

BY-LAWS  
of  
TIMBRSHOR

[ As amended, June 10, 1986; original language appended below ]

These-By-Laws are made and adopted pursuant to Sections 70-23-307 and 70-23-308, MCA, and shall become supplemental to and a part of the Amended Declaration Under the Unit Ownership Act and Restrictive Covenant. Anyone who has purchased or is purchasing real property described under the Amended Declaration shall become a member of Timbrshor Association. The land covered by the Amended Declaration is described as follows:

Lot 3, Section 7, Township 23 North, Range 19 West, M.P..M., Lake County, Montana

ARTICLE I. OFFICES

The principal office of the Association in the State of Montana shall be located at the offices of Borchers of Finley Point, Lake County, Polson, Montana 59860.

ARTICLE II. MEMBERSHIP

**SECTION 1. Annual Meeting.** The annual Meeting of the members shall be held no earlier than Memorial Day and no later than June 30<sup>th</sup> in each year, beginning with the year 1980, at the exact time and place to be determined by the Board of Directors, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. Until that date, the officers and directors of Borchers of Finley Point will serve as Directors of this Association.

If the election of Directors shall not be held on the day designated herein for any annual meeting of members or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

**SECTION 2. Special Meetings.** Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairman or by the Board of Directors, and shall be called by the Chairman at the request of not less than ten (10) percent of all qualified votes.

**SECTION 3. Place of Meeting.** The Board of Directors may designate any place, either within or without the State of Montana unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting called in accordance with the preceding Section. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within or without the State of Montana, unless otherwise prescribed by statute, as the place for the holding of such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of Borchers of Finley Point in the State of Montana.

**SECTION 4. Notice of Meeting.** Written notice stating the place, day and hour of the meeting and, in case of special meeting, the purpose or purposes for which the meeting is called, shall unless otherwise prescribed by statute, be delivered not less than thirty (30) nor more than forty (40) days before the date of the meeting, either personally or by mail, by or at the direction of the Chairman or the Secretary, or the persons calling the meeting, to each member of record entitled to vote at such meeting, unless all members present execute a waiver of such notice. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the address appearing on the records of the Association, with postage thereon prepaid.

**SECTION 5. Voting Lists.** Each unit of ownership shall be entitled to a two percent (2%) vote and where there is more than one person holding or purchasing title to a unit, such vote shall be divided equally between such persons.

The officer or agent having charge of the membership list of the Association shall make a complete list of the members entitled to vote at each meeting of the membership or any adjournment thereof, arranged in alphabetical order, with the address of and the percentage vote held by each. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting for the purposes thereof.

SECTION 6. Quorum. Fifty percent (50%) of the qualified votes of the Association represented in person or by proxy, shall constitute a quorum at a meeting of the membership. If less than fifty percent (50%) of the qualified votes are represented at a meeting, a majority of the votes so represented may adjourn the meeting to a later time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough votes to leave less than a quorum.

SECTION 7. Proxies. At all meetings of members, a member may vote in person or by proxy executed in writing by a member or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. No proxy shall be valid after two months from the date of its execution, unless otherwise provided in the proxy.

SECTION 8. Voting. Each member entitled to vote shall be entitled to the percentage vote in accordance with Section 5 of this Article.

SECTION 9. Informal Action by Members. Unless otherwise provided by law, any action required to be taken at a meeting of the members, or any other action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the members qualified to vote with respect to the subject matter thereof.

### ARTICLE III. BOARD OF DIRECTORS

Section 1. General Powers and Duties. The business and affairs of the Association shall be managed by its Board of Directors, and the Board of Directors shall:

1) have the right to set special levies and assessments for the purposes contemplated by the membership agreement to supply the various services that the membership may require or want from time to time or as the membership may vote. It is understood that all of the costs of utilities, water, roads, streets, paths and lighting and any other utility or service requested or required by the membership of the Association shall be paid by the Association or those affected thereby, and the Association shall have a right to levy against each dwelling site its pro rata share of such costs and expenses. The Association shall also be responsible for all repairs and maintenance of the docks, but it is furthermore understood that all income received from rentals thereof belongs to the Association. Each levy shall become a recordable lien against the ownership interest of each dwelling site owner and payment may be enforced in the manner provided by law for the enforcement of judgment liens under the laws of the State of Montana including interest and attorney fees and each of the parties shall have all of the rights of a judgment debtor and creditor, including the right of redemption from any sale of a member's interest in real property. The lien, however, shall not be chargeable against the lender until actual possession by court or non-judicial foreclosure has been accomplished.

2) file with the County Clerk and Recorder, the assessment, when made within ninety (90) days after making improvements, to dwelling owner and specifying the material which has been furnished and the work or labor performed. The amount due the Association must be a true account and a correct description of the property charged with such lien, and such lien must also be verified by an affidavit, all in accordance with Section 71-3-511, MCA.

