

RETURN TO: John R Clark
Madison River RCH Assoc., Inc.
131 Flat Iron Tr
Cameron, MT 59720



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STATE OF MONTANA MADISON COUNTY

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BY:

Alicia Elser, Deputy

To: MADISON RIVER RCH, 131 FLAT IRON TR, CAMERON MT 59720

AMENDED BYLAWS
OF
MADISON RIVER RCH ASSOCIATION, INC.
A Montana Mutual Benefit Nonprofit Corporation

Pursuant to the provisions of the Montana Nonprofit Corporation Act, the following Amended Bylaws for Madison River RCH Association, Inc., a Montana mutual benefit nonprofit corporation, were adopted by the Membership of the corporation.

ARTICLE I

NAME. PRINCIPAL OFFICE AND REGISTERED AGENT

1.1 **Name.** The name of the nonprofit corporation is Madison River RCH Association, Inc., hereinafter referred to as the "Association."

1.2 **Offices.** The registered office of the Association shall be at Jennings Law Office, P.C.
517 South 22nd, Unit 3, Bozeman, Montana 59718

1.3 **Agent.** The registered agent of the Association shall be Wayne Jennings of Jennings Law Office, P.C.

ARTICLE II

DEFINITIONS

2.1 **Definitions.** Except as otherwise provided herein or as may be required by the context, all terms defined in Article II of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Association, as amended (the "CCR's"), shall have such defined meanings when used in these Bylaws.

ARTICLE III

PURPOSES

The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating and governing the Tracts and other real property situated in Madison County, State of Montana and defined in the CCR's as the "Property."

No dividend shall be paid and no part of the net income of the Association, if any, shall be distributed to the Members, Directors or Officers of the Association, except as otherwise provided herein, or under Montana law.

ARTICLE IV

POWERS OF THE ASSOCIATION

Subject to the purposes declared in Article III above and any limitations herein expressed, the Association shall have and may exercise each and all of the following powers and privileges:

- (a) All of the powers and privileges to perform all of the duties and obligations of the Association as set forth in the CCR's, as the same may be amended from time to time as therein provided; and
- (b) The power to acquire, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, encumber, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.
- (c) Any other powers allowed by the Montana Nonprofit Corporation Act.

ARTICLE V

MEMBERSHIP

Every person or entity who is an Owner of a Tract shall be a Member of the Association ("Members"). (The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.) There shall be one Membership in the Association appurtenant to each of the Tracts. If record ownership of a Tract is jointly held, the Membership appertaining to such Tract shall also be jointly held. Membership in the Association shall be mandatory and not optional and shall be appurtenant to and may not be separated from ownership of any Tract. No person or entity other than an Owner of a Tract may be a Member of the Association.

ARTICLE VI

MEMBERSHIP CERTIFICATES

The Association, through its Board of Directors, may issue certificates of Membership, but such certificates shall not be necessary to evidence Membership in the Association. Membership in the Association shall begin immediately and automatically upon becoming an Owner of the Tract to which such Membership appertains and shall cease immediately and automatically upon ceasing to be the Owner of such Tract.

ARTICLE VII

MEMBERS MEETINGS

7.1 Annual Meetings. The annual meeting of Members of the Association shall be held on the last Saturday in June. The annual meeting of the Association shall be held for the purpose of electing directors, voting on the budget for the forthcoming year and transacting such other business as may come before the meeting. The Board of Directors may from time to time by resolution change the date and time for the annual meeting of the Members.

7.2 Special Meetings. Special meetings of the Members shall be promptly called by the Board of Directors upon:

- (a) the vote for such meeting by a majority of a quorum of the Board of Directors; or
- (b) the written request of Members holding ten percent (10%) or more of the total votes of the Association.

7.3 Place of Meetings. Meetings of the Association Members shall be held within the Property or at some other location in the State of Montana, within a 50 mile radius of the Property as designated by the Board of Directors.

