

RESTATED BYLAWS OF EAGLE BEND NORTH
HOMEOWNERS ASSOCIATION
(As Amended through July 15, 2006)

ARTICLE I
NAME; LOCATION OF PRINCIPAL OFFICE

The name of the corporation is Eagle Bend North Homeowners Association (“Association”). The principal office of the Association is P.O. Box 1393, Bigfork, MT 59911. The location of the principal office may be changed by the Board of Directors. Meeting of Members and Directors of the Association may be held at such places within the County of Flathead, Montana as may be determined by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. “Association” means Eagle Bend North Homeowners Association, its successors and assigns.

Section 2. “Properties” or “Property” means that certain real property described in the Plat of Eagle Bend North (“the Plat”) and the Declaration of Covenants, Conditions and Restrictions of Eagle Bend North (“Declaration”) and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. “Common Area” means those areas of land described in the Declaration and shown on the Plat intended to be provided for the common use and enjoyment of the Owners.

Section 4. “Lot” means each tract of land shown on the Plat except Lots 1 and 2 and the private roads and the Common Area shown on the Plat and described in the Declaration.

Section 5. “Owner” means the record owner, whether one or more persons or entities, of title to any Lot or a purchaser's interest therein, but excluding contract sellers or anyone whose interest in a Lot is held as security for the performance of an obligation.

Section 6. “Declaration” means the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the office of the Clerk and Recorder, Flathead County, Montana.

Section 7. “Member” means a person entitled to membership in the Association as provided in the Declaration.

ARTICLE III
MEETING OF MEMBERS

Section 1. Annual Meeting. Regular annual meetings of the members shall be held in Flathead County, Montana at such date, time and place as may be determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of at least twenty-five percent (25%) of the Members entitled to vote.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of ten percent (10%) of the Members entitled vote, in person or by proxy, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If a quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. 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. Every proxy shall be revocable and shall automatically terminate upon conveyance of his Lot by the Member executing such proxy.

ARTICLE IV
BOARD OF DIRECTORS

Section 1. Number - Term - Removal - Compensation - Actions.

a. Number. The affairs of this Association shall be managed by a Board of not less than three (3) or more than seven (7) Directors, who need not be Members of the Association. The Directors shall determine the number of persons who shall comprise the Board.

b. Term of Office. At each annual meeting the members shall elect for a term not to exceed three years, a number of directors equal to the number of directors whose terms are ending at the annual meeting.

c. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

d. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

e. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

f. Actions of First Board of Directors. All of the actions (including, without limitation, the adoption of Bylaws and any undertakings or contracts entered into with others on behalf of the Association of the first Board of Directors of the Association named in its Articles of Incorporation shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Members of the Association at the first or any subsequent annual meeting of Members, so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Declaration or the Association's Articles of Incorporation.

Section 2. Nomination and Election of Directors.

a. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a member of the Board of Directors, and two or more members of The Association. The nominating committee shall be appointed by the President subject to approval by the Board of Directors prior to each annual meeting of the Members. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. The nominating Committee shall report its slate of nominees at the annual meeting.

b. Election. Election to the Board of Directors shall be by verbal or written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Meetings of Directors.

a. **Regular Meetings.** Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

b. **Special Meetings.** Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

c. **Quorum.** A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

d. **Place of Meetings.** Meetings of the directors of the Association may be held at such places within the State of Montana, County of Flathead, as may be designated by the Board of Directors.

Section 4. Powers and Duties of the Board of Directors.

a. **Powers.** The Board of Directors shall have power to:

i. Adopt and publish rules and regulations governing the use of the Common Area and facilities, Private Roadways and the personal conduct of the Members and their guests thereon, and to establish, assess and collect fines and impose other penalties for the violation thereof, for violation of the Declaration of Covenants, Conditions and Restrictions and any amendments thereto; for violation of the rules of the Architectural Committee; and for failure to build in conformity with the drawings, plans, specifications and construction schedules approved by the Architectural Committee.

ii. Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations;

iii. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

iv. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

v. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

b. Duties. It shall be the duty of the Board of Directors to:

i. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

ii. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

iii. as more fully provided in the Declaration, to: (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period.; (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

iv. issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment;

v. procure and maintain adequate liability and hazard insurance on property owned by Association as prescribed by the Declaration;

vi. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

vii. cause the Common Area to be maintained, repaired, replaced, safe and secure.

Section 5. Director's Indemnity. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may

be a party, or in which he may become involved, by reason of his being or having been a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement of the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement, and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification, which it has approved, the Board of Directors shall notify all Members thereof.

ARTICLE V. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

a. President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

b. Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

c. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

d. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disperse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE VI COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE VII BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE VIII ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the

property against which the assessment is made. Any assessments, which are not paid when due, shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum (unless a different rate of interest is determined by the Association's directors), and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area, abandonment of his Lot or otherwise.

ARTICLE IX
AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE X
FISCAL YEAR

The fiscal year of the Association shall be determined by The Board of Directors.

IN WITNESS WHEREOF, The members of the Association have adopted the above and foregoing Restated Bylaws effective the 15th day of July, 2006, and have authorized the President and Secretary of the Association to authenticate and prove such adoption by executing the same for and on behalf of the Association.

President

Attest:

Secretary