

NORTH "N", L.L.C. CONDOMINIUM ASSOCIATION
19 Lake Drive
Livingston, MT 59047

BYLAWS

OF

NORTH "N", L.L.C. CONDOMINIUM ASSOCIATION

1. IDENTITY - These are the Bylaws of North "N", L.L.C. Condominium Association, a Montana association formed for the purpose of administering North "N", L.L.C. Condominium Association project, which is located in Livingston, Montana, upon lands described in the Declaration of Condominium.

1.1 OFFICE - The office of the Association shall be at 19 Lake Drive, Livingston, Montana.

1.2 FISCAL YEAR - The fiscal year of the Association shall be the calendar year.

1.3 SEAL - The seal of the Association shall bear the name of the Association, the word "Montana", and the year of establishment.

2. MEMBERS' MEETINGS

2.1 ANNUAL MEMBERS' MEETINGS shall be held at 19 Lake Drive, Livingston, Montana, or at such other convenient location as may be determined by the Board of Directors, at such hour and upon such date each year as may be determined by the Board, for the purpose of electing Directors and of transacting any business authorized to be transacted by the members.

2.2 SPECIAL MEMBERS' MEETINGS shall be held whenever called by the President, Vice-President, or by a majority of the Board of Directors, and when called by written notice from twenty-five percent (25%) of the voting shares. As to the meeting required when unit owners other than the Developer are entitled to elect a member or members of the Board of Directors, the meeting may be called and notice given by a unit owner if the Association fails to do so.

2.3 NOTICE OF MEMBERS' MEETINGS - Notice of the annual meeting shall be sent to each unit owner by United States mail at least thirty (30) days prior to the annual meeting. A post office certificate of mailing shall be obtained and retained as proof of such mailing.

2.4 The Board of Directors shall also mail a meeting notice and copies of the proposed annual budget of common expenses to the unit owners not less than thirty (30) days prior to the meeting at which the budget will be considered.

2.5 Notice of a special meeting to elect a director or directors from the unit owners other than the Developer is specified in Bylaw 3.7.

2.6 Notice of a special meeting called by the Board at the written request of ten percent (10%) of the owners because of a budget exceeding one hundred fifteen percent (115%) of that of the preceding year requires not less than ten (10) day's written notice of each unit owner.

2.7 Notice of other special meetings not covered above shall be in writing and mailed to each member first class, postage pre-paid not less than ten (10) days prior to the meeting. However, unit owners may waive notice of specific meetings and may take action by written agreement without meetings where it is in the best interest of the Condominium to do so.

2.8 All notice of meeting shall state clearly and particularly the purpose or purposes of the meeting.

2.9 A QUORUM at members' meetings shall consist of persons entitled to cast a majority of the voting shares of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum. Decisions made by owners of a majority of the units represented by a meeting at which a quorum is present shall be binding and sufficient for all purposes except an amendment to the Condominium Documents or such other decision as may by law or said Documents require a larger percentage in which case the percentage required in the Documents or law shall govern.

2.10 EACH UNIT shall have a vote equivalent to the percentage of ownership represented by the ratio established and attached as Exhibit "A".

2.11 PROXIES - Votes may be cast in person or by proxy. Proxies shall be in writing, signed and dated and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before or at the appointed time of the meetings. A proxy shall not be valid for more than ninety (90) days after the date of the meeting for which it was given.

2.12 APPROVAL OR DISAPPROVAL of a unit owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.

2.13 ADJOURNED MEETINGS - If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.14 THE ORDER OF BUSINESS AT ANNUAL MEMBERS' MEETINGS, and, as far as applicable at all other members' meetings, shall be:

- (a) Election of Chairman of the meeting, unless the President or Vice-President of the Association is present when he (or she) shall preside.
- (b) Calling of the roll and certifying of proxies.
- (c) Proof of Notice of meeting or waiver of notice.
- (d) Reading of the minutes.
- (e) Reports of Directors.
- (f) Reports of Committees.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New business and annual budget.

(j) Adjournment.

