

# FOREST PARK ESTATES WATER USERS ASSOCIATION, INC. BY-LAWS

## ARTICLE I

### Name and Seal

**Section 1.** The name of this corporation shall be FOREST PARK ESTATES WATER USERS ASSOCIATION, INC. (the "corporation"), incorporated under the laws of the State of Montana for a perpetual term, from and after the date of filing the Articles of Incorporation, located at Forest Park Estates, Clancy, Jefferson County, Montana, or in such other place or places as the board of directors (the "board") may appoint and find necessary or convenient.

**Section 2.** The corporate seal of the corporation shall be in the form of a circle and contain the words *Forest Park Estates Water Users Association, Inc.* inscribed in plain letters within the outer edge of the circle; the words "Corporate Seal" in the center of the same. For the purpose of identification, the corporate seal adopted by this corporation shall be impressed upon the margin of the page of the record of this corporation upon which this article is recorded.

## ARTICLE II

### Corporate Powers

The corporate power of this corporation shall be vested in a board of seven (7) directors, who shall be members in good standing, and who shall be elected at the annual meeting of the membership of this corporation. An election shall be conducted for new directors by ballot in conformity with the provisions of these by-laws, as well as the laws of the State of Montana.

## ARTICLE III

### Membership and Fees

**Section 1.** Eligibility. A "member" is a property lot that is receiving water from the corporation. Each member shall be entitled to one vote for each lot owned either as a record holder of title or as a contract buyer and are either being supplied water, or are authorized a water hook-up according to these by-laws. There shall not be more than one membership/vote for each lot, nor are "partial" votes (i.e., half-votes) permitted. Membership does not pass by a "notice of intent to purchase", and does not pass until a purchase is complete. All members must comply with these by-laws and with the resolutions of the membership and board adopted for use of water obtained from the corporation.

**Section 2.** During any period in which a member shall be in default in the payment of any monthly, annual or special assessment levied by the Association, including charges for water services, the voting rights of such member may be suspended by the board until such assessment has been paid. Such rights of a member may also be suspended for a period not to exceed thirty (30) days for violation of any rules or resolutions passed by the membership or by the board governing the use of water.



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**Section 3.** Assessments. Before being provided water, each member shall pay an initial fee as then established by the board and such other assessments and charges for water as have been determined necessary by the board for conduct of the corporation's business.

**Section 4.** Non Water Special Assessments. Fees may be assessed to conduct routine repair/maintenance of items not directly related to the water system. These special assessments must be approved by equal to or greater than 75% majority of voting members. Non Water Special Assessment ballots will be sent out with a monthly water bill/assessment. Any ballot not returned within the time specified on the ballot will be considered a "yes" vote towards the 75% majority.

**Section 5.** Enforcement. A member who does not pay an assessment or water charge when due or who violates any requirement of membership for use of water obtained from the corporation, or any water restriction set by the board, may be expelled from membership by vote of the board. Any member who is delinquent on an assessment or water charge of more than 60 days may have their water service terminated without notice unless other arrangements have been made. Once water service is terminated it WILL NOT be reconnected until all late fees plus a disconnect and reconnect fee have been paid. Disconnect and reconnect fees will be established by the board.

**Section 6.** Membership changes. Incoming and outgoing members are responsible to notify the board of any membership changes (i.e., sale/purchase of property), and changes to their post office addresses.

### ARTICE IV

#### Membership Meetings

**Section 1.** Annual Meeting. The annual meeting of the corporation shall be held on the second Monday of March of each year, unless the directors set another date for such meeting not more than thirty (30) days earlier nor more than thirty (30) days later than that date.

**Section 2.** Special Meetings. Special meetings of the corporation may be called whenever either the president or a majority of the directors deem it advisable.

**Section 3.** Quorum. A quorum for an annual meeting is comprised of 25% of the allowable voting members, including proxies.

**Section 4.** Notice. Notice of an annual meeting shall be sent by electronic means, or by paper copy mailed to every member's last known post office address, not less than thirty (30) days prior to such meeting, and for special meetings not less than five (5) days' notice shall be given. Such notice shall state the time and place of such meeting; notice of special meetings shall include the proposed subjects of the meeting.



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**Section 5.**     Membership Call. A special meeting of the corporation may be called upon the written request of one-third of the voting membership upon notice as above provided for special meetings.