3) enforce the declaration of covenants, conditions and restrictions and perform any other service, including the functions of an architectural control committee that may be for the best interests of the members;

4) provide for the maintenance, upkeep and repair of the common elements and payment for the expense thereof;

5) determine dates for collection from the unit owners their share of the common expenses;

6) adopt and amend administrative rules governing the details of the operation and use of the common elements;

7) set restrictions on and requirements respecting the use and maintenance of the units and the use of the common elements, not included in the declaration, as are designed to prevent unreasonable interference with the use of their respective units and of the common elements by the several unit owners.

SECTION 2. Number, Tenure and Qualifications. The initial Board of Directors of the Association shall be the present Directors of Borchers of Finley Point, who shall serve until the annual meeting, at which time five (5) Directors shall be elected, a Chairman to serve for three years, a Secretary to serve for two years, a Treasurer to serve for one year, a Director to serve for three years and a Director to serve for two years. Thereafter, the term of each office shall be for a term of three years, with the beginning of the term to start at annual meeting when such officer was elected.

SECTION 3. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

SECTION 4. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place for holding any such special meeting.

SECTION 5. Notice. Notice of any special meeting shall be given at least ten (10) days previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 6. Quorum. Three directors present at a meeting shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

SECTION 7. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 8. Action Without a Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the Directors.

SECTION 9. Removal and Vacancies. Removal of any member of the Board of Directors before the expiration of his term of office, may be made upon the signed recall of at least seventy-five percent (75%) of the qualified votes. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors for the remaining term of the removed Director. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by election by the Board of Directors for a term of office continuing only until the next election of Directors by the members.

SECTION 10. Compensation. By resolution of the Board of Directors, each Director may be paid his expenses, if any, of attendance at the meetings of the Board of Directors, or for other travel on Association business. No other salary or compensation shall be paid a Director, other than the expense of complying with these By-laws, such as postage, paper, etc.

SECTION 11. Presumption of Assent. A Director of the Association who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as Secretary of the meeting before the adjournment thereof or

shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of the action.

#### ARTICLE IV. OFFICERS

SECTION 1. Number. The officers of the Association shall be a Chairman, a Secretary and a Treasurer, each of whom shall be elected by the members at the annual meetings.

SECTION 2. Election and Term of Office. The officers of the Association shall hold office for a term of three (3) years, until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign, sell his unit, or shall have been removed in the manner hereinbefore provided.

SECTION 3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 4. Chairman. The Chairman shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and executing thereof shall be expressly delegated by the Board of Directors or by these By- Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general, shall perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time to time

SECTION 5. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of all meetings of members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the Association records; (d) keep a register of the post office address of each member which shall be furnished to the Secretary by such member.

SECTION 6. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the discretion of the Board of Directors; (c) If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine; and (d) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Chairman or the Board of Directors.

#### ARTICLE V. CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

SECTION 2. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3. Checks drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association poration and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of this Association in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI. FISCAL YEAR

The fiscal year of the corporation shall begin on the 1st day of July and end on the 30th day of June of each year.

ARTICLE VII. WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any member or director of the Association under the provisions of these By-Laws or under the provisions of law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE VIII. AMENDMENTS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted at any regular or special meeting by a seventy-five percent (75%) vote of the members of the Association. The amendment alteration or addition shall not be effective until reduced to writing, approved by the Lake County Planning Board and the Lake County Commissioners, and filed with the permanent records of the Association, in accordance with the provisions of paragraph 16 of the Declaration.

Dated this (24th) day of (March) 1980.

(Signature, Louis F. Borchers)  
(Signature, Dean C. Borchers)

STATE OF MONTANA )

) ss.

County of Cascade )

On this (24th) day of March, 1980, before me, a Notary Public for the State of Montana, personally appeared Louis F. Borchers and Dean C. Borchers, known to me to be the Chairman and Secretary of the Association that executed the within By-Laws, and acknowledged to me that such Association executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first hereinabove written.

(Signature)  
Notary Public for the State of Mont., residing at Great Falls, Mont. My commission expires: (3-6-81)

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ORIGINAL LANGUAGE OF AMENDED SECTIONS

ARTICLE II. MEMBERSHIP

SECTION 1. Annual Meeting. The annual meeting of the members shall be held on the day before Memorial Day in each year, beginning with the year 1980, at the hour of ten o'clock A.M. for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. Until that date, the officers and Directors of Borchers of Finley Point will serve as Directors of this Association.

If the election of Directors shall not be held on the day designated herein for any annual meeting of members or

at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

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### ARTICLE III. BOARD OF DIRECTORS

Section 2. Number, Tenure and Qualifications. The initial Board of Directors of the Association shall be the present Directors of Borchers of Finley Point, who shall serve until the annual meeting, at which time three (3) Directors shall be elected, a Chairman to serve for three years, a Secretary to serve for two years, and treasurer to serve for one year. Thereafter, the term of each office shall be for a term of three years, with the beginning of the term to start at annual meeting when such officer was elected.

SECTION 6. Quorum. Two directors present at a meeting shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.