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BY-LAWS OF FOY'S LAKE ESTATES
HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

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The name of the Corporation is Foy's Lake Estates Homeowners Association, Inc., hereinafter referred to as 'Association'. The principal office of the Corporation shall be in Kalispell, Montana but meetings of the Members and Directors may be held at such places within Flathead County, Montana as may be designated by the Board of Directors or agreed upon by the Members and Directors.

ARTICLE II

DEFINITIONS

"ASSESSMENT" shall mean charges levied and assessed against each lot in furtherance of the purposes of the Association. Assessments may "annual", meaning that the charge would be assessed and levied once per year; "monthly assessments", meaning that the charge could be levied or assessed whether based upon use or long term assessments, on a monthly basis; "special assessments", which would be any assessment other than an annual or monthly assessment; "capital assessments" meaning those assessments made for the purpose of acquiring, replacing, or constructing new facilities, or the major repair or renovation of existing facilities, and "operating assessments" meaning those assessed for ongoing costs and expenses associated with the road and services provided by the Association.

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"ARTICLES" shall mean the Articles of Incorporation of the Foy's Lake Estates Homeowners Association, as the same may from time to time be amended or supplemented.

"ASSOCIATION" shall mean the Foy's Lake Estates Homeowners Association, Inc. a Montana non-profit corporation.

"BOARD" shall mean the Board of Directors of the Association.

"DECLARANT" shall mean the following persons: William T. Bolstad and Linda A. Bolstad of 143 North Foy's Lake Drive, Kalispell, Montana.

"DECLARATION" shall mean the Declaration of Covenants, Conditions and Restrictions of Foy's Lake Estates, of record and on file in the Office of the County Clerk and Recorder, Flathead County, Montana, as amended or supplemented from time to time

"LOT" shall mean and refer to Lots 1 through 9 on that plat or map which is on file and of record in the Office of the County Clerk and Recorder, Flathead County, Montana, known as Foy's Lake Estates, together with such additional lot as may be created by the subdivision Lot 6. It is understood that the owner of Lot 6 shall have the right to subdivide Lot 6 into two Lots and each shall be considered a "Lot" within these By-Laws.

"MEMBER" shall mean an owner or contract purchaser of any lot within the Association but shall not mean or include contract sellers or persons or entities who hold an interest as security for the performance of an obligation.

"PROPERTY" shall mean the real property within Foy's Lake Estates Subdivision

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which shall be described more particularly as Exhibit "A" attached hereto and by this reference incorporated.

"COVENANTS" shall mean those promises, undertakings, conditions and restrictions contained in the Declaration of Covenants, Conditions and Restrictions of Foy's Lake Estates, as may be amended or supplemented from time to time.

ARTICLE III

MEETING OF MEMBERS

ANNUAL MEETINGS. The Members of The Association shall meet on an annual basis on the first Monday of May of each year, or on such date as may be designated from time to time by the Members of the Association. The hour and place of such meeting shall be contained in the Notice of Meeting. The annual Meeting shall be the time for the conduct of the general business of the Association, including the elections of Directors and presentation of reports.

SPECIAL MEETING Special Meetings of the Membership may be called at any time by the President or Board of Directors or upon written request of the Members representing at least one-quarter of all of the votes of the Association.

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 days before such Meeting to each Member entitled to vote, addressed to the Member's address last appearing in the books of the Association or supplied by such Members to the Association for the purposes of receiving Notice. Such Notice shall specify the place, hour, and day of the

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Meeting, and in the case of a Special Meeting, the matters to be considered therein. Notice of Meetings may be waived in writing by the Members of the Association.

QUORUM. The presence at any meeting of Members entitled to cast, or with proxies entitled to cast, one-half (1/2) of the votes of the Association, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these By-Laws. If 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 until a quorum shall be present or represented.

PROXIES. At any meeting of the Members of the Association, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable and shall automatically cease upon sale or other conveyance of the lot or lots upon which voting membership is predicated.

ARTICLE IV

BOARD OF DIRECTORS SELECTION AND COMPENSATION NUMBER.

The affairs of the Association shall be managed by the Board of Directors, who need not be Members of the Association, and who, subject to the direction of the Members, shall have the right and responsibility of determining and transacting the affairs of the Association. The Board shall consist of three Directors, who shall be determined as provided in Article VII of the Articles of Incorporation.

COMPENSATION. No Director shall receive compensation for any services he may render to the Association in the capacity of director, although Directors may be reimbursed reasonable costs or expenses incurred in performing such services.

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TERM. The Board of Directors of this Association shall be elected annually by the Members and each shall hold his or her position for one year unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

ARTICLE V

MEETING OF THE DIRECTORS

REGULAR MEETING. Regular meetings of the Board of Directors shall be held on at least an annual basis, at such place and hour as may be fixed from time to time by resolution of the Board.

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 five (5) days Notice to each Director. Special meetings may be conducted with less Notice upon written waiver thereof by the Directors.