**Section 6.**     Voting. Voting members may give proxies in writing to vote at any meeting, which must either be (a) signed and dated by the member(s), or (b) sent electronically, a complete printed copy of the electronic mail must be presented. Either must clearly state that it serves as a proxy to vote for that member for all business transacted at that specific meeting. For these by-laws, a proxy vote is considered to be "present". The right of any voting member to vote shall be governed by the records of the corporation. At all meetings of the membership (except for amending the by-laws and electing the directors as specifically provided for by the laws of the State of Montana), voting shall be decided by a majority vote of the voting members present at the meeting. Voting shall be by voice unless one-half of the membership present shall request voting by secret ballot. Voting to amend the by-laws, elect directors, or on any special assessment, will be by mail ballot (electronic means or paper) as provided elsewhere in these by-laws. Ballots must be returned within twenty (20) days from the date they were mailed or sent electronically.

**Section 7.**     Chair and Secretary. The president or, in his absence, the vice-president, shall call all meetings of the membership to order if there is a quorum, and shall act as chair of such meetings. If neither the president nor the vice-president is attending the meeting, once the meeting is called to order, a majority of the membership present shall elect a director to act as the meeting chair as the first order of business. The secretary of this corporation shall act as secretary of all meetings of the membership, but in the absence of the secretary the presiding officer may appoint any person to act as secretary of the meeting. The presiding officer shall appoint two members to act with the secretary as tellers or inspectors of elections when the same are required.

**Section 8.**     Order of business. At all membership meetings, the following order of business shall prevail, as far as is consistent with the purpose of the meeting and these by-laws:

1. Roll call (sign-in sheet may substitute for roll call).
2. Reading the minutes of the preceding meeting and action thereon:
3. Report of the president;
4. Report of the treasurer;
5. Report of committees;
6. Election of directors (annual meeting only);
7. Old/Unfinished business;
8. New business.



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## ARTICLE V

### Election of Directors

**Section 1.** The directors shall be nominated at the annual meeting of the membership with a ballot sent to voting members with the next scheduled water bill. A majority "yes" vote greater than 50% is required for the election of directors. However, when the number of nominees for the position of director is equal to the number of positions to be elected, and there is no other reason for an election, the nominees will be deemed elected, the election cancelled, and they will assume the positions at the annual meeting. The directors shall be elected for a term of three years, and hold office until their successors are elected and qualified. Terms should be staggered so not more than three directors come up for election each year.

**Section 2.** No person is eligible to be nominated as a director who is not then a voting member of record in the corporation.

**Section 3.** Vacancies in the board occurring during the term by death, resignation in writing or removal, shall be filled by a majority of the remaining directors at any regular board meeting or special board meeting specifically called for such purpose, and the directors so appointed by the board to fill any vacancy shall hold office until the next meeting of the membership thereafter, at which time, by election by ballot, the vacancy thus created shall be filled for the unexpired term of the regularly elected director whose resignation, death or removal caused the original vacancy.

## ARTICLE VI

### Meetings of Directors

**Section 1.** The directors may hold all or any of their meetings, and may have an office and keep such books and records of this corporation as may be necessary to conduct its business and affairs, at such place or places as the board shall designate in the County of Jefferson, State of Montana.

**Section 2.** Meetings of the board shall be held whenever called by direction of the president or, in his absence or inability to act, by the vice-president or, when required by the written request of four (4) members of the board, and the president or the secretary of this corporation shall give notice of the meeting, by electronic or paper mailing a notice thereof at least five (5) days before the date of such meeting to each director at his address shown by the records of the corporation, or by personally notifying each member of the board orally at least three (3) days before the date of the meeting, and unless otherwise indicated in the notice thereof, any and all business may be transacted, and any meeting of the board at which every director shall be present, even though without notice, any and all business of the corporation may be transacted,

**Section 3.** A majority of the board constitutes a quorum for the transaction of business at all meetings of the board, but if at any meeting of the board, no quorum is present, a majority of those present may adjourn the meeting.



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## ARTICLE VII

### Powers and Duties of Board of Directors

**Section 1.** The board shall have the power to conduct, control, manage and govern the affairs, operations, business, property and assets of this corporation, and to make and enforce such rules of operation in reference thereto as it may deem proper, not inconsistent with the laws of the State of Montana, the articles of incorporation, or the by-laws, or may delegate any such powers to certain officers or appointees by resolution at any board meeting. The board shall have the duty to equip, maintain, repair and operate the water system at Forest Park Estates and to determine and set water rates and assessments for members and collect the same as they become due. The board shall instruct the secretary to notify all members of rates and assessments at least thirty (30) days before they become effective. The board shall purchase such liability and hazard insurance as it deems advisable.