7.4 Notice of Meetings. The Board of Directors shall cause written or printed notice of regular and special meetings to be delivered, personally, by mail or by electronic transmission to each Member of record entitled to vote at such meeting. This notice shall be given not less than fourteen (14) days nor more than fifty (50) days before the date of any meeting at which Members are required or permitted to take any action. The notice shall specify the place, day and hour of the meeting and the nature of the business to be undertaken. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail addressed to the Member at his registered address, with first-class postage thereon prepaid. Each Member shall register with the Association such Member's current mailing address for purposes of notice hereunder. Such registered address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, a Member's Tract address as shown in the records of the county treasurer shall be deemed to be their registered address for purposes of notice of special meetings hereunder.

7.5 Members of Record. Upon purchasing a Tract in the Property, each Owner shall promptly furnish to the Association a copy of the recorded instrument or contract for deed by which ownership of such Tract has been vested in such Owner, which copy shall be maintained in the records of the Association. For the purpose of determining Members entitled to notice of or to vote at any meeting of the Members, or any adjournment thereof, the Board of Directors may designate a record date, which shall not be more than fifty (50) nor less than fourteen (14) days prior to the meeting, for determining Members entitled to notice of or to vote at any meeting of the Members. If no record date is designated, the date on which notice of the meeting is mailed or electronically transmitted shall be date for determining Members entitled to notice of or to vote at the meeting. The persons or entities appearing in the records of the Association on such record date as the Owner of record or contract for deed purchasers of a Tract in the Property shall be deemed to be the Members of record entitled to notice of and to vote at the meeting of the Members if otherwise qualified to vote under Article 7.8.

7.6 Quorum. A quorum of any meeting of members shall be thirty percent (30%) of the Members of the Association present in person or by proxy. Unless one-third or more of the total voting power of the Association is present in person or by proxy, the only matters that may be voted upon at an annual or regular meeting of members are those matters that are described in the meeting notice.

7.7 Proxies. At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member personally or by their attorney-in-fact thereunto duly authorized in writing. If a Membership is jointly held, the instrument authorizing a proxy to act must be executed by all holders of such Membership or their attorney-in-fact thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered prior to the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting. Any form of proxy or written ballot distributed by any person to the Membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board of Directors be named in the proxy or written ballot. The proxy or written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice. If no choice is selected by the Member, then the person designated as proxy shall exercise the Member's voting rights as such designated proxy holder shall decide. The proxy shall also identify the person or persons authorized to exercise the proxy and the length of time it will be valid. In no event shall a proxy be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. A Member's proxy shall automatically terminate upon a transfer in ownership of such Member's Tract(s). Proxies may be assigned only to another Member of the Association, an Owners immediate family or an Attorney-at-law.

7.8 Votes. All voting rights of the Association shall be exercised by the Members, with each Membership being entitled to one vote for the Tract appertaining to such Membership. Voting rights of an Owner shall not vest until any dues assessment, special assessment or lien against the owners Tract has been paid in full. With respect to each matter submitted to a vote of the Members, each Member entitled to vote at the meeting shall have the right to cast votes in person or by proxy. The affirmative vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted on by the Members, unless a greater proportion is required by these Bylaws the CCR's or Montana law. If a Membership is jointly held, all or any holders thereof may attend each meeting of the Members, but any holders present at any meeting must act unanimously to cast the votes relating to their joint Membership.

7.9 Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, form of proxies and method of ascertaining Members present shall be deemed waived if no objection thereto is made prior to the adoption of the minutes of that meeting at the subsequent annual meeting.

7.10 Action by Members without Meeting – Ballot Voting. Any action that is required or permitted to be taken at a meeting of the Members, including the election of Directors, may be taken without a meeting. A call for a ballot vote of the membership shall first be approved by the available votes at a meeting of the Members where a quorum is present. To be counted Ballot votes shall be returned within forty five (45) days. Results of Ballot voting shall be determined by the majority vote of the total voting power of the Association, except Ballot votes for election of Directors shall be determined by a simple majority of the Ballots returned.

7.11 Budget Approval by Members - the Members by a majority vote at a meeting of the Members at which a quorum is present shall decide if the budget proposed for the coming 12 months by the Board of Directors is to be approved.

