

BYLAWS
OF
MEADOWLAND UNIT NO. 2 HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is MEADOWLAND UNIT NO. 2 HOMEOWNERS ASSOCIATION, INC., (hereinafter referred to as "Association"). The principal office of the corporation shall be located at Kalispell, Montana, but meetings of members and Directors may be held at such places within the State of Montana, County of Flathead, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

1. "Annual Assessment" shall mean the charge levied and assessed each year against each lot.
2. "Articles" shall mean the Articles of Incorporation of the Association as the same may from time to time be amended or supplemented.
3. "Association" shall mean the MEADOWLAND UNIT NO. 2 HOMEOWNERS ASSOCIATION, INC., a Montana non-profit corporation.
4. "Board" shall mean the Board of Directors of the Association.

5. "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions of Meadowland Unit No. 2 as recorded August 28, 1975 under Recorder's Fee No. 7654 in Book 585, Page 585, records of Flathead County, Montana and the amendment thereto dated the 14th day of August, 1975, and any subsequent amendments.

6. "Lot" shall mean any plot of land shown upon any map or plat of Meadowland Unit No. 2 Subdivision as recorded in the office of the County Clerk and Recorder, Flathead County, Montana.

7. "Member" shall mean an owner.

8. "Owner" shall mean the record owner of a fee simple title to any lot in Meadowland Unit No. 2 including contract buyers.

9. "Property" shall mean the real property which is described as follows:

Meadowland Unit No. 2 Subdivision, according to the map or plat thereof which is on file and of record in the office of the County Clerk and Recorder, Flathead County, Montana.

10. "Special Assessments" shall mean any assessment levied and assessed other than the annual assessments referred to above.

11. "Voting Owners" shall mean those owners who, pursuant to Articles V and VI of the Articles, having voting rights.

ARTICLE III

MEETING OF MEMBERS

1. Annual Meetings. The first annual meeting of the Members shall be held on the ____ day of _____ on each calendar year at the hour of ____ o'clock __.m. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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 the Members who are entitled to vote one-fourth ($\frac{1}{4}$) of all of the votes.

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 ten (10) 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.

4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-half ($\frac{1}{2}$) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these Bylaws. If, however, such quorum shall not be 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.

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 cease upon conveyance by the Member of his lot.

ARTICLE IV

BOARD OF DIRECTORS

1. Number. The affairs of the Association shall be managed by a Board of Directors who need not be Members of the Association and shall have exclusive right of determining and transacting the affairs of the Association. The number of directors shall be determined by the Members, provided that subject to Article VII of the Articles the Board will consist of not less than three directors and its composition shall be as stated therein.

2. Compensation. No Director shall receive compensation for any service he may render to the Association.

3. Action Taken Without a Meeting. The Directors shall have the right to take 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.

ARTICLE V

MEETINGS OF DIRECTORS

1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually without notice, immediately following the annual meeting of members of the Association.

2. 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 two (2) days' notice to each Director.

3. 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.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the public water system serving the lots and to establish penalties for the infraction of said rules and regulations;

(b) suspend a Member's use of the public water system serving the lots and other services provided directly or indirectly by the Association for any period in which such Member shall be in default in the payment of any assessment levy 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;

(c) 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;

(d) declare the office of the 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

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

(a) 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 ($\frac{1}{4}$) of the voting owners.

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) 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.

(d) issue, or 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 certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the public water system serving the lots to be maintained;

(h) disburse funds collected as assessments for domestic water service only in payment for expenses of providing said service.

ARTICLE VII

OFFICERS AND THEIR DUTIES

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.

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.

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.

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.

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.

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.

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.

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

President

(a) 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.

Vice President

(b) 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.

Secretary

(c) 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.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse 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 represented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE VIII

COMMITTEES

The Board of Directors shall appoint committees as provided in and subject to the Declaration. In addition,

the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose, with their duties, responsibilities and longevity as may be determined by the Board.

ARTICLE IX

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 X

ASSESSMENTS

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 nine percent (9%) per annum, 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 attorneys' 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 public water system or abandonment of his lot.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: MEADOWLAND UNIT NO. 2 HOMEOWNERS ASSOCIATION, INC.

ARTICLE XII

AMENDMENTS

For the period ending one year after the incorporation of the Association, these Bylaws may be amended in a manner not inconsistent with the Declaration of Articles, at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of the Members present in person or by proxy. Thereafter, these Bylaws may be amended in a manner not inconsistent with the Declarations or Articles, at a regular or special meeting of the Board of Directors, by a vote of the majority of the Directors.

ARTICLE XIII
INTERPRETATION

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

ARTICLE XIV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of each year.

IN WITNESS WHEREOF, we, being all of the Directors of MEADOWLAND UNIT NO. 2 HOMEOWNERS ASSOCIATION, INC., have heretofore set our hands this ____ day of _____, 1983.

