When recorded return to:

Viscomi, Gersh, Simpson & Joos, PLLP
121 Wisconsin Avenue
Whitefish, MT 59937

201800007979
Page: 1 of 6
Fees: $42.00
Debbie Pierson, Flathead County MT by DD 4/24/2018 2:36 PM

BYLAWS OF

RIVER HOMES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I – Name and Offices of Homeowners Association

Section 1. Name. River Homes Homeowners Association, Inc. has been formed as a Montana non-profit mutual benefit corporation for the purposes of administering the following described real property, located in Flathead County, Montana:

> LOTS 29, 30, 31, 32, 33, 34, 35, and 36 RIVERWOOD PARK – PHASE III, according to the map or play thereof on file and of record in the office of the Clerk and Recorder of Flathead County, Montana.

Section 2. Address. The initial mailing address of the Association shall be 6479 US Highway 93, #141, Whitefish, MT 59937.

ARTICLE II – Membership and Voting

Section 1. Membership. All Lot Owners shall be members of and constitute the Association. The Owner of any Lot shall automatically become a member of the Association and shall remain a member thereof until such time as the ownership of such Lot ceases for any reason, at which time the corresponding membership in the Association shall automatically cease.

Section 2. Voting. Voting shall be done on a lot-by-lot basis. Each Lot shall have one vote. If there are multiple owners of a Lot they shall still only be allowed one vote for the Lot. There shall be no cumulative voting. There shall be a separate vote for each Board vacancy, and anyone who did not win the vote for one Board seat may run again for any remaining seats. Votes may be cast in person or by proxy by the respective Owners as shown in the record of ownership of the Association. An executor, administrator, guardian or trustee may vote for any Lot owned or controlled by him in such capacity, whether or not the same shall have been transferred to his name in the Association's record of ownership, provided that he shall first present evidence satisfactory to the Secretary or presiding officer that he owns or controls such Lot in such capacity.

Section 3. Transfer of Voting Rights. The authority given by any Owner to another person to represent him at meetings of the Association shall be in writing, signed by such Owner and filed with the Secretary, and unless limited by its terms shall continue until revoked in writing filed with the Secretary or by the death or incapacity of such Owner. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale of any Lot or interest therein, a true copy of which is filed with the Board through the Secretary, shall be exercised only by the person designated in such instrument until the written release or other termination thereof is filed with the Board in like manner.

ARTICLE III – Meetings of Members

Section 1. Annual Meeting. There shall be an annual meeting of voting members of the Association. The annual meeting shall take place at such date, time and location as is set by the Board of Directors. Written notice of the annual meeting shall be mailed to each Owner by regular mail at his or her last known address or emailed to each Owner to the last email address provided to the Association by the Owner at least thirty (30) days before the meeting. At or before the annual meeting, the Board of Directors shall present a written statement to each voting member of the financial condition of the Association, itemizing receipts and disbursements for the preceding calendar year. If the statement is distributed at the annual meeting, any voting owner not present shall be mailed a copy of the statement within ten (10) days after the annual meeting.

Section 2. Special Meeting. Special meetings may be called 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 at least fifteen (15) days prior to the date of such meeting to all Lot Owners. Such written notice may be initiated by a majority of the Board of Directors or by the Owners of twenty-five percent (25%) of the Lots. Such notice shall specify the date, time and place of the meeting as well as all matters to be considered.

Section 3. Quorum. The presence at any meeting in person or by proxy of Owners having one-half of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting Owners upon the affirmative vote of the voting Owners having a majority of the total votes present at the meeting.

ARTICLE IV- Board of Directors

Section 1. Board. The business and property of the Association shall be managed under the direction of a Board of Directors consisting of the three (3) Officers, a President, a Vice-President and a Secretary/Treasurer. The first Board of Directors shall be appointed by the developer's successor in interest, Freedom Bank. Thereafter, the three Officers shall be elected by the members of the Association at the annual meeting. Each Officer must be a member of the Association. Each Officer shall serve a term of two (2) years except that the first Vice-President shall serve only a special, one-time one (1) year term so that the Officers' terms are staggered thereafter.

Section 2. Special Meetings. 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 Board, a special meeting may be held without notice at any time or place.

Section 3. Notice. Notice of all regular and special meetings (except those held by unanimous consent) shall be mailed or emailed to each Officer by the Secretary/Treasurer at least five (5) days prior to the time fixed for the meeting. Such notice shall specify the time and place of meeting, and in the case of special meetings shall state the purpose or purposes thereof. Before or at any meeting of the Board of Directors, any Officer may, in writing, waive notice of such meeting.

Section 4. Quorum. A quorum for the transaction of business at any regular or special meeting of the Board of Directors shall consist of a majority of the members of the Board.

Section 5. Removal of Officer. An officer may be removed at any time by a two-thirds (2/3rds) vote of the Board of Directors of the Association.

Section 6. Vacancy on Board. Any vacancy or vacancies on the Board of Directors shall be filled by appointment(s) voted on by the remaining Directors at any special or regular Directors' meeting. Death, incapacity, or resignation of any Director, or his or her continuous absence from two or more Board of Directors Meetings, shall cause his office to become vacant. Provided, however, that a Director may participate in Board meetings telephonically. Any Director appointed by the Board to fill such vacancy must stand for election at the next annual meeting, and that Director's position will be open to a general election by the Association for a new term.