ARTICLE VIII

BOARD OF DIRECTORS

8.1 General Powers. The property affairs and business of the Association shall be managed by its Board of Directors. The Board of Directors may exercise all of the powers of the Association, whether derived from law, the Articles of Incorporation, the CCR's, or these Bylaws, except such powers as are by law, by these Bylaws, by the Articles of Incorporation or by the CCR's vested solely in the Members. The Board of Directors may by written contract delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions and other powers as are properly delegable. The powers and duties of the Board of Directors shall include, but shall not be limited to the following, as well as the other powers and duties enumerated elsewhere herein:

- (a) Enforcement of applicable provisions of the CCR's, these Bylaws, the Articles of Incorporation and other instruments for the ownership, management and control of the Property;
- (b) Contracting for goods and/or services for the Association subject to the limitations set forth below;
- (c) Delegation of its powers to committees, officers or employees of the Association as expressly authorized herein;
- (d) Preparation of budgets and financial statements for the Association as prescribed herein or in the CCR's;
- (e) Initiation and execution of proceedings against Members of the Association to enforce the provisions of the CCR's in accordance with procedures set forth therein;
- (f) Payment of taxes and assessments which are or could become a lien on any common area now owned or hereafter acquired;
- (g) Contracting for casualty, liability or other insurance on behalf of the Association if such insurance is deemed necessary by the Association;
- (h) Entering upon any Tract or Common Areas as necessary in connection with any construction or maintenance or emergency repair, following notice being given to the Tract Owner, made for the common benefit of the Members of the Association; and

- (i) Formulation, but not adoption, of rules for the use and operation of the Common Areas.
- (j) Minutes of all meetings of the Board of Directors shall be prepared and upon approval by the Board of Directors be posted to the Association web site.
- (k) Hold and maintain comprehensive records of the Association including but not limited to all current and historical governing documents, third party contracts and/or agreements, minutes of all Board of Director and Member meetings, records of all Member and Director voting including all valid proxy forms, the list of the Members of Record associated with the meeting at which the vote(s) were taken, the register of the Members of Record and all financial records. All such records shall be held in watertight, fireproof and locked storage on the Property. A duplicate digital backup of all such records shall be held at the registered office of Association.

The Board of Directors shall be prohibited from taking any of the following actions except with the vote or written consent of a majority of the voting power of the Association residing in Members:

- 1. Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Areas or the Association for a term longer than one year.
- 2. Incurring aggregate expenditures for capital improvements to any Common Area in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that fiscal year.
- 3. Selling during any fiscal year property of the Association having an aggregate fair market value greater than 5% of the budgeted gross expenses of the Association for that fiscal year.

8.2 Election, Number, Tenure and Qualifications. The number of Directors of the Association shall be five (5); however, the Members may increase or decrease the size of the board by amendment to these Bylaws, except that in no case shall the number of Directors be less than three (3). The Directors shall all serve three (3) year terms and a maximum of three (3) consecutive three (3) year terms are permissible. New Directors shall attend the meeting of the Board of Directors just prior to the annual meeting of the Members and the meeting of the Board of Directors immediately following the annual meeting of the Members. New Directors will take their office immediately following the adjournment of the annual meeting of the Members. All seats on the Board of Directors shall be filled by the vote of the Members of the Association using a ballot sent to the Members with the annual meeting agenda unless otherwise provided in Article 8.8. The Owner of each Tract shall be entitled to one vote for each Director position to be filled. Each Director shall hold office until either the adjournment of the annual meeting of the Members or until his successor shall have been appointed pursuant to Article 8.7 and Article 8.8. All Directors must be Owners. In the case of an Owner which is a corporation, partnership or other business organization, any officer, partner or other representative of such organization may be a Director.

8.3 Regular Meetings. Regular meetings of the Board of Directors shall be held at least twice per year.

- (a) One meeting shall be held immediately after, and at the same place as, the annual meeting of the Members; and
- (b) Other meetings shall be held at a place within the Property, or another suitable location within the State of Montana, as determined by the Board of Directors. The Board of Directors may from time to time, by resolution, change the dates and times for the Other regular meetings of the Board. Notice of the time and place of each Other meeting of the Board of Directors shall be delivered, personally, by mail or by electronic transmission to each Member and Member of the Board of Directors entitled to vote at such meeting at least fourteen (14) days prior to the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail addressed to the Member at his registered address, with first-class postage thereon prepaid.

