement, operation, maintenance and repair by the Association of buildings, equipment, common areas, facilities and services for recreation and/or sporting activities, lighting, garbage removal and disposal, security of persons or property, fire protection and other municipal services and functions, and to the extent necessary by the failure of the Owners of private areas, or in exercising any of its rights to construction improvements of other work upon any Parks, the Association shall have the power and authority:
  1. To obtain, maintain and pay for such insurance policies or bonds as the Board may deem to be appropriate for the protection or benefit of Cattail Creek, the Association, the members of the Board, the members of the Committee, or the

Owners;—

2. To contract and pay for, or otherwise provide for, such utility services including, but without limitation, water, sewer, trash, electrical, telephone and gas services as may from time to time be required;
  3. To contract and pay for, or otherwise provide for the services of architects, engineers, attorneys and certified public accountants or such other professional or nonprofessional services as the Board may deem necessary;
  4. To contract and pay for, or otherwise provide for, fire, police and such other protection services as the Board deems necessary for the benefit of Cattail Creek, any property located with Cattail Creek, or the Owners;
  5. To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor to the extent the Board deems necessary, and to pay and discharge any and all liens placed upon any Parks on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.
- (b) To enter into fair and reasonable contracts for the administration and enforcement of the Cattail Creek Design Regulations by the Cattail Creek Design Review Committee, of which at least one member shall be an architect, as specified in the Design Regulations.
- (c) To adopt a development review fee schedule.
- (d) To enter into other contracts and agreements as are necessary to ~~e~~ affect the business of the Association. Contracts for such work with third parties, which provide for a term or duration in excess of one year, must be approved by a majority of the members, which approval may be ratified at the annual or any special meeting of the Association.
- (e) To make and establish rules and regulations for the governance of facilities and the performing of such functions, the taking of such action and operating in such areas as are within the jurisdictions of the Association.
- (f) To take necessary and appropriate action to collect assessments from members, including the filing of liens, ~~and~~ prosecuting foreclosures, ~~or initiating court actions to collect unpaid assessments without foreclosure.~~



- (g) To pay the expenses of the Association, including all taxes or assessments and to contract and pay for such insurance as may be necessary in the best interests of the Association, and to provide for the use and disposition of the insurance proceeds in the event of loss or damage.
- (h) To establish accounts for operating and/or development funds as set out in the Covenants.
- (i) The Board shall have the right to pay, compromise, or contest any or all taxes and assessments levied against all or any part of the parks, or upon any personal property belonging to the Association.
- (j) To call meetings of the Association, both annual and special, and to preside over such meetings and to give appropriate notice of such meetings as required by the Bylaws.
- (k) To formulate and introduce resolutions at the meetings of the Association.
- (l) To hold meetings of the Board of Directors as are necessary to conduct Association affairs.
- (m) To nominate replacement Directors as necessary (~~who must be from the same phase as the open position~~) for ratification by a simple majority vote ~~from the corresponding phase~~ of the Community Association.
- (n) ~~To fill any vacancy in the officers of the Association (President, Vice President, Secretary, or Treasurer) by appointment until the next annual meeting or the successor is duly appointed or elected~~ **determine the officers of the Association, regardless of whether such officers are elected at the first meeting of the Directors following the annual meeting, or at a subsequent meeting as a result of death, disability or resignation of an officer.**
- (o) To maintain lists of members and to keep records in a good and businesslike manner of all assessments made, all expenditures, and the status of each member's payments of assessment; and to make such records accessible at reasonable times to all members, **to the degree required by Montana law.**
- (p) To deal with agencies, officers, boards, commissions, departments and bureaus or other governmental bodies in a federal, state, county and local basis to carry out the above powers, duties and responsibilities.

- (q) The Association shall have the power and authority at any time and from time to time, and without liability to any Owner for trespass, damage or otherwise, to enter upon any lot, for the purpose of maintaining and repairing any lot, if for any reason the Owner fails to maintain and repair the lot as required by the Covenants, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such area in violation of these Covenants. The Association may maintain and repair any roads, sidewalks, parks, linear trail or public areas in or adjoining Cattail Creek, including landscaping and planting the same and repairing improvements thereon when public authorities, in the opinion of the Board have failed to do so in a manner befitting the standards of the community. The Association shall also have the power and authority from time to time, in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of Cattail Creek Covenants, or to enforce, by mandatory injunction or otherwise, all of the provisions of the Cattail Creek Covenants.
- (r) The Board ~~shall be required to~~ may grant and convey to any third parties easements or rights-of way in, on, over or under any Parks without payment to the Association ~~when requested by Declarant~~ when, in the discretion of the Board, such action is appropriate. The Board shall also have the power and authority to grant and convey to any third parties, on such terms as the Board may approve, parcels or strips of land from any Parks. The Board may not grant or convey land from any Parkland or Linear Trail which would jeopardize the land required by the subdivision or zoning approvals for the land ~~described in Exhibit A~~ comprising Cattail Creek Subdivision.
- (s) The Board may, from time to time, employ the services of a manager to manage the affairs of the Association. The Board may delegate to the manager any of its powers under the Cattail Creek ~~restrictions~~ covenants, provided, however, the Board cannot delegate to such manager the power to execute any non-emergency contract binding on the Association for a sum in excess of \$10,000.00; nor for the performance of any work or services, which work or services are not to be completed within 90 days; nor the power to sell, convey, mortgage or encumber any property of the Association.
- (t) To do any and all things necessary to carry into effect these Bylaws

and to do any and all things necessary to require compliance with and enforce the Covenants.

