

BYLAWS OF SOUTHSIDE ESTATES HOMEOWNERS ASSOCIATION

ARTICLE I OFFICES

The principal office and place of business of the Southside Estates Homeowners Association (“Association”) in the state of Montana shall be the address of the current President of the Board of Directors if the Association is self-managed. If the Association has contracted with a management company, the principal office and place of business of the Association shall be the address of the management company.

ARTICLE II DEFINITIONS

Section 2.1 – Association: “Association” means the Southside Estates Homeowners Association, Inc., and its successors and assigns.

Section 2.2 – Board of Directors: “Board of Directors” and “Board” mean the Board of Directors of the Association.

Section 2.3 – Common Area: “Common Area” means the property which is subject to the Declaration, but excluding individual Lots within the Property and property dedicated to the City of Kalispell, Montana for public use including streets, public utilities, and related improvements. Thus, the Common Area includes real property maintained by the Association for the common benefit of the Owners and such other persons as may be permitted to use the Common Area under the terms of the Declaration or any contract with the Association. Initially, the Common Area includes two storm-water retention systems, and a sound wall along the West Property boundary. The initial Common Area may also include landscaping improvements and a playground area with playground equipment.

Section 2.4 – Declarant: “Declarant” means Team Development, LLC. Declarant may assign some or all of its rights under the Declaration to a third party by a written instrument specifically referring to such rights recorded in the records of Flathead County, Montana. Such instrument may specify the extent and portion of the rights or interests of Declarant which are being assigned, in which case the initial Declarant shall retain all other rights as Declarant.

Section 2.5 – Declaration: “Declaration” means the Declaration of Covenants, Conditions and Restrictions of Southside Estates, recorded at document #201700021018, records of Flathead County, Montana, as it may be amended from time to time.

Section 2.6 – Lot: “Lot” means each parcel within the Southside Estates Subdivision, (for which a plat or map is on file and of record in the office of the County Clerk and Recorder of Flathead County, Montana), that is designated as a Lot on the plat of the property, including any such parcel owned by Declarant and excluding any Common Area.

Section 2.7 – Owner: “Owner” means any person or entity owning a fee simple interest in a Lot or a contract purchaser, whether one or more persons or entities, owning or purchasing a Lot, but excluding those having a mortgage or an interest merely as security for the performance of an obligation; provided, however, that prior to the first conveyance of a Lot for value, the term “Owner” shall mean “Declarant” or its successors or assigns.

Section 2.8 – Period of Declarant Control: “Period of Declarant Control” means the period beginning on the date the Declaration was first recorded in the office of the Clerk and Recorder of Flathead County, Montana, and ending on the earlier of: (a) the date which is 10 years later, or (b) the date on which the Declarant has sold ninety percent (90%) of the Lots within Southside Estates and has notified the Association in writing that Declarant has determined that no additional Property shall be added to Southside Estates. The Period of Declarant Control may be reinstated or extended by agreement between Declarant and the Association upon such terms and conditions as the parties may agree. After the termination of the Period of Declarant Control, Declarant, if still an Owner, will continue to have all the rights and duties ordinarily given to Owners under this Declaration.

Section 2.9 – Southside Estates: “Southside Estates” shall mean all of the real property located in Flathead County, Montana, described in Section 1.11 of the Declaration, as well as all real property which in the future becomes part of the Southside Estates Homeowners Association as provided for in Section 6.4 of the Declaration.

Section 2.10 – Other Definitions: Other definitions may be found throughout these Bylaws. Any term not specifically defined shall be deemed to have its common and ordinary meaning.

ARTICLE III **MEMBERS**

Section 3.1 - Class of Members: The membership of the Association shall consist of one class of members, as defined in the Declaration of Covenants, Conditions, and Restrictions (“Declaration”) of Southside Estates.

Section 3.2 – Voting Rights: There shall be one vote for each Lot. If a person or entity owns more than one Lot, that person or entity shall have as many votes as the number of Lots owned by that person or entity. If more than one person or entity has an Ownership interest in a single Lot, such persons or entities must decide among themselves how the vote for that Lot shall be cast. Joint owners shall designate and register with the Secretary of the Association in writing the name of that Owner entitled to vote for the Lot.