8.4 Special Meetings. Special meetings of the Board of Directors may be called by written notice signed by the President of the Association or by any two Members of the Board of Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of any special meeting shall be made in the manner prescribed for notice of regular meetings of the Board (see article 8.3(b)). Special meetings of the Board of Directors shall be held in person, by teleconference or by video conference.

8.5 Quorum and Manner of Acting. A majority of the then authorized number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The action of a majority of the Directors present at

any meeting at which a quorum is present shall be the action of the Board of Directors. The Directors shall act only as a Board, and individual Directors shall have no powers as such. Regular and special meetings of the Board of Directors shall be open to all Members of the Association; provided, however, that the Association Members who are not on the Board of Directors may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board of Directors may, with the approval of a majority of its Members, adjourn any meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and matters of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session and shall be decided by the motion and vote of the Directors in open session.

8.6 Compensation. No Director shall receive compensation for any services that they may render to the Association as a Director; provided, however, that a Director may be reimbursed for expenses incurred in performance of his duties as a Director to the extent such expenses are approved by the Board of Directors and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as a Director.

8.7 Resignation and Removal. A Director may resign at any time by delivering a written resignation to either the President of the Association or the Board of Directors. Such letter of resignation shall include a list of all Association material in the Directors possession, a summary of the status of all matters for which the Director has direct or indirect responsibility and a schedule for the transfer of all materials and responsibilities and any other materials identified by the Board of Directors either to the Board or to the Directors replacement as the Board of Directors directs. Unless otherwise specified therein, such resignation shall take effect upon acceptance of the written resignation by the Board of Directors. A Director who has been elected solely by Members of the Association may be removed from office for cause prior to the expiration of his term only by the vote of at least a simple majority of Members.

8.8 Vacancies and Newly Created Directorships. If vacancies shall occur in the Board of Directors by reason of the death, resignation or disqualification of a Director, or if the authorized number of Directors shall be increased, the Directors then in office shall continue to act, and such vacancies or newly created Directorships shall be filled by a majority vote of the Directors then in office. Any vacancy in the Board of Directors occurring by reason of removal of a Director by the Members may be filled by election at the meeting at which such Director is removed or any other regular or special meeting of the Association. The Board of Directors is not authorized to fill any vacancies on the Board resulting from the removal of a Director. Any Director elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of their predecessor or for the term of the newly created Directorship, as the case may be.

8.9 Action by Directors Without a Meeting. Any action that is required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the matters to be considered, is signed and approved by all of the Directors. Such action of the Board of Directors is subject to the requirements of Article 8.1(j) to post approved minutes of such meetings to the Association website.

8.10 Budgets and Financial Statements. The Board of Directors shall be responsible for the preparation of budgets and financial statements of the Association and for distribution of the same to the Association Members. Preparation of these financial documents may be delegated, assigned or contracted for as the Board sees fit. Financial statements for the Association shall be regularly prepared and distributed to all Members regardless of the number of Members or the amount of assets of the Association as follows:

- (a) A proposed budget for each fiscal year shall be distributed not less than fifteen(15) days or more than thirty (30) days before the beginning of each fiscal year, containing the estimated revenue and expenses on a cash basis.
- (b) A balance sheet and an operating statement shall be distributed within sixty (60) days after the close of each fiscal year. The balance sheet shall include a schedule of receivable assessments. The operating statement shall also include a list of all compensation or reimbursement given to any Member, Director or Director's family members.
- (c) An annual report consisting of the following shall be distributed within sixty (60) days after the close of each fiscal year:
 - (1) A balance sheet as of the end of the fiscal year as described above in section (b).
 - (2) An operating (income/expense) statement for the fiscal year as described above in section (b).
 - (3) A statement of changes in financial position for the fiscal year.

- (4) The amount of the total cash reserves of the Association currently available for replacement or major repair of common facilities, if any, and for contingencies.
- (5) An itemized estimate of the remaining life of, and the methods of funding to defray the costs of repair, replacement or additions to, major components of the Common Areas and other facilities for which the Association is responsible, if any.
- (6) A general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the common areas and facilities for which the Association is responsible, if any.
- (7) Any other disclosures required by applicable state law.

