

**DELINQUENCY POLICY & VIOLATION POLICY OF
THE RESTATED BY-LAWS OF THE BAXTER MEADOWS HOMEOWNERS' ASSOCIATION**

This Delinquency Policy is an addendum to File No. 2163417 filed with the Gallatin County Clerk & Recorder on September 15, 2004. This policy is pursuant to the Declaration of Covenants, Conditions and Restrictions for Baxter Meadows Homeowners' Association ("Covenants"), recorded in the real property records of the County Clerk of Gallatin County, Montana on September 15, 2004, Document No. 2163416.

1. **Assessments.** The Baxter Meadows Homeowners' Association assessments are billed monthly. Payments are due on the first of every month and delinquent after the 30th.
2. **Delinquent Interest.** If the assessment amount is not paid by the 1st of the following month interest will accrue at the rate of 12% per annum on the unpaid balance.
3. **Unpaid Assessments.** When a homeowner is five months delinquent in assessments a Demand Letter will be sent, the cost of which will be a charge of \$80.00 applied to the delinquent homeowner's account. If assessments are not paid in full within 30 days of the date of the Demand Letter, the association will file a Notice of Lien in Gallatin County records and will send a copy of the Notice to the delinquent owner, the cost of which will be a charge of \$150 applied to the delinquent homeowner's account. If applicable, the Association will also provide a notice of delinquency to the owner's first mortgagee.
4. **Further Action.** If the assessment remains unpaid and delinquent, the Association will decide, on a case-by-case basis which of the following remedies to pursue:
 - Bring an action at law against the owner personally obligated to pay
 - Foreclose the association lien against the Lot

In the event any of the foregoing actions are taken by the Association, the owner shall be obligated to pay the Association, in addition to the assessment due, late fees and any interest thereon, all collection fees, attorney's fees and necessary costs incurred by the Association in enforcing its rights and taking such action. No owner may waive or otherwise escape liability for the assessments by abandonment of his Lot.

ADOPTED: August 18, 2005

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Char-Lotte Mills-Gallatin Co MTMISC 21.00

VIOLATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS POLICY

This Violation Policy is an addendum to File No. 2163417 filed with the Gallatin County Clerk & Recorder on September 15, 2004. This policy is pursuant to the Declaration of Covenants, Conditions and Restrictions for Baxter Meadows Homeowners' Association ("Covenants"), recorded in the real property records of the County Clerk of Gallatin County, Montana on September 15, 2004, Document No. 2163416.

The following policy is in place to determine whether a violation exists and if a violation is determined to exist, to cause remedy of the violation.

5. **Determination of Violation.** Association Management Services and/or any member of the Baxter Meadows Board of Directors or Design Review Board will make the final determination of whether a violation of the Protective Covenants (CC&Rs) exists.
6. **Curing the Violation.** If it is determined that a violation does exist the Homeowner will be sent a **First Violation Notice** describing the violation, the applicable CC&Rs regulation that is being violated, and a requirement that the violation be cured within a reasonable time period.
7. **Uncured Violations.** If the violation has not been cured within the time period specified in the **First Violation Notice** a **Second Violation Notice** will be issued. If the violation remains uncured the homeowner will receive a **Third Violation Notice** instructing the homeowner of their right to a hearing. Such **Notice** shall be served personally, if possible or mailed certified mail, return receipt requested to the last known address of the party or entity and a copy posted at a conspicuous place on the property. A written request for the hearing, which is properly signed by the homeowner and dated must be postmarked within fourteen (14) days after the **Third Violation Notice** is mailed. Failure of the homeowner to request a hearing in writing within the required time period shall constitute a waiver of the right to a hearing. Such notice shall be deemed delivered if postmarked and mailed to:

Baxter Meadows Homeowners' Association
c/o Association Management Services, LLC
P.O. Box 5298
Bozeman, MT 59717-5298

4. **Hearing.** The Board of Directors will conduct the hearing at which, any or all of the following sanctions may be imposed:
 - a. Fine not to exceed \$500.
 - b. Cure of the violation, all costs of which will be charged back to the owner. If not paid the owner's property will be liened for the amount owed.
 - c. Injunctive relief against the continuance of such violation through the court system; all costs will be charged to the owner.

A decision regarding the violation may be made upon conclusion of the hearing or it may be postponed no later than ten (10) days from the date of the hearing. A summary of the decision shall be included in the records of the Association and mailed to all parties involved.

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Charlotte Mills-Gallatin Co MTHISC 21.00

If the homeowner does not cure the violation after the **Third Violation Notice** and does not request a hearing, the Board has the authority and discretion to impose any or all of the sanctions above.

ADOPTED: July 15, 2005

Baxter Meadows Owners' Association, Inc.
BOARD OF TRUSTEES
By: ASSOCIATION MANAGEMENT SERVICES,
LLC, a Montana limited
liability company

By: Pamela Halse
Its: Community Manager

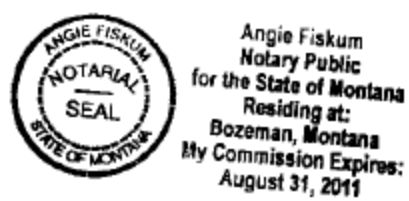
ACKNOWLEDGEMENT

STATE OF MONTANA)
) ss.
COUNTY OF GALLATIN)

This instrument was acknowledged before me on October 1, 2007, by Pamela Halse, the Manager of Association Management Services, LLC, a Montana limited liability corporation, as Community Manager of Baxter Meadows Homeowners' Association, Inc.

Residing BOZEMAN, MT

Notary Public Angie Fiskum
My Commission Expires on: AUGUST 31, 2011



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