ARTICLE IV **MEETINGS OF MEMBERS**

Section 4.1 – Annual Meeting: An annual meeting of the members shall be held in Flathead County, Montana, in March of each year, beginning with the year 2019 for the purpose of hearing reports and proposals from all officers and standing committees, for presentation of the proposed budget by the Board of Directors, and for electing Directors.

Section 4.2 – Special Meetings: A special meeting of the members may be called by the Board of Directors. A special meeting of the members must be called within 30 days by the President, or the Board of Directors if at least 5% of members eligible to vote demand such a meeting in a manner that satisfies the requirements of MCA 35-2-527.

Section 4.3 – Place of Meetings: Meetings of the members shall be held at a time and place fixed by the Board of Directors.

Section 4.4 – Notice of Meetings: Written notice stating the date, time, and place of any meeting of members and, in the case of a special meeting of members, the purpose or the purposes for which the meeting is called, shall be given by or at the direction of the President or persons calling the meeting to each member entitled to vote at such meeting, not less than thirty (30) days and not more than sixty (60) days before the meeting. In addition, notice of an annual or regular meeting shall include a description of any matter or matters that must be approved by the members as required by MCA 35-2-530(3)(b).

Written notice shall be delivered personally or by first-class mail. Notice may also be sent to members by authenticated electronic identification for any purpose permitted by the Montana Code Annotated including the Non-Profit Corporation Act. “Authenticated electronic identification” includes any e-mail address or other electronic identification designated and approved by a member for electronic communications.

Such notice shall be effective upon dispatch if sent to the address appearing on the records of the Association. A record of time and method of notice delivery for all meetings of all types shall be kept by the Association and be available at the Association’s office for a period of four (4) years from the date of the meeting.

If an annual or special members’ meeting is adjourned to a different date, time or place, notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before adjournment unless a new record date is or must be fixed. If a new record date for the adjourned meeting is or must be fixed, notice of the adjourned meeting must be given to persons who are members as of the new record date.

Section 4.5 – Quorum: At any meeting of the members, attendance by thirty-four (34) percent of all the members entitled to vote at the meeting shall constitute a quorum. Once a member is present or represented at a meeting, other than to object to holding the meeting or

transacting business, the member is deemed to be present for purposes of a quorum for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be fixed for the adjourned meeting. At such reconvened meeting, any business may be transacted which might have been transacted at the adjourned meeting. If a quorum exists, action on a matter is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the question is one upon which a different vote is required by the express provision of law, the Declaration, or the Articles of Incorporation.

Section 4.6 – Manner of Acting; Proxies: A member entitled to vote at any meeting may vote either in person or by proxy. A member may vote by proxy by means of a revocable proxy appointment form executed in writing by the member or by their duly authorized attorney-in-fact. All proxy appointment forms shall be filed with the Secretary of the Association before or at the commencement of the meeting. No proxy appointment shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy appointment form. In no event shall a proxy appointment be valid for more than three (3) years from the date of its execution.

Section 4.7 – Voting by Mail: Where there is an act requiring the vote of the members, including the election of Directors or officers, such vote or election may be conducted by mail in a manner determined by the Board of Directors and consistent with the requirements of MCA 35-2-533.

Section 4.8 – Participation by Conference Telephone or Other Communications Equipment: At the discretion of the Board of Directors, members and proxies may participate in a meeting of the members by any means of communication by which all persons participating in the meeting can hear each other during the meeting. Participation by such means shall constitute presence in person at the meeting. The Board of Directors shall facilitate any such communication when requested by a member in good standing.

ARTICLE V BOARD OF DIRECTORS

Section 5.1 – General Powers: The affairs of the Association shall be managed by the Board of Directors, subject to instructions of the members of the Association at a regular meeting, or subject to the approval of the membership as expressed by a vote of the membership. Board members shall at all times conduct themselves in a civil and professional manner. The Board of Directors will prepare and present for acceptance by the general membership an annual budget at the annual business meeting of the Association. The Board of Directors may prepare regulations and policies for submission to and approval of the general membership.

Section 5.2 – Number and Tenure: The number of Directors which shall constitute the whole Board shall not be less than three nor more than five. Following the Period of Declarant Control, the number of Directors shall be five. No decrease in the number of

Directors shall have the effect of shortening the term of any incumbent director unless such director resigns or is removed in accordance with the provisions of these Bylaws. After the Period of Declarant Control has passed, each director shall hold office until two annual meetings of the members following his or her original qualification shall have been held, and until his or her successor shall have been elected and qualified. Of the first five Directors taking office after the Period of Declarant Control, two shall hold office until the second subsequent annual meeting, and three shall hold office until the third subsequent annual meeting. The determination of the respective terms shall be by lot. Thereafter, the term of each Director shall be three years.

