

~~PROPOSED REVISIONS~~
ADOPTED
~~JUNE 8~~ JULY 3, 2017

**BYLAWS
OF
SUN WEST RANCH PROPERTY OWNERS' ASSOCIATION**

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BYLAWS
OF
SUN WEST RANCH PROPERTY OWNERS' ASSOCIATION

(Revised ~~Adopted~~ June 2 July 3, 2017)

ARTICLE I

NAME AND LOCATION

The name of the corporation is SUN WEST RANCH PROPERTY OWNERS' ASSOCIATION, hereinafter referred to as the "Association." The principal office of the Association shall be located at 3 Gildred Lane, Cameron, Montana.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to SUN WEST RANCH PROPERTY OWNERS' ASSOCIATION, a Montana nonprofit corporation, and its successors and assigns.

Section 2. "Board" shall mean and refer to the Board of Directors of the Association.

Section 3. "Common Area" shall mean all real property and improvements (including easements) owned by the Association for the common use and enjoyment of the Owners or for maintenance by the Association.

Section 4. "Declarant" shall mean and refer to MADISON VALLEY PROPERTIES, INC., a Montana corporation, d/b/a SUN WEST RANCH, and the Association, and their successors and assigns, if the rights of either Declarant under these Bylaws and the Declaration shall have been assigned to and assumed by such successors and assigns. Such assignment of rights need not include all of the original Declarant's rights.

Section 5. "Declaration" shall mean and refer to that certain Second Restatement of Declaration of Restrictions applicable to the Property recorded on March 23, 2009 in the Records of Madison County, Montana which requires Owners to be Members of the Association.

Section 6. "Lot" shall mean and refer to any plot of land which is or has been made subject to the Declaration or another Declaration of Restrictions which requires the Lot Owner to be a Member of the Association and shown upon any recorded tract map of the Property.

Section 7. "Member" shall mean every Owner of a Lot subject to assessment, who ~~are~~ is entitled to membership in the Association as provided in the Declaration.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract purchasers who have a possessory interest pursuant to their contract to purchase, but excluding contract sellers having such interest merely as security for the performance of an obligation.

Section 9. "Property" shall mean and refer to that certain real property as defined in Recital A of the Declaration.

ARTICLE III

MEETINGS OF MEMBERS AND MEMBERSHIP RIGHTS

Section 1. **Annual Meetings.** Annual meetings of the Members shall be held at the principal office of the Association on the date and at the time determined by the Board

Section 2. **Special Meetings.** Special meetings of Members, for any purpose or purposes whatsoever, may be called at any time by the President or by a majority of the Board, or by the written request of Members holding five percent (5%) or more of the total voting power of all Members. Members may participate in a special meeting by means of a conference telephone call or similar remote communication, and such participation shall constitute presence in person at the meeting. The Association shall provide conference telephone or similar remote communication facilities to allow Members to attend Special Meetings remotely.

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 email, or by mailing a copy of such notice by first class mail at least twenty (20) but not more than fifty (50) days before such meeting to each Member entitled to vote thereat, addressed to the Member's mail or email 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 describe in reasonable detail those matters which the Board at the time of the mailing of the notice intends to present for action by the Members.

Section 4. **Quorum.** The presence, in person or by proxy, at any meeting of Members of the Association entitled to cast ~~a majority~~ at least 51% of the total voting power of Members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration (including the Article entitled "COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION") or these Bylaws. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of Members holding enough voting power to leave less than a quorum, but only on those matters set forth in the notice of the meeting. If, however, such quorum shall not be present or represented at the beginning of any meeting, the Members entitled to vote thereat shall have the 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 represented by proxy. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned

meeting after adjournment, notice of time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 3 above.

Section 5. Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the secretary of the Association; provided that no such proxy shall be valid after the expiration of three (3) months from the date of its execution. The proxy shall also identify the person or persons authorized to exercise the proxy and the length of time it will be valid. The transfer of title to any Lot shall void any outstanding proxy pertaining to the voting rights of the membership appurtenant to that Lot. The proxy shall provide that if the Member specifies a choice between approval and disapproval of each matter or group of matters to be acted upon, the vote shall be cast in accordance with that choice.