**Section 2.** The board shall have the power to purchase and acquire, sell and lease, or otherwise dispose of any real and personal property, including leases; to sell, and lease, mortgage, exchange or otherwise dispose of the whole or any part of the property and assets of this corporation of every kind and description whatsoever as the board in its judgment may deem for the best interests of the corporation, and to generally do and perform each and every act and thing within the limits and purposes of this corporation, as set forth in the articles of incorporation or by-laws, and all acts which this corporation is, by the laws of the State of Montana, permitted to transact and perform within the limits provided by the then-current version of Section 501 (C) (12) of the Internal Revenue Code.

**Section 3.** The board shall have the power to incur indebtedness and to give security therefore, the terms and amounts of such indebtedness to be entered in the minutes of the board meetings, and any note or obligation made for such indebtedness, and any contract, agreement or instrument entered into to secure the payment of the same, when signed officially by the president or the vice-president and attested by the secretary, shall be binding upon the corporation.

**Section 4.** Within 20 days following the end of the fiscal year, the board shall appoint a Financial Review Committee, consisting of one or more persons, to review the financial records and submit a report to the board. The report shall be submitted at least ten (10) days before the Annual Meeting. The board is authorized to hire a certified public accountant to audit the accounts of the corporation when it deems necessary, or as may be directed by a vote of the membership at an annual or special meeting of the membership.

**Section 5.** Directors shall not receive any salary for their services, but may receive compensation for work actually performed by them, when a majority of the board at any regular or special meeting shall so direct.



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## ARTICLE VIII

### Officers

**Section 1.** The officers of the corporation shall be a president, vice-president, secretary, and treasurer, who shall exercise and perform the duties and powers usual to their respective offices, all of whom shall be elected by the board by a majority ballot at the first regular board meeting following the annual meeting each year and shall serve until their successors are elected and qualified. The treasurer need not be a director, but no person shall be elected president, vice-president, or secretary who is not a member of the board. The board may elect one or more person to serve as secretary in the absence of the secretary.

**Section 2.** Officers shall not receive any salary for their services, but may receive compensation for work actually performed by them, when a majority of the board at any regular or special meeting shall so direct.

**Section 3.** If the president, vice-president, secretary, or treasurer (if a board member) ceases to be a director, they shall cease to hold office, and the office shall be declared vacant, and a new person shall be elected to fill the office thus vacated at any meeting of the board.

**Section 4.** Except for water system emergencies requiring immediate action, no individual board member may make any decisions that would affect the long term use of water supplied by this corporation or any financial commitment without the majority vote of the board. In the event of such action in an emergency, a board meeting will be called as early as possible to ratify or, when possible, modify that action.

**Section 5.** Board members may not authorize any water hook-ups to property located outside of Forest Park Estates Subdivisions I and II.

## ARTICLE IX

### President

**Section 1.** The president shall preside at all meetings of the membership and the board.

**Section 2.** Subject to the control of the board, the president shall have general charge of corporation business, with power to hire, control, supervise, suspend and discharge non-elective officers, agents, and employees, with powers generally to carry out and exercise the acts, things and authority usual and incident to this office. The president shall keep the board fully informed and shall freely consult with them concerning the business of the corporation.

**Section 3.** The president may sign and execute all authorized instruments, contracts, notes or obligations in the name of the corporation after a majority vote of the board.

**Section 4.** The president shall call special meetings of the membership or meetings of the directors when deemed necessary, and cause the secretary to give necessary notices.



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**Section 5.** The president shall perform, in addition to the usual duties of the office, all other duties as delegated to the office by the board.

### **ARTICLE X**

#### **Vice President**

**Section 1.** If at any time the president is unable to act, the vice-president shall perform the duties of the office, and shall be vested, during such time, all the powers, duties and functions of the office of president in regard thereto.

**Section 2.** The vice-president shall perform all other duties as assigned by the board, or required by the president.

### **ARTICLE XI**

#### **Secretary**

**Section 1.** The secretary shall attend and keep the minutes of all meetings of the board in books provided for that purpose, shall perform all duties usual to the office of secretary of a corporation, and all other duties as instructed by the president or the board.

**Section 2.** The secretary shall maintain a current list of all members, and their post office and electronic addresses, in accordance with the most recent information provided by the members. Upon learning of a new member (i.e., by purchase of property), the secretary shall attempt to contact the new member to advise them of the corporation and the date of the next-scheduled meeting of the membership. The secretary shall attend to the giving and serving of all notices of the corporation but nothing herein shall preclude the president from giving the notices.

**Section 3.** When directed, the secretary shall affix the seal of the corporation to any notes, obligations, debentures, or evidences thereof, authorized by the board, or attest to the signature of the president, or vice-president.