Section 5.3 – Nominations of Directors: Nomination for election to the Board of Directors may be made by a nominating committee established by the Board of Directors or by any member at the annual meeting of members.

Section 5.4 – Voting for Directors: In any election of Directors, the candidates elected are those receiving the largest numbers of votes cast by the members entitled to vote in the election. A member may cast as many votes for each vacancy as he or she is entitled to under Section 3.2 of these Bylaws. Cumulative voting shall be permitted.

Section 5.5 – Removal of Directors: Directors may be removed from office, with or without cause, by a majority vote of the membership held at a special meeting of the members called for the purpose of removing the director or Directors, or at an annual meeting of members where prior notice is given of a request to vote on the removal of one or more Directors. In the event of death, resignation or removal of a director, his or her successor shall be appointed by the remaining members of the Board of Directors and shall serve for the unexpired term of his or her predecessor in office.

Section 5.6 – Annual and Other Regular Meetings: An annual meeting of the Board of Directors shall be held without notice other than this Bylaw, immediately after and at the same place as the annual meeting of members. The Board of Directors may specify by resolution the time and place for holding any other regular meetings of the Board. All meetings - annual, regular, and special, shall be open to Association members.

Section 5.7 – Special Meetings: A special meeting of the Board of Directors may be called by or at the request of the President of the Association or by a majority of the Directors.

Section 5.8 – Notices: Notice of any special meetings of the Board of Directors shall be given at least 7 days prior to such meeting, by written notice delivered personally, or sent by first-class mail to each director. Any director may waive notice of any meeting provided that the waiver is in writing and satisfies the requirements of MCA 35-2-430 as now enacted or hereafter amended. A record of time and method of notice delivery for all meetings of all types shall be kept by the Association and be available at the Association's office for a period of 4 years from the date of the meeting.

Section 5.9 – Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority shall attend a meeting, a majority of the Directors present may adjourn the meeting and reschedule the meeting with notice required only to absent Directors.

Section 5.10 – Manner of Acting: If a quorum is present when a vote is taken, the affirmative vote of a majority of Directors present is the act of the Board of Directors, unless the act of a greater number is required by express provision of law, the Declaration, or the Articles of Incorporation.

Section 5.11 – Participation by Conference Telephone or Other Communications

Equipment: Directors may participate in a regular or special meeting of the Board of Directors by any means of communication by which all persons participating in the meeting can hear each other during the meeting. Participation by such means shall constitute presence in person at the meeting.

Section 5.12 – Action by Board Without a Meeting: Whenever the vote of the Board of Directors at a meeting is required or permitted by statute or by any provision of the Declaration, Articles of Incorporation, these Bylaws, or any duly adopted regulation of the Association, to be taken in connection with any action of the Association or Board, the meeting and vote of the Board may be dispensed with if all Board members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 5.13 – Resignation: Any director may resign at any time by delivering written notice to the Association, or by giving oral notice shown in the official minutes at any meeting of the Directors or members. Any such resignation shall take effect at any subsequent time specified therein, or if the time is not specified, upon delivery thereof. Acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VI **POWER AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

Section 6.1 – Powers: The Board of Directors shall have the power to:

Section 6.1.1 – Insurance: Obtain policies of insurance for the Common Area and for the protection of Association Directors and officers in the exercise of their duties on behalf of the Association;

Section 6.1.2 – Professional Services: Obtain legal and accounting services necessary to the administration of Association affairs, administration of the Common Area, or the enforcement of the Declaration and these Bylaws;

Section 6.1.3 – Maintenance Costs: Pay from Association funds all costs of maintaining the Common Area. Pay from Association funds all costs of maintaining other property which is or may be a common expense and a common responsibility of the HOA, including, without limitation, the costs of maintaining the Boulevard on ‘Utility Lot #1’. If necessary, maintain any Lot if such maintenance is reasonably necessary in the judgment of the Board of Directors to (1) protect the Common Area, or (2) to preserve the appearance and value of Southside Estates. The Board may authorize such maintenance activities following appropriate legal process if the Owner or Owners of the Lot have failed or refused to perform maintenance within a reasonable time after written notice of the necessity of such maintenance has been delivered by the Board to the Owner or Owners of such Lot. The Board shall levy a special assessment against the Owner or Owners of such Lot and against the Lot for the cost of such maintenance;