Section 7. Authority of Board. The Board of Directors shall have the responsibility for, and authority to do all things as may be deemed by the Board to be in the best interests of the Association and the Owners, including but not limited to:

(a) The maintenance, upkeep and repair of any common roads, but only if necessary and not performed by another entity.

(b) The employment of personnel or contracting for management services necessary for the operation, maintenance, upkeep and repair of the common road, if any, and only if necessary and not performed by another entity.

(c) The maintenance, upkeep and repair of all party walls and party fences.

(d) Collecting from the Lot Owners their shares of the common expenses, fees and assessments. The amount of said common expenses, fees and assessments must be approved by a majority vote of the membership.

(e) Obtaining such liability and/or casualty insurance with such coverage and limits as the Board may deem appropriate.

(f) Negotiating and entering into on behalf of the Association any agreements it deems necessary for the best interests of the Association, including any agreements with persons or entities for maintenance, repair and use of the roads and common areas, if authorized by subsections (a) and (b) above, and any agreements with persons or entities for maintenance, upkeep and repair of party walls and party fences to the extent necessary.

Section 8. Signatures. All checks, drafts, notes, acceptances, conveyances, contracts and other instruments shall be signed on behalf of the Association by the President or Vice-President or the Secretary/Treasurer. Provided, however, that all checks, drafts, notes, acceptances, conveyances, contracts and other instruments with a value of one thousand dollars ($1,000) or more must be signed by both the President and Treasurer.

ARTICLE V – Officers

Section 1. Officers. The officers of the Association shall be a President, a Vice-President, and a Secretary/Treasurer as described above, each of whom shall be elected for a term of two years and shall hold office until their successors are duly elected and qualified, except that the first Vice-President shall serve the a one-time one (1) year term so that the Officers' terms may be staggered thereafter. The Board may appoint such committees and committee chairpersons as appears necessary in its judgment.

Section 2. President and Vice-President. The President shall preside at all Board of Directors' and members' meetings, shall have general supervision over the affairs of the Association, 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. Secretary/Treasurer. The Secretary/Treasurer shall issue notices of all Board of 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, if any, as is required by the Board of Directors, conditioned upon the faithful performance of the duties of this office. The Secretary/Treasurer shall keep regular books of account and shall submit them, together with all vouchers, receipts, records and other papers, to the Board of 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.

Section 4. Accountant. The Association may annually appoint a certified public accountant, who shall not be an officer of the Association nor own any interest in any Lot, to review or audit the books and financial records of the Association, and who shall prepare and file state and federal tax returns for the Association as may be necessary.

ARTICLE VI – Finances

Section 1. Assessments. Each Owner of any Lot must pay the annual assessments and any special assessments, as set forth the in the Declaration of Covenants, Conditions and Restrictions of River Homes.

Section 2. Default. In the event of default by any Owner in paying any assessment, the Board shall have the right to assess a late charge not to exceed $100.00. Furthermore, when an Owner is in default, such Owner shall be obligated to pay interest at the rate of twelve percent (12%) per annum on such delinquent assessments from the due date thereof, together with all expenses, including a reasonable attorneys fee, incurred by the Board of Directors to collect such unpaid assessments. The Board of Directors shall have the right and duty to make reasonable attempts to recover such expenses, together with interest thereon and the expenses of the proceeding, including attorney's fees, in an action brought against such Owner personally or by foreclosure of the lien of the assessment. The Board of Directors, acting on behalf of the Association, shall have the power to purchase the Lot at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the Lot. A suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the unpaid assessments.

Section 3. Statement of Assessments. The Board of Directors shall promptly provide any Owner who makes a request in writing with a written statement of his or her unpaid assessments.

Section 4. Deposit of Funds. The funds of the Association shall be deposited in such financial institutions as the Directors shall designate, and shall be withdrawn only upon the check or order of an officer of the Association duly authorized by the Board of Directors, or by a manager if so authorized.

Section 5. Operating Fund. The Board shall establish an Operating Fund into which the annual assessments shall be deposited upon receipt from Lot Owners and from which payment of operating expenses shall be made.

Section 6. Reserve Fund. The Board may also establish a Reserve Fund for contingencies for meeting any deficiency in the Operating Funds which may result from an inadequate estimated cash requirements or as a result of delinquencies in the payment of annual assessments, or for such other purposes as the Board may determine. The Reserve Fund may be

funded from excess balances in the Operating Fund or by special assessments. The funds allocated to the Reserve Fund shall be deposited in a separate special account.

Section 7. Borrowing. The Board of Directors shall have the authority to borrow money, upon approval by a majority vote of the membership as to the terms, conditions and amount of the loan, to meet any deficiency in the payment of assessments or to meet any emergency that may arise in the management of the property.

River Homes, LLC

Adnan Merchant as Managing Member of River Homes, LLC

4-4-18
Date

STATE OF MONTANA)
: ss
County of Flathead)

This instrument was acknowledged before me on the 4 day of April, 2018, by Adnan Merchant as Managing Member of River Homes, LLC.

(Seal) GLO CAUDILLO
NOTARY PUBLIC for the State of Montana
Residing at Whitefish, Montana
My Commission Expires
February 24, 2021

GLO CAUDILLO NOTARIAL SEAL STATE OF MONTANA

Glo Caudillo
NOTARY PUBLIC for the State of Montana
Printed Name: Glo Caudillo
Residing at Whitefish MT
My Commission Expires: 2/24/2021
My Commission Expires: