

From 2009 CCR's supplied by the BOD to the Committee and edited to remove typographic errors and formatting changes to the 1989 original and the 2005 retyping sent to the members.

Exhibit "B"

~~BYLAWS OF MADISON RIVER  
RCH ASSOCIATION~~

~~The bylaws of Madison River R.C.H. Association, Inc., are kept at the office of the Corporation.~~

**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** ~~Board of Directors of~~ Madison River RCH Association, Inc., a Montana **mutual benefit** nonprofit corporation, **were adopted by the Membership of the corporation.** ~~acting at the direction of its membership, hereby adopts the following Bylaws for such nonprofit corporation.~~

**REASON: clarify that the Bylaws were adopted by the Members rather than a developer.**

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 22<sup>nd</sup>, 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** ~~Madison River RCH~~, as amended (the "**CCR's**" ~~"Declaration"~~), 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** ~~Declaration~~ 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.

1 ARTICLE IV

2 POWERS OF THE ASSOCIATION

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

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

12 ARTICLE V

13 MEMBERSHIP

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

22 **REASON: move the same sentence for clarity.**

23 ARTICLE VI

24 MEMBERSHIP CERTIFICATES

25  
26 The Association, **through its Board of Directors**, may issue certificates of Membership, but such  
27 certificates shall not be necessary to evidence Membership in the Association. Membership in the  
28 Association shall begin immediately and automatically upon becoming an Owner of the Tract to  
29 which such Membership appertains and shall cease immediately and automatically upon ceasing  
30 to be the Owner **of** ~~to~~ such Tract.

31 **REASON: clarify that the BOD is responsible for issuing certificates of Membership.**

32 ARTICLE VII

33 MEMBERS MEETINGS

34  
35 7.1 Annual Meetings. The annual meeting of Members of the Association shall be held on the  
36 **last Saturday in June.** the first \_\_\_\_\_ in \_\_\_\_\_ of each year at \_\_\_\_\_ p.m. However, the initial  
37 meeting of the Association shall be held within 45 days after the closing of the sale of the Tract which represents the sale  
38 of the fifty first percentile of all Tracts in the Property; but in no event shall the initial meeting be held later than six  
39 months after the closing of the sale of the first Tract sold in the Property. The initial meeting and each annual  
40 meeting of the Association shall be held for the purpose of electing directors, **voting on the**  
41 **budget for the forthcoming year** and transacting such other business as may come before the  
42 meeting. The Board of Directors may from time to time by resolution change the date and time  
43 for the annual meeting of the Members.

44 **REASON: remove language associated with the developer and establish the right of the**  
45 **Members to vote on the budget.**

46 7.2 Special Meetings. Special meetings of the Members shall be promptly called by the Board  
47 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~~ five percent (10% ~~5~~) or more of the total votes of the Association.

**REASON: require that at least 10% of the members must agree on the reason to call for a special meeting.**

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. ~~A waiver of notice signed by all of the Members may designate the place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be at the principal office of the Association, as set forth in Article I hereto.~~

**REASON: remove language associated with the developer.**

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) ~~ten (10)~~ 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** ~~his~~ registered address for purposes of notice of special meetings hereunder.

**REASON: to allow e-mail notification etc; raise the minimum notice period; add the location of the correct records to establish a Tract address.**

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) ~~40~~** 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 deemed to be the record 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 paragraph 7.8.

**REASON: raise the minimum notice period; allow e-mail etc.**

7.6 Quorum. A quorum of any meeting of members shall be **thirty percent (30%) of the Members of the Association** ~~be those members~~ 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.**

**REASON: currently, 1 Member can hold a meeting and conduct business. This amendment would raise the required quorum from 1 to 30% of the Members (about 43 members) before business could be conducted; Comply with Montana law by requiring a quorum of 33% of the members before items that were not on the meeting agenda can be acted on.**

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** ~~himself~~ or by **their** ~~his~~ attorney-**in-fact** thereunto duly authorized in writing. If a

Membership is jointly held, the instrument authorizing a proxy to act must ~~be~~ ~~have been~~ 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 attorney or to other Members of MRRRA the Association, an Owners immediate family or an Attorney-at-law. -This shall not exclude the immediate family of the owner designating the proxy.*

**REASON: add the more inclusive "attorney-in-fact" (ie. a power of attorney) to avoid having to hire an attorney; correct and simplify language.**