Section 6.1.4 – Discharge Lien / Encumbrance: Pay any amount necessary to discharge any lien encumbrance levied against the entire Southside Estates property or any part thereof, which is claimed or may, in the opinion of the Board of Directors, constitute a lien against the property rather than merely against the interest therein of particular Owners. Where one or more Owners are responsible for the existence of such liens, they shall be jointly and severally liable for the entire cost of discharging the lien(s) and of any costs or expenses, including reasonable attorneys’ fees and costs of any title search, incurred by the Board by reason of such lien or liens. Such fees and costs shall be assessed against the Owner or Owners and the Lot(s) responsible to the extent of their responsibility. This section shall not affect the right of any Owners, jointly and severally liable to the Association, to a right of contribution from other Owners also jointly and severally liable under this Section for sums paid to the Association under this Section;

Section 6.1.5 – Foreclose Liens: Foreclose the lien against any property for which assessments or other charges are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obliged to pay the same;

Section 6.1.6 – Utilities: Pay all utility charges attributable to the Common Area;

Section 6.1.7 – Security: Pay all costs deemed appropriate by the Board to ensure adequate security for the Lots and the Common Area;

Section 6.1.8 – Right to Contract: Have the exclusive right, subject to the provisions of these Bylaws and the Declaration, to contract for goods, services, maintenance, and capital improvements;

Section 6.1.9 – Rules and Regulations: Adopt and publish rules and regulations governing the use of the Common Area, and the personal conduct of the Members and their guests thereon, and to establish penalties for infractions thereof;

Section 6.1.10 – Declare Vacancy: Declare the office of a member of the Board of Directors to be vacant in the event that a member of the Board is absent from three (3) consecutive regular meetings without approval by the Board. Removal of such a Board member requires that a majority of Directors then in office vote for the removal.

Section 6.1.11 – Impose Assessments: Impose annual and special assessments;

Section 6.1.12 – Bank Accounts: Open bank accounts on behalf of the Association and designate the signatories required;

Section 6.1.13 – Suspend Voting Rights: Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment or penalty levied by the Association. Voting rights may be suspended, without hearing, for the period the homeowner is out of compliance with any provision of the Declaration. The homeowner will be notified that voting rights have been suspended for the period of non-compliance;

Section 6.1.14 – Reserved Powers: Exercise for the Association all powers, duties and authority vested in or delegated to this Association and which are not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration. However, nothing herein contained shall be construed to give the Board authority to conduct a business for profit on behalf of all the Owners or any of them.

Section 6.2 – Responsibilities: The Board of Directors shall have the responsibility to:

Section 6.2.1 – Enforce Provisions of Governing Documents: Enforce the provisions of the Declaration, these Bylaws, and the Articles of Incorporation;

Section 6.2.2 – Keep Records: Cause to be kept a record of all the Association's acts and affairs, including, but not limited to, Association finances;

Section 6.2.3 – Supervise Association Representatives: Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

Section 6.2.4 – Other Responsibilities: As more fully provided in the Declaration, to:

- (a) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
- (b) Send written notices of each assessment to every Owner subject thereto at least thirty (30) days before the assessment is due;

- (c) Take any and all enforcement action deemed necessary to fulfill the objectives and provisions set forth in the Declaration, these Bylaws, or the Articles of Incorporation;
- (d) Take such action, as the Board of Directors deems appropriate, to collect funds owed to the Association by Association members or by third parties;
- (e) 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 of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

ARTICLE VII **OFFICERS AND THEIR DUTIES**

Section 7.1 – Enumeration of Offices: The officers of this Association shall be a President, a Vice-President, a Secretary, and a Treasurer.

Section 7.2 – Election of Officers: The Officers of the Association shall be elected by and from among the Directors at each annual meeting of Directors.

Section 7.3 – Term: The Officers shall hold office for a period of one (1) year or until their successors are chosen and qualify in their stead.

Section 7.4 – Special Appointments: The Board of Directors 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 determine.

