

RESTATED BYLAWS
of
HOUSTON POINT HOMEOWNERS ASSOCIATION, INC.
A Montana Nonprofit Corporation

These Restated Bylaws of Houston Point Homeowners Association, Inc. ("Restated Bylaws") amend, supercede and restate the Bylaws of Houston Point Maintenance Association, which were recorded July 12, 1979, in Book 673, Pages 482-489, records of Flathead County, Montana (the "Previous Bylaws").

These Amended Bylaws and the Previous Bylaws concern the following described property (the "Real Property"):

Amended Plat of Houston Point Subdivision, according to the map or plat thereof on file and of record in the office of the Clerk and Recorder of Flathead County, Montana, including all lots, green belt areas, common areas, tennis courts, park areas, roads, easements and other property contained therein, as the same presently exist and as they may be amended from time to time hereafter.

These Amended Bylaws supercede the above Previous Bylaws in their entirety. The Previous Bylaws are hereby terminated and shall be of no further force or effect whatsoever. The Previous Bylaws are hereby amended and restated to read in their entirety as follows:

ARTICLE I
DEFINITIONS

1. "Association" means the Houston Point Homeowners Association, Inc., a Montana nonprofit corporation.
2. "Houston Point" means the Real Property described above.
3. "Covenants" refers to the restrictions and other covenants running with the land which will govern the use of the land in Houston Point. The Covenants presently applicable to Houston Point are contained in the Restated Declaration of Covenants, Conditions and Restrictions Applicable to Houston Point Subdivision, which is being recorded simultaneously with these Restated Bylaws.
4. "Plat" means the Amended Plat of Houston Point Subdivision, according to the map or plat thereof on file and of record in the office of the Clerk and Recorder of Flathead County, Montana, including all lots, green belt areas, common areas, tennis courts, park areas, roads, easements and other property contained therein, as the same presently exist and as they may be amended from time to time hereafter.

5. "Lot" means the lots shown on the Plat and identified thereon by Arabic numerals running from 1 consecutively, within each Block identified on the Plat. "Lots" do not include the Common Area.

6. "Owner" refers to any owner, or any contract purchaser in possession, of any Lot.

7. "Common Area" means all real property transferred to and to be held by the Association for the common use, enjoyment or benefit of the owners. The Common Area on the Real Property includes the property identified on the Plat as green belt areas, common areas, tennis courts, park areas, roads, and easements. All permanent structures, fixtures and improvements upon the Common Area, including particularly docks, roads and utility systems, shall be deemed a part thereof.

ARTICLE II MEMBERS AND THEIR RIGHTS

1. The membership of the Association shall consist of and be limited to the Owners of Lots in Houston Point. One Association membership shall be inseparably appurtenant to each such Lot and shall pass therewith to all persons who become Owners of the Lot.

2. The Association shall have one class of voting members.

3. Each Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with, the title to the Owner's lot. Such right and easement shall be subject only to the following:

- (a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area.
- (b) The right of the Association to charge reasonable rates for utility services rendered by any Association-owned utility systems located upon the Common Area,
- (c) The right of the Association to suspend the voting rights and the rights to use the Common Area of an Owner for any period during which:
 - (i) any assessment against his lot remains unpaid, or
 - (ii) any violation of these covenants or of the Association's published rules for which he is responsible remains unabated,
- (d) The right of the Association, acting through its Board of Directors, to dedicate and transfer any utility system on, or which may be a part of, the Common Area, to the City of Whitefish;

- (e) The right of the Association to dedicate and transfer all or any part of the remainder of the Common Area to any public agency, authority, or utility for such purposes, in such manner and subject to such conditions as may be consistent with the Association's Articles of Incorporation, these Bylaws and the Montana Nonprofit Corporation Act, and
- (f) The nonexclusive right of all other members of the Association to use, enjoy and have the benefit of the Common Area upon the same terms.

ARTICLE III MEETINGS OF MEMBERS

1. There shall be a regular annual meeting of the members of the Association which shall be held on the third Saturday of May of each year at such convenient location as may be specified in the notice of the meeting or at such other time as may be set by the Board of Directors.
2. Special meetings of the members may be called by the President, the Secretary or any two members of the Board of Directors. Special meetings shall be called at the written request of members having at least 25% of the votes entitled to be cast at such meetings.
3. Each member of the Association shall be given at least thirty (30) days' notice of all regular and special meetings of members.
4. A member may vote in person or by proxy. Proxies shall be executed in writing by the member or by his duly authorized attorney in fact.
5. When directors or officers are to be elected by the members, such elections may be conducted by mail.
6. Subject to any special quorum requirements set forth in the Covenants, the quorum required to validate action taken at any regular or special membership meeting shall be members holding twenty-five percent (25%) of the votes entitled to be cast.

ARTICLE IV BOARD OF DIRECTORS; SELECTION: TERM OF OFFICE

1. The affairs of this Association shall be managed by a board of six directors, who shall be members of the Association.
2. At the first regular meeting of the members they shall elect two directors for a term of one year, two directors for a term of two years and two directors for a term of three years; and at each annual meeting thereafter the members shall elect two directors for a term of three years.