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.** ~~Voting rights with respect to each Tract shall vest at the time the first assessment against such Tract has been levied by the Association, as provided in the Declaration CCR's, Article VII. 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 was initially 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 Declaration 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. No act or resolution which requires the approval of a prescribed majority of the voting power of Members of the Association other than the Declarant for action to be taken by the Association is intended to preclude the Declarant from casting votes attributable to the Tracts which it owns. All such matters shall require the vote or written assent of a bare majority of the total voting power of the Association as well as the vote or written assent of the prescribed majority of the total voting power of Members other than the Declarant.~~

**REASON: restrict the voting right of Members who are in debt to the Association; remove the developers requirement that an Owner cannot vote until they have received their first assessment; require that a quorum must remain at a meeting for business to be conducted. Currently, once a quorum is established Members can leave and the remaining Members can continue to conduct business; remove developer specific language.**

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** ~~at the meeting.~~

**REASON: in the course and flow of a meeting procedural objections are hard for Members to identify and raise. This provides a meaningful period of time for Members objections to procedures to be raised.**

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** ~~except~~ the election of Directors ~~where cumulative voting is a requirement, may be taken without a meeting. if a consent in writing complying with the provisions of applicable state law, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.~~ **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**

1 voting shall be determined by the majority vote of the total voting power of the  
2 Association, except Ballot votes for election of Directors shall be determined by a simple  
3 majority of the Ballots returned.

4 **REASON:** currently, developer restrictions prevent the use of a mail ballot. Our Members  
5 live at great distances and cannot always attend meetings. A mail ballot is essential to  
6 conduct business that includes all of the Members; It sets a response window for a mail  
7 ballot; It establishes the same high standard for approval (51% of all Members) as is used  
8 for amending our CCR's and Bylaws.

9 **7.11 Budget Approval by Members - the Members by a majority vote at a meeting of the**  
10 **Members at which a quorum is present shall decide if the budget proposed for the coming**  
11 **12 months by the Board of Directors is to be approved.**

12 **REASON:** currently, Members do not have the right to vote on the Budget. This adds the  
13 right for Members to vote on and approve the Budget

## 14 ARTICLE VIII

### 15 BOARD OF DIRECTORS

16  
17 8 1 General Powers. The property affairs and business of the Association shall be managed  
18 by its Board of Directors. The Board of Directors may exercise all of the powers of the  
19 Association, whether derived from law, the Articles of Incorporation, the **CCR's Declaration**, or  
20 these Bylaws, except such powers as are by law, by these Bylaws, by the Articles of  
21 Incorporation or by the **CCR's Declaration** vested solely in the Members. The Board of Directors  
22 may by written contract delegate, in whole or in part, to a professional management organization  
23 or person such of its duties, responsibilities, functions and other powers as are properly  
24 delegable. The powers and duties of the Board of Directors shall include, but shall not be limited  
25 to the following, as well as the other powers and duties enumerated elsewhere herein:

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

45 **REASON:** adds the requirement that Owners must be notified before the Board can enter  
46 onto the Owners Tract.

- 47 (i) Formulation, **but not adoption**, of rules for the use and operation of the Common  
48 Areas.



1 **REASON:** currently, the Board can formulate and pass rules without Member involvement.  
2 This amendment clarifies that the Board can formulate but not approve rules  
3 concerning the Common Area.  
4

5 **(j) Minutes of all meetings of the Board of Directors shall be prepared and upon**  
6 **approval by the Board of Directors be posted to the Association web site.**

7 **REASON:** currently, the Board is not required to keep minutes of its meetings. This  
8 adds that requirement.

9  
10 **(k) Hold and maintain comprehensive records of the Association including but not**  
11 **limited to all current and historical governing documents, third party contracts**  
12 **and/or agreements, minutes of all Board of Director and Member meetings,**  
13 **records of all Member and Director voting including all valid proxy forms, the list**  
14 **of the Members of Record associated with the meeting at which the vote(s) were**  
15 **taken, the register of the Members of Record and all financial records. All such**  
16 **records shall be held in watertight, fireproof and locked storage on the Property.**  
17 **A duplicate digital backup of all such records shall be held at the registered**  
18 **office of Association.**

19  
20 **REASON:** currently, the Board is not required to keep and hold records. This requires  
21 that records be safely kept, and that backup duplicates are kept .  
22