Section 7.5 – Removal and Resignation: Officers may be removed from office, with or without cause, by a majority vote of the membership. In the event of death, resignation, disqualification, or removal of an officer, his or her successor shall be appointed by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor in office. 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 7.6 – 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 7.4 of this Article.

Section 7.7 – Duties: The duties of the Association’s Officers shall specifically include, but not be limited to the following:

Section 7.7.1 – President:

- (a) Prepare meeting agendas;
- (b) Preside at all meetings of the Board of Directors;
- (c) Ensure appointment and supervision of all committees;
- (d) Ensure that orders and resolutions of the Board are carried out;
- (e) Sign all leases, mortgages, deeds and other written instruments; and,
- (f) Co-sign all checks and promissory notes.

Section 7.7.2 –Vice-President:

- (a) Act in the place of the President in the event of his or her absence, inability or refusal to act;
- (b) Exercise and discharge such other duties as may be required of him or her by the Board of Directors;
- (c) Develop bid specifications for contracted work;
- (d) Solicit bids from appropriate contractors;
- (e) Review and analyze bid proposals and make recommendations for contract awards to the Board;
- (f) With Board approval, enter into contract agreements on behalf of the Association;
- (g) Ensure contract compliance;
- (h) Approve contract invoices prior to payment by the Treasurer;
- (i) Participate in the development of the annual budget and cash flow projections;
- (j) Lead the annual asset review processes; and,

- (k) Arrange for routine safety inspections of the Common Area.

Section 7.7.3 – Secretary:

- (a) Keep the minutes of all meetings and proceedings, including votes of the Board of Directors and the Members. Authenticate and maintain the records of the Association, including records of such minutes and proceedings, including votes;
- (b) Keep the corporate seal, if any, of the Association and affix it on all documents requiring said seal;
- (c) Serve notice of all Association meetings and maintain records about service of notices;
- (d) Perform such other duties as required by the Board of Directors;
- (e) Maintain the official records of the Association; and,
- (f) Maintain a directory of the members of the Association, including a members' list as required by MCA 35-2-433 as now enacted or hereafter amended.

Section 7.7.4 –Treasurer:

- (a) Keep proper books of account;
- (b) Send notices of dues and assessments to members;
- (c) Receive and deposit all cash receipts of the Association into appropriate bank accounts;
- (d) Monitor delinquent accounts and advise the Board of Directors on appropriate collection actions;
- (e) Disburse funds of the Association upon the presentation of properly rendered and approved vendor invoices or as directed by resolution of the Board of Directors;
- (f) Sign all checks and promissory notes of the Association;
- (g) Arrange for an annual review of the Association's insurance coverage;
- (h) Present a preliminary budget for the upcoming year at the annual meeting of the Membership and distribute a final budget to the membership in at least 30 days prior to the beginning of every calendar year;

- (i) Prepare Statements of Operations and Statements of Financial Position with variance analysis for presentation at Board of Directors meetings;
- (j) Cause an annual audit of the Association books to be made by a financial review committee or a public accountant;
- (k) Prepare and send an annual Statement of Operations and a Statement of Financial Position to the members; and,
- (l) Prepare or cause to be prepared any required tax return of the Association for filing with the IRS and other agencies requiring similar information.

ARTICLE VIII COMMITTEES

Section 8.1 – Committees: Subject to the requirements of MCA 35-2-433 as now enacted or hereafter amended, the Board of Directors shall appoint committees as deemed appropriate for carrying out the purposes of the Association.

ARTICLE IX ASSESSMENTS AND FINANCES

Section 9.1 – Assessments: As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is due. Any legal assessments not paid when due shall be delinquent. No Lot owner may waive or otherwise escape liability for the assessments provided for herein and in the Declaration by non-use of the Common Area or abandonment of his or her Lot.

Section 9.2 – Date of Commencement of Assessments; Due Date: The date of commencement and the due dates of assessments shall be fixed by resolution of the Board of Directors.

Section 9.3 – Checks, Drafts, Etc.: All checks or demands for money and notes of the Association shall be signed by the President and Treasurer or by such other Officer or Officers as the Board of Directors may from time to time designate.

Section 9.4 – Deposits: All funds of the Association not otherwise employed shall be deposited promptly to the credit of the Association in the banks, trust companies or other depositories selected by the Board of Directors.

