



BYLAWS
of
Wilderness Owners Association, Inc.





BYLAWS

OF

WILDERNESS OWNERS ASSOCIATION, INC.

ARTICLE I. Name and Location

The name of the corporation is Wilderness Owners Association, Inc., a Montana nonprofit corporation ("Association"). The principal office of the Association shall initially be located at 1885 Sophie Lake Road, Eureka, MT 59917. Meetings of Members and Directors may be held at such places within the State of Montana as may be designated by the Board of Directors (the "Board").

ARTICLE II. Purpose

The purpose for which the Association is formed is to exercise the rights, powers and authority, and fulfill the duties of the Association, as provided in the Declaration of Covenants, Conditions and Restrictions for the Estates at Wilderness, and any amendments and supplements thereto, to be recorded in the real property records of Lincoln County, Montana (the "Declaration") (terms which are defined in the Declaration shall have the same meaning herein unless otherwise defined), and the Articles of Incorporation of Wilderness Owners Association, Inc., and any amendments thereto, to be filed in the office of the Montana Secretary of State (the "Articles of Incorporation" or "Articles").

ARTICLE III. Meetings of Members

Section A. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on Mar 31st of each year thereafter, and at such time or place as may be determined by the Board. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section B. Special Meetings. Special meetings of the Members may be called at any time by the President, by a majority of the Board, or upon written request of twenty percent (20%) of the Members entitled to vote.

Section C. 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 mailing a copy of such notice, postage prepaid, at least ten (10) days and no more than fifty (50) days before such meeting to each Member entitled to vote thereat, addressed to the Member's Lot or other mailing address designated in writing by such Member to the Association. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section D. Quorum. The presence at the meeting of the Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of all Members shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. A quorum shall be deemed present throughout the meeting if a quorum is present at the beginning of such meeting. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the 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 E. Voting Rights. The Association shall have three (3) classes of membership as follows:



Class A. Members of Class "A" shall be all Owners of Lots, with the exception of the Declarant. Class "A" members shall be entitled to one (1) vote for each Lot owned, regardless of the type of Lot. When more than one (1) person holds an interest in any Lot, all such persons shall be members, but the vote for such Lot shall be exercised as they among themselves determine and in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant or its assigns or successor(s)-in-interest. The Class "B" member shall be entitled to five (5) votes per each Lot owned, including but not limited to, previously unsold Lots. Upon and after the Turnover Meeting, the Class "B" member shall be deemed to be a Class "A" member entitled to one (1) vote for each Lot owned.

Class C. The Class "C" member shall be the Club Owner. The Club Owner shall pay to the Association ten percent (10%) of the Association's costs and expenses and shall be entitled to ten percent (10%) of all voting rights.

Notwithstanding the foregoing provisions of this Section E, during the period of Declarant's control as described in the Declaration, the Declarant has the right to appoint and remove all members of the Board of Directors and all officers of the Association until their successors have been elected by the Owners at the Turnover Meeting.

Section F. Binding Nature of Vote. Except where otherwise provided in the Declaration, Articles or Bylaws, a simple majority vote of the Members of the Association attending an Association meeting (provided a quorum is deemed to be present as provided in Section D above) shall be sufficient to adopt decisions which are binding on all Owners, subject to the limitations and requirements set forth in the Declaration.

Section G. Waiver of Notice or Consent by Absent Members. If decisions are made or an action is otherwise taken by the Members at a meeting where a quorum is present, but for which proper notice was not given to all Members for whatever reason, the decisions or actions made at that meeting will be valid if, either before or after the meeting, each person entitled to vote who was not present at the meeting in person or by proxy consents to the meeting by signing: (i) a written waiver of notice, (ii) a consent to holding the meeting, or (iii) an approval of the minutes. All such waivers, consents, or approvals shall be filed with the Association records or be made part of the minutes of the meeting.

ARTICLE IV. Board of Directors - Selection: Term of Office

Section A. Number and Qualification of Directors. The Board of Directors shall consist of three (3) Directors. Directors shall be Members which, in the case of Declarant, shall include the officers, directors, employees, agents and representatives of Declarant, and in the case of other corporate Members, shall include the officers and directors of each such corporate Member.

Section B. Term of Office. At the Turnover Meeting, the Members shall elect one-half of the Directors (rounded up to the next whole number if there is an odd number of directors) for a term of one year, and the remaining Directors for a two-year term, and at each annual meeting thereafter, the Members shall elect the appropriate number of Directors to serve two-year terms.

Section C. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of all of the Members of the Association, at a meeting called by the Board for that purpose. Notwithstanding the foregoing, prior to the Turnover Meeting, Declarant will have the sole right to remove Directors. 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 D. 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.

