

**BYLAWS
OF
LAKE POINTE HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I
INTRODUCTION**

Section 1 The provisions of these Bylaws govern the internal affairs of this corporation and its members as applicable to the operation and administration of Lake Pointe Homeowners' Association, Inc., located on the real property in Flathead County, Montana, described as:

Lots one (1) through forty-four (44) of the plat of The Harbor Village at Eagle Bend-Phase 2B, a subdivision located in the SE 1/4, SW 1/4 of Section 26, T27N, R20W, PMM, Flathead County, Montana, according to the records on file in the office of the Clerk and Recorder of Flathead County, Montana.

and any and all annexed additions thereto.

Section 2 These Bylaws were adopted by this corporation, a nonprofit corporation, organized under the laws of Montana, and in accordance with the Internal Revenue Code, Section 504(c)(7) as amended, pertaining to owners associations.

**ARTICLE II
PRINCIPAL OFFICE**

The principal office of the corporation shall be maintained in Bigfork, Montana.

**ARTICLE III
DEFINITIONS**

Words and phrases used herein shall have the meanings set forth in the October 25, 2005, Declaration of Covenants, Conditions, Easements and Restrictions for LAKE POINTE, a subdivision in Flathead County, Montana (hereinafter "the Declaration"), whether or not such words or phrases are capitalized herein.

ARTICLE IV
ADOPTION OF THE DECLARATION

These Bylaws adopt by reference and incorporate the Declaration in its entirety, and render the provisions thereof applicable to the corporation and its members. A copy of the Declaration shall be retained in the corporation's permanent records, but need not be appended hereto as an exhibit.

ARTICLE V
MEETINGS AND MEMBERS

Section 1 Membership shall be as set forth in the Declaration and in this corporation's Articles of Incorporation (hereinafter "Articles").

Section 2 This corporation shall have not less than one (1) meeting of members every year, upon 30 days written notice to each owner. The notice of the meeting shall include a written agenda for the meeting and a written Treasurer's report. The president and board of directors shall determine the precise agenda for the meeting, however, the agenda shall include at a minimum the following items:

- a. Roll call of owners, call of meeting to order and determination of quorum.
- b. Review, discussion and approval of treasurer's report for prior year. (This report shall include at a minimum, all income and expenses itemized by category and a financial statement showing all assets and liabilities by category.)
- c. An itemized budget.
- d. Election of directors.

Section 3 Special meetings may be called at any time for the purpose of considering matters which require the approval of members. Such a special meeting shall be called by written notice mailed by the Board of Directors at least 10 days prior to the date of such meeting to all members. Such written notice may be initiated by the majority of the Board of Directors.

Section 4 Members may vote at all members' meetings in person or by an agent designated in a signed proxy as the member's agent for purposes of the meeting. Any signed proxy that fails to identify an agent may be voted by the Board. If such a signed proxy provides clear, specific instructions, the Board shall vote according to such instructions. If, however, the signed proxy not only fails to identify an agent but also fails to give clear, specific instructions, then the Board may vote the proxy as a majority of the Board members present in person shall in their discretion decide.

Section 5 The presence at any meeting in person or by proxy of members representing two-thirds (2/3) of the total eligible votes shall constitute a quorum. Unless otherwise expressly provided herein, the Articles, or in the Declaration, any action may be taken at any meeting of the members upon the affirmative vote of members or their proxies owning a majority of the total lots present or represented by proxy at the meeting.

Section 6 In the election of directors, voting shall be by secret ballot or a show of hands. Other voting may be either by secret ballot or a show of hands in the discretion of the Board of Directors. Members' meetings shall be conducted according to Robert's Rules of Order.

ARTICLE VI BOARD OF DIRECTORS

Section 1 The affairs of the corporation shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Declaration, the Articles and the Bylaws as the same may be amended from time to time. The initial Board shall be composed of three members, who need not be owners. The Declarant shall appoint the initial Board members. The initial Board members and any successors appointed by the Declarant shall serve until the first election of Directors by members. When the Declarant has closed the sale of half or more of the lots in Lake Pointe, the Declarant shall arrange and conduct the first organizational meeting of members for the election of directors by the owners. As long as the Declarant owns any lot within Lake Pointe, the Declarant may appoint its representative to fill one of the authorized positions on the Board, in the event the Declarant's votes are insufficient to elect one of its candidates. Declarant's elected and appointed directors need not be owners within Lake Pointe. The initial Board elected by members shall consist of three directors. The number of directors may be changed by an amendment to these Bylaws.

Section 2 At the organizational meeting of members, a three member Board of Directors shall be elected to terms as follows: One Director shall be elected for a term of three years: One director shall be elected for a term of two years and One director shall be elected for a term of one year. Any Director may be removed at any meeting of members by due and proper vote at that meeting, providing proper notice of such resolution or vote had been mailed to all members at least 10 days prior to said meeting. The Board may increase the number of directors to five.

Section 3 A regular meeting of the Board of Directors shall be held within five (5) days of the adjournment of the organizational meeting of members, and annually thereafter immediately after the adjournment of the annual meeting of members. This Bylaw shall be the only notice required for such annual meetings of the Board of Directors.

Section 4 Special meetings of the Board of Directors may be called by the President or in his or her absence, by the Vice-President. By unanimous consent of the Directors, a special meeting may be held, without notice, at any time or place. The Directors may vote to meet more frequently or at regular time intervals.

Section 5 Notice of all special meetings, except those specified in the second sentence of Section 4 of this Article, shall be mailed to each Director by the Secretary at least five days prior to the time fixed for the meeting. Such notice shall specify the time and place of meeting, and shall state the purpose of the meeting. Before or at any meeting, any Director may in writing waive notice of such meeting. Directors may attend meetings, waive notice and vote in person, by written proxy giving clear, specific instructions for exercise of the vote, by teleconference or by other electronic means.

Section 6 A quorum for the transaction of business at any regular or special meeting of the Directors shall consist of a majority of members of the Board. Any business may be transacted by the signature and consent of all Directors, in lieu of a meeting for that purpose.

Section 7 The organizational directors chosen by the Declarant shall elect officers of the Association to serve until the first meeting of the regular Directors elected by members. The Directors shall elect the officers of the corporation specified in these Bylaws at the Directors meeting following the organizational meeting of members and following each annual meeting of the members of the corporation. An officer may be removed at any time by a majority vote of the full Board of Directors of the corporation.

Section 8 Any vacancy or vacancies on the Board of Directors may be filled by the remaining Directors in any special or regular Directors meeting. Death, incapacity, or resignation of any Director shall cause his office to become vacant. Such appointment shall be for the remaining term of the vacancy filled.

Section 9 The Board of Directors shall have the responsibility for, and authority to do all things necessary for the accomplishment of the matters specified in the Declaration. Directors shall not be compensated.

Section 10 All checks, drafts, notes, acceptances, vouchers, conveyances, contracts and other instruments shall be approved and signed on behalf of the corporation by such person or persons as shall be provided by general or special resolution of the Board of Directors, or in the absence of any such resolution applicable to such instruments, by the President or Vice-President or Secretary/Treasurer.

Section 11 Any member may nominate himself or herself or another member to stand for election to the Board by notifying the corporation's Secretary in writing. The Board of Directors may also nominate candidates to stand for election. The notice of annual members' meeting called for by Article V, Section 2, shall include the names of all candidates who have been nominated by the time that the notice is printed. Additional nominations may be made from the floor at the annual meeting.

ARTICLE VII OFFICERS

Section 1 The officers of the corporation shall be a President, a Vice-President, and a Secretary/Treasurer, each of whom shall be elected for a term of one year and shall hold office until their successors are duly elected and qualified. Officers shall be members and shall attend and vote at Director's meetings. The Board may appoint committees and committee chairpersons.

Section 2 The President shall preside at all Directors' and members' meetings, shall have general supervision over the affairs of the corporation, and shall perform all such other duties as are incident to the office. In case of the absence or disability of the president his or her duties shall be performed by the Vice-President.

Section 3 The Secretary/Treasurer shall issue notices of all Directors' and members' meetings and shall attend and keep the minutes of the same; shall have charge of all Association books and records and papers: and shall have custody of all money and securities of the Association: and shall give bond in such amount as required by the Directors, conditioned upon the faithful performance of the duties of the office. The Secretary/Treasurer shall keep regular books of account and shall submit them, together with all of his or her vouchers, receipts, records or other papers to the Directors for their examination and approval, at least quarterly or as often as they may require additionally: and shall perform all other duties as are incident to this office. The Board may delegate some or all of these duties to a non-member agent, in which case the Secretary/Treasurer shall oversee and be responsible for the actions of the agent.

VIII
FINANCE AND ASSESSMENTS

Section 1 The funds of the Association shall be deposited in such bank or banks, savings and loan associations, or other financial institutions as the Directors shall designate and shall be withdrawn only upon check or order of an officer of the corporation duly authorized by the Board of Directors, or by a Manager/Agent if so authorized.

Section 2 The Directors shall establish and collect the assessments, fees and obligations specified in the Declaration pursuant to the terms and conditions stated therein.

Section 3 In the event of default by any owner in paying the assessments, fees and obligations specified above, the Board of Directors shall exercise any or all of the remedial procedures stated in the Declaration or any other available legal remedy.

ARTICLE IX
AMENDMENTS

No amendment of these Bylaws shall be effective unless approved by a three-quarters affirmative vote of the members in attendance in person or by proxy at a meeting called at least in part to vote on such amendment. The notice of meeting given pursuant to Article V shall describe in general terms the proposed amendment. No amendments may contradict the Declaration or the Articles.

ARTICLE X
MISCELLANEOUS

Section 1 All notices to the Board of Directors shall be sent postage prepaid to the office of the Board of Directors as may be designated from time to time, said notices to be effective upon receipt, and all notices by the Board of Directors to owners shall be sent by the Board or its agent postage prepaid to the most recent address furnished by each owner.

Section 2 All owners are responsible for informing the corporation of their current mailing address and all changes thereto. Any notice sent by or for the corporation to an owner's most recent address on file with the corporation shall be presumed to have been received, and no owner shall be permitted to raise any claim or defense based on a mailing to an address other than the most recent one on file with the corporation.

Section 3 The invalidity of any part of these Bylaws shall not affect or impair in any manner the validity, enforce ability, or effect of the balance of these Bylaws. Similarly, any invalidity in the Declaration shall not affect the balance thereof.

Section 4 No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to be abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches thereof which may occur. Similarly, any failure to enforce the provisions of the Declaration shall not be deemed to be a waiver.

Section 5 Upon dissolution or final liquidation of the corporation, obligations shall be paid and assets distributed in conformity with the Montana Non-Profit Corporation Act and/or Section 501 of the Internal Revenue Code, as amended.

ARTICLE XI
CONFLICTS

In case any of these Bylaws conflict with the provisions of federal or state statutes, the Declaration, or the Articles, the provisions of such statute, the Declaration or the Articles, as the case may be, shall control.

IN WITNESS WHEREOF, the undersigned, as the initial directors appointed by the incorporator, have executed and hereby certify these Bylaws were duly adopted by the Board of Directors of the corporation this 12th day of July, 2006.

By: Brent L. Hall
Initial Director

By: [Signature]
Initial Director

By: [Signature]
Initial Director