Section 9.5 – Loans to Directors and Officers: No loans shall be made by the Association to any officer or to any director.

Section 9.6 – Limitation on Distribution of Funds: Subject to the applicable law, the funds of the Association may be distributed only for the purposes of the Association as described in the Declaration and/or the Articles of Incorporation.

ARTICLE X AMENDMENTS

Section 10.1 – Amendments to Bylaws: These bylaws may be altered, amended or added to at any duly called regular or special meeting of the Board of Directors or by the members provided: (1) That the notice of the meeting shall contain a full statement of the proposed amendment, and (2) That the amendment shall be approved in accordance with the requirements of MCA 35-2-229 and MCA 35-2-230 (as applicable) as now enacted or hereafter amended. No amendment shall affect or impair the validity or priority of the members' interests and the interests of holders of a mortgage encumbering a member's Lot. Nor shall any amendment have the effect of infringing upon the Declarant's right to build and make membership in or use of the Association available to purchasers or lessees.

ARTICLE XI GENERAL PROVISIONS

Section 11.1 – Rules of Procedure: The rules of procedure at meetings of the Board, meetings of the members, and committee meetings, shall be the rules contained in Roberts' Rules of Order, as amended, so far as applicable and when not inconsistent with these Bylaws, the Articles of Incorporation or any resolution of the Board.

Section 11.2 – Fiscal Year: The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 11.3 – Books and Records: The Association shall keep complete and correct books and records of account, minutes of the proceedings of the meetings of its members, the Board of Directors, and any committee designated by the Board, and such other records as may be necessary or advisable.

Section 11.3.1 - Examination of Books and Records: Each member, or their respective representatives and mortgagees, shall be entitled to a reasonable examination of the books and records of the Association at any time upon reasonable notice to the Board of Directors. The Declaration, Articles of Incorporation and Bylaws of the Association, and any duly adopted resolutions and regulations of the Association shall be available for inspection at the principal office of the Association.

Section 11.4 – Indemnity and Personal Liability: The Board of Directors shall have the power to fully indemnify, defend and hold harmless any existing or former member, director,

officer, employee or agent of the Association for any action he or she takes or liability to which he or she is exposed by reason of his or her relationship or connection with the Association. This power shall be full and complete as allowed by applicable Montana and federal law. Unless acting in bad faith, neither the Board as a body, nor any director, officer, or committee member of the Association shall be personally liable to any member in any respect for any action or lack of action arising out of the execution of his office. Each member shall be bound by the good faith actions of the Board, officers, and committee members of the Association in the execution of the duties of said Directors, officers and committee members.

Section 11.5 – Construction: Whenever the masculine singular form of the pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, whenever the context so requires. 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.

Section 11.6 – Severability: Should any of the terms or provisions herein imposed be or become unenforceable at law or in equity, the remaining provisions of these Bylaws shall be and remain in full force and effect.

ARTICLE XII **DECLARANT CONTROL – SPECIAL PROVISIONS**

Section 12.1 – Provisions to Apply During Period of Declarant Control: During the period of Declarant Control as defined by the Declaration, the following provisions shall control and supersede any inconsistent Bylaw described herein:

Section 12.1.1 – Number and Selection of Directors: The number of Directors shall be three, each selected by the Declarant, and each serving a term of approximately one-year from the date of appointment through the date of the next annual meeting of members and Directors.

Section 12.1.2 – Identification of Suspended Bylaw Provisions: The following Sections of these Bylaws shall not apply during the Period of Declarant Control, or shall be reasonably limited so as to preserve the full authority and discretion conveyed to the Declarant in the Declaration: Section 3.2; Section 5.1; Section 5.2; Section 5.3; Section 5.4; Section 5.5; Section 7.5; and Section 10.1.

Section 12.1.3 – General Powers of the Declarant: Notwithstanding anything to the contrary in these Bylaws, the Declarant and/or the Directors appointed by Declarant during the Period of Declarant Control may take any action and make any decision on behalf of the HOA that is allowed by law and consistent with the Declaration, as it may be amended from time to time.

The undersigned Directors of the Southside Estate Homeowners Association hereby certify that these Bylaws were duly adopted by the Directors of the Association at a meeting of Directors duly held on July 18, 2018, in Kalispell, Montana.

Brian Wells, Declarant and President Date

Brian Dale Wells, Vice President Date