ARTICLE V. Board of Directors - Nomination and Election

Section A. Nomination. Nomination for election to the Board of Directors may be made by any Member no more than two weeks prior to any meeting in which a Director shall be elected. Nominations may also be made from the floor at the annual meeting. There shall be at least as many nominations for election to the Board of Directors as shall be needed to fill the number of vacancies that are to be filled. The provisions of this Article shall not apply to Directors appointed by Declarant during the period of Declarant's control as described in the Declaration.

Section B. Election. Election to the Board of Directors shall be by secret written ballot. At such elections, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI. Meetings of Directors

Section A. Annual Meetings. A meeting of each newly elected Board of Directors may be held without notice in each year immediately following the annual meeting of Members.

Section B. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held on the next day which is not a legal holiday.

Section C. 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 days notice to each Director.

Section D. Attendance by Members. With the exception of executive sessions of the Board and any meetings conducted by conference telephone, all meetings of the Board shall be open to Members of the Association and any Qualified Mortgagees, provided, however, that non-Director Members may participate in deliberations or discussions of the Board only when expressly authorized by a vote of a majority of the Directors present at the meeting at which a quorum has been established or by the Board member chairing the meeting. The agenda for board meetings may include a specific time for questions and comments from Members and Qualified Mortgagees in attendance. The Board may impose reasonable time limitations on such comments.

Section E. Quorum. A majority of the total 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 an act of the Board.

Section F. Waiver of Notice. Any action taken at any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular notice, if: (i) a quorum is present, and (ii) either before or after the meeting, each of the Directors not present,



individually or collectively, signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the Association records or made a part of the minutes of the meeting and shall have the force and effect as a unanimous vote of the Board. The requirement of notice of a meeting shall also be deemed to have been waived by any Director who attends the meeting without protesting the lack of proper notice either before or at the inception of the meeting.

Section G. Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of adjournment to any other time or place shall be given prior to the time of the adjourned meeting to the Directors who are not present at the time of the adjournment. Except as provided above, notice of adjournment need not be given.

Section H. Action Taken 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.

Section I. Telephone Meetings. Members of the Board of Directors or any committee designated by such Board may participate in a meeting of the Board or committee by means of conference telephone or other similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting. If notice of a Directors' meeting or committee meeting is given, such notice need not specify that one or more Directors may participate in such meeting by means of conference telephone or similar communications equipment.

ARTICLE VII. Powers and Duties of the Board

Section A. Powers. The Board of Directors shall have power to:

1. adopt, amend, publish and repeal rules and regulations governing the use of the Lots and Common Areas (if any), and the personal conduct of the Members and their guests on the Property subject to the Declaration, and to establish fines and penalties for the infraction thereof;
2. suspend the voting rights of a Member and/or a Member's right to use any recreational or other facility 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, for a period not to exceed 60 days for each infraction of any other provision of the Declaration, Articles, Bylaws or written rules and regulations;
3. 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 Bylaws, the Articles, or the Declaration;
4. authorize the officers to enter into one or more management agreements with third parties in order to facilitate efficient operation of the properties. Such management agreements may delegate to the manager or managing agent: (i) the power to collect assessments (including filing liens and bringing legal action for enforcement); (ii) the obligation to administer, manage, maintain, repair and replace the Common Area, if any, and any other portion of the Property that the Association has a right or obligation to maintain, repair or replace under the Declaration; (iii) the payment out of the Association funds of obligations of the Association; and/or (iv) the preparation of financial statements and budgets.



The terms of said management agreements shall be as determined by the Board of Directors in the best interest of the Association, and shall be subject in all respects to the Articles, these Bylaws and the Declaration. The Board of Directors shall not be relieved of its responsibilities under the Declaration by delegating its duties under a management agreement to a manager or managing agent;

5. designate, employ and remove personnel for the operation, maintenance, repair and replacement of those portions of the Property for which the Association is responsible under the Declaration and remove said persons if such action becomes advisable. The designation and employment of such personnel shall not relieve the Board of Directors of its responsibilities under the Declaration. All expenditures over \$5,000 require the prior approval of the Board of Directors;

6. enforce its rights against any Member who is alleged to have breached the Declaration, Articles, these Bylaws or the Association's rules and regulations;

7. carry on the administration of the Association and to do all things necessary and reasonable in order to govern and operate the Property and to do all things authorized under the Declaration;

8. procure and maintain adequate fidelity coverage or fidelity bonds in accordance with the requirements of the Declaration, and procure and maintain adequate liability and hazard insurance on the Common Areas, if any, as more fully provided in the Declaration;

9. foreclose the lien against any Lot for which assessments are not paid within 90 days after due date and/or to bring an action at law against the Owner personally obligated to pay the same; and

10. exercise all other powers granted the Association under the Declaration and the Montana Non-Profit Corporation Act.

