

**BYLAWS
OF
THE EAGLE BEND WEST COMMUNITY ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is The Eagle Bend West Community Association, Inc., a Montana nonprofit corporation, (the “Association”). The principal office and address of the corporation is located in Flathead County, Montana.

**ARTICLE II
DEFINITIONS, PURPOSES AND ASSENT**

Section 2.01. Definitions. The definitions in the Declaration of Covenants, Conditions, Easements and Restrictions for Eagle Bend West Subdivision (the “Declaration”), as amended from time to time and recorded in the office of the Clerk and Recorder of Flathead County, Montana, apply to these Bylaws, and all defined terms used in these Bylaws will have the same meaning as the defined terms used in the Declaration.

Section 2.02. Purposes. The specific purposes for which the Association is formed are specified in the Declaration and Articles of Incorporation which are incorporated herein by reference.

Section 2.03. Assent. All present or future Owners, present or future tenants, all guests and invitees, and any other person using the facilities of the Association, in any manner are subject to these Bylaws, the Declaration, and any rules adopted by the Board of Directors (“Board”). The acquisition, rental or occupancy of any Lot shall constitute ratification and acceptance of these Bylaws and an agreement to comply with these Bylaws and such rules.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS**

Section 3.01. Membership and Voting Rights. Membership and voting rights are governed by the Declaration.

**ARTICLE IV
ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES**

Section 4.01. Place and Frequency of Meetings. Meetings of the Members will be held at least once each year at such place convenient to the Members, as the Board may determine.

Section 4.02. Annual Meetings. The Association shall have an annual to be held on a date and at a time set in the Declaration, and if no such dates is specified, then by the Board. The purpose of the annual meetings is for the election of the Board and the transaction of such other business of the Association as may properly come before the meeting.

Section 4.03. *Special Meetings.* Special meetings of the Members may be called at any time by the President of the Association, or by a majority of the Board, or upon written request of Members who are collectively entitled to vote at least 25% of all of the votes in the Association.

Section 4.04. *Notice of Meetings.* Written notice to each Member stating the place, day, and hour of the meeting and the agenda for the meeting will be delivered as directed by the Board not less than thirty (30) nor more than sixty (60) days before the date of the meeting, personally, by mail or email, or as otherwise as permitted by the Montana Nonprofit Corporation Act.

Section 4.05. *Quorum.* A quorum is deemed present throughout any meeting of the Association if Members entitled to cast (or proxies entitled to cast) 25% of the votes of the Association are present at the beginning of the meeting. If, however, such quorum is not present or represented at the meeting, the Members entitled to vote at the meeting will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented by proxy.

Section 4.06. *Actions Binding on Members.* A majority of votes cast by Members constituting a quorum in person or by proxy will be sufficient to make decisions binding on all Owners, unless a different number or method of voting is expressly required by statute or by the Declaration, the Articles, or these Bylaws.

Section 4.07. *Majority of Owners.* As used in these Bylaws, the term "majority" will mean those votes, Owners, or other groups as the context may indicate totaling more than 50% of the total number.

Section 4.08. *Voting by Mail or Electronic Means.* To the extent allowed by the Declaration, any action that may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter, and may do so via electronic communication, so long as the member grants consent to receive a ballot by electronic communications and the Association otherwise complies with the requirements of § 35-2-533, M.C.A., of the Montana Nonprofit Corporation Act.

Section 4.09. *Proxies.* Any Member may cast such Member's vote in person or by proxy, but no proxy will be valid if it is not dated or if it purports to be revocable without notice. Further, no proxy will be valid after sixty (60) days from the stated date of its execution unless otherwise provided in the proxy or unless voluntarily revoked upon notice, amended, or sooner terminated by operation of law. Finally, no proxy will be valid unless filed with the Secretary of the Association at or before the appointed time of the meeting at which the proxy will be voted.

Section 4.10. *Designation of Voting Representative by Non-Individual Owners -- Requirement for Proxy.* If title to a Lot is held in whole or in part by more than one individual, a firm, corporation, partnership, association, or other legal entity, the voting privilege appurtenant to that ownership may be exercised only by a designee who has been authorized by the entity or collection of owners to cast the vote allocated to that Lot at the meeting.