3. BOARD OF DIRECTORS

3.1 The affairs of the Association shall be managed by a Board of three (3) Directors. The initial Directors shall be selected by the Developer. Other than Directors selected by the Developer, each Director shall be a person entitled to cast a vote in the meetings of the Association. The Developer shall be entitled to select at least one (1) Director as long as it holds at least five percent (5%) of the units that will ultimately be operated by the Association for sale in the ordinary course of business.

3.2 DESIGNATION OF DIRECTORS shall be in the following manner:

3.3 Members of the Board of Directors except those selected by the Developer shall be elected by a majority of those present and voting at the annual meeting of the members of the Association or at a special meeting called for pursuant to the provisions of the Condominium Act.

3.4 Except as to vacancies provided by removal of Directors by Members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by a majority vote of the remaining Directors.

3.5 Any Director, except those selected by the Developer, may be removed with or without cause by concurrence of a majority of the members of the Association, at a special meeting of the members called for that purpose, by a majority of the Board of Directors, or by ten percent (10%) of the members. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

3.6 When unit owners other than the Developer own fifteen percent (15%) or more of the units that will be operated ultimately by the Association, the unit owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors of the Association. Unit owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Directors four (4) years after fifty percent (50%) of the units that will be operated ultimately by the Association have been conveyed to purchasers.

3.7 Within sixty (60) days after unit owners other than the Developer are entitled to elect a member or members of the Board of Directors, the Association shall call and give not less than thirty (30) or more than forty (40) days' notice of a meeting of the unit owners, for this purpose.

3.8 Prior to or not more than sixty (60) days after unit owners other than the Developer elect a majority of the members of the Board of Directors of the Association, the Developer shall relinquish control of the Association and shall deliver to the Association all property of the unit owners and of the Association held by or controlled by the Developer.

3.9. THE TERM OF EACH DIRECTOR'S SERVICE shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided. Provided, however, that in order to provide a continuity of experience, the members at the first annual meeting after the Developer has relinquished control of the Association may vote to give up to one-half (½) of the Board members terms of two (2) years so that a system of staggered terms will be initiated.

3.10 THE ORGANIZATION MEETING of the newly elected Board of Directors shall be held at such place and time as shall be fixed by the Directors, provided a quorum shall be present.

3.11 REGULAR MEETINGS OF THE BOARD OF DIRECTORS may be held at such time and place as shall be determined from time to time, by a majority of the Directors, but not less than quarterly. Notice of regular meetings shall be given to each Director personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

3.12 SPECIAL MEETINGS OF THE DIRECTORS MAY BE called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting except in an emergency. Board meetings may be held by conference call.

3.13 WAIVER OF NOTICE - Any Director may waive notice of a meeting before, at or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

3.14 MEETINGS OF THE BOARD OF DIRECTORS shall be open to all unit owners.

3.15 A QUORUM AT DIRECTORS' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting from

time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.16 THE PRESIDING OFFICER at Directors' meetings shall be the President of the Board if such an officer has been elected; and if none, then the Vice President shall preside. In the absence of the presiding officer, the Directors present shall designate one (1) of their number to preside.

3.17 DIRECTORS SHALL SERVE WITHOUT PAY, but shall be entitled to reimbursement for expenses reasonably incurred.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS - All of the powers and duties of the Board existing under the Condominium Act, Declaration of Condominium, and these Bylaws shall be exercised exclusively by the Board of Directors, or its duly authorized agents, contractors, or employees subject only to the approval by unit owners when such is specifically required. Such powers and duties of the Directors shall include but shall not be limited to the following:

4.1 TO MAKE AND COLLECT ASSESSMENTS AGAINST members to defray the costs of the Condominium

4.2 TO USE THE PROCEEDS OF ASSESSMENTS in the exercise of its powers and duties.

4.3 THE MAINTENANCE, REPAIR, REPLACEMENT AND OPERATION of the Condominium property.

4.4 THE RECONSTRUCTION OF IMPROVEMENTS AFTER CASUALTY and the further improvement of the property.

4.5 TO APPROVE OR DISAPPROVE PROPOSED TRANSACTIONS in the manner provided by the Condominium Declaration.

4.6 TO ENFORCE by legal means the provisions of applicable laws, the Condominium Documents, the Bylaws of the Association, and the Regulations for the use of the property in the Condominium.