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

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

34 8.2 Election, Number, Tenure and Qualifications. The number of Directors of the Association  
35 shall be ~~five (5)~~; however, the Members may increase or decrease the size of the board by  
36 amendment to these Bylaws, except that in no case shall the number of Directors be less than  
37 three (3). The Directors shall all ~~serve three (3) year terms and a maximum of three (3)~~  
38 ~~consecutive three (3) year terms are permissible.~~ **New Directors shall attend the meeting of**  
39 **the Board of Directors just prior to the annual meeting of the Members and the meeting of**  
40 **the Board of Directors immediately following the annual meeting of the Members. New**  
41 **Directors will take their office immediately following the adjournment of the annual**  
42 **meeting of the Members.** The initial Board of Directors specified in the Articles of Incorporation shall serve until  
43 the initial meeting of the Members as specified in section 7.1 hereof, at which time **All** seats on the Board of  
44 Directors shall be filled by the vote of the Members of the Association **using a ballot sent to the**  
45 **Members with the annual meeting agenda unless otherwise as provided in Article 8.8.** ~~In~~  
46 ~~that election, and each election held thereafter.~~ **The Owner of each Tract shall be entitled to one vote for**  
47 **each Director position to be filled** ~~elect~~ed. Each Member may cumulate his votes and cast all of his votes for  
48 one candidate, or distribute such votes on the same principle among any number of such candidates. Voting shall be by  
49 ~~written secret ballot.~~ Each Director shall hold office until **either the adjournment of the annual**  
50 **meeting of the Members and or** until his successor shall have been **appointed pursuant to**  
51 **Article 8.7 and Article 8.8.** ~~elect~~ed and qualified, or until he resigns or is removed pursuant to Section 8.7 hereof.  
52 ~~So long as a majority of the voting power of the Association resides in Declarant, if any incumbent Directors are re-~~  
53 ~~elect~~ed to the Board, at least one (1) of any such incumbent Directors must be elected by a majority of the voting power  
54 residing in Members other than Declarant. All Directors, ~~except the initial Directors listed in the Articles of~~  
55 ~~Incorporation,~~ must be Owners. In the case of an Owner which is a corporation, partnership or  
56 other business organization, any officer, partner or other representative of such organization  
57 may be a Director.

1 **REASON:** currently, Directors can have an unlimited number of terms of office. This  
2 Amendment sets term limits for Directors; require a transition period of 2 meetings for  
3 directors being replaced; establish the use of a mail ballot for electing Directors;  
4 eliminate cumulative voting which currently allows by example using the 2 votes  
5 available for 2 open positions to be voted for just 1 position; require a transition period  
6 between retiring or resigning directors and their replacement; removes developer  
7 specific language.

8  
9 8.3 Regular Meetings. ~~A regular meeting of the Board of Directors shall be held annually~~  
10 ~~without notice following the annual meeting of members, or at such time and place following the~~  
11 ~~meeting as the Board may agree.~~

12  
13 **Regular meetings of the Board of Directors shall be held at least twice per year** semi-  
14 annually:

- 15  
16 (a) **One meeting shall be held** immediately after, and at the same place as, the annual  
17 meeting of the Members; and  
18  
19 (b) on the first \_\_\_\_\_ of \_\_\_\_\_ at \_\_\_\_\_ p.m. **Other meetings shall be held** at a place  
20 within the Property, or another suitable location within the State of Montana, as  
21 determined by the Board of Directors. The Board of Directors may from time to time,  
22 by resolution, change the dates and times for the **Other** regular meetings of the Board,  
23 so long as a meeting is held at least once every six months. Notice of the time and place of each  
24 **Other** meeting of the Board of Directors shall be posted at a prominent place or places within the  
25 Common Areas of the Property, and shall be communicated **delivered, personally, by mail or**  
26 **by electronic transmission** to each **Member and Member of the Board of**  
27 **Directors** of record entitled to vote at such meeting. ~~to all Members of the Board~~ at least  
28 **fourteen (14) days** prior to the meeting. ~~However, notice of a meeting need not be given to any~~  
29 ~~Director who has signed a waiver of notice or a written consent to holding of the meeting.~~ **If mailed,**  
30 **such notice shall be deemed to be delivered when deposited in the U.S. mail**  
31 **addressed to the Member at his registered address, with first-class postage**  
32 **thereon prepaid.**  
33

34 **REASON:** to require a minimum of 2 Board meetings per year; currently there is no  
35 requirement to notify Members of Board meetings this requires that both  
36 Members and Board Members be notified; requires direct notification not  
37 simply posting in the Common Area.  
38

39 8.4 Special Meetings. Special meetings of the Board of Directors may be called by written  
40 notice signed by the President of the Association or by any two Members of the Board of  
41 Directors. The notice shall specify the time and place of the meeting and the nature of any  
42 special business to be considered. Notice of any special meeting shall be posted **made in a the**  
43 manner prescribed for notice of regular meetings of the Board **(see article 8.3(b)). Special**  
44 **meetings of the Board of Directors shall be held in person, by teleconference or by video**  
45 **conference.** ~~and shall be sent to all Members of the Board of Directors not less than four (4) days prior to the~~  
46 ~~scheduled time of the meeting; provided, however, that notice of such meeting need not be given to any Director signing~~  
47 ~~a waiver of notice or a written consent to the holding of such meeting. If mailed, such notice shall be deemed to be~~  
48 ~~delivered when deposited in the U.S. mail, with first class postage thereon prepaid.~~ **REASON**

49 **REASON:** currently there is no requirement to notify Members of Special Board meetings.  
50 This amendment requires that both Members and Board Members are notified of Special  
51 Board meetings.