For any fiscal year in which the gross income to the Association exceeds \$75,000, the annual report shall be prepared by a duly licensed Certified Public Accountant, and the report of such accountant shall accompany the annual report. So long as the gross income to the Association for any fiscal year does not exceed \$75,000, the annual report referred to in this Subsection (c) need not be prepared by an independent accountant; however, if not prepared by an independent accountant, the report shall be accompanied by the certificate of the President and Treasurer of the Association stating that the statements included in the report were prepared without audit from the books and records of the Association and that, to the best of such officers' knowledge, the statements are true and accurate.

8.11 Other Fiscal Matters. The Board of Directors shall do the following not less frequently than once each four (4) months;

- (a) Cause a current reconciliation of the Association's operating accounts to be made and review the same.
- (b) Cause a current reconciliation of the Association's reserve accounts to be made and review the same. Withdrawal of funds from the Association's reserve account shall require the signature of one member of the Board of Directors following the prior approval by the Board of Directors as documented in Board minutes for each such withdrawal.
- (c) Review the current year's actual operating and reserve accounts revenue and expenses compared to the current year's budget.
- (d) Review the most current account statements prepared by the financial institution where the Association has its operating and reserve accounts.

8.12 Statement of Policies Re: Enforcement. In addition to financial statements, the Board of Directors shall annually distribute, within 60 days prior to the beginning of each fiscal year a statement of the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of regular and special assessments, including the recording and foreclosing of liens against Members' Tracts.

ARTICLE IX

OFFICERS

9.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, Treasurer and such other officers as may from time to time be appointed by the Board of Directors.

9.2 Election, Tenure and Qualifications. The officers of the Association shall be Members and shall be chosen by the Board of Directors annually at the regular meeting of the Board of Directors which follows the regular annual meeting of the Members of the Association. In the event of failure to choose officers at such meeting of the Board of Directors, officers may be chosen at any other regular or special meeting of the Board of Directors. Each such officer (whether chosen at a regular meeting of the Board of Directors or otherwise) shall hold their office until the next ensuing regular meeting of the Board of Directors which follows the regular annual meeting of the Association and until their successor shall have been chosen and qualified, or until their death, or until their resignation, disqualification or removal in the manner provided in these Bylaws, whichever first occurs. No Board Member shall hold more than one office. The President, Vice President, Secretary and Treasurer shall be and remain Members of the Association during the entire term of their respective offices.

9.3 Voided

9.4 Resignation and Removal. Any officer may resign their office at any time by delivering a written resignation to the President or the Board of Directors as required in Article 8.7. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by the Board of Directors at any time with or without cause.

9.5 Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification or any other cause, or if a new office shall be created such vacancies or newly created offices may be filled by the Board of Directors at any regular or special meeting thereof.

9.6 President. The President shall be the chief executive officer of the Association and shall exercise general supervision over its property and affairs. The President shall sign on behalf of the Association all Membership certificates, conveyances, mortgages and contracts and shall do and perform all acts and things which the Board of Directors may require. The President shall be invited to attend meetings of each committee and unless the President is a Committee member the President shall have no vote on the Committee.

9.7 Vice President. The Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors.

9.8 Secretary. The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the CCR's or any resolution of the Board of Directors may require the Secretary to keep. The Secretary shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. The Secretary shall perform such other duties as the Board of Directors may require.

9.9 Treasurer. The Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Directors, and shall, when requested by the President to do so, report the state of the finances of the Association at each annual meeting of the Members and at any meeting of the Board of Directors. The Treasurer shall perform such other duties as the Board of Directors may require.

9.10 Compensation. No officer shall receive compensation for any services that they may render to the Association as an officer; provided, however, that an officer may be reimbursed for expenses incurred in performance of their duties as an officer to the extent such expenses are approved by the Board of Directors and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in their capacity as an officer.

