BYLAWS
OF
TIMBER RIDGE HOMEOWNERS' ASSOCIATION

ARTICLE 1 NAME AND LOCATION

The name of the corporation is Timber Ridge Homeowners' Association (the "Association"), a Montana nonprofit corporation. The principal office and address of the corporation is located at 307 Spokane Avenue, Whitefish, Flathead County, Montana.

ARTICLE II DEFINITIONS, PURPOSES AND ASSENT

Section 2.01. Definitions. The definitions in the Declaration of Covenants, Conditions, Restrictions and Easements for Timber Ridge, as amended from time to time and recorded in the office of the Clerk and Recorder of Flathead County, Montana (the "Declaration"), will apply to these Bylaws, and all defined terms in these Bylaws will have the same meaning as the defined terms used in the Declaration, unless the defined terms in these Bylaws or the context of these Bylaws clearly indicate otherwise.

Section 2.02. Purposes. The specific purposes for which the Association is formed are (i) to provide for the maintenance, preservation, and control of the Common Area in the Timber Ridge subdivision located in Flathead County, Montana; and (ii) to promote the health, safety, and welfare of the Owners and users of the Timber Ridge subdivision.

Section 2.03. Assent. All present or future Owners, their families, present or future tenants, and their guests and invitees, and any other person using the facilities of the Timber Ridge subdivision in any manner are subject to the Association Documents, including these Bylaws and any rules adopted by the Board of Directors. The acquisition or rental of any of the Lots in the

Timber Ridge subdivision or the occupancy of any of the Lots will constitute ratification and acceptance of these Bylaws and an agreement to comply with those rules.

ARTICLE III MEMBERSHIP

Section 3.01 Membership. Every Owner of a Lot, by virtue of being an Owner, and for so long as he is an Owner, will be a Member of the Timber Ridge Homeowners' Association. The Declarant shall be considered an Owner and shall be a Member of the Association with all of the same privileges of the other Owners and Members.

Section 3.02. Representation on Board of Directors. If title to a Lot is held by a firm, corporation, partnership, association, other legal entity or any combination thereof, or if any individual or entity holds title to more than one Lot, then in either case, that individual or entity may appoint,

by a writing furnished to the Association, a delegate to represent each such Lot as a candidate for, and if elected, as a member of, the Board of Directors. Such delegate will not vote as a member of the Association unless such person is appointed by a proxy executed in conformance with these Bylaws to cast the voting interest of the Lot which he represents.

Section 3.03. Responsibilities of Members. Any person, including Declarant, on becoming an Owner, will automatically become a Member and be subject to these Bylaws. Such membership will terminate without any formal Association action whenever such person ceases to own a Lot, but such termination will not relieve or release any such former Owner from any liability or obligation incurred under the Declaration or in any way connected with the Association during the period of such ownership, or impair any rights or remedies which the Board of Directors or others may have against such former Owner arising out of ownership of the Lot and membership in the Association and the covenants and obligations incident thereto.

Section 3.04. Classes of Membership. The Association will have one class of voting membership, composed of all Owners, including Declarant.

Section 3.05. Voting Privileges. All Members will be entitled to vote on Association matters on the basis of one vote for each Lot owned.

When more than one person holds an interest in any Lot, all such persons will be Members. The vote for such Lot will be exercised by one person or alternative persons as the Owners among themselves determine. If more than one of the multiple Owners are present at a meeting in person or by proxy, the vote allocated to their Lot may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to his Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

Section 3.06. Proof of Membership. Any person or entity, on becoming an Owner, will furnish to the Secretary of the Association a photocopy of the recorded instrument vesting that person or entity with an ownership interest, which instrument will remain in the files of the

Association. An Owner will not be deemed a Member of the Association in good standing and will not be entitled to vote at any annual or special meeting of the members unless this requirement is first met.

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 a year at such place, within or without the State of Montana, as the Board of Directors may determine.

Section 4.02. Annual Meetings. The first annual meeting of the Members will be held within one year after the date of the adoption of these Bylaws. Each subsequent annual meeting of the Members will be held on a date and at a time set by the Board of Directors. 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 of Directors, or upon written request of the Members who are collectively entitled to vote at least 20% of all of the votes in the Association.