52 8.5 Quorum and Manner of Acting. A majority of the then authorized number of Directors shall  
53 constitute a quorum for the transaction of business at any meeting of the Board of Directors. The  
54 **action** of a majority of the Directors present at any meeting at which a quorum is present shall be  
55 the **action** of the Board of Directors. The Directors shall act only as a Board, and individual  
56 Directors shall have no powers as such. Regular and special meetings of the Board of Directors  
57 shall be open to all Members of the Association; provided, however, that the Association  
58 Members who are not on the Board of Directors may not participate in any deliberation or  
59 discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.  
60 The Board of Directors may, with the approval of a majority of its Members, adjourn any meeting

1 and reconvene in executive session to discuss and vote upon personnel matters, litigation in  
2 which the Association is or may become involved, and matters of business of a similar nature.  
3 The nature of any and all business to be considered in executive session shall first be  
4 announced in open session **and shall be decided by the motion and vote of the Directors in**  
5 **open session.**

6 **REASON: allows the Board to discuss in closed executive session but requires that the**  
7 **Boards motions and vote be taken in open session with the Members present.**

8 8.6 Compensation. No Director shall receive compensation for any services that he may  
9 render to the Association as a Director; provided, however, that a Director may be reimbursed  
10 for expenses incurred in performance of his duties as a Director to the extent such expenses are  
11 approved by the Board of Directors and (except as otherwise provided in these Bylaws) may be  
12 compensated for services rendered to the Association other than in his capacity as a Director.

13 8.7 Resignation and Removal. A Director may resign at any time by delivering a written  
14 resignation to either the President of the Association or the Board of Directors. **Such letter of**  
15 **resignation shall include a list of all Association material in the Directors possession, a**  
16 **summary of the status of all matters for which the Director has direct or indirect**  
17 **responsibility and a schedule for the transfer of all materials and responsibilities and any**  
18 **other materials identified by the Board of Directors either to the Board or to the Directors**  
19 **replacement as the Board of Directors directs.** Unless otherwise specified therein, such  
20 resignation shall take effect upon ~~delivery~~ **acceptance of the written resignation by the Board**  
21 **of Directors.** A Director who has been elected solely by Members of the Association ~~other than~~  
22 ~~Declarant~~ may be removed from office **for cause** prior to the expiration of his term only by the vote  
23 of at least a simple majority of Members ~~other than Declarant. Any other Director may be removed by the vote~~  
24 ~~of a majority of the voting power of the Association. Furthermore, unless the entire Board is removed from office by the~~  
25 ~~vote of Members of the Association, no individual Director shall be removed prior to the expiration of his term of office if~~  
26 ~~the votes cast against removal would be sufficient to elect the Director if voted cumulatively at an election at which the~~  
27 ~~same total number of votes were cast and the entire Board of Directors was being elected.~~

28 **REASON: requires and specifies the content of a letter of resignation to provide for**  
29 **transition of responsibilities; requires that the resignation is not official until accepted by**  
30 **the Board; requires that Directors can only be removed for cause; removes developer**  
31 **specific language.**

32 8.8 Vacancies and Newly Created Directorships. If vacancies shall occur in the Board of  
33 Directors by reason of the death, resignation or disqualification of a Director, or if the authorized  
34 number of Directors shall be increased, the Directors then in office shall continue to act, and  
35 such vacancies or newly created Directorships shall be filled by a **majority** vote of the Directors  
36 then in office, ~~though less than a quorum.~~ Any vacancy in the Board of Directors occurring by reason  
37 of removal of a Director by the Members may be filled by election at the meeting at which such  
38 Director is removed or any other regular or special meeting of the Association. The Board of  
39 Directors is not authorized to fill any vacancies on the Board resulting from the removal of a  
40 Director. Any Director elected or appointed hereunder to fill a vacancy shall serve for the  
41 unexpired term of **their** ~~his~~ predecessor or for the term of the newly created Directorship, as the  
42 case may be.