Section 6. Action by Written Ballot. Any action requiring Member approval that may be taken at a meeting of the Members (except the election of directors where cumulative voting is a requirement) may be taken at such meeting or without a meeting, in either case if the Association delivers a written ballot by electronic communication to every Member entitled to vote on the matter who has consented to such delivery, and conducts the vote in accordance with ~~Montana Code Annotated~~ Section 35-2-533 of the Montana Corporations Act.

Section 7. Presumption of Notice. A recitation in the minutes of any meeting of Members that notice of such meeting had been properly given shall be prima facie evidence that such notice was so given.

Section 8. Membership Rights. No Member shall have the right without the prior approval of the Board to exercise any of the powers or to perform any of the duties delegated to the Board as provided in Article VI of these Bylaws. The membership rights and privileges, together with the voting rights of any Member, may be suspended by the Board as provided in the Declaration.

Section 9. Parliamentary Procedures. Meetings of the Members shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt.

ARTICLE IV

NOMINATION, ELECTION AND TERM OF OFFICE OF DIRECTORS

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than five (5) directors, at least a majority of whom shall be Members of the Association.

Section 2. Term of Office. Directors shall be elected at each ~~annual~~ Annual meeting Meeting of Members to fill the vacancies of the directors whose term then expires for a term of one year, but if any such ~~annual~~ Annual meeting Meeting is not held, or the directors are not elected thereat, directors may be elected at any ~~special~~ Special meeting Meeting of Members held for that purpose. All directors shall hold office until their successors are elected.

Section 3. Nomination of Directors. Prior to each ~~annual~~ Annual meeting ~~Meeting~~ the Board may, but shall not be required to, solicit from Members nominations for election to the Board. At the meeting the Board shall present a slate of candidates for election as Directors at least equal to the number of Directors to be elected at that meeting. Nominations for election to the Board may also be made from the floor at such meeting. Each nominee shall be given a reasonable opportunity to state his or her qualifications for election to the Board.

Section 4. Election of Directors. Election to the Board at each ~~annual~~ Annual meeting ~~Meeting~~ may be by secret ballot, or by a show of hands, as the Board shall determine. Any Member shall have the right to cumulate his or her votes (subject only to any procedural requirements of Montana laws) and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which he is entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit. ~~Any Member wishing to cumulate his votes shall have given notice of such intent at the meeting prior to the voting.~~ The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. Anything contained herein to the contrary notwithstanding, for so long as a majority of the voting power of Members is held by Declarant, or so long as there are two (2) outstanding classes of membership, not fewer than twenty percent (20%) of the directors (but in no event less than one director), shall be elected solely by the votes of Members other than Declarant.

Section 5. Removal. The entire Board may be removed, with or without cause, by the vote ~~or written assent~~ of at least 51% of the total voting power of the Members of the Association. Subject to Section 4 of this Article IV, unless the entire Board is so removed, an individual director shall not be removed if the number of votes against the resolution for his removal or not consenting in writing to his removal would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of directors authorized at the time of the most recent election of directors were then being elected. Any director elected to office solely by the votes of Members other than Declarant may be removed from office prior to the expiration of his term only upon the vote ~~or written assent~~ of at least 51% of the total voting power of Members other than Declarant. In the event of death or resignation 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.

Section 6. Compensation. No director shall receive compensation for any services he may render to the Association unless approved by the vote ~~or written consent~~ of ~~a majority of the~~ of at least 51% of the total voting power of each class of Members of the Association or, after conversion of the Class B membership to Class A membership, unless approved by the vote ~~or written assent~~ of (i) fifty-one percent (51%) of the total voting power of Members of the Association and (ii) at least fifty-one percent (51%) of the total voting power of Members of the Association other than Declarant. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Indemnity. The Association shall indemnify any present or former director or officer of the Association to the fullest extent authorized under Montana law, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was not entitled to be indemnified under this provision.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular Board meetings shall be held at least quarterly, at such place and hour as may be fixed from time to time by resolution of the Board, and may be held by telephone. Notice of each such meeting shall be communicated to the directors and to each Member by the President of the Association by mail or email not less than four (4) days prior to the meeting; ~~provided, however, notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to the holding of the meeting.~~

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two (2) directors other than the President, after the notice is given to each director as stated below. Written notice of the time and place of special meetings and a description of the nature of any business to be considered at such meeting shall be delivered personally or sent to each director by letter mailed first class addressed to him or her at his or her address as it is shown upon the records of the Association and confirmed by email and telephone at least four (4) days prior to the time of the holding of the meeting. In case such notice is delivered personally, it shall be so delivered at least seventy-two (72) hours prior to the time of the holding of the meeting. Such mailing or delivery as above provided shall be due, legal and personal notice to such director. ~~Notice~~ Prior notice of any special meeting shall also be given by email to all Members of the Association.

