

**BY-LAWS
OF
ANGEL ISLAND COMMUNITY ASSOCIATION**

SECTION 1: MEMBERSHIP

1.1 The membership of the corporation shall consist exclusively of the original incorporators of ANGEL ISLAND COMMUNITY ASSOCIATION, INC. (which incorporators are authorized to resign their membership) and the owners of residential lots in ANGEL ISLAND, a recorded plat in Lincoln County, Montana, as recorded under Permanent File Number 2522 A in the Land Records of Lincoln County, Montana. The term "owner" shall be the person holding title to a lot, but if the title holder shall have contracted to sell his lot to a person who is entitled to possession thereof, then the term "owner" shall mean the contract purchaser during the period of said contract or any assignee of such purchaser's rights. An owner may be a natural person, corporation, partnership, association or other form of entity, but as to each such lot ownership there shall be but one membership.

1.2 Membership shall be inseparable appurtenant to each lot on ANGEL ISLAND, and upon transfer of ownership by deed, court decree, contract of sale, or otherwise, membership shall be automatically transferred with the lot to the new owner.

1.3 No member of the corporation shall have any right, title or interest in or to the whole of any part of the property or assets of the corporation, and no member shall be entitled to either the whole or any part thereof in the event of the termination of his membership in the corporation.

1.4 Each owner shall have one membership and one vote for each lot owned. A husband and wife owning a lot as community property, or two or more persons owning jointly or as tenants in community property, or two or more persons owning jointly or as tenants in common shall be entitled collectively to one membership and thereby to one vote. Unless the Board of Directors decides otherwise no certificates of membership need be issued. A new owner or purchaser shall be entitled to vote after establishing his ownership or contract interest to the satisfaction of the secretary. The personal representative of a deceased member shall have all the member's rights, privileges and duties.

1.5 No member may withdraw from the corporation except upon transfer of the lot or lots to which his membership is appurtenant. No compensation shall be paid by the corporation upon the transfer of membership and no member whose membership is transferred shall thereafter be entitled to share or participate in any of the property, facilities or benefits provided by the corporations except to the extent of continued membership by reason of ownership of another lot or lots.

1.6 The Board of Directors, or any officer designated by them, may in accordance with procedures prescribed by the Board, exclude any member from the use or enjoyment of the facilities and benefits of the corporation for delinquency in payments required of members or for failure to comply with the Protective Covenants of ANGEL ISLAND, the Articles of Incorporation or By-Laws of this corporation, or with the rules and regulations established by the Board.

SECTION 2: MEETINGS OF MEMBERS

2.1 Annual Meeting. The annual meeting of the members of the corporation shall be held on the Saturday of Memorial Weekend at 1:00 p.m. (Mountain Time) each year. Such annual meeting will be held at the Community Facility on Lots 12 and 13, Block 1 of Angel Island, or at such other place as may be designated by the Board of Directors. For the convenience of the membership, the Board of Directors may designate a different date for the convening of the annual meeting. If the meeting is to be held at any place other than the above specified, or at any different time than 1:00 pm on the Saturday of Memorial Weekend, at least thirty (30) days' written notice of the time and place of such meeting shall be given to all members.

2.2 Special Meetings. Special meetings of the members may be called by the President or the Secretary or any two members of the Board of Directors, or members constituting twenty percent (20%) of the membership at that time.

2.3 Notice of Meetings. No notice of the regular annual meeting of members need be given, except as provided in Section 2.1. Notice of special meetings of the members of the corporation stating the place, date and hour of the meetings, and the general purpose or purposes thereof, shall be mailed by the Secretary to each member entitled to vote, at least thirty (30) days prior to the date of the special meeting. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

2.4 Notice of any meeting of the members may be waived in writing by any member at any time, either before or after the meeting; and attendance at the meeting in person or by proxy shall constitute a waiver of notice of the meeting by the members or member so attending.