43 **REASON: requires a majority vote of all Directors to fill a vacancy on the Board in mid term.**

44  
45 8.9 Action by Directors Without a Meeting. Any action that is required or permitted to be taken  
46 at a meeting of the Board of Directors may be taken without a meeting if a consent in writing,  
47 setting forth the **matters to be considered** ~~actions so taken,~~ is signed **and approved** by all of the  
48 Directors; ~~and an explanation of the action so taken is posted at a prominent place or places within the Common~~  
49 ~~Areas within three (3) days after the written consent of all Directors has been obtained.~~ **Such action of the**  
50 **Board of Directors is subject to the requirements of Article 8.1(j) to post approved**  
51 **minutes of such meetings to the Association website.**

52  
53 **REASON: clarifies language; removes requirement to post notices in the Common Area;**  
54 **requires that minutes be kept and posted to the Association website.**

55 8.10 Budgets and Financial Statements. The Board of Directors shall be responsible for the  
56 preparation of budgets and financial statements of the Association and for distribution of the  
57 same to the Association Members. Preparation of **these** ~~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 ~~forty five (45)~~ or more than **thirty (30)** days ~~sixty (60)~~ before the beginning of each fiscal year, containing the **estimated revenue and expenses on a cash basis.** ~~the following:~~

~~(i) Estimated revenue and expenses on an accrual cash basis.~~

~~(ii) 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.~~

~~(iii) 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.~~

~~(iv) 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.~~

**REASON: establish a tighter time frame for distributing the budget; change from an accrual accounting system to a cash accounting system that is more compatible with the needs of the Association.**

- (b) A balance sheet ~~as of the "Accounting Date," which is the last day of the month closest in time to six (6) months from the date of closing of the first sale of a Tract, and an operating statement for the period from the date of the closing of the sale of the first Tract to the Accounting Date,~~ shall be distributed within sixty (60) days after the Accounting Date **close of each fiscal year.** The **balance sheet** ~~operating statement referred to above~~ shall include a schedule of assessments and receivable **assessments.** ~~identified by the Tract number and the name of such Tract Owner.~~ The operating statement **shall also include a list of all compensation or reimbursement given to any Member, Director or Director's family members.**

**REASON: remove the requirement to list delinquent Owners names; require a list of Members or Directors family members receiving payments from the Association.**

- (c) An annual report consisting of the following shall be distributed within **sixty (60) days** ~~one hundred twenty (120)~~ 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).**

**REASON: require a shorter time to release the financial statements; link the annual report to the balance sheet and operating statement.**

(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** ~~quarterly~~:

(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 signatures 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.** ~~either:~~

~~(i) two Members of the Board of Directors; or~~

~~(ii) one Member of the Board of Directors and an officer of the Association who is not also a Member of the Board.~~

(c) Review the current year's actual **operating** and reserve **accounts** revenues 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.

~~(e) Review an income and expense statement for the Association's operating and reserve accounts.~~

**REASON: require the Directors to review finances each 4 months; require the Board to vote on the release of funds from the Associations 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** ~~his~~ office until the next ensuing regular meeting of the Board of Directors which follows the regular annual meeting of the Association and until **their** ~~his~~ successor shall have been chosen and qualified, or until **their** ~~his~~ death, or until **their** ~~his~~ resignation, disqualification or removal in the manner provided in these Bylaws, whichever first occurs. **No Board Member shall hold more than one office.** ~~Any one person may hold any two or more of such offices, except that the President may hold any other office also be the Secretary. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President, Vice President, Secretary and Treasurer (other than the initial ones) shall be and remain Members of the Association during the entire term of their respective offices. No other officer need be a Member.~~

**REASON: currently, officers can be appointed who are not Members. This amendment requires that all Officers are Members; currently a Board member can hold more than one office. This Amendment requires that a Board member can only hold one office.**

9.3 Subordinate Officers. **Voided** ~~The Board of Directors may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board of Directors may from time to time determine. The Board of Directors may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to~~

1 prescribe their respective titles, terms of office, authorities and duties. Subordinate officers need not be Members of the  
2 Association.

3 **REASON: currently, the Board may appoint subordinate officers who are not Members.**  
4 **This amendment eliminates the right of the Directors to appoint subordinate officers.**

5 9.4 Resignation and Removal. Any officer may resign **their office** at any time by delivering a  
6 written resignation to the President or the Board of Directors **as required in Article 8.7**. Unless  
7 otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be  
8 removed by the Board of Directors at any time with or without cause.

9 **REASON: require a resignation letter that provides for transition of duties.**

10 9.5 Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason  
11 of death, resignation, removal, disqualification or any other cause, or if a new office shall be  
12 created such vacancies or newly created offices may be filled by the Board of Directors at any  
13 regular or special meeting thereof.