Section 4.04. Notice of Meetings. Written notice stating the place, day, and hour of the meeting and the agenda for the meeting will be delivered not less than 10 nor more than 50 days before the date of the meeting, personally or by mail or fax or otherwise as permitted by the Montana Non-Profit Corporation Act, by or at the direction of the President, or the Secretary, or the persons calling the meeting, as provided in these Bylaws, to the registered mailing address for notice (as provided in the Declaration) of each Member entitled to vote at such meeting.

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) 50% 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 the 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. An affirmative vote cast by two-thirds of the Members constituting a quorum in person or by proxy is required 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 percent of the total number.

Section 4.08. Voting by Mail. Voting by mail is permitted for election of the Board of Directors, amendment of the Articles, adoption of a proposed plan of merger, consolidation or dissolution pursuant to the provisions of the Montana Nonprofit Corporation Act, each as amended from time to time, or other questions that come before the Association. In the case of a vote by mail, the Secretary will give written notice to all Members, which notice will include (i) a proposed written resolution setting forth a description of the proposed action, (ii) a statement that the Members are entitled to vote by mail for or against such proposal, (iii) a statement of a date not less than 20 days after the date such notice will have been given by which all votes must be received, and (iv) the specified address of the office to which all votes must be sent. Votes

received after that date will not be effective. Delivery of a vote in writing to the designated office will be equivalent to receipt of a vote by mail at such address for the purpose of this section.

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 eleven months 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 the title to a Lot is held in whole or in part by a firm, corporation, partnership, association, or other legal entity, the voting privilege appurtenant to that ownership may be exercised only by a proxy executed on behalf of such party or parties, filed with the Secretary of the Association, and appointing and authorizing one person or alternate persons to attend all annual and special meetings of the Members and to cast the vote allocated to that Lot at the meeting.

Section 4.11. Designation of Voting Representative by Multiple Owners – Use of Proxy. If title to a Lot is held by more than one Owner, each Owner may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association.

Section 4.12. 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, Qualification and Initial Board. After the Period of Declarant Control, the affairs of this Association will be managed by a Board of three (3) Directors. During the Period of Declarant Control, the Board may consist of as few as two (2) Directors. Except as provided below regarding Directors appointed by Declarant, the Directors will be Members of the Association or the delegates of Members appointed by proxy under Article IV above. The number of the Board of Directors will be established from time to time by amendment to these Bylaws.

The names and addresses of the persons who are to serve on the initial Board of Directors until their Successors are appointed are:

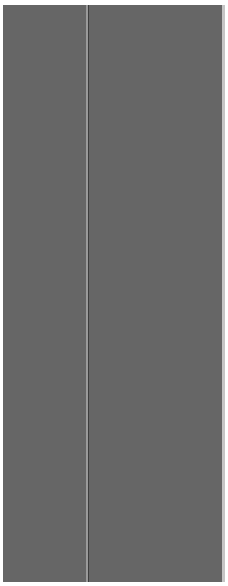
NAME

David Christensen Brian Murphy

ADDRESS

16 Colleen Crescent SW
Calgary, Alberta, Canada T2V 2R3

307 Spokane Avenue Whitefish, Montana 59937



Section 5.02. Directors During Declarant Control. During the Period of Declarant Control the Board of Directors will be selected by Declarant and will serve at the sole discretion of Declarant. During the Period of Declarant Control, the Declarant may appoint or remove Directors by written notice given to the Association. The Directors selected by Declarant need not be Members of the Association. Unless Declarant directs otherwise, and subject to these Bylaws, the initial Board of Directors named in the Articles will continue to serve throughout the Period of Declarant Control. Declarant will surrender its right to select the Board of Directors upon termination of the period of Declarant Control, as provided below.

Section 5.03. Election of Directors After Period of Declarant Control. Upon termination of the Period of Declarant Control in accordance with the Declaration, a special meeting of the Association will be called, at which Declarant will turn control of the Association over to the Members. The Members will elect a new Board of Directors, and any terms of Directors appointed by Declarant that have not expired will terminate at that time. Subsequently, Directors will be elected by the Members at each annual meeting of the Members. At the first general election of the Board by Members and at subsequent elections, the Members may cast as many

votes as they are entitled to exercise under the provisions of Section 3.06 above. Voting for Directors will be by secret written ballot.