2.5 Quorum. At any meeting of the members of the corporation a quorum shall consist of the lesser of the following number:

2.5.1 Thirty (30) of the members present in person or by written proxy filed with Secretary at or before the meeting.

2.5.2 Members constituting more than twenty-five percent (25%) of the membership at that time.

2.6 If a meeting be recessed to a later date upon further written notice of at least thirty (30) days to the members, a quorum shall be deemed to be present at such reconvened meeting provided that at least one-half the number are there present who would regularly constitute a quorum. Attendance at and participation in meetings may be in person or by proxy, provided, however, that any one member may hold and vote the proxy of no more than five (5) other members.

2.7 The following actions may not be undertaken by the corporation without an affirmative majority vote of all the members in favor of such action:

- a. To dissolve or merge the corporation with another; and
- b. To transfer a substantial portion of the operating assets of the corporation to another person or business entity.

2.8 The following actions may not be undertaken by the corporation without an affirmative majority vote in favor of such action at an annual or special meeting of members, with a quorum present to transact business:

- a. To assess members for the cost of general operations and maintenance; and
- b. To assess members for the cost of capital improvements.

SECTION 3: BOARD OF DIRECTORS

3.1 General Powers. The affairs of the Corporation in the organization and commencement of business shall be managed by a Board of Directors which shall be composed of seven members (or nominees of members) of the Corporation.

3.2 Tenure, Qualification and Methods of Election. A director shall be a member or an officer, director or employee, or have a financial interest in any other entity which may be a member.

3.3 The election of directors shall be held at each annual meeting of the member of the Corporation. The term of office for Directors shall be three years. Directors shall hold office until their respective successors are elected and qualified. In the event of failure to hold any election of Directors at any annual members' meeting, or in the event of failure to hold any annual members' meeting as provided for by these By-Laws, election of the Directors may be held at a special meeting of the members called for that purpose.

3.4 Vacancies. Except as otherwise provided by law, vacancies in the Board of Directors, whether caused by resignation, death, qualification of additional members of the corporation, or otherwise, shall be filled by a vote of a majority of the Directors of the Corporation at a special meeting of the Directors called for this purpose. A Director thus elected to fill any vacancy shall hold office for the unexpired term of his predecessor, and until his successor is elected and qualified.

3.5 Regular Meetings. A regular annual 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.

3.6 Special Meetings. Special Meetings of the Board of Directors may be called by or at the request of the President or the Secretary or by any two Directors. Notice of any special meeting of the Board of Directors shall be given at least ten (10) days prior to the meeting by written notice delivered personally or sent by mail or telegram to each Director at the address shown by the records of the corporation, which notice shall include the general purpose or purposes of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope 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, either before or after the holding of the said meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting.

3.7 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

3.8 Removal of Directors. The entire Board of Directors or any individual Director, at a special meeting of the members called for that purpose, may be removed from office by a vote of the majority of the members entitled to vote at any election of Directors. If the Board or any one or more Directors is so removed, new Directors may be elected at the same meeting. Unless the entire Board is removed, no individual Director shall be removed in case the votes of a sufficient number of members are cast against the resolution for his removal which if cumulatively voted at an election of the full Board, would be sufficient to elect one or more Directors.

3.9 Power and Authority of the Board of Directors. The Board of Directors shall have full power and authority to:

3.9.1 Appoint and remove, at its discretion, all officers, agents and employees of the corporation, and to prescribe their compensation

3.9.2 Make such expenditures as the Board deems expedient, including expenditures from the capital reserve account.

3.9.3 Establish and collect dues and assessments to be paid by the members of the corporation; and to determine and enforce assessments and charges for operations and maintenance, including appropriate reserves. This clause does not authorize the Board of Directors to assess members for capital contributions.