3. 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.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

1. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointments shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

2. If there are more nominees than there are vacancies to be filled, 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 cast under the provisions of these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI DIRECTORS' MEETINGS

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 days' notice to each director. Members are welcome to attend meetings of the Board of Directors.

ARTICLE VII POWERS AND DUTIES OF DIRECTORS

1. The Board of Directors shall have power to
 - (a) Adopt and publish rules and regulations governing the use of the Common Area and the facilities located thereon, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
 - (b) Suspend the voting rights and the right to use the Common Area of any member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed 60 days, for infraction of published rules and regulations;

- (c) Exercise for the Association all powers, duties and authority invested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the covenants;
 - (d) Declare the office of any director vacant in the event such director shall be absent without excuse from three consecutive meetings of the Board of Directors if he was given proper notice thereof;
 - (e) Employ a manager, independent contractors, or such employees as they may deem necessary, and to prescribe their duties, and
 - (f) Appoint an Architectural Control Committee, and to delegate to the said Committee authority to interpret, administer and enforce the Covenants, subject to any rules and regulations adopted by the Board of Directors from time to time.
2. 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 membership, or at any special meeting when such statement is requested in writing by one-fourth of the members who are entitled to vote;
 - (b) Supervise all officers, agents and employees of this Association, and to see to it that their duties are properly performed;
 - (c) As more fully provided in the Covenants, to fix and collect the assessments against each Lot which, under the applicable Covenants, is subject to assessment;
 - (d) To issue or 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 that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 - (e) To procure and maintain adequate liability and hazard insurance on property owned by the Association;
 - (f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
 - (g) To cause the Common Area and the facilities thereon to be properly maintained; and
 - (h) To hear and decide appeals from decisions of the Architectural Control Committee pursuant to the Covenants.

3. The foregoing enumeration of the powers and duties of the Board of Directors is not exclusive.

ARTICLE VIII OFFICERS AND THEIR DUTIES

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, a treasurer, and such other officers as the Board may from time to time by resolution create.

2. Election of Officers.

The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

3. Term.

The officers of the Association shall be elected annually by the Board and each shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

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.

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, the acceptance of such resignation shall not be necessary to make it effective.

6. Vacancies.

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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.

8. Duties.

The duties of the officers are as follows:

(a) President.

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-sign all checks and promissory notes on behalf of the Association.

(b) Vice President.

The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary.

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, and shall perform such other duties as required by the Board.

(d) Treasurer.

The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes on behalf of the Association, keep proper books of account; if requested by the Board of Directors, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX
COMMITTEES

The Board of Directors shall appoint an Architectural Control Committee and a nominating committee as hereinbefore provided. In addition, the Board of Directors shall appoint such other committees as it may deem necessary or useful.

ARTICLE X ROADS, ROAD REPAIR AND SNOW REMOVAL

All common roads in Houston Point shall have a 60 foot right of way. All common roads in Houston Point shall be deeded to the Association.

The Association shall have the responsibility of maintaining the common roads in Houston Point and for removing snow.

ARTICLE XI BOOKS AND RECORDS

The Covenants, Articles of Incorporation, Bylaws of the Association books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection and copying by any members. The Association may charge a reasonable fee for copies.

ARTICLE XII ASSESSMENTS

As more fully provided in the Covenants, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. The Board of Directors shall administer the process of setting and collecting the assessments as provided in the Covenants.

ARTICLE XIII MISCELLANEOUS

1. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Covenants and these Bylaws, the Covenants shall control.

2. The fiscal year of the Association shall begin on the first day of January and end on the thirty-first of December of every year except that the first fiscal year shall begin on the date of incorporation.

3. These Bylaws may be amended by vote of two-thirds (2/3) of the members voting at a regular or special meeting of meeting of the members of the Homeowners Association at which there is a quorum, or consenting in writing to such amendment, or by a combination of written consents and votes (with such written consents to be counted as votes in favor of such amendment and also with such written consents to be counted in determining whether a quorum is present). If such consent is received, the Association shall then record in the records of Flathead County, Montana, a document stating the action taken, together with a sworn statement certifying that the required consent was received.

CERTIFICATION

I, the undersigned secretary of HOUSTON POINT HOMEOWNERS ASSOCIATION, INC, being first duly sworn upon oath, do hereby certify as follows:

THAT I am the duly elected and acting secretary of the HOUSTON POINT HOMEOWNERS ASSOCIATION, INC., a Montana nonprofit corporation, and

THAT the foregoing Bylaws were adopted and approved at a meeting of the Board of Directors of the Association which took place on July 18, 2004, and at a meeting of the members of the Association which took place on July 18, 2004, at which a quorum was present.

DATED this 28th day of January, 2005.

Alison Trout
Secretary

STATE OF MONTANA)
 : ss
County of Flathead)

This instrument was acknowledged before me on the 28th day of January, 2005
by DIANE TROUT.

(SEAL)

Karen A. Yeran
Notary Public for the State of Montana
KAREN A. YERAN
[print or type name of notary]
Residing at Columbia Falls MT
My Commission expires February 1, 2008