4.7 TO CONTRACT with a management company.

4.8 TO PAY TAXES AND ASSESSMENTS which are liens against any part of the Condominium other than individual units and the appurtenances thereto, and to assess the same against the unit subject to such liens.

4.9 TO CARRY INSURANCE for the protection of the unit owners and the Association against casualty and liabilities.

4.10 TO PAY THE COST OF ALL POWER, WATER, SEWER and other utility services rendered to the Condominium and not billed to owners of individual units.

4.11 TO EMPLOY PERSONNEL and designate other persons for reasonable compensation and grant them such duties as seems appropriate for proper administration of the purposes of the Association

4.12 TO BRING SUIT, EXECUTE CONTRACTS, DEEDS, MORTGAGES, LEASES and other instruments by its officers and to own, convey and encumber real and personal property.

4.13 THE DIRECTORS may impose fines in such reasonable sums as they deem appropriate not to exceed One Hundred Dollars (\$100.00), against unit owners for violations of the Condominium Documents, including the Rules and Regulations, by owners or their guests or lessees. No fine shall be imposed until the owner has been given a hearing before the Board. No fine shall be levied for conduct by tenancies created by the Management Company.

5. OFFICERS

5.1 THE EXECUTIVE OFFICERS of the Association shall be the President, a Vice-President, a Secretary/Treasurer, all of whom shall be elected annually by and from the Board of Directors and who may be peremptorily removed by a majority vote of the Directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary.

5.2 THE PRESIDENT shall be the Chief Executive Officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of a Corporation.

5.3 THE VICE-PRESIDENT shall in the absence or disability of the President exercise the duties and powers and perform the duties of the President.

5.4 THE SECRETARY shall keep the minutes of all proceedings of the Directors and the members. The Secretary shall attend to the giving and serving of all notices to the members and the Directors and other notices required by law. The Secretary shall keep the records of the Association except those by the Treasurer, and shall perform all other duties

incident to the office of the Secretary of the Association and as may be required by the Directors.

5.5 THE TREASURER shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep the assessment rolls and accounts of the members; he shall keep the books of the association in accordance with good accounting practices; and he shall perform all other duties incident to the office of the Treasurer of a corporation.

5.6 THE COMPENSATION of all persons and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association or preclude the contracting with a Director for the management of the Condominium.

6. MINUTES OF ALL MEETINGS OF UNIT OWNERS and of the Board of Directors shall be kept in a businesslike manner and these plus records of all receipts and expenditures and all other records shall be available for inspection by unit owners and Board members at all reasonable times.

7. FISCAL MANAGEMENT - Shall be in accordance with the following provisions.

7.1 BUDGET - A proposed annual budget of common expenses shall be prepared by the Board of Directors which shall include all anticipated expenses for operation, maintenance and administration of the Condominium including insurance, management fees, if any, and which shall accrue a reserve for deferred maintenance unless waived by the owners. It

will contain a reasonable allowance for contingencies, and provide funds for all unpaid operating expense previously incurred.

7.2 A copy of the proposed annual budget shall be mailed to the unit owners not less than thirty (30) days prior to a meeting of the owners at which the budget will be considered together with a notice of the meeting. Should a quorum fail to be present or represented at the meeting or fail to adopt the budget presented or a revised budget, then and in that event the Directors shall have the authority to adopt a budget.

7.3 The first budget shall be made by the Developer.

7.4 ASSESSMENTS - The shares of the unit owners of the common expenses shall be made payable monthly in advance and shall become due on the first day of each month. The amounts shall be no less than are required to provide funds in advance for payment of all the anticipated operating expenses, the reserves unless waived, and for all of the unpaid operating expenses previously incurred.

7.5 EMERGENCY ASSESSMENTS - Assessments for the expenses of emergencies which cannot be paid from the contingency account shall be made only by the Board of Directors and the time of payment shall likewise be determined by them.

7.6 ASSESSMENT ROLL - The assessments for common expenses according to the budget shall be set forth upon a roll of the units which shall be available for inspection at all reasonable times by unit owners. Such roll shall indicate for each unit the name and address of the owner, the assessments paid and unpaid. A certificate made by a duly authorized

representative of the Directors as to the status of a unit's account may be relied upon for all purposes for any person for whom made other than the unit owner.