Section 4.11. *Waiver of Notice.* Waiver of notice of a meeting of the Members will be deemed the equivalent of proper notice. Any Member may waive, in writing, notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether

in person or by proxy, will be deemed waiver by such Member of notice of the time, date and place of the meeting unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting will also be deemed waiver of notice of all business transacted at the meeting unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

ARTICLE V BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 5.01. *Number and Qualification of Board.* The affairs of this Association will be managed by a Board of no more than five (5) Directors, the number of which may be increased or decreased by amendment to these Bylaws except that at no time shall it be fewer than three (3). Directors shall serve one year terms, but in the event an election has not been held prior to the end of the term, the Directors shall continue to serve until an election is held. Directors may serve consecutive terms.

Section 5.02. *Removal of Directors.* Any Director may be removed, with or without cause, at any regular or special meeting of the Members by a majority of the votes of the Members voting in person or by proxy at a meeting at which a quorum is present. A successor to any Director removed may be elected at such meeting to fill the vacancy created by removal of the Director. A Director whose removal is proposed by the Members will be given notice of the proposed removal at least 10 days prior to the date of such meeting and will be given an opportunity to be heard at such meeting.

Section 5.03. *Vacancies.* If a Director dies, becomes disabled or resigns, the remaining Directors will appoint a new Director from among the Members to serve the remainder of the term of the resigning, disabled or deceased Director representing Members.

Section 5.04. *Compensation.* No Director will receive compensation for any service rendered the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties as a Director.

ARTICLE VI MEETINGS OF DIRECTORS

Section 6.01. *Regular Meetings.* Regular meetings of the Board will be held at such regular times as set by the Board, at such place and hour as may be fixed from time to time by resolution of the Board. Should a regularly scheduled meeting fall upon a legal holiday, then that meeting will be held at the same time on the next day which is not a legal holiday.

Section 6.02. *Special Meetings.* Special meetings of the Board will be held when called by the President of the Association, or by any two Directors, after not less than three days' notice to each Director.

Section 6.03. *Quorum.* A quorum is deemed present throughout any meeting of the Board if persons entitled to cast 50% of the votes on the Board are present at the beginning of the meeting.

Section 6.04. *Actions Binding on Directors.* Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present will be regarded as the act of the Board.

Section 6.05. *Waiver of Notice.* Attendance of a Director at any meeting will constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Before, at, or after any meeting of the Board, any member of the Board may waive in writing notice of such meeting, and such waiver will be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the waiver of notice of such meeting.

Section 6.06. *Electronic Communication.* Unless otherwise specified by the Declaration, the Directors or any committee designated thereby may participate in a meeting of the Board or committee by means of conference telephone, video conference, webinar or similar electronic communication by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at the meeting.

Section 6.07. *Action Taken Without a Meeting.* The Directors will have the right to take any action which they could take at a meeting in the absence of a meeting by obtaining the written (including e-mail) approval of all the Directors. Any action so approved will have the same effect as though taken at a meeting of the Directors.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.01. *General.* The Board will have the powers and duties necessary for the administration of the affairs of the Association as set forth in the Declaration.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 8.01. *Enumeration of Officers.* The officers of the Association will be a President, Vice-President, Secretary and Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 8.02. *Election of Officers.* The election of officers will take place at the first meeting of the Board following each annual meeting of the Members.

Section 8.03. *Term.* Officers of the Association will be elected annually by the Board and shall hold office for one year or until his or her successor is duly elected and qualified, unless he or she sooner resigns, or is removed, or is otherwise disqualified to serve.

Section 8.04. *Special Appointments.* The Board may elect such other officers as the affairs of the Association may require, each of whom will hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 8.05. *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, the President, or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

Section 8.06. *Vacancies.* A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy will serve for the remainder of the term of the officer replaced.

Section 8.07. *Multiple Offices.* Any two or more offices may be held by the same person except the offices of President and Secretary.

Section 8.08. *Duties.* The duties of the officers are as follows:

- (a) ***President.*** The President will preside at all meetings of the Association and the Board; will see that orders and resolutions of the Board are carried out; will sign all leases, mortgages, deeds, and other written instruments; will co-sign all promissory notes; cause to be prepared and will execute, certify and record amendments to the Declaration on behalf of the Association; and will exercise and discharge such other duties as may be required of the President by the Board.
- (b) ***Vice-President.*** The Vice-President will act in the place and stead of the President in the event of his absence, inability, or refusal to act, and will exercise and discharge such other duties as may be required by the Board.
- (c) ***Secretary.*** The Secretary will 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 place it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records listing the Members together with their addresses; and perform such other duties as required by the Board.
- (d) ***Treasurer.*** The Treasurer will be responsible for overseeing and managing receipt and deposit in appropriate bank accounts of all monies of the Association and disbursement of such funds as directed by resolution of the Board; sign all checks of the Association unless the Board specifically directs otherwise, and co-sign all promissory notes of the Association; keep proper books of account; at the direction of the Board, cause agreed-upon procedures to be performed by an outside contractor periodically with respect to the Association books; prepare an annual budget and a statement of income and expenditures to be presented to the Members in accordance with the schedule set forth in the Declaration; present a financial report to the Members at their regular annual meeting; and, deliver or make copies of appropriate financial statements and reports available to each to the Members.