Section 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.

Section 4. Attendance. Regular and special meetings of the Board shall be open to all Members; ~~provided, however, that~~ and the Association shall provide for conference telephone or similar remote communication facilities to allow Members to attend remotely. Members who are not directors may not participate in any deliberation or discussion unless expressly so authorized by a majority of a quorum of the Board. The Board may, upon the vote of a majority of the directors present, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and other matters of business of a similar nature. Only members of the Board shall be entitled to attend executive sessions. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 5. Waiver of Notice. The actions taken at any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting held after regular call and notice if a quorum be present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 6. Notice of Adjournment. Notice of any adjournment of any ~~directors'~~ meeting of the Board, either regular or special, to another time or place shall be given to the directors who were not present at the time of the adjournment at least seventy-two (72) hours prior to the time of the adjourned meeting.

Section 7. Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. An explanation of the action ~~to be taken or actually~~ taken by the Board shall be given to the Members of the Association by mail or email within seven (7) days after all written consents have been obtained. ~~Said explanation shall be given in the same manner as provided in Section 1 of this Article for the giving of notice of regular meetings of the Board. Failure~~ but failure to give such notice shall not render the action ~~to be taken or actually~~ taken invalid.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish fines or other penalties for the infraction thereof;

(b) suspend the voting rights, and right to use any of the Association's 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;

(c) exercise for the Association all powers, duties and authorities 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; provided, however, that the Board shall not have the power to borrow money for the Association during any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, nor to sell property of the Association during any fiscal year having an aggregate fair market value in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, ~~unless approved by the without the vote or written assent of~~ without the affirmative vote of at least 51% of the total voting power of each class of Members of the Association. After conversion of the Class B membership in the Association to Class A membership, the action herein requiring membership approval shall require the affirmative vote ~~or written assent~~ of (i) at least fifty-one percent (51%) of the total voting power of Members of the Association, and (ii) at least fifty-one percent (51%) of the total voting power of Members of the Association other than Declarant; and

(d) employ managers, independent contractors, and other employees as they deem necessary, and to prescribe their duties, and delegate any of its powers to others, including committees, officers and employees.

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

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a summary thereof since the prior Annual Meeting to the Members at each

Annual Meeting of the Members, or at any ~~special~~ Special meeting ~~Meeting of Members~~ when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

(b) appoint an Architectural Review Committee, as provided in the Declaration. In addition, the Board may appoint other committees it considers appropriate in carrying out its duties.

(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) if the Board deems it appropriate to do so, foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date and/or to bring an action at law against the Owner personally obligated to pay the same or otherwise take steps to collect such assessments;

(d) furnish, or to cause an appropriate officer to furnish, upon demand by any person, a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance;

(e) procure and maintain adequate fire, casualty, liability and hazard insurance and fidelity bonds as required by the Declaration, and otherwise adequately insure property owned by the Association;

(f) cause the Common Area to be maintained as required by the Declaration;

(g) construct, maintain, restore or replace buildings, structures or improvements in the Common Area as the Board may from time to time determine desirable or necessary, and make capital expenditures for and on behalf of the Association; provided, however, that so long as there is more than one (1) class of Members of the Association, capital expenditures may not be made in the aggregate during any fiscal year of the Association in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the affirmative vote ~~of a majority~~ of at least 51% of the total voting power of each class of Members of the Association. After conversion of the Class B membership in the Association to Class A membership, capital expenditures may not be made in the aggregate during any fiscal year of the Association in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the affirmative vote of (i) at least fifty-one percent (51%) of the total voting power of the Members of the Association, and (ii) at least fifty-one percent (51%) of the total voting power of Members of the Association other than Declarant.