3.9.4 Manage and conduct the affairs and business of the corporation and generally do and perform or cause to be done and performed any and every act which the corporation may lawfully do and perform; provided, however, that the Board of Directors shall not have power to borrow money on behalf of the corporation unless authorized by majority vote of the members of the corporation at a meeting of the members called for that purpose;

3.9.5 To acquire by conveyance, gift, contract, lease or otherwise, property and rights of occupancy of property for the common benefit of the property of the members of the corporation; to improve said property by the erection of structures, utilities and facilities; to rent the same to members of the corporation or to organizations of members of the corporation, all upon such terms and subject to such rules and regulations as the Directors may determine;

3.9.6 In the name of the corporation to enforce and foreclose the lien of assessments of the corporation as may be necessary for the collection thereof; to designate representatives to serve as Architectural Control Committee for the property of the members hereof and to enforce the provisions of restrictive covenants and declarations pertaining to the land served by this corporation, by the institution of litigation or otherwise;

3.9.7 To establish a budget of assessments and expenditures of the corporation to be presented to the members for approval at the annual meeting and to authorize the expenditure of funds for corporate purposes, including construction and maintenance of drainage easements, improvements, provision of services, payment of taxes upon common property, and accumulation of necessary or appropriate reserves;

3.9.8 Procure and maintain such forms of insurance as the Board may deem appropriate as to risks pertaining to the corporation or the obligation or interest of its members;

3.9.9 The Board of Directors shall not make political or charitable donations of the corporation funds or property if such donation will jeopardize any tax-exempt status of the corporation;

3.9.10 The corporation, whether through its Board of Directors or otherwise, shall not cause the corporation to be operated for social or club purposes, and without limiting the foregoing, the corporation shall not sponsor or conduct athletic tournaments, lessons, or classes, dinners, group social gatherings, dances or parties or similar functions. If an individual or social or club group, independent of this corporation, should desire to conduct such a function upon grounds or facilities maintained by the corporation, the same shall be only as approved by a majority of Directors and conditioned upon indemnification to the corporation; however, the Board of Directors may authorize the use of corporation funds to host a barbeque or similar social function for members immediately following the annual meeting;

3.9.11 Except as otherwise limited hereby, the Board of Directors shall have power and may exercise the rights and duties customarily devolving upon a corporate board of directors for any and all purposes not inconsistent with the purposes and powers of the corporation pursuant to its Articles and these By-Laws.

SECTION 4: OFFICERS

4.1 At the first meeting of the Board of Directors after each annual meeting of the members, the Board of Directors shall elect a president, vice-president, secretary and treasurer, and, if desired, an assistant secretary and assistant treasurer. Officers of the corporation so elected shall hold office for a term of one year or until their successors are qualified. Any officer may be suspended or removed by a majority vote of all of the Directors.

4.2 No Director or officer (except as such Director or officer may also be designated as business manager by the Directors) shall receive any salary or compensation from the corporation, but may receive reimbursement of out-of-pocket expenses incurred in performance of duties of the corporation.

4.3 President. The president shall preside at all meetings of the Directors and members and shall have and exercise under the direction of the Board of Directors, the general supervision of the affairs of the corporation.

4.4 Vice-President. The vice-president shall preside at meetings in the absence of the president and in case of the absence or disability of the president shall perform all other duties of the president.

4.5 Secretary. The secretary shall issue notices of meetings and keep the minutes of meetings. The secretary shall keep a record of the names and addresses of the members and shall have charge of the other necessary records and papers of the corporation. The secretary shall be custodian of the corporate seal and impress papers with the seal where required.

4.6 Treasurer. The treasurer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the corporation. The books of account shall at all times be open to inspection by any members. The treasurer shall keep safely all monies and securities of the corporation and disburse the same under the direction of the Board of Directors. The treasurer shall cause the funds of the corporation to be deposited in a bank selected by the Directors. At each annual meeting of the members and at any time directed by the Directors, the treasurer shall issue and present a full statement showing in detail the condition of the affairs of the corporation.