- (u) To comply with the terms of the Code of Ethics for Cattail Creek Community Association Board Members, previously adopted or, from time-to-time amended by the Board, and to adhere to the terms of the Board Member Agreement for the Cattail Creek Community Association. In the event that any Board member fails to comply with the Code of Ethics, or the Board Member Agreement, and resolution of the problem cannot be resolved between the Board and the individual Board member deemed to be out of compliance, the presiding officer shall call for a vote of the Cattail Creek Community Association membership to either affirm the status of the Board member deemed to be out of compliance, or the removal of such member. In most situations involving a comparatively minor infraction, such as a failure to attend meetings, the Board may not take any action on its own to suspend or terminate the Board membership of the person deemed to be out of compliance. In situations in which the Board deems the behavior of the Board member in question to be such that the Association as a whole, or one or more members of the Association, will suffer an injury as a result of the wrongful behavior of a Board member, the Board may suspend the membership of such Board member until such time as the vote to affirm or remove such Board member can be held. The Board may, however, at any time it deems appropriate, remove any officer from his or her office without suspending his or her right to act as a Board member.

#### Article 9: Liability

Members of the Board and their officers, assistant officers, agents and employees acting in good faith on behalf of the Association:

- (a) Shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith;
- (b) Shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such;
- (c) Shall have no personal liability in tort to any Owner or any person or entity, except for their own willful misconduct or bad faith;

(d) Shall have no personal liability arising out of the use, misuse or condition of the Property which might in any way be assessed against or imputed to them as a result of or by virtue of their capacity as such.

#### Article 10: Insurance

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

#### Article 11: Terms & Replacement

Each year, the Community Association shall elect Directors to fill any expired term or vacant position. Terms shall be staggered so that ~~each year, each phase of the Association is voting for one new~~ **at least 1/3 of the total number of Directors is elected in one year.** In each election of Directors, each Owner shall have a total number of votes equal to the number of positions to be filled, multiplied by the number of voting units owned by such Owner. The Cattail Creek Community Association utilizes ballots that allow owners to cast votes for or against a particular candidate. The open positions will be filled in accordance with the number of votes received by candidates for the Board until all positions are filled; provided, however, that in order to be elected to a directorship, a candidate must receive more “for” votes than “against” votes. In the event that not enough candidates receive more “for” votes than “against” votes to fill all of the available positions, any unfilled positions shall be filled by the Board from among the owners, other than those failing to receive more “for” votes than “against” votes. Any person so appointed must be confirmed by the Association at the next annual or special meeting and, if not so confirmed, shall cease to act as a member of the Board.

The terms of office for members of the Board shall be not less than three (3) years and may be extended in duration by the presentation of a Resolution presented to the members at an annual meeting. ~~The Board of Directors shall have staggered terms. As such, the initial Board of Directors shall meet and draw lots which shall dictate that one member from each phase shall serve one year, another member shall serve two years, and the third member shall serve three years. After this initial drawing, each Director term shall be three years. There are no restrictions upon successive~~ **the number of periods of Board of terms a Directors terms may serve.**

Any vacancy on the Board of Directors occurring before the next annual meeting of the members shall be filled by the remaining directors nominating a replacement director and the nomination being **voted on by** ~~ratified by a simple majority vote from the corresponding phase of the Community~~

Association— ~~a~~**At the next annual or special meeting.** A vacancy in any office of the Association (President, Vice President, Secretary, or Treasurer) shall be filled by ~~appointment by the Board of Directors until the next annual meeting or the successor is duly appointed or elected~~**at the next Board meeting following the creation of the vacancy.**

#### Article 12: Committees

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

#### Article 13: Compensation

Board members shall be reimbursed for any out-of-pocket expenses incurred while acting in their official capacity.

#### Article 14: Severability

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

#### Article 15: Amendments

Amendments to the Cattail Creek Community Association Bylaws shall only be made by the Cattail Creek Community Association. Amendments to the Bylaws shall be presented to the owners at the same time as the owners ~~is~~**are** provided notice of the meeting **at which such amendment is to be voted upon by the membership.** ~~The notice may provide that the proposed amendment(s) may be viewed on the Association website, or that members may request paper copies upon payment of reasonable printing and mailing charges, that members may borrow a copy of the proposed Bylaws upon conditions set by the Board, or that the member may acquire a copy upon other terms and conditions agreed upon between the member and the Board.~~ ~~The bylaws may not be changed without the owners having been presented with the proposed change, the time of the meeting to consider the change and the passage by a majority of the owners present, in person or by proxy, at the meeting.~~ **At such meeting at which a proper quorum is present, the owners may adopt any amendment properly presented by a simple majority of those present. Such**

amended bylaws shall be considered adopted upon certification of the presiding officer and the Association secretary that such amendment was properly adopted.

In lieu of a meeting, ballots may be mailed to the membership, with voting to be carried out in accordance with the procedures established for mail voting by the membership of a Montana non-profit corporation.