(h) enforce the provisions of the Declaration, these Bylaws, or any other agreement to which the Association is a party;

(i) contract and pay for maintenance, utilities, materials and supplies, and services relating to the Common Area, including managerial, legal and accounting services; provided, however, that the term of any service or management contract shall be limited to a duration of two years and shall provide that the Association may terminate such contract for cause upon ninety (90) days written notice; and provided further, that any agreement providing for services by Declarant must provide for termination by either party without cause or payment of a termination fee upon not less than ninety (90) days written notice.

Anything herein stated to the contrary notwithstanding, the Members shall have the right to authorize a longer term of contract by the affirmative vote ~~or approval~~ of at least fifty-one percent (51%) of the total voting power of each class of Members of the Association. After conversion of the Class B membership to Class A membership such authorization shall require, the affirmative vote ~~or approval~~ of (i) at least fifty-one percent (51%) of the total voting power of Members of the Association and (ii) at least fifty-one percent (51%) of the total voting power of Members of the Association other than Declarant;

(j) pay any taxes and special assessments which are or could become a lien on the Common Area;

(k) impose fines on, or limit or suspend the rights of, Members for violations of the provisions of the Articles of Incorporation and Bylaws of the Association, the Declaration, and any rules and regulations adopted by the Board; and

(l) comply with those requirements imposed on the Association by the Declaration.

Section 3. Fiscal Year. The Board shall determine the fiscal year of the Association, and may change it from time to time.

Section 4. Annual Report of the Board Within one hundred twenty (120) days after close of each fiscal year of the Association, the Board shall distribute to each Member by mail or electronic means an Annual Report consisting of the following to be prepared by an independent bookkeeper:

- (i) a balance sheet as of the end of such fiscal year;
- (ii) ~~an operating (income)~~ a statement of income and expenditures for such fiscal year;
- (iii) a statement of changes in financial position for such fiscal year;
- (iv) any notes necessary for the understanding of such financial statements; and
- (v) any information required to be reported by Montana law.

Section 5. Budgets and Operating Statement. The Board shall cause a pro forma budget and operating statement for the Association to be prepared for each fiscal year of the Association, and shall send a copy to each Member by mail or electronic means not less than

twenty (20) days nor more than forty (40) days prior to the beginning of the fiscal year to which the budget relates. The budget shall include the following information:

(a) The estimated revenues and expenses of the Association ~~on an accrual basis~~ for the next fiscal year.

(b) A summary of the reserve accounts shown on the Association's balance sheet to hold reserve funds the Board has identified will be needed to pay for the future repair, restoration, replacement, or maintenance of, or additions to, those major components of the Common Area which the Association is obligated to maintain.

(c) A general statement setting forth the procedures used by the Board in calculating and establishing the amounts held in such reserve accounts.

(d) A statement setting forth the Board's assessment, in reasonable detail and as of recent date, of the Association's future capital requirements to maintain, restore or replace all major components of the Common Area, and to construct any new facilities for the Common Area which the Board is considering. Such a statement shall include (i) a description of the Association's existing reserve funds for such purposes, (ii) the Board's current plans to add to such reserves, or to finance such capital requirements to the extent not covered by such reserves, and (iii) whether the Board is considering a special assessment to finance part or all of such capital requirements.

Section 6. Limitation on Expenditure of Reserve Funds. The Board shall not expend funds from reserve accounts for any purpose other than ~~the to construct, maintain, repair or restore, restoration, replacement or maintenance of, or additions to,~~ and litigation involving, major components of the Common Area for which the reserve accounts were established. However, the Board may authorize the temporary transfer of money from a reserve account to the Association's general operating account to meet short-term cash flow requirements or other expenses. The transferred funds shall be restored to the reserve account within one year of the date of the initial transfer, except the Board may, upon making a finding supported by documentation that a delay would be in the best interests of the project, delay the restoration until the time which the Board reasonably determines to be necessary. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the reserve accounts, and shall, if necessary, levy a special assessment to recover the full amount of the expended funds within the time limits required by this Section 6.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of ~~this~~ the Association shall be a President, a vice president and a treasurer, all of whom shall at all times be member of the Board, and a secretary. The Board may by resolution 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 2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

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

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board. 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 5. 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 6. 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 1 of this Article.

