

**BYLAWS OF
THORPE COMMERCIAL CENTER OWNER'S ASSOCIATION**

1. Name, Address, Formation Details, Definitions. The Thorpe Commercial Center Owner's Association (the "Association") is a Montana not-for-profit corporation formed as a public benefit corporation with members. The address of its principal office is 646 Hulbert Rd W, Bozeman, MT 59718-8509. The Association has been formed to manage the Thorpe Commercial Center Minor Subdivision, Plat #_____, filed and of record with the Gallatin County Clerk and Recorder, Montana, on _____ ("Phase I") and the Thorpe Commercial Center Major Subdivision, Phase II, to be located immediately south of Phase I, currently in the process of formation ("Phase II") (Phase I and Phase II are referred to in these Bylaws collectively as the "Commercial Center"). Phase I and Phase II are governed by Declarations of Covenants, Conditions, and Restrictions for them (collectively, the "Covenants"). Capitalized terms appearing in these Bylaws which are not defined herein have the meanings ascribed to them in the Covenants.

2. Purpose. The purpose of the Association is to manage the Commercial Center to ensure and enforce that it is developed consistent with the Covenants and these Bylaws and that all Members honor and follow the rules, regulations, and standards set forth in the Covenants and these Bylaws for the Improvements placed on and the use of Lots in accordance with these Covenants.

3. Membership Interests and Voting. Every person or entity which has an ownership interest in a Lot is a member (a "Member") of the Association and jointly and severally liable for any and all assessments, debts, or other amounts owing from their respective Lot to the Association. It is the responsibility of each Member to provide to the secretary of the Association their names and addresses (including email, cellphone, and physical address) for notice purposes. Legal entity owners must designate a person (and provide their addresses) authorized to exercise its ownership interest as a Member. For all matters for which a vote is taken, each Lot shall have one vote. When there is more than one Member with ownership interests in a Lot, those Members have the responsibility, among themselves, to determine how that Lot shall vote on any matter to come before the membership of the Association. If there are disputes or differences among Members with interests in one Lot which cannot be reconciled among them by the time a vote is taken, that Lot shall be declared a disputed Lot and no vote may be cast by it while such a dispute among its owners pertains.

4. Powers. The Association has all the powers of a non-profit corporation enumerated and set forth in Title 35, Chapter 2, Montana Code Annotated.

5. Management of the Association. Until such time as the Declarant of Phase I has sold four (4) Lots to third parties and until the Declarants of Phase II have sold ____ Lots to third parties, the Declarants of Phase I and Phase II shall serve as the Board of Directors

for the Association, with each entitled to one vote on all Board matters. A vote of at least _____ Declarants is required for any activity by the Board.

6. Board of Directors. The Declarants of Phase I and Phase II shall manage all affairs of the Association until the necessary number of Lots have been sold as described in Paragraph 5 above. Thereafter, the Declarants shall continue to manage all affairs of the Association until a Board of Directors is elected at the next annual meeting held in accordance with the Covenants and these Bylaws. Commencing with the election of Directors at that annual meeting and thereafter, the management and affairs of the Association shall be overseen by a Board of three (3) Directors, each of which must be a Member of the Association. Any Member may be nominated for the position of a Director by any Member or by the Member himself. Fourteen (14) days before each annual meeting, the Board of Directors shall inform the Membership of all persons who wish to be considered to become a Director of the Association. Members will vote for these candidates at the annual meeting. The President shall announce the results of the vote when it is completed. At the first election of Directors, one Director shall be elected for a term of one (1) year, a second Director will be elected for a term of two (2) years, and the third Director will be elected for a term of three (3) years. Thereafter, as terms expire, succeeding Directors shall be elected for a term of three (3) years. The Board of Directors shall meet immediately after each annual meeting and, thereafter, as a majority of the Directors decide. Any Director who misses more than three (3) consecutive meetings of the Board shall automatically cease being a Director and shall be replaced by a Member as voted by the Board of Directors then existing to serve until the election of a replacement Director at the next annual meeting.

7. Meetings. There shall be an annual meeting of all of the Members of the Association, set and noticed as provided in the Covenants. Notice of the annual meeting must be given at least fourteen (14) days in advance of it. At the annual meeting, each Lot shall be entitled to one vote. At the annual meeting, the Members shall elect the directors of the Association then eligible for election to the Board. The Directors must provide to each Member at least fourteen (14) days before the annual meeting a written, proposed budget for the operation for the Association for the coming fiscal year, which shall be a fiscal year running from July 1 through the following June 30. Once the Board of Directors is established, a majority of Lots voting when a quorum is present is required to approve the budget proposed. If a quorum is not present and cannot be assembled after a second effort as provided in the Covenants, a majority of Directors shall approve the budget. A similar majority of votes by Members in a majority vote by the Board of Directors if a quorum is not established on a second meeting is required for any activity proposed or resolution presented at any annual or special meeting, as well as to elect a Member to join the Board of Directors. Members may vote by written proxy provided to the Declarants or the Board of Directors at least twenty-four (24) hours before a meeting. All meetings, annual or special, shall be presided over by the President of the Board of Directors, or the President's appointed representative.

Special meetings may be called at any time on the initiative of the President or upon the call of Members made to the Association Secretary controlling fifty percent (50%) of the

Lots. For each special meeting, the notice must specify, in writing, an agenda item or items to be the subject of the special meeting. No item or action may be addressed at a special meeting which is not set forth in writing provided to all Members with the notice required to call a special meeting. Special meetings shall require seven (7) days' notice in writing.