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

1. cause to be kept minutes of each meeting of the Board of Directors and to make such minutes available at any meeting of Members when requested in writing by one-quarter of all Members who are entitled to vote;

2. supervise all officers, agents and employees of this Association;

3. as more fully provided in the Declaration, to:

a. adopt a budget and fix the amount of the assessments against Lots from time to time (but no less frequently than annually); and

b. send written notice of each budget and each change in the budget or monthly assessment to every Owner subject thereto at least fourteen (14) days in advance of the effective date of the budget or change and provide Owners the opportunity to ratify the budget (and any amendments thereto) as provided in the Declaration;

4. issue, or cause an appropriate officer to issue, upon demand by any Owner or mortgagee of a Lot or their designees or any title insurance company committing to issue a policy of title insurance on a Lot, 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 to the extent provided in the Declaration;

5. notify, in writing, any First Mortgagee or insurer or guarantor of a First Mortgage, who has requested such notices in writing, when the Owner thereof is in default in the payment of any assessment or otherwise in default of any obligation under the Declaration, the Articles, or these Bylaws, and when the Board of Directors has actual knowledge of such default and said default remains uncured for a period of 60 days; and

6. cause the Association to perform its maintenance, repair and replacement obligations under the Declaration;

7. require all of the following if the Property consists of thirty (30) or more Lots and delegates powers relating to the collection, deposit, transfer or disbursement of Association funds to any other person or to a managing agent:

a. that the other persons or managing agent maintain fidelity insurance coverage or a bond in an amount not less than fifty-thousand dollars or such higher amount as the Board may require;

b. that the other persons or managing agent maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other persons or managing agent and maintain all reserve accounts of the Association separate from those of any other Association and separate from the operational accounts of the Association;

c. that an annual account for Association funds and a financial statement be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant; and

8. perform all other duties imposed on the Association under the Declaration.

ARTICLE VIII. Officers and Their Duties

Section A. Enumeration of Offices. The officers of this Association shall be a President, Secretary and Treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section B. 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.

Section C. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one year or until his successor is elected to office unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section D. 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 of Directors may, from time to time, determine.

Section E. Resignation and Removal. Any officer may be removed from office, with or without cause, by a majority vote of the members of 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.

Section F. 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.

Section G. 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 D of this Article.

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

1. President. The President shall preside at all meetings of the Board of Directors and the Association; 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 or authorize a designated agent to co-sign all checks and promissory notes.

2. Vice President. If a Vice President is elected by the Board, the Vice President shall preside at all meetings of the Board of Directors in the absence of the President, and shall aid the President in seeing that all orders and resolutions of the Board are carried out; and shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act.

3. Secretary. The Secretary, or a designated agent, shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the Members; shall keep appropriate current records showing the Members of the Association, together with addresses; and shall perform such other duties as required by the Board.

4. Treasurer. The Treasurer, or a designated agent, 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; shall sign all checks and promissory notes of the Association; shall keep proper books of account and financial records of the Association; shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year when directed to do so by the Board of Directors; and shall 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.

Section I. Amendments to Declaration. Whenever an Amendment to the Declaration has been approved under the provisions of the Declaration, the President or any vice president may prepare, execute, certify, and record the Amendment on behalf of the Association, and the Secretary or Assistant Secretary (if one is elected) may affix the seal of the Association and attest to such execution.

ARTICLE IX. Delegation of Authority to a Managing Agent

At such time as the Association consists of 100 or more Lots, if the Board of Directors or officers of the Association delegate any of their powers of collection, deposit, transfer or disbursement of Community Association funds to other Persons or to a managing agent, then the following provisions shall be required:



1. that the other Person or managing agent maintain fidelity insurance coverage or a fidelity bond in an amount of not less than Fifty Thousand and no/100 Dollars (\$50,000.00) or such higher amount as the Board of Directors may require from time to time; and

2. that the other Person or managing agent maintain all funds and accounts of the Association separate from the funds and accounts of other homeowners associations that are managed by such other Person or managing agent, and keep and maintain all reserve accounts of each such homeowners association so managed separate from operational accounts of the Association; and

3. that an annual accounting of the Association funds and a financial statement be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant.

