

## SUMMARY OF REASONS FOR MAJOR CHANGES TO BYLAWS

Major changes (all of which are highlighted in the separate attachment, Amended Bylaws of CT Condominium), along with the rationale for the change(s) are as follows. In general, the overarching rationale for these changes is to provide more completeness and clarity to the Bylaws.

1. In Article IV, Meeting & Voting, changed “51%” to “majority”.  
**RATIONALE:** Change made based on recommendation by our attorney.
  
2. Article VI provides for the method of Election of the Board of Directors. Notably, a process is created for election of Directors for two (2)-year staggered terms.  
**RATIONALE:** This ensures continuity from year to year.
  
3. Article VI defines a “quorum” for the purpose of conducting business (a majority of the Directors)  
**RATIONALE:** The term “quorum” was never defined in prior versions of the Bylaws.
  
4. Article VII designates the Officers of the Board of Directors and defines the duties of each.  
**RATIONALE:** This is all NEW; the Board has been operating without these provisions – required by state law – until now.
  
5. Article VIII designates the Powers and Duties of the Board. Key changes include:
  - a. Adoption of Rules and Regulations (and process for adoption), VIII C and D: The Order of paragraphs C and D is being reversed. Further, at our attorney’s recommendation, the opportunity to object to adoption of policies, procedures or guidelines in new paragraph VIII D is being removed, while the opportunity to object to rules and regulations (which can be enforced by fines) in new VIII C is being preserved.
  - b. Adoption of annual budget (and process for adoption, including advance notice of proposed budget and assessments before the Annual Meeting of owners), VIII K: This clarifies that it is the duty of the Board to prepare and adopt the annual budget, while giving owners the opportunity to comment before the budget is formally adopted by the Board.
  - c. VIII M is new: It spells out the duty of the Board to impose fines for violation(s) by any owner (or an owner’s tenant(s)) of the Declaration, Bylaws, or any policy, rule or regulation adopted by the Board, as part of the Board’s duty to enforce the Declaration, Bylaws, policies, rules & regulations.
  
6. The duties of the Manager have been modified to be consistent with the amended duties of the Board as they pertain to budget preparation, as summarized above in 5(b).
  
7. Article XII changes the percentage owner vote necessary to amend the Bylaws from over 50% to over 75%, to comply with the requirements of MT law.