Section 5.04. Term of Office or Directors After Period of Declarant Control. The term of office for the Directors elected by the Members will be fixed at the time of their election as they themselves will determine in order to establish a system of three-year terms in which at least one - third of the Board is elected each year. For example, one Director will serve for a one-year term, one Director will serve for a two-year term, and one Director will serve for a three-year term. At the expiration of the initial term of office of each respective Director, a successor will be elected to serve three years. Each Director will hold office until such Director's successor is elected by the Members and qualified to take over the office.

Section 5.05. Removal of Directors. Any Director other than one appointed by Declarant may be removed, with or without cause, at any regular or special meeting of the Members by two- thirds 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. Any Director appointed by Declarant may be removed, with or without cause, at any time by Declarant, and a successor to any Director so removed may be appointed by Declarant.

Section 5.06. Vacancies.

(a) During Period of Declarant Control. During the Period of Declarant Control, if a Director appointed by Declarant dies, becomes disabled or resigns, Declarant will appoint a new Director to serve the balance of the term of the resigning, disabled or deceased Director; and if a Director elected by the Members dies, becomes disabled or resigns, the remaining Directors will appoint a new Director from among the members other than Declarant to serve the remainder of the term of the resigning, disabled or deceased Director representing Members other than Declarant.

(b) Following Period of Declarant Control. After the expiration or termination of the Period of Declarant Control, any vacancy occurring on the Board may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. The term of the Director so elected will be coincident with the term of the replaced Director.

Section 5.07. Compensation. No Director will receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his duties as a Director.

ARTICLE VI MEETING OF DIRECTORS

Section 6.01. Regular Meetings. Regular meetings of the Board of Directors will be held at such regular times as set by the Board of Directors, at such place and hours 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 of Directors 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 of Directors 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 of Directors, 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 of Directors need be specified in the waiver of notice of such meeting.

Section 6.06. 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 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 of Directors will have the powers and duties necessary for the administration of the affairs of the Association, including the powers and duties required to own, operate and maintain the public water supply and distribution system as set forth in Section 6.2 of the Declaration of Covenants, Conditions, Restrictions and Easements for Timber Ridge, as amended. Except as provided by these Bylaws or the Declaration, the Board of Directors may do all such acts and things which are not specifically required to be done by the Members and may otherwise act in all instances on behalf of the Association.

Section 7.02. Specific Powers and Duties. Without limiting the generality of powers and duties set forth in Section 7.01 above, the Board of Directors will have the following powers and duties, in each case subject only to applicable requirements of the Montana Nonprofit Corporation Act:

(a) To administer and enforce the covenants, conditions, restriction, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration.

(b) To establish, make, amend from time to time, and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use, and occupancy of the Timber Ridge subdivision, subject to the provisions of the Declaration. A copy of such rules and regulations will be delivered or mailed to each Member promptly after adoption.

(c) To keep in good order, condition, and repair all of the Common Area and all items of personal property, if any, used in the enjoyment of the Common Area. No approval of the members is required for expenditures for these purposes, except as otherwise required by the Declaration or these Bylaws.

(d) To fix, determine, levy, and collect the Annual Assessments to be paid by each of the Members towards the gross expenses of the Timber Ridge subdivision, and to adjust, decrease, or increase the amount of the Assessments, and to credit any excess of Assessments over expenses and cash reserves to the Members against the next succeeding Assessment period.

(e) To levy and collect Special Assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All Special Assessments will be in statement form and will set forth in detail the various expenses for which the Special Assessments are being made.

(f) To levy and collect Default Assessments for violation of the Association Documents or because the Association has incurred an expense on behalf of a Member under the Association Documents.

(g) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided in the Declaration and these Bylaws; and to exercise other remedies for delinquent Assessments as set forth in the Declaration.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary; provided, however, that the Board will not borrow more than $5,000 or cause the Association to be indebted for more than $10,000 at any one time without the affirmative vote of 75% of the Members present and voting in person or by proxy on the issue.