ARTICLE X

COMMITTEES

10.1 Designation of Committees. The Board of Directors may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions and powers. The majority of the Membership of each such committee designated hereunder shall consist of non-Director Members and include two (2) or more Directors of the Association. No committee Member shall receive compensation for services that they may render to the Association as a committee Member; provided, however, that a committee Member may be reimbursed for expenses incurred in performance of their duties as a committee Member to the extent that such expenses are approved by the Board of Directors and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in their capacity as a committee Member.

10.2 Proceedings of Committees. Each committee designated hereunder by the Board of Directors may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board of Directors.

10.3 Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Board of Directors, the presence of non-Director Members constituting at least a majority of the authorized Membership of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the Members present at any meeting at which a quorum is present shall be the act of such committee. The Members of any committee designated by the Board of Directors hereunder shall act only as a committee, and the individual Members thereof shall have no powers as such.

10.4 Resignation and Removal. Any Member of any committee designated hereunder by the Board of Directors may resign at any time by delivering a written resignation to the President, the Board of Directors or the presiding officer of the committee of which they are a Member as required in Article 8.7. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board of Directors may at any time, with cause, remove any Member of any committee designated by it hereunder.

10.5 Vacancies. If any vacancy shall occur in any committee designated by the Board of Directors hereunder due to disqualification, death, resignation, removal or otherwise, the remaining Members shall, until the filling of such vacancy, constitute the then total authorized Membership of the committee and provided that two or more non-Board of Director Members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

11.1 Indemnification. Each Director and officer of the Association now or hereafter serving as such, shall be indemnified by the Association against any and all claims and liabilities to which they have or shall become subject by reason of serving or having served as such Director or officer, or by reason of any action alleged to have been taken, omitted or neglected by them as such person, and for all legal expenses reasonably incurred by them in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with any claim or liability arising out of their own willful misconduct or gross negligence as defined in M.C.A. Title 35.2.

11.2 Vote of Committee. The amount paid to any officer or Director by way of indemnification shall not exceed their actual, reasonable and necessary expenses incurred in connection with the matter involved, and such additional amount as may be fixed by a committee of not less than three (3) nor more than five (5) persons selected by the Board of Directors who shall be Members of the Association, but not officers or directors or related to officers or directors, and any determination so made shall be binding on the indemnified officer or Director.

11.3 State Law. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any Director or Officer of the Association may otherwise be entitled by law.

11.4 Liability of Directors and Members. Pursuant to M.C.A. Section 35.2, no Director or Member shall be personally liable for monetary damages for breach of fiduciary duty set forth in the Bylaws, as long as their actions are in accordance with the standards for Directors and Officers found in Title 35, chapter 2 of the Montana Code Annotated.

ARTICLE XII

FISCAL YEAR AND SEAL

12.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of June each year and shall end on the last day of May.

12.2 Seal. The Board of Directors may by resolution provide an Association seal which shall be circular in form and shall have inscribed thereon the name of the Association.

ARTICLE XIII

RULES AND REGULATIONS

13.1 **Rules and Regulations.** The Board of Directors may from time to time recommend to the Members for approval by the Members the adoption, amendment, or repeal of reasonable rules and regulations governing the use and operation of the Property to be enforced by the Board of Directors, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the CCR's or these Bylaws. Each Member shall be provided with copies of all rules and regulations, as well as copies of all amendments and revisions thereof.

ARTICLE XIV

INSPECTION OF BOOKS AND RECORDS

14.1 **Inspection of Books and Records.** The Membership register, books of account and minutes of meetings of the Members, meetings of the Board of Directors and meetings of committees of the Board of Directors shall be made available for inspection and copying by any Member of the Association or their duly appointed representative at any reasonable time and for a purpose reasonably related to their interest as a Member, at the office of the Association or at such other place within the Property as the Board of Directors shall prescribe. The Board of Directors shall acknowledge receipt of the Members request within 5 working days. Requests for inspection of books and records shall be made in compliance with M.C.A. 35.2.907-910. All Members shall have the right to inspect any physical properties owned or controlled by the Association. The Board of Directors shall establish reasonable rules with respect to:

- (a) notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (b) hours and days of the week when such an inspection may be made; and
- (c) payment of the cost of reproducing copies of documents requested by a Member.