Section 7. Duties. The duties of the officers are as follows:

President

(a) The President shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Association. He or she shall preside at all meetings of the Members and at all meetings of the Board. He or she shall be ex-officio a member of all standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board or by the Bylaws.

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. The vice president shall have such other duties as from time to time may be prescribed for him by the Board or by the Bylaws.

Treasurer

(c) 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; keep or cause to be kept proper books of account; at the request of the Board or as may otherwise be required by these Bylaws, cause an annual review of the Association's books to be made by ~~a public accountant~~ an independent bookkeeper at the completion of each fiscal year; and ~~shall~~ prepare or cause to be prepared the annual report of the Board, and the budget and operating statement, ~~an annual budget and a statement of income and expenditures as~~ required by these Bylaws.

Secretary

(d) 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;~~ give notice of meetings of the Board and of the Members as required by these By-Laws; keep appropriate current records showing the Members together with their addresses; and shall perform such other duties as required by the Board.

Section 8. Signing Checks, Etc. All notes, leases and deeds of trust of the Association shall be signed by at least two persons who hold offices of the Association, and one such person must be the ~~president~~ President or the vice president. The Board may by resolution authorize other officers or employees of the Association to sign checks for the payment of operating expenses of the Association. The signatures of at least (i) two directors or (ii) one director and one officer who is not a director shall be required for the withdrawal of moneys from the Association's reserve accounts.

Section 9. Compensation. No officer of the Association shall receive compensation for his services performed in the conduct of the business of the Association except ~~upon~~ with the affirmative vote ~~or written consent of a majority~~ of at least fifty-one (51%) of the total voting power of each class of Members of the Association, or after conversion of the Class B membership to Class A membership, except upon the affirmative vote ~~or written assent~~ of (i) at least fifty-one percent (51%) of the total voting power of Members of the Association and (ii) at least fifty-one percent (51%) of the total voting power of Members of the Association other than Declarant. However, any officer may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VIII

BOOKS AND RECORDS

The books, minutes of meetings of Members and of the Board and committees, records, membership register (including mailing addresses and telephone numbers), and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member or by his duly appointed representative. 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 and shall be posted on the Association's website, ~~where copies may be purchased at a reasonable cost during normal business hours.~~

Every director of the Association shall have the absolute right at any reasonable time to inspect all books, records, documents and the Common Area of the Association. The right of inspection by a director shall include the right at his expense to make extracts and copies of documents.

ARTICLE IX

MISCELLANEOUS

Section 1. Declaration to Control. 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, the Declaration shall control.

Section 2. Rights of Lenders. The Association shall give those notices to lenders required by the Article of the Declaration entitled "RIGHTS OF LENDERS".

Section 3. Annexation. The Association shall, with respect to Lots, Common Area and Common Area easements which become annexed to the Properties pursuant to the Article ~~in~~of the Declaration entitled "ANNEXATION":

- (a) Accept the Lot Owners as Members;
- (b) Accept title to the Common Area;
- (c) Accept the Common Area easements.

Section 4. Assessments. As more fully provided in the Declaration, each Owner of a Lot 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.

Section 5. Electronic Transactions. The provisions of the Uniform Electronic Transaction Act, Sections 30-18-101 et seq. of the Montana Corporations Act, shall apply to all documents executed in connection with the operation and governance of the ~~association~~Association, so that signatures transmitted electronically shall be effective in all respects as originals.

ARTICLE X

AMENDMENTS

Section 1. Power to Amend. During the period of time prior to conversion of the Class B membership in the Association to Class A membership, new Bylaws may be adopted or these Bylaws may be amended or repealed by the affirmative vote of at least 51% of the total voting power ~~the Members entitled to exercise a majority or more of the voting power~~ of each class of Members of the Association. After conversion of the Class B membership to Class A membership, these Bylaws may be amended or repealed by the affirmative vote of (i) at least a majority 51% of the total voting power of Members of the Association, and (ii) at least a majority 51% of the total voting power of Members of the Association other than Declarant.

Section 2. Vote to Amend. The percentage of voting power necessary to amend a specific clause or provision of these Bylaws shall not be less than any percentage of affirmative votes prescribed for action to be taken under that clause.