4.7 Any officer except the president may occupy two offices concurrently if the Board of Directors so directs.

SECTION 5: FISCAL YEAR

5.1 The fiscal year of the corporation shall be June 1 to May 31.

SECTION 6: SEAL

6.1 The Board of Directors shall provide a corporate seal, circular in form and shall contain the words "Angel Island Community Association", and "Corporate Seal" and "Montana 1970".

SECTION 7: ASSESSMENTS AND CHARGES

7.1 Assessments may from time to time be assessed by the corporation against its members for the corporate purposes as set forth in the Articles of Incorporation and herein. The assessments shall be levied at a uniform rate as to all lots to which membership in this corporation is appurtenant, without preference of any kind (excepting only special services undertaken for limited areas at the request of the owners thereof on a reimbursement basis; and excepting further such reasonable differential as may be determined by the Board of Directors as between the benefits afforded to improved and unimproved lots respectively). Proceeds of such assessments shall be expended exclusively for the purposes set forth in the Articles of Incorporation and herein. As specified in Section 1.4, each lot represents one membership and one vote for each lot owned. Each lot is required to pay annual assessments and dues.

7.2 Payment of each assessment and charge shall be due within sixty (60) days after notice of assessment and shall thereafter bear interest at the highest legal rate per annum until paid. If mailed, notice of the assessment shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the corporation, with postage thereon prepaid.

7.3 The assessment or charge, together with all expenses, attorney's fees and costs reasonably incurred in enforcing the same, shall be a personal obligation for the member assessed, enforceable by the corporation in a court action. The assessments, charges, attorney's fees, and costs shall also constitute a lien against the land owned by the member and which is so assessed or charged and the lien shall be enforceable by foreclosure proceedings in the manner provided by law for foreclosure of real property mortgage liens. Such liens shall be superior to any and all other liens except liens of record prior to the date of assessment of the lien and except general taxes.

7.4 The corporation may impose and collect a service charge upon each lot for utility services furnished by this corporation, whether or not the utility services are directly utilized by the member. This assessment is in addition to any other assessments authorized by these by-laws. The Board of Directors may, at its discretion, charge against each lot for utility services without regard to actual usage of the utility services.

7.5 If, for any reason, the owner of more than one lot should decide to combine such lots into one lot by following appropriate county procedures and the Protective Covenants of Angel Island, as amended, the combining of such lots will not affect the voting rights associated with each of the combined lots; neither will it affect the amount of the assessment against each of the combined lots. For these purposes, the lots would continue to be considered as separate lots as set forth on the original plat of Angel Island, as it may have been amended.

SECTION 8: AMENDMENT OF BY-LAWS

8.1 These By-Laws may be amended, altered, or repealed by a majority vote of the members present at any regular or special meeting of the members if notice of the proposed alteration or amendments is contained in the notice of the meeting; provided, however, that no such amendment shall reduce the requirements for an approving vote of specific matters as set out in Section 2.5 of these By-Laws unless the vote approving such amendment shall itself comply with such requirement; nor shall these By-Laws be so modified as to permit assessment, charge or lien against members or property owned by them for such purpose other than as herein provided, excepting only as such members, each for himself, may consent thereto in writing.

SECTION 9: DISSOLUTION

9.1 In the event of the dissolution of the corporation each person who is then a member shall, for each lot then owned by him, receive his pro-rata share of the assets after all its debts have been paid.

Dated this 7th day of June, 2002

ANGEL ISLAND COMMUNITY
ASSOCIATION, INC.

By

Patrick Vinion
Patrick Vinion, President


Jim Tomlin, Secretary

Revised ---- July 14, 1970
Amended --- July 28, 1973
Amended --- May 26, 1984
Amended --- May 30, 1998
Amended --- May 27, 2000
Amended --- May 25, 2002

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June 12th
A.D. 2002
11:50 AM
Crest St. (Munich)
Germany - Munich