QUORUM. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision made by a majority of the Directors present at a duly constituted meeting at which a quorum is present shall be regarded as an act of the Board.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD

The Board of Directors shall have the following powers and duties:

1. To enter into contracts and agreements as may be necessary to effect the business of the Association.
2. To provide for the replacement, use, maintenance, and repair by the

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Association of the road.

3. To adopt and publish rules and regulations governing the provision of services and the use of the common areas and roadway, and the conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof.

4. To make assessments as described in the Articles, these By-Laws or the Declarations, and to take necessary and appropriate action to collect assessments from Members, including the filing of liens, prosecuting of foreclosures, suspension of privileges, and such other as may be provided in these By-Laws or in the Declarations.

5. To call Meetings of the Membership of the Association, both Annual and Special, and to give appropriate Notice of such Meetings as required by these By-Laws.

6. To make decisions and take action upon matters affecting the Association and to hold such Meetings of the Board of Directors as may be necessary to conduct the Associations business.

7. To declare the office of a Member of the Board of Directors to be vacated in the event that such Member shall be absent from three consecutive regular Meetings of the Board of Directors or for such cause as may exist, and to accept resignations of Members from the Board and to fill vacancies by agreement of the remaining Members.

8. To 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 By-Laws, Articles of Incorporation, or the Declaration.

9. To employ such managers, employees and independent contractors as may be deemed necessary to the business of the Association, and to prescribe their

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duties and payment.

10. To maintain records and minutes in a good and businesslike manner reflecting the actions of the Board and the Membership, and the conduct of business by the Association, the levying of assessments, the deposit and disbursement of funds of the Association, and to present a statement thereof to the Members at the Annual Meeting of the Membership or at any Special Meeting of the Membership called for the purpose of reviewing or discussing the same.

11. To supervise the officers, agents and employees of the Association and to see that their duties are properly performed.

12. To procure and maintain, to the extent necessary or required, adequate liability and hazard insurance on property owned by the Association.

13. To cause Officers and employees of the Association having fiscal responsibilities to be bonded, as it may deem appropriate.

14. To do any and all things necessary or proper to carry into effect these By-Laws and to implement the purposes stated in the Articles of Incorporation and to do any and all things necessary to require compliance with and to enforce the Declarations.

ARTICLE VII

OFFICERS AND THEIR DUTIES

ENUMERATION OF OFFICERS. The Officers of this Association shall be a President and Vice-President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other Officers as the Board may from time to time by resolution create.

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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.

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

SPECIAL APPOINTMENTS. The Board may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

RESIGNATION AND REMOVAL. Any Officer may be removed from office with or without cause by the Board. Any Officer may resign at any time, giving written Notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such Notice or at any later time stated therein, and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

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

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 this Article.

DUTIES. The duties of the Officers shall be as follows:

1. **PRESIDENT.** The President shall preside at all Meetings of the Board of Directors and Membership; shall see that orders and resolutions of the Board are

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carried out; shall sign leases, mortgages, deeds and other legal instruments and shall sign checks and promissory notes of the Association. The President shall be responsible for conducting and overseeing the day-to-day business of the Association.

2. VICE PRESIDENT. Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors.

3. SECRETARY. The Secretary shall keep the votes and shall keep minutes of all meetings and proceedings of the Association and of the Board of Directors; keep the Corporate Seal of the Association and affix it on all papers requiring said seal, serve notice of meeting of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses and shall perform such other duties as may be required by the Board of Directors.

4. TREASURER. The Treasurer shall receive and deposit in an appropriate manner all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign checks and promissory notes of the Association, keep proper books of accounts, cause an annual examination of the Association books to be reviewed by a public accountant at the completion of each fiscal year; and shall prepare an Annual budget and Statement of Income and Expenditures to be presented to the Membership at its Regular Annual Meeting.

ARTICLE VIII

COMMITTEES

ARCHITECTURAL CONTROL COMMITTEE. The Board of Directors shall appoint an Architectural Control Committee, as provided in the Declarations.

SPECIAL COMMITTEES. The Board of Directors may designate and appoint such other committees as it deems necessary or appropriate in carrying out the business of the Association and such committees may be temporary or indefinite in their duration.

ARTICLE IX

BOOKS AND RECORDS

The books, records and papers of the Association shall at all reasonable times, during business hours or otherwise, be subject to inspection by any Member. The

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Declarations, Articles of Incorporation and By-Laws of the Association shall likewise be available for inspection by Members at the principal office of the Association.

ARTICLE X

ASSESSMENTS

The Association, acting upon vote of the Board of Directors or upon directive to the Board of Directors from a vote of the Association, shall have the power to levy assessments on its Members. Each assessment shall be the personal obligation of the owner of each lot as of the date of the assessment. All assessments of the Association shall be secured by a continuing lien upon the real property against which the assessment is made.

Any assessment which is not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after due date, the assessment shall bear interest from the date of delinquency at a rate of ten (10%) percent per annum. In such event the Association may bring an action of law against the owner personally obligated to pay the same, or foreclose the lien against the property, and interests, costs, and reasonable attorneys fees and costs incurred in such action shall be added to the amount of the assessment. No owner may waive or otherwise escape liability for the assessments provided for or herein as a result of non-use of the service, facilities, common area, or by abandonment of his lot.