### **ARTICLE XII**

#### **Treasurer**

**Section 1.** The treasurer shall keep all financial accounts of the corporation, shall perform all duties usual to the office of treasurer of a corporation, and all other duties as instructed by the president or the board.



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**Section 2.** The treasurer shall keep an accurate record of all water purchased by and delivered to each member and shall be the custodian of the corporation's funds, evidences of indebtedness and other securities, and shall keep full and accurate accounts of all receipts and disbursements in such books and such manner as is ordered by the board. The treasurer shall deposit all moneys received by the corporation in a bank designated by the board in the name of and to the credit of the corporation.

### **ARTICLE XIII**

#### **Supplying of Water**

**Section 1.** The water system is constructed with a curb stop at each lot. The corporation is responsible for any repair of the system from its beginning to and including the curb stop. Any cost of extension, connection, and repair beyond the curb stop, other than water meters which are provided by the corporation, shall be borne by the lot owner.

**Section 2.** The corporation must supply water to each lot in Forest Park Estates Subdivision I & II upon request, so long as the lot's payments are current, and each lot owner must accept water from the corporation as the lot's sole water source. Any lot owner connected to the Forest Park Water System shall pay the water rate assigned and assessments established by the board. Water rates and assessments shall be set uniformly to provide current funds for operation and a reasonable reserve for repairs and replacements. Reserve funds shall be expended only upon order of the board. Special assessments may be made by the board in the event of a water system emergency.

**Section 3.** No member may supply water to another person or a lot other than their own without permission of the board, and this is to be granted on an emergency basis only. Any member outside the Forest Park Estates subdivision I & II that also has private water facilities may be inspected by the board or its agent at all reasonable times upon notice to ensure that facility cannot contaminate the Forest Park Estates Water Users System. Lots within the Forest Park Estates subdivision I & II may not have or use other water supplies, such as private wells, etc., due to their impact on the existing water supply, the potential for contamination, etc. The corporation shall not be liable for any damages to members for defective lines or fixtures, leaks, lack of water, or improper maintenance of facilities.

**Section 4.** If water charges or assessments are not paid when due, the board may discontinue supplying water immediately, without notice, until the payment is made, assess a disconnect and reconnect fee, and may use any legal means to enforce collection of the amounts due, together with interest, collection costs, and attorneys fees.

**Section 5.** The board may limit the use of water for irrigation or other outdoor use and may set a special rate for such use in addition to the domestic use rate.



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## ARTICLE XIV

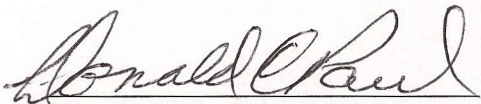
### Amendments

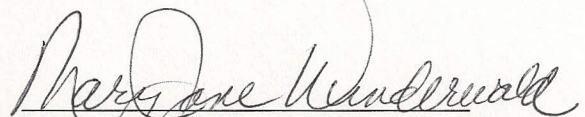
**Section 1.** These by-laws, or any part of the same may be amended, added to, or repealed by the voting membership of this corporation by an affirmative vote of 2/3 majority of the members present. Ballots (by electronic means or paper by mail) shall be sent to active members for approval or rejection for marking and return to the board. Completed ballots shall be collected and counted by persons designated by the board. Any ballot not returned within the time specified on the ballot will be considered a vote to approve the amendments.


**Section 2.** Whenever an amendment or new by-law is adopted, a copy shall be included in the corporation's book of by-laws , and shall take effect as it prescribes.

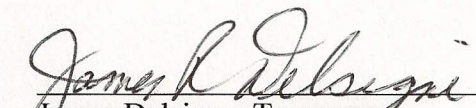
We, the undersigned, all being the directors of Forest Park Estates Water Users Association, Inc., hereby certify that the foregoing by-laws, appearing upon pages 1 through 9, both inclusive, of this record constitute the book of by-laws of this corporation, as adopted by the board at the organization meeting on the 14th day of December, 2009.


IN WITNESS WHEREOF, we have hereunto signed and caused the corporate seal of this corporation to be affixed at Clancy, Montana, this 1<sup>st</sup> day of March, 2010.


  
Donald C. Paul, President

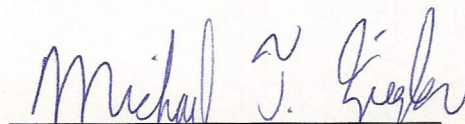
  
Mary Jane Wunderwald, Secretary

  
Thomas R. Burns, Vice President

  
James Delsigne, Treasurer

  
Richard B. Bridegroom

  
Gregory Lorenson

  
Michael T. Ziegler