7.7 LIABILITY FOR ASSESSMENTS - A unit owner shall be liable for all assessments coming due while he is the owner of a unit, and such owner and his grantees after a voluntary conveyance, shall be jointly and severally liable for all unpaid assessment due and payable up to the time of such voluntary conveyance. Such liability may not be avoided by waiver of the use or enjoyment of any common elements, or by abandonment of the unit for which the assessments are made.

7.8 LIEN FOR ASSESSMENTS - The unpaid portion of an assessment which is due together with interest thereon and reasonable attorney's fees for collection, shall be secured by a lien upon:

7.9 THE UNIT, and all appurtenances thereto when a notice claiming the lien has been recorded by the Association. Such lien shall be subordinate to any prior recorded mortgage on the unit.

7.10 COLLECTION -- INTEREST: APPLICATION OF PAYMENTS - Assessments paid on or before ten (10) days after the date due shall not bear interest, but all sums not paid on or before ten (10) days shall bear interest at the rate of ten percent (10%) per annum from the date due until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due. All interest collected shall be credited to the common expense account.

7.11 COLLECTION -- SUIT - The Association, at its option, may enforce collection of delinquent assessment accounts by suit at law or by foreclosure of the lien securing the assessments, or by any other remedy available under the laws of the State of Montana, and in either event the Association shall be entitled to recover the payments which are delinquent at the time of judgment or decree, together with interest thereon at the rate of ten percent (10%) per annum, and all costs incident to the collection and the proceedings, including reasonable attorney's fees. The Association must deliver or mail by certified mail to the unit owner a written notice of its intention to foreclose the lien thirty (30) days before commencing foreclosure.

7.12 ACCOUNTS - All sums collected from assessments may be mingled in a single fund, but they shall be held in trust for the unit owners in the respective shares in which they are paid and shall be credited to accounts from which shall be paid the expenses for which the respective assessments are made. These accounts shall be as follows:

7.13 COMMON EXPENSE ACCOUNT – All sums collected from assessments for all common areas, both general and limited shall be kept in the Common Expense Account. Separate accountings shall be maintained for all collections of assessments pertaining to limited common areas, with sums being credited to the specific limited common areas from which the assessments were derived.

7.14 ALTERATION AND IMPROVEMENT ACCOUNT - to which shall be credited all sums collected for alteration and improvement assessments, if any.

7.15 CONTINGENCY ACCOUNT - which must be credited all sums collected for contingencies and emergencies.

7.16 THE DEPOSITORY of the Association shall be such bank or banks in Montana as shall be designated from time to time by the Directors and in which the monies for the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by two persons authorized by the Directors.

7.17 AN ACCOUNTING of the accounts of the Association shall be made annually including but not limited to a complete financial report of actual receipts and expenditures for the previous twelve (12) months. A copy of the report shall be furnished to each member within thirty (30) days after its completion and delivery to the Directors, or at the annual meeting.

8. PARLIAMENTARY RULES - Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Declaration, the Bylaws of the Association or with the laws of the State of Montana.

9. AMENDMENTS - Amendments to the Bylaws shall be proposed in the following manner:

9.1 NOTICE of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

9.2 A RESOLUTION adopting a proposed amendment must receive approval of seventy-five percent (75%) of the ownership of the Association (per Section 70-23-307(c),

MCA). Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing.

9.3 INITIATION - An amendment may be proposed by either a majority of the Board of Directors or by ten percent (10%) of the membership of the Association.

9.4 EFFECTIVE DATE - An amendment when adopted shall become effective only after being recorded according to law.

9.5 THESE BYLAWS shall be deemed amended, if necessary, so as to make the same consistent with the provisions of the Declaration of Condominium, or the Condominium Act.

9.6 PROPOSAL TO AMEND EXISTING BYLAWS shall contain the full text of the Bylaws to be amended. New words shall be underlined and words to be deleted shall be lined through with hyphens.

10. IN THE EVENT THE DIRECTORS DEEM IT NECESSARY TO do so, they and the owners may act by written agreement without meetings, which written agreement may be executed in counterparts.

The foregoing was adopted as the Bylaws North "N", L.L.C. Condominium Association at the first meeting of the Board of Directors.

DATED this _____ day of January, 2007.

President

Secretary