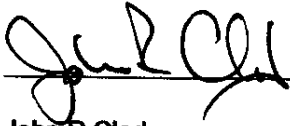
ARTICLE XV

AMENDMENTS

15.1 **Amendments.** Except as otherwise provided by law, by the CCR's or by these Bylaws, these Bylaws shall be amended, altered or repealed and new Bylaws shall be made and adopted at a meeting of the Members upon the affirmative vote of a majority of the total votes of the Association, or if the vote is held without a meeting then as provided in Article 7.10. Nevertheless, the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. No amendment shall be effective unless and until a written instrument setting forth (i) the amended, altered, repealed or new bylaws, (ii) the number of votes cast in favor of such action including the verification of proxies and specification of the method of voting and the votes derived from that method, and (iii) the total votes of the Association, shall have been executed and verified by the current President of the Association and recorded in the official record of the Association and shall be Recorded at the recorders office for Madison County, Montana along with the Bylaws of the Association.

CERTIFICATE OF ADOPTION OF RESTATED BYLAWS

I do hereby certify that the above amended and restated Bylaws of the Madison River RCH Association, Inc., were approved by the Board of Directors on June 30, 2018 and by the voting Members on June 30, 2018. The total votes of the corporation are 142, this motion to approve was carried by 73 represented votes FOR the motion, 3 represented votes Against the motion, and 0 votes ABSTAINED" and does now constitute a complete copy of the Bylaws of the Corporation, superseding all previously adopted Bylaws and amendments.



John R Clark

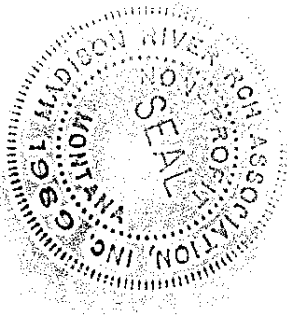
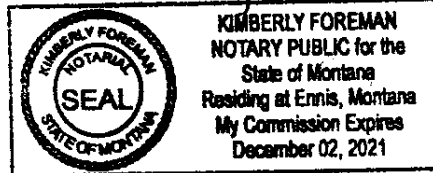
President of the Corporation Dated: July 16, 2018



Patrick Toalson

Director of the Corporation Dated: July 16, 2018





ORIGINAL SIGNATURE BLOCK AND EARLIER AMENDMENTS

IN WITNESS WHEREOF, the undersigned, consisting of all the Directors of Madison River RCH Association, Inc., have adopted and executed these Bylaws on the 16 day of October, 1989.

/s/ Robert W. Pryor

/s/BobWittman

/s/Teddy Sanem

**AMENDMENT TO BYLAWS
OF MADISON RIVER RCH ASSOCIATION, INC.
a Montana Nonprofit Corporation**

Pursuant to the organizational meeting of the members of the Madison River RCH Association Inc., held at the office of Yellowstone Basin Properties, Inc.. 1119 North 7th, Bozeman, Montana, on the 15th day of May, 1990. and pursuant to Article XV, Amendments, of the Bylaws of said corporation, which Bylaws are dated the 16th day of October, 1989, the following amendments have been made:

Article VII, Members Meetings, 7.6 Quorum shall be amended to read as follows:

7.6 Quorum. A Quorum of any meeting of members shall be those members present in person or by proxy.

Total votes of the corporation are 139, this motion carried by 130 represented votes FOR motion, 9 votes ABSTAINED.

Article VIII, Board of Directors, 8.3 Regular Meetings shall be amended to read as follows:

8.3 Regular Meetings. A regular meeting of the Board of Directors shall be held annually without notice following the annual meeting of the members, or at such time and place following the meeting as the Board may agree.

Carried by 130 represented votes FOR resolution, 9 votes ABSTAINED.

IN WITNESS WHEREOF, the undersigned, consisting of all the Directors of Madison River RCH Association, Inc., have adopted and executed these Amended Bylaws on the 15th day of May 1990.

/s/ R.W. Pryor

Ralph W. Pryor, Director

/s/ Robert A. Wittman

Robert A. Wittman, Director

/s/ Teddy G. Sanem

Teddy G. Sanem, Director