

BY-LAWS
OF
GLACIER HILLS HOMEOWNERS ASSOCIATION INC.

ARTICLE I
NAME AND LOCATION

The name of the Corporation is GLACIER HILLS HOMEOWNERS ASSOCIATION INC., hereafter referred to as the "Association". The principal office of the corporation shall be located at 700 White Basin Road, Kalispell, Montana, but meetings of members and directors may be held at such places within the State of Montana, County of Flathead as may be designated by the Board of Directors from time to time.

ARTICLE II
DEFINITIONS

Section 1: "Association" shall mean and refer to GLACIER HILLS HOMEOWNERS ASSOCIATION INC.

Section 2: "Property" shall mean and refer to all those parcels of land within the exterior boundaries of the property described in the Articles of Incorporation of "Glacier Hills Homeowners Association".

Section 3: "Common Area" shall mean all real property interests and personal property hereafter acquired by the Association for the common use and enjoyment of the members of the Association.

Section 4: "Lot" shall mean any parcel created from each of the parcels of land described in the Articles of Incorporation.

Section 5: "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 6: "Owner" shall mean and refer to every person or entity who is a record owner of a fee, or undivided fee, interest in any Lot which is subject by covenants of record to assessment by the Association. Record owners who have sold any Lot under a contract for deed shall not be considered owners but the purchasers of any Lot who are purchasing any Lot under a contract for deed shall be considered the owner for all purposes herein. Persons or entities having an interest in any Lot merely as security for the performance of an obligation (mortgages or beneficiaries) are hereby excluded.

Section 7: "Declarant" shall mean and refer to SPOKLIE & HOOVER, a general partnership.

Section 8: "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions of GLACIER HILLS recorded under Document No. 200315308130 records of Flathead County, Montana and shall also mean and refer to any property made subject to the Declaration by reference in the deed of conveyance.

ARTICLE III
MEMBERSHIP

Section 1. Members: Every person or entity who is a record owner of a fee, or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, or in any additions thereof, shall be a member of the Association; excepting however, any person or entity who has sold or is selling any such lot under a contract for deed shall not qualify as a member of the Association. Every person or entity purchasing any such Lot under a contract for deed shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest in a lot merely as security for performance of an obligation.

Membership shall be appurtenant to and may not be separated from ownership of the Lot which is subject to assessment by the Association. Ownership of such lot shall be the sole qualification for membership.

ARTICLE IV
VOTING

Section 1: Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest in any Lot the vote for such lot shall be exercised as such persons among themselves determine but in no event shall more than one vote be cast with respect to any Lot. The Board of Directors has the option to suspend the voting rights of any lot owner who is in arrears in payment of dues and/or assessments.

ARTICLE V
DIRECTORS

Section 1. Number: The business and affairs of the Association shall be managed by a board of three directors. The number of directors may be changed by a by-law or amendment to by-laws, duly adopted but no less than three directors.

Section 2. Election: At the first annual meeting the members shall elect three (3) directors for a term of one year and all directors shall be elected annually thereafter.

Section 3. Removal: Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death,

resignation or removal 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 4. Compensation: No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action without a Meeting: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI **MEETINGS OF DIRECTORS**

Section 1. Regular Meetings: Regular meetings of the Board of Directors may be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the board. If the meeting day falls on a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special meetings: Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each directors.

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.

ARTICLE VII **ELECTION OF DIRECTORS**

Section 1. Nominations: Nomination for election to the Board of Directors shall be made from the floor at the annual meeting of members.

Section 2. Election: Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration of Conditions, Covenants and Restrictions of Glacier Hills.

ARTICLE VIII
POWERS AND DUTIES

Section 1 Powers: The Board of Directors shall have power to:

- a. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration.
- b. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from four (4) consecutive regular meetings of the Board of Directors; and
- c. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.
- d. Determine, set, and collect all assessments as hereafter provided to provide funds for the administration and enforcement of the covenants.

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

- a. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the members.
- b. Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- c. As more fully provided herein, and in the Declaration, to:
 - i. Fix the amount of the annual assessment against each lot; and
 - ii. Send written notice of each assessment to every owner subject thereto in advance of each assessment period.
- d. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- e. Procure and maintain adequate liability and hazard insurance on property owned by the Association.

ARTICLE IX
MEETINGS OF MEMBERS

Section 1. Regular annual meeting: The first annual meeting of the members shall be held on the first business day of the month of January of the year following the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the first Monday of March of each year thereafter, at such time as may be set by the directors.

Section 2. Special Meetings: Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership.

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 transmitting a copy of such notice at least 30 days before such meeting to each member entitled to vote thereat addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice, whether written or published, shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum: The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fourth (1/4) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or representative at any meeting, the members entitled to vote thereat shall have 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 be represented.

Section 5. Proxies: At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE X
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices: The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary/treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers: The election of officers shall take place at meeting of the Board of Directors following each annual meeting of the members.

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

Section 4. Special Appointments: The Board may 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 5. 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 shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, acceptance of such resignation is not necessary to make it effective.

Section 6. Vacancies: A vacancy in any office may be filled by the Board of Directors. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. 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 4 of this Article. The duties of the officers are as follows:

President

- a. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-authorize all expenditures and fiscal commitments.

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; shall personally or by designation conduct a semi-annual audit of the Association books; and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

- c. 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; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, co-authorize with the president all expenditures and fiscal commitments of the association and shall perform such other duties as required by the Board.

Treasurer

d. 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 of Directors; keep proper books of account; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and make available a copy of each to the members.

ARTICLE XI
BOOKS AND RECORDS

Section 1. The Board of Directors: The Board of Directors shall retain printed records of all meeting minutes, official communications, detailed treasurer's reports, financial transactions, HOA annual meeting minutes, and Committee notes for a period of no less than ten years. Official documents of policies, procedures, and resolutions shall be retained indefinitely.

Section 2. The AERC: The Architectural and Environmental Review Committee shall retain all applicant forms and accompanying drawings for a period of no less than thirty years. These forms and drawings consist of:

- 1) Building & Structure Construction, Improvements, Modifications, Variances, Landscaping, and Lighting plans/applications
 - a) Owners signed New Building Application forms
 - b) Owners signed Improvements, Modifications and Variance Application forms
 - c) All drawings, site plans, landscaping plans, architectural elevations, and other supporting documentation (e.g. building/structure color palette) associated with the above
 - d) AERC Committee signed "Approval", "Approved Subject to Conditions", or "Not Approved" summary responses to applicants

2) Written Guidelines created by the AERC as provided by CC&R Article III, Section 5

3) Association Non-Compliance Procedure

- a) Written complaints received plus any documentation received from complainants or subsequently assembled during an investigation of a complaint
- b) Written communications/responses from the Committee to either complainants and/or violators
- c) Written communications with, or referral of cases to, the Board

Section 3. Committees: A record of all committee meeting minutes, correspondence, and significant documents shall be provided to the Board Secretary. These shall be retained by the Association for a minimum of three years, unless otherwise specified by the Board, or until they are no longer of significance to the interests of the Association, whichever comes later.

Section 4. Digital Document Storage: Any and all documents may be stored at a virtual storage location, such as a Gmail box, to be maintained by the Board Secretary.

Section 5. Inspection: The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association where copies may be purchased at reasonable cost.

ARTICLE XII **AMENDMENTS**

Section 1: These By-Laws may be repealed or amended, or new by-laws may be adopted, at an annual meeting, or any other meeting of the members called for that purpose by the Directors, by a vote, either in person or by proxy, representing two-thirds (2/3) of the members.

Section 2: In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

ARTICLE XIII **ARCHITECTURAL AND ENVIRONMENTAL REVIEW COMMITTEE**

Section 1. Number & Composition: The Architectural and Environmental Review Committee (AERC) shall consist of no less than three persons who are members of the Association. The number may vary upwards as necessary to manage the duties and responsibilities of the Committee, as deemed by the Directors, but never less than three Committee persons.

Section 2. Election: At the annual meeting of the Association the members shall elect Committee persons for a term of one year.

Section 3. Removal: Any Committee person may be removed from the Committee, with or without cause, by a majority vote of the members of the Association. Any Committee person may resign at any time by giving written notice to the Association Board, the President or the Secretary. 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, acceptance of such resignation is not necessary to make it effective. In the event of death, resignation or removal of a Committee person, his/her successor shall be selected and appointed by the Board and shall serve for the unexpired term of his/her predecessor.

Section 4. Chairperson: The Committee shall select a Chairperson from among those persons elected to the Committee.

Section 5. Powers, Duties and Responsibilities: The Powers, Duties and Responsibilities of the Committee are as those defined in the Declaration of Covenants,

Conditions and Restrictions of Glacier Hills, Article III and Article IV.

Section 6. Record Keeping: The Committee shall retain certain records, papers, drawings, etc. as stipulated in the By-Laws Article XI, Books and Records.

IN WITNESS WHEREOF, we, being all of the Directors of GLACIER HILLS HOMEOWNERS ASSOCIATION, have hereunto set our hands this 1st day of June, 2005.

Robert L. Spoklie/Incorporator-Director

Scott Santa/Director

Thomas Hoover/Director

STATE OF MONTANA)
) ss.
County of Flathead)

On this _____ day of June, 2005, before me, the undersigned a Notary Public for the State of Montana, personally appeared ROBERT L. SPOKLIE, SCOTT SANTA and THOMAS HOOVER known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate last above written.

Notary Public for the State of Montana
Residing at Kalispell, Montana
My Commission Expires _____. 20____