ARTICLE IX INDEMNIFICATION

Section 9.01. *Indemnification.* To the full extent permitted by applicable law, and these Bylaws, the corporation may indemnify and hold harmless each Director (collectively, the “Indemnitees”) from and against any and all claims, liabilities, damages, losses, costs and expenses (including amounts paid in satisfaction of judgments, compromises and settlements, as fines and penalties and legal or other costs and expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred by any Indemnatee and arise out of or in connection with the business of the corporation or the performance by such Indemnatee of any of the Director’s responsibilities under the Bylaws. The rights created by this provision shall continue as to an Indemnatee who has ceased to be a director, and shall inure to the benefit of such Indemnatee’s heirs, executors, administrators, legal representatives, successors and assigns. Without limiting the generality or scope of the foregoing, an individual made a party to a proceeding because the individual is or was a Director may be indemnified under Montana law against liability incurred in the proceeding, if the indemnification is both (a) determined permissible; and (b) authorized, as defined in this Section.

The corporation may indemnify a director under this Section only when all of the following have occurred: (a) determination has been made in accordance with procedures set forth in the Act that the Director met the standard of conduct set forth below; and (b) payment has been authorized in accordance with procedures listed in the Act based on a conclusion that the expenses are reasonable, the corporation has the financial ability to make the payment, and the financial resources of the corporation should be devoted to this use rather than some other use by the corporation.

Standard of Conduct. A Director may be indemnified hereunder if:

- (a) The individual acted in good faith; and
- (b) The individual reasonably believed (i) in acting in an official capacity with the corporation, that the individual’s conduct was in the corporation’s best interests; (ii) in all other cases, that the individual’s conduct was at least not opposed to the corporation’s best interests; and (iii) In the case of any criminal proceeding, that the individual had no reasonable cause to believe his or her conduct was unlawful.

No Indemnification Permitted in Certain Circumstances. The corporation shall not indemnify a Director under this Section if:

- (a) The Director was adjudged liable to the corporation in a proceeding by or in the right of the corporation; or
- (b) The Director was adjusted liable in any other proceeding charging that the Director improperly received personal benefit, whether or not the individual acted in an official capacity.

Section 9.02. *Mandatory Indemnification.* Notwithstanding any other provisions of these Bylaws, the corporation shall indemnify a Director or Officer, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the Director or Officer was a party because he or she is or was a Director of the corporation or an officer of the Board or the

corporation, against reasonable expenses incurred by the Directors in connection with the proceeding.

Section 9.03. Director and Officer Liability Insurance. The corporation shall purchase and maintain a Director and Officer liability policy insuring the corporation and its individual Directors and Officers against the costs of defending a claim or paying a settlement or decision. The right of the Director and Officer to indemnification by the corporation shall be in addition to, and not exclusive of, all other rights to indemnification to which he or she otherwise may be entitled, including any rights to indemnification under the terms of the director and officer liability insurance policy.

**ARTICLE X
NONPROFIT CORPORATION**

The Association is not organized for profit. No member of the Association, member of the Board, or person from whom the Association may receive any property or funds will receive or will be lawfully entitled to receive any pecuniary profit from the operations of the Association, and in no event will any part of the funds or assets of the Association be paid as a dividend or be distributed to, or inure to the benefit of, any member of the Board. Notwithstanding the foregoing, (i) reasonable compensation may be paid to any Member or Manager acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, (ii) any Member or Manager may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, and any Director may be reimbursed for actual expenses incurred in the performance of his duties.

**ARTICLE XI
AMENDMENTS**

These Bylaws may be amended, at an annual or special meeting of the Members, by affirmative vote of Members holding at least two-thirds (2/3) of the votes in the Association, whether present in person or by proxy.

THE UNDERSIGNED DIRECTORS, having been authorized by the Members and constituting of a majority of the Board of Directors, have executed these Bylaws this ____ day of _____, 2015.

**EAGLE BEND WEST
COMMUNITY ASSOCIATION, INC.**

By _____

By _____

By _____

By _____

By _____