9. (i) To enter into contracts within the scope of their duties and powers.
10. (j) To establish a bank account for the operating account of the Association and

for all separate funds as required or deemed advisable by the Board of Directors.

(k) To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof by Members or their mortgagees at convenient weekday business hours.

(l) To cause any and all access roads, parking areas, and roadways in and to the Timber Ridge subdivision and across the property to be maintained to the extent those facilities are within the jurisdiction or control of the Association, subject to the provisions of the Declaration.

(m) To cause the maintenance of the lawn, trees, shrubs, and other vegetation and any sprinkler or other irrigation systems located on the Common Area for the benefit of the Members.

(n) To delegate to any other person or entity such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by someone other than by the Association, and to agree to assess to the Members a reasonable fee for such services, except that the duties set forth in subparagraphs (d), (e), (f), (g) and (i) of this Section 7.02 and duties reserved to the Board by law will not be so delegated.

Section 7.03. Accounts and Reports. The following management standards of performance will be followed unless the Board, by resolution, specifically determines otherwise:

(a) A segregation of accounting duties should be maintained, and disbursements by check in any amount greater than $1,000 will require two signatures. Cash disbursements will be limited to amounts of $200 or less.

(b) Cash accounts of the Association will not be commingled with any other

accounts.

(c) No remuneration will be accepted by the Board of Directors from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise. Anything of value received will be for the benefit of the Association.

(d) Any financial or other interest that a member of the Board of Directors may have in any firm (other than Declarant) providing goods or services to the Association will be disclosed promptly to the Board of Directors.

(e) Commencing at the end of the calendar quarter in which the first Lot is sold by Declarant and closed, and continuing on at least an annual basis, financial reports will be prepared for the Board of Directors containing the following:

(i) An income statement reflecting all income and expense activity for the preceding three months;

2. (ii) A balance sheet as of the last day of the quarter; and
3. (iii) A delinquency report listing all Owners who have been delinquent

during the preceding twelve-month period in paying the periodic installments of Assessments and who remain delinquent at the time of the report, and describing the status of any action to collect such installments which remain delinquent.

(f) A balance sheet as of the last day of the Association's fiscal year and an operating statement for the fiscal year will be distributed to the Members. At the written request of

an Owner or mortgagee, such statements will be audited at the requesting party's expense. Any such audited statements will be delivered to any Owner requesting the report and to the Association upon payment of a reasonable fee for copying.

(i) An account status report reflecting the status of all accounts in an "actual" versus "approved" budget format with a budget report reflecting any actual or pending obligations that are in excess of budgeted amounts by an amount exceeding the operating reserves or 10% of a major budget category (as distinct from a specific line item in an expanded chart of accounts) will be prepared for the Board periodically upon the Board's request and will be made available to all Members.

Section 7.04. Hearing Procedure. The Board will not impose a fine, suspend voting, or suspend any rights of a Member or other occupant for violations of rules and regulations or of the provisions of the Timber Ridge Documents unless and until the procedure below is followed:

(a) Demand. Written demand to cease and desist from the alleged violation will be served upon the alleged violator specifying:

1. (i) The alleged violation;
2. (ii) The action required to abate the violation; and
3. (iii) A time period of not less than 10 days during which the violation

may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after notice and hearing, if the violation is not continuing.

(b) Notice. At any time within 12 months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate will serve the violator with written notice of a hearing to be held by the Board. The notice will contain the following:

1. (i) The nature of the alleged violation;
2. (ii) The time and place of the hearing, which time will not be less than

10 days from the giving of the notice;

(iii) An invitation to attend the hearing and produce any statement, evidence, and witness on the Member's behalf; and

(iv) The proposed sanction to be imposed.

(c) Hearing. The hearing will be held pursuant to the notice, affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction under

these Bylaws, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement will be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. Written and oral evidence may be presented. The presenting party will provide copies of any written evidence to the other party or parties. The decision of the Board will be final.