14 9.6 President. The President shall be the chief executive officer of the Association and shall  
15 exercise general supervision over its property and affairs. **The President** ~~He~~ shall sign on behalf  
16 of the Association all Membership certificates, conveyances, mortgages and contracts and shall  
17 do and perform all acts and things which the Board of Directors may require ~~of him~~. The President  
18 shall be invited to attend meetings of each committee **and unless the President is a**  
19 **Committee member the President shall have no vote on the Committee.**

20 **REASON: require that the president does not have a vote on a Committee. This leaves the**  
21 **majority vote on Committees to non-Director Members.**

22 9.7 Vice President. The Vice President shall act in the place and stead of the President in the  
23 event of the President's absence, inability or refusal to act, and shall exercise and discharge  
24 such other duties as may be required **by** ~~of him~~ the Board of Directors.

25 9.8 Secretary. The Secretary shall keep the minutes of the Association and shall maintain  
26 such books and records as these Bylaws, the **CCR's** ~~Declaration~~ or any resolution of the Board of  
27 Directors may require the Secretary to keep. **The Secretary** ~~He~~ shall be the custodian of the seal  
28 of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring  
29 the same. **The Secretary** ~~He~~ shall perform such other duties as the Board of Directors may  
30 require ~~of him~~.

31 9.9 Treasurer. The Treasurer shall have the custody and control of the funds of the  
32 Association, subject to the action of the Board of Directors, and shall, when requested by the  
33 President to do so, report the state of the finances of the Association at each annual meeting of  
34 the Members and at any meeting of the Board of Directors. **The Treasurer** ~~He~~ shall perform such  
35 other duties as the Board of Directors may require ~~of him~~.

36 9.10 Compensation. No officer shall receive compensation for any services that **they** ~~he~~ may  
37 render to the Association as an officer; provided, however, that an officer may be reimbursed for  
38 expenses incurred in performance of **their** ~~his~~ duties as an officer to the extent such expenses  
39 are approved by the Board of Directors and (except as otherwise provided in these Bylaws) may  
40 be compensated for services rendered to the Association other than in **their** ~~his~~ capacity as an  
41 officer.

## 42 43 ARTICLE X

### 44 COMMITTEES

45  
46 10.1 Designation of Committees. The Board of Directors may from time to time by resolution  
47 designate such committees as it may deem appropriate in carrying out its duties, responsibilities,  
48 functions and powers. The **majority of the** Membership of each such committee designated  
49 hereunder shall consist **of non-Director Members and include** two (2) or more Directors of the  
50 Association. No committee Member shall receive compensation for services that **they** ~~he~~ may  
51 render to the Association as a committee Member; provided, however, that a committee Member

1 may be reimbursed for expenses incurred in performance of **their** ~~his~~ duties as a committee  
2 Member to the extent that such expenses are approved by the Board of Directors and (except as  
3 otherwise provided in these Bylaws) may be compensated for services rendered to the  
4 Association other than in **their** ~~his~~ capacity as a committee Member.

5 **REASON: require that the voting majority of a committee is made up of non-Director**  
6 **Members.**

7 10.2 Proceedings of Committees. Each committee designated hereunder by the Board of  
8 Directors may appoint its own presiding and recording officers and may meet at such places and  
9 times and upon such notice as such committee may from time to time determine. Each such  
10 committee shall keep a record of its proceedings and shall regularly report such proceedings to  
11 the Board of Directors.

12 10.3 Quorum and Manner of Acting. At each meeting of any committee designated hereunder  
13 by the Board of Directors, the presence of **non-Director** Members constituting at least a majority  
14 of the authorized Membership of such committee shall constitute a quorum for the transaction of  
15 business, and the act of a majority of the Members present at any meeting at which a quorum is  
16 present shall be the act of such committee. The Members of any committee designated by the  
17 Board of Directors hereunder shall act only as a committee, and the individual Members thereof  
18 shall have no powers as such.

19 **REASON: require that the quorum for committee actions has a voting majority non-Director**  
20 **Members.**

21 10.4 Resignation and Removal. Any Member of any committee designated hereunder by the  
22 Board of Directors may resign at any time by delivering a written resignation to the President, the  
23 Board of Directors or the presiding officer of the committee of which **they are** ~~he is~~ a Member **as**  
24 **required in Article 8.7.** Unless otherwise specified therein, such resignation shall take effect  
25 upon delivery. The Board of Directors may at any time, with ~~or without~~ cause, remove any Member  
26 of any committee designated by it hereunder.