ARTICLE X. Committees

The Board of Directors shall appoint an Architectural Design Review Committee, subject to the provisions of the Declaration, and may appoint a nominating committee. In addition, the Board of Directors may appoint other committees as it deems appropriate, from time to time, in carrying out its purpose.

ARTICLE XI. Books and Records

The Association shall keep detailed, accurate and complete books and records of its receipts and expenditures (including receipts and expenditures affecting the Common Area, if any); shall keep minutes of the proceedings of the Board of Directors and Members; and shall keep at its registered or principal office in Montana a record of the names and addresses of the Members entitled to vote. Current copies of the Declaration, Articles and Bylaws of the Association, rules and regulations governing the Association, and other books, records and financial statements of the Association, and the records of receipts and expenditures of the Board of Directors, shall be made available to Owners, First Mortgagees of Lots and insurers or guarantors of any First Mortgage. The word "available," as used herein, shall at least mean available for inspection, upon request, during normal business hours of the Association or under other reasonable circumstances.

ARTICLE XII. Assessments

As more fully provided in the Declaration, each Member is obligated to pay to the Association Common Expense, Default, Special and other assessments and fines which are secured by a lien upon the property against which the assessment is made, as provided in the Declaration. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 21% per annum and the Association may assess a monthly late charge thereon in the amount of 5% of the delinquent assessment, which charge may be made every month thereafter until the delinquent assessments are paid. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, if any, or abandonment of his or her Lot.



ARTICLE XIII. Corporate Seal

The Association may have a seal in circular form having within its circumference the words "Wilderness Owners Association."

ARTICLE XIV. Amendments

Section A. Amendments. Except as provided otherwise by the Declaration, the Articles or applicable law, these Bylaws can be amended only by action of the Board of Directors.

Section B. Conflict. 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 Declaration and these Bylaws, the Declaration shall control.

ARTICLE XV. Miscellaneous

The fiscal year of the Association shall be a calendar year, or such other fiscal year as may be determined by the Board of Directors.

IN WITNESS WHEREOF, we, being all of the Directors of the Association, have executed the foregoing to be effective as of August 25th, 2006.

DIRECTORS:

Hardy Nicken

Director

[Signature]

Director

[Signature]

Director

I, the undersigned, do hereby certify

That I am the duly elected and acting Secretary of WILDERNESS OWNERS ASSOCIATION, a Montana non-profit corporation, and

That the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 25th day of August, 2006.

In witness whereof, I have hereunto subscribed my name and affixed the seal of said Association this 25th day of August, 2006.



[Signature]

Secretary

STATE OF MONTANA

Prepare, sign, submit with an original signature and filing fee.
This is the minimum information required.
(This space for use by the Secretary of State only)

ARTICLES of INCORPORATION
for DOMESTIC NONPROFIT CORPORATION
(35-2-213, MCA)

MAIL: BRAD JOHNSON
Secretary of State
P.O. Box 202801
Helena, MT 59620-2801
PHONE: (406)444-3665
FAX: (406)444-3976
WEB SITE: sos.mt.gov



Filing Fee: \$20.00
 Priority Filing Add \$20.00

Executed by the undersigned person for the purpose of forming a Montana nonprofit corporation.

1. The name of the Nonprofit Corporation is: WILDERNESS COMMUNITY ASSOCIATION, INC.

2. The name and address of the registered office/agent in Montana:
Name: NATIONAL REGISTERED AGENTS, INC.

Street Address:

Mailing Address: 26 WEST SIXTH AVENUE, P.O. BOX 1691

City: HELENA MONTANA, Zip Code: 59624

Signature of Agent (Required):

3. The name and address of the incorporator is as follows:
Name: KEITH M. POCKROSS, ESQ.

Address: 1200 17TH STREET, SUITE 2400

City: DENVER State: CO Zip Code: 80202

4. The Nonprofit Corporation WILL have members WILL NOT have members.

5. This Nonprofit Corporation is a (check one):
 Public Benefit Corporation
 Mutual Benefit Corporation
 Religious Corporation

6. Upon dissolution, the assets shall be distributed in the following manner:
IN ACCORDANCE WITH THE ALLOCATED INTERESTS OF EACH MEMBER,
AS PROVIDED IN ARTICLE V OF THE ESTATES AT WILDERNESS DECLARATION*

7. Signature of Incorporator Date

* All information provided, including names and addresses of officers and directors, will be made available on the Secretary of State's web site or upon request.

* There are important legal and accounting implications with respect to this corporation action. Suitable legal and accounting advice should be secured before submission. The Secretary of State's office encourages that such advice be sought prior to filling out forms to be sure that you understand the terms and procedures.