(d) Appeal. The Board may, in its discretion, appoint a Hearing Committee to hear the matter. In such event the above procedure will apply except that either party may appeal the decision of the Hearing Committee to the Board by written notice to the Hearing Committee, the other party and the Board. The Board will consider the minutes of the hearing and report the decision of the Board within a reasonable period of time not exceeding 60 days after receipt of the notice. The decision of the Board will be final.

These above-described procedures will not be necessary in order to impose any sanction or penalty for nonpayment of a delinquent Assessment.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 8.01. Enumeration of Officers. The officers of the Association will be a 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 of Directors following each annual meeting of the Members.

Section 8.03. Term. The officers of the Association will be elected annually by the Board, and each will hold office for one year or until his successor is duly elected and qualified, unless he 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. Section 8.08.

Multiple Offices. Any two or more offices may be held by the same person.

Duties. The duties of the officers are as follows:

President. The President will preside at all meetings of the Association and the Board of Directors; 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) 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.

(c) Treasurer. The Treasurer will receive and deposit in appropriate bank accounts all monies of the Association and will disburse such funds as directed by resolution of the Board of Directors; 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 discretion of the Board, cause an annual audit of the Association books to be made by a public accountant at least once every three fiscal years; and prepare an annual budget and a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver or make copies available of each to the Members.

ARTICLE IX COMMITTEES

The Board of Directors may appoint a Hearing Committee as described in Article VII above, and other committees as the Board deems appropriate in carrying out its purposes. The Board of Directors will also appoint the Architectural Review Committee.

ARTICLE X INDEMNIFICATION

To the extent permitted by law and consistent with the Articles of Incorporation, the Association will indemnify every member of the Board of Directors, and every officer, employee and agent of the Association and every person who serves at the request of the Association as a director, officer, employee, fiduciary, or agent of any other foreign or domestic corporation or of

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any partnership, joint venture, trust or other enterprise or employee benefit plan against liability asserted against or incurred by such person in such capacity or arising out of that person's capacity as such. The indemnification permitted under this Article will not extend, in any event, to any act or omission occurring prior to the date of incorporation of the Association.

In the event of a settlement, indemnification will be provided only in connection with such matters covered by this settlement as to which the Association is advised by counsel that indemnification is permitted by applicable law. The foregoing rights will not be exclusive of other rights to which such member of the Board of Directors or officer or other person may be entitled. All liability, loss, damage, cost and expense arising out of or in connection with the foregoing indemnification provisions will be treated and handled by the Association as a Common Expense.

ARTICLE XI NONPROFIT CORPORATION

The Association is not organized for profit. No member of the association, member of the Board of Directors, 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 of Directors. 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 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 XII AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the Board, by a vote of a majority of a quorum of Directors present in person or by proxy, but amendment of Article V, X, XII or any portion of those Articles will require approval of all Directors.

ARTICLE XIII MISCELLANEOUS

Section 13.01. Fiscal Year. The fiscal year of the Association will begin on the first day of January and end of the 31st day of December every year, except that the first fiscal year will begin on the date of incorporation.

Section 13.02. Corporate Seal. The Association will have a seal in circular form having within its circumference the words: “Timber Ridge Homeowners’ Association”

Section 13.03. Conflicts of Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles will control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

Section 13.04 Notice. Any notice to be given hereunder or in any way pertaining to Association business shall be in writing and shall either be (1) served upon a party personally; (2) served by registered or certified mail, return receipt requested, directed to the party to be served at the address of the party set forth in the real estate records of Flathead County, Montana; or (3) served by e-mail to the address of the Member provided by the Member to the Association. A party wishing to change its designated address (es) shall do so by notice in writing to the Association. Notice served by certified mail shall be deemed complete when deposited in the United States mail, postage prepaid. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be a receipt of the notice. Service by e-mail shall be deemed complete when a confirmatory or receipt e-mail is received by the Association.

The undersigned members of the initial Board of Directors have executed these Bylaws this 13th day of February, 2015.

STATE OF MONTANA) :ss

County of Flathead)

_____ David Christensen, Director

_____ Brian Murphy, Director

This instrument was acknowledged before me on this 13th day of February, 2015, by David Christensen and Brian Murphy.

_____ Notary Public for the State of Montana
Residing at _____, Montana
My commission expires: _____