Notice of annual and special meetings shall be sent to each Member's address. Electronic notice is effective for all purposes. All Association meetings must permit physical attendance of Members at a place designated for the holding of the meeting and, in addition, participation at the meeting in all respects via Zoom, telephone or any other electronic means which permits the identification of each Member attending, the ability to hear that Member's comments at the meeting, and the vote of the Member made by that electronic means when a vote is taken.

8. Powers and Duties of the Declarants and the Board of Directors. The Declarants and, when established, the Board of Directors shall have the powers and duties set forth below; these powers are considered to be powers granted by Title 35, Chapter 2, Montana Code Annotated and are stated here to make clear that there is no confusion about the possession of these described powers. However, in no event do the Declarants or the Board of Directors have power to change, alter, or authorize acts inconsistent with or prohibited by the Covenants.

- A. To enter into contracts and agreements as are necessary to affect and accomplish the business of the Association.
- B. To provide for the construction, installation, acquisition, replacement, operation, maintenance and repair by the Association of equipment, common open space, hardscape, landscape and other services and functions of the Association. Contracts for such work with third parties which provide for a term or duration of more than one (1) year or a cost exceeding \$10,000 must be approved by a majority of the Members, which approval may be given at the annual or any special meeting of the Association.
- C. To make and establish rules and regulations for the governance of facilities and the performing of such functions, the taking of such action and operating in such areas as are within the jurisdictions of the Association.
- D. To make assessments (and impose and collect fines) as described in these Bylaws and the Covenants.
- E. To take necessary and appropriate action to collect assessments from Members, including the filing of liens and prosecuting foreclosures as provided in these Covenants and Bylaws and by Montana law.
- F. To call meetings of the Association, both annual and special, and to preside over such meetings and to give appropriate notice of such meetings as required by these Bylaws.

- G. To hold meetings of the Board of Directors as required and as are necessary to conduct Association affairs.
- H. To exercise ultimate decisional power in and on all matters affecting the Association.
- I. To pay the expenses of the Association, including all taxes or assessments and to contract and pay for such insurance as may be necessary in the best interests of the Association, and to provide for the use and disposition of the insurance proceeds in the event of loss or damage.
- J. To fill interim vacancies on the Board by agreement of the remaining Directors until the next annual meeting.
- K. To maintain lists of Members with names and addresses.
- L. To keep records in a good and businesslike manner of all assessments made, all expenditures, and the status of each Member's payments of assessments; and to make such records accessible at reasonable times to all Members.
- M. To hire professionals to maintain books and records of the Association and, with appropriate safeguards to prevent any embezzlement or taking of Association funds, pay Association expenses. This includes the hiring of a person to manage day-to-day Association affairs and responsibilities such as, for example, snowplowing, general maintenance of Association property, maintenance of the fire pond and fire lines, etc.
- N. To promote, conserve and preserve the Premises.
- O. To assess fines, not exceeding \$100 per week, against Lots whose owners fail to comply with the operational regulations and design/construction regulations applicable (Covenants, Bylaws, Rules) to each Lot, such fine to be assessed only after the Board of Directors gives the relevant Owner an opportunity for a hearing to be held within seven (7) days after the Board gives written notice to the Owner of the noncompliance which, if not corrected, may result in the imposition of a fine.
- P. To do any and all things necessary to carry into effect and to implement the purposes as stated in these Bylaws and to do any and all things necessary to require compliance with and enforce the Covenants, including the assessment and collection of fines for non-compliance.
- Q. To deal with agencies, officers, boards, commissions, departments and bureaus or other governmental bodies in a federal, state, county and local basis to carry out the

above powers, duties and responsibilities.

- R. To establish accounts for operating and/or reserve funds as set out in the Covenants.

9. Assessments. The Association, acting through the Board of Directors, shall have the power to levy assessments on its Members as provided in the Covenants. Unpaid fines shall be included in the annual assessment against the appropriate Lot.

10. Quorum. Meetings of the Association shall be convened at the time and place contained in the notice of such meeting only if a quorum of the Members as described in the Covenants is present either in person or by proxy. Any membership interest may be represented by the owner thereof or by his agent who has written authority to so act.

11. Compensation. Board members shall be reimbursed for any out-of-pocket expenses incurred while acting in their official capacity. They shall not be compensated for serving a Board member.

12. Severability. A determination of invalidity of any one or more of the provisions or conditions thereof by judgment, order, or decree of a court shall not affect in any manner the other provisions hereof, which shall remain in full force and effect.

13. Interpretation and Amendment. The Board of Directors shall have the power to interpret all the provisions of these Bylaws and such interpretation shall be binding on all persons. These Bylaws may be amended from time to time whenever at least a simple majority of the membership interests shall have voted in favor of such amendment.

Adopted this ___ day of _____, 2022.

Darin Swenson, Declarant

Jayme Swenson, Declarant

//

STATE OF MONTANA)
 :ss
County of Gallatin)

 This instrument was acknowledged before me on the _____ day of _____, 2022, by Darin Swenson.

(S E A L)

Notary Public for the State of _____
Printed Name: _____
Residing at: _____
My Commission Expires: _____

STATE OF MONTANA)
 :ss
County of Gallatin)

 This instrument was acknowledged before me on the _____ day of _____, 2022, by Jayme Swenson.

(S E A L)

Notary Public for the State of _____
Printed Name: _____
Residing at: _____
My Commission Expires: _____