The assessments must be made on a pro-rata basis equally against all of the said lots benefiting from the common area or service or other value represented by the assessment.

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ARTICLE XI
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: FOY'S LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.

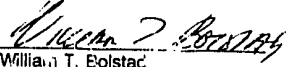
ARTICLE XII
AMENDMENTS

These By-laws may be amended in a manner not inconsistent with the Declaration or Articles, at a regular or special meeting of the members, by a vote of two-thirds (2/3) of the Members present in person or by proxy.

ARTICLE XIII
INTERPRETATION

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Article shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS WHEREOF, we being all of the Board of Directors of Foy's Lake Estates Homeowners Association, Inc., have heretofore set our hands this 7th day of January, 1993.


William T. Bolstad


Linda A. Bolstad

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CERTIFICATE OF NOTARY

State of Montana)
County of Foothill ss.

On this 11 day of January, 1993, before me the undersigned, a Notary Public for the State of Montana, personally appeared William T. Bolstad & Linda A. Bolstad, personally known to me to be the persons whose names are subscribed to this instrument, and acknowledged that they executed the same.

In witness whereof, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.



Fred Phillips
Notary Public
Residing at Rockspall
My Commission Expires on Feb 95

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DESCRIPTION

A tract of land located in the Southeast 1/4 of Section 22 and in the Southwest 1/4 of Section 23, all in Township 28 North, Range 22 West, Principal Meridian Montana, Flathead County Montana, being more particularly described as follows:

Beginning at the Southeast corner of Section 22, T28N, R22W, P.M.M.; thence South 00°45'42" West along the South line of said Section 22, a distance of 299.29 feet to the POINT OF BEGINNING; thence continuing along said line South 00°45'42" West a distance of 1,008.64 feet to the Southwest corner of the Southeast 1/4 of the Southeast 1/4 of said Section 23; thence North 01°09'31" West along the West line of said SE 1/4 SE 1/4, a distance of 2,174.03 feet to the Southwest corner of Lake Shore Hills Subdivision No. 1; thence North 89°07'32" East a distance of 1,438.00 feet to the mean high water line of Middle Foy's Lake; the following nineteen courses are along said mean high water line; thence South 14°29'21" West a distance of 96.65 feet; thence South 05°44'29" East a distance of 54.47 feet; thence South 26°00'41" East a distance of 15.16 feet; thence South 23°40'48" West a distance of 45.22 feet; thence South 08°58'57" East a distance of 26.49 feet; thence South 51°43'41" East a distance of 15.35 feet; thence South 62°06'20" East a distance of 17.61 feet; thence South 32°45'03" East a distance of 35.22 feet; thence South 25°53'42" East a distance of 59.66 feet; thence South 51°05'01" East a distance of 80.48 feet; thence South 72°39'26" East a distance of 110.66 feet; thence South 78°14'01" East a distance of 102.37 feet; thence South 74°24'30" East a distance of 205.86 feet; thence South 68°06'25" East a distance of 130.09 feet; thence South 63°10'13" East a distance of 177.80 feet; thence South 57°19'22" East a distance of 157.99 feet; thence South 59°44'51" East a distance of 110.22 feet; thence South 65°12'22" East a distance of 99.11 feet; thence South 85°39'37" East a distance of 90.86 feet to the intersection of said mean high water line and the West 1/16 line of Section 23, T28N, R22W, P.M.M.; thence South 30°42'23" West along said 1/16 line, a distance of 638.00 feet; thence South 60°07'34" West a distance of 253.75 feet; thence South 40°53'25" West a distance of 288.13 feet; thence North 65°36'36" West a distance of 277.12 feet; thence South 08°38'25" West a distance of 179.40 feet; thence South 67°30'25" West a distance of 163.25 feet; thence South 39°36'25" West a distance of 190.37 feet; thence South 61°13'23" West a distance of 359.59 feet; thence South 41°19'49" West a distance of 179.54 feet to the POINT OF BEGINNING.

The above described tract of land contains 99.587 acres, more or less, subject to and together with all encumbrances of record and as depicted on this plat.

Said tract is designated and to be known as Foy's Lake Estates Subdivision located in the Southeast 1/4 of Section 22 and in the Southwest 1/4 of Section 23, all in Township 28 North, Range 22 West, Principal Meridian Montana, Flathead County, Montana.

DOCUMENT IS ORIGINAL AND NOT LEGIBLY REPRODUCIBLE



Abstract

STATE OF MONTANA,
County of Flathead }

Recorded at the request of Wm. Bolstad
this 10 day of Feb 1993 at 10:40 o'clock AM and recorded in
the records of Flathead County, State of Montana.
Fee \$ 78.00 Pd.

Susan H. Haines Field
Flathead County Clerk and Recorder

RECEPTION NO. 93041 10400

RETURN TO Wm. J. Bolstad
143 N. Foy's Lake de Kalb, Billings, MT 59001 - 7435