27 **REASON: currently committee members can be removed without cause. This amendment**  
28 **requires that committee Members can only be removed by the Board with cause.**

29 10.5 Vacancies. If any vacancy shall occur in any committee designated by the Board of  
30 Directors hereunder due to disqualification, death, resignation, removal or otherwise, the  
31 remaining Members shall, until the filling of such vacancy, constitute the then total authorized  
32 Membership of the committee and provided that two or more **non-Board of Director** Members  
33 are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board of  
34 Directors.

35 **REASON: require that if a vacancy occurs on a committee that the committee can continue**  
36 **to act so long as there are at least 2 non-Director members of the Committee.**

## 37 ARTICLE XI

### 38 INDEMNIFICATION

39  
40 11.1 Indemnification. Each Director and officer of the Association now or hereafter serving as  
41 such, shall be indemnified by the Association against any and all claims and liabilities to which  
42 **they have** ~~he has~~ or shall become subject by reason of serving or having served as such Director  
43 or officer, or by reason of any action alleged to have been taken, omitted or neglected by **them**  
44 ~~him~~ as such person, and for all legal expenses reasonably incurred by **them** ~~him~~ in connection  
45 with any such claim or liability; provided, however, that no such person shall be indemnified  
46 against, or be reimbursed for any expense incurred in connection with any claim or liability  
47 arising out of **their** ~~his~~ own willful misconduct or gross negligence **as defined in M.C.A. Title**  
48 **35.2.**

49 **REASON: clarify that the Montana Code Annotated establishes the definition of**  
50 **misconduct and negligence.**

51 11.2 Vote of Committee. The amount paid to any officer or Director by way of indemnification  
52 shall not exceed **their** ~~his~~ actual, reasonable and necessary expenses incurred in connection

1 with the matter involved, and such additional amount as may be fixed by a committee of not less  
2 than three (3) nor more than five (5) persons selected by the Board of Directors who shall be  
3 Members of the Association, but not officers or directors or related to officers or directors, and  
4 any determination so made shall be binding on the indemnified officer or Director.

5  
6 11.3 State Law. The right of indemnification hereinabove provided for shall not be exclusive of  
7 any rights to which any Director or Officer of the Association may otherwise be entitled by law.

8  
9 11.4 Liability of Directors and Members. Pursuant to M.C.A. Section 35.2-202(2) no Director or  
10 Member shall be personally liable for monetary damages for breach of fiduciary duty set forth in  
11 the Bylaws, **as long as their actions are in accordance with the standards for Directors and**  
12 **Officers found in Title 35, chapter 2 of the Montana Code Annotated.**

13 ~~(a) For breach of a Director's duty of loyalty to the Association or its Members;~~

14 ~~(b) For acts or omissions that constitute willful misconduct, recklessness or a knowing violation of the law;~~

15 ~~(c) Under M.C.A. Section 35-1-407 (relating to improper distribution); or~~

16 ~~(d) For a transaction for which a Director derives an improper personal benefit.~~

17 **REASON: clarify that the Montana Code Annotated establishes the definition of**  
18 **misconduct and negligence.**

## 19 20 21 22 ARTICLE XII

### 23 FISCAL YEAR AND SEAL

24  
25 12.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of **June** each  
26 year and shall end on the last day of **May**.

27  
28 12.2 Seal. The Board of Directors may by resolution provide an Association seal which shall be  
29 circular in form and shall have inscribed thereon the name of the Association.

## 30 31 ARTICLE XIII

### 32 RULES AND REGULATIONS

33  
34 13.1 Rules and Regulations. The Board of Directors may from time to time **recommend to the**  
35 **Members for approval by the Members the adoption, amendment, or repeal of** ~~adopt, amend,~~  
36 ~~repeal and enforce and enforce~~ reasonable rules and regulations governing the use and operation of  
37 the **Ranch Property to be enforced by the BOD**, to the extent that such rules and regulations  
38 are not inconsistent with the rights and duties set forth in the **CCR's Declaration** or these Bylaws.  
39 Each Member shall be provided with copies of all rules and regulations, as well as copies of all  
40 amendments and revisions thereof.

41 **REASON: currently, Members have no right to approve rules and regulations. This**  
42 **amendment requires that the Members have the right to approve all rules and regulations**  
43 **proposed by the Board.**



1 ARTICLE XIV

2 INSPECTION OF BOOKS AND RECORDS

3  
4 14.1 Inspection of Books and Records. The Membership register, books of account and  
5 minutes of meetings of the Members, **meetings** of the Board of Directors and **meetings** of  
6 committees of the Board of Directors shall be made available for inspection and copying by any  
7 Member of the Association or **their** ~~his~~ duly appointed representative at any reasonable time and  
8 for a purpose reasonably related to **their** ~~his~~ interest as a Member, at the office of the Association  
9 or at such other place within the Property as the Board of Directors shall prescribe. **The Board**  
10 **of Directors shall acknowledge receipt of the Members request within 5 working days.**  
11 **Requests for inspection of books and records shall be made in compliance with M.C.A.**  
12 **35.2.907-910. All Members shall have the right to inspect any physical properties owned**  
13 **or controlled by the Association.** The Board of Directors shall establish reasonable rules with  
14 respect to:

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

19 ~~In addition, every Director Member shall have the absolute right at any reasonable time to inspect and make copies of all~~  
20 ~~books, records and documents of the Association and to inspect any physical properties owned or controlled by the~~  
21 ~~Association.~~

22 **REASON: clarifies the requirement that minutes of meeting of committees and the Board**  
23 **be made available to Members; require that the Board has a limited time (5 working days)**  
24 **to respond to Members requests for inspection of Association records and property;**  
25 **require compliance with Montana law; remove redundancies.**

26  
27 ARTICLE XV

28 AMENDMENTS

29  
30 15.1 Amendments. Except as otherwise provided by law, by the **CCR's** ~~Declaration~~ or by these  
31 Bylaws, these Bylaws **shall** ~~may~~ be amended, altered or repealed and new bylaws **shall** ~~may~~ be  
32 made and adopted **at a meeting of the Members** ~~by the Members~~ upon the affirmative vote of a  
33 majority of the total votes of the Association, **or if the vote is held without a meeting then as**  
34 **provided in Article 7.10.** ~~and the affirmative vote of at least a majority of the voting power residing in Members~~  
35 ~~other than Declarant.~~ Nevertheless, the percentage of the voting power necessary to amend a  
36 specific clause or provision shall not be less than the percentage of affirmative votes prescribed  
37 for action to be taken under that clause. No amendment shall be effective unless and until a  
38 written instrument setting forth (i) the amended, altered, repealed or new bylaws, (ii) the number  
39 of votes cast in favor of such action **including the verification of proxies and specification of**  
40 **the method of voting and the votes derived from that method**, and (iii) the total votes of the  
41 Association, shall have been executed and verified by the current President of the Association  
42 and recorded in the official record of the Association **and shall be Recorded at the recorders**  
43 **office for Madison County, Montana along with the Bylaws of the Association.**

44 **REASON: replace "may" with "shall" which makes these requirements not optional;**  
45 **require that amendment votes either be taken at a Member meeting or following the**  
46 **requirements of Article 7.10 for a mail ballot; Require that full disclosure of voting be**  
47 **included in the recorded certification of the vote; the Bylaws have never been recorded,**  
48 **this amendment requires that the Bylaws and amendments be recorded.**

1 **CERTIFICATE OF ADOPTION OF RESTATED BYLAWS**

2 I do hereby certify that the above amended and restated Bylaws of the Madison River RCH  
3 Association, Inc., were approved by the Board of Directors on XXX, XXX and by the voting  
4 Members on XXX, XX. The total votes of the corporation are XXX, this motion to approve  
5 was carried by XXX represented votes FOR the motion, XXX represented votes Against the  
6 motion, and XXX votes ABSTAINED” and does now constitute a complete copy of the  
7 Bylaws of the Corporation, superseding all previously adopted Bylaws and amendments.

8 **XXXX**

9 **President of the Corporation Dated: XXX, XXX**

10 **XXXX**

11 **Director of the Corporation Dated: XXX, XXX**

1  
2 **ORIGINAL SIGNATURE BLOCK AND EARLIER AMENDMENTS**

3 IN WITNESS WHEREOF, the undersigned, consisting of all the Directors of Madison River  
4 RCH Association, Inc., have adopted and executed these Bylaws on the 16 day of October,  
5 1989.

6 /s/ Robert W. Pryor

7 /s/BobWittman

8 /s/Teddy Sanem  
9  
10  
11

12 AMENDMENT TO BYLAWS  
13 OF MADISON RIVER RCH ASSOCIATION, INC.  
14 a Montana Nonprofit Corporation  
15

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

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

22 7.6 Quorum. A Quorum of any meeting of members shall be those members present in  
23 person or by proxy.

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

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

27 8.3 Regular Meetings. A regular meeting of the Board of Directors shall be held annually  
28 without notice following the annual meeting of the members, or at such time and place  
29 following the meeting as the Board may agree.

30 Carried by 130 represented votes FOR resolution, 9 votes ABSTAINED.  
31

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

35 /s/ R.W. Pryor

36 Ralph W. Pryor, Director

37 /s/ Robert A. Wittman

38 Robert A. Wittman, Director

39 /s/ Teddy G. Sanem

40 Teddy G. Sanem, Director  
41