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STATE OF MONTANA MADISON COUNTY
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**BYLAWS
OF AND FOR
PRONGHORN MEADOWS HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I
NAME**

The following shall prevail throughout these Bylaws in the interpretation thereof unless specific provisions direct otherwise:

PRONGHORN MEADOWS HOMEOWNERS' ASSOCIATION, INC. is the incorporated organization which is to be governed by and which is empowered to act in accordance with these Bylaws. Hereinafter said corporation shall be referred to as "Association".

**ARTICLE II
ADDRESS**

The address of the initial principal office of the Association shall be 60 Montana Way, Ennis, MT 59729.

**ARTICLE III
POWERS**

The Association shall have all the powers of a not for profit corporation enumerated and set forth in Title 35, Chapter 2, M.C.A. The purposes of the Association are those set forth in the Articles of Incorporation.

**ARTICLE IV
MEMBERSHIP INTEREST**

Every person, group of persons, partnership, corporation, or association who is a fee owner of real property within the boundaries of the area described as PRONGHORN MEADOWS HOMEOWNERS' ASSOCIATION, on file and of record in the office of the County Clerk and Recorder of Madison County, Montana, shall be a member of the Association.

Multiple owners of a single parcel of real property would have collectively one such membership or voting interest. If more than one tract is owned, the owner or owners thereof would have one membership or voting interest for each separate parcel of real property.

Membership interests shall run with the land so that said interest is an incident to ownership beginning when ownership rights are acquired and terminating when such rights are divested. Accordingly, no member shall be expelled, nor shall he or she be permitted to withdraw or resign while possessing a membership interest.

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ARTICLE V

MEETINGS

There shall be an annual meeting of the membership. The date, hour and place of such meeting shall be contained in the notice of meetings as hereinafter described. The annual meeting shall be the time for the conduct of any and all legitimate business of the Association, including election of directors and presentation of reports. Voting at all meetings shall be in the manner prescribed in these Bylaws.

Special meetings may be called at any time upon the initiative of the Board of Directors. A special meeting must be called when a Petition signed by fifty percent (50%) of the membership interest outstanding and eligible to vote at the time has been presented to any member of the Board of Directors. Such special meeting shall be called as soon as practicable after receipt of said Petition. Notice of any such special meeting shall state the hour, date and place of the meeting and shall further precisely state the reasons of such meeting, and said special meeting held shall be strictly confined to the matters set forth in the notice unless seventy-five percent (75%) of the said membership interest present agree otherwise.

At any meeting, both annual and special, 37% of the property owners shall constitute a quorum.

All meetings both annual and special shall be presided over by the Chairman of the Board of Directors or his appointed representative.

Any meeting may be adjourned by the Board of Directors at their discretion, but any meeting adjourned before all of its business is disposed of shall be reconvened within thirty (30) days of such adjournment upon due notice given.

Resolutions as hereinafter described may be introduced by any member at any annual meeting provided such resolution in written form is presented to the Secretary of the Board no later than ten (10) days prior to the date of such meeting.

Written notice of all meetings, annual and special, shall be mailed to every member of record no later than ten (10) days and not more than fifty (50) days before the date of the meeting. It shall be the duty of each member to advise the Association of his or her current address. In the absence of such notice, the member's address shall be the address of record with Madison County Tax Assessor's office.

ARTICLE VI

VOTING

Each membership interest as defined in Article IV of these bylaws shall have (1) vote on all matters to come before the Association meeting. Voting of such interest shall be in the manner provided by the Board of Directors and in these Bylaws. Cumulative voting shall be provided for election or removal of the Board of Directors. Voting may be in person or by proxy.

ARTICLE VII

RESOLUTIONS

All matters that are the business and concern of the Association shall be presented to the Association and meetings of the Association in the form of resolutions directed to the Board of Directors. Such resolutions as are passed by over fifty percent (50%) of the said membership interest of record and eligible to vote shall be binding on the Board of Directors. Such binding resolution shall have the effect of compelling the Board of Directors to take positive action in response to the general inclination of the resolution. However, the scope, extent, and specific character of all such action shall be within the final discretion of the Board of Directors.

ARTICLE VIII

POWERS AND DUTIES OF BOARD

The Board of Directors shall have the following powers and duties:

- A. To enter into contracts and agreements as are necessary to effect the business of the Association.
- B. To provide for the construction, installation, acquisition, replacement, operation, maintenance, and repair by the Association of buildings, equipment, common areas, facilities, and services, streets, roads, lighting, garbage removal and disposal in common areas, security of persons or property, fire protection, and other municipal or quasi-municipal services and functions. Contracts for such work with third parties which provide for a term or duration in excess of one year must be approved by a majority of the members, which approval may be ratified at the annual or any special meeting of the Association.
- C. To make and establish rules and regulations for the governance of facilities and the performing of such functions; the taking of such action and operating in such areas as are within the jurisdictions of the Association.

D. To make assessments as described in these Bylaws and the Declaration of Covenants, Conditions and Restrictions Including Design Regulations on file and of record in the office of the County Clerk and Recorder of Madison County, Montana.

E. To take necessary and appropriate action to collect assessments from members, including the filing of liens and prosecuting foreclosures as provided in these Bylaws.

F. To call meetings of the Association, both annual and special, and to preside over such meetings and to give appropriate notice of such meetings as required by these Bylaws.

G. To formulate and introduce resolutions at the meetings of the Association.

H. To hold meetings of the Board of Directors as are necessary to conduct Association affairs.

I. To exercise ultimate decisional power in and on all matters affecting the Association.

J. To pay the expenses of the Association, including all taxes or assessments and to contract and pay for such insurance as may be necessary and in the best interests of the Association, and to provide for the use and disposition of the insurance proceeds in the event of loss or damage.

K. To fill vacancies on the Board by agreement of the two (or more) remaining members, should the vacancy not, however, be filled by the Board, it may be filled by an election at an annual or special meeting wherein each membership interest shall have one (1) vote.

L. To maintain lists of members.

M. To keep records in a good and businesslike manner of all assessments made, all expenditures, and the status of each member's payments of assessment; and to make such records accessible at reasonable times to all members.

N. To promote, conserve, and preserve the premises.

O. To do any and all things necessary to carry into effect these Bylaws and to implement the purposes as stated in the Articles of Incorporation and to do any and all things necessary to require compliance with and enforce the Declaration of Covenants, Conditions, and Restrictions Including Design Regulations which, by Article XIX, are made a part of these Bylaws.

P. To deal with agencies, officers, boards, commissions, departments, and bureaus or other governmental bodies in a federal, state, county, or local basis to carry out the above powers, duties, and responsibilities.

Q. To establish accounts for operating and/or development funds as set out in the Declaration of Covenants, Conditions and Restrictions Including Design Regulations.

S. To provide, through assessments, an adequate reserve fund for maintenance, repairs and replacement of those elements in the common area that must be replaced or maintained on a periodic basis, including all roads in PRONGHORN MEADOWS Subdivision, which must be maintained to county standards.

T. In addition to the above powers, the Board of Directors may act and perform the functions of the Committee for Design Review referenced in the Covenants, Conditions and Restrictions Including Design Regulations on file and of record in the Office of the Clerk and Recorder of Madison County, Montana, and shall have all of the powers, duties, obligations and responsibility set forth in said document.

ARTICLE IX

ASSESSMENTS

The Association, acting through the Board of Directors, shall have the power to levy assessments on its members. The assessments levied by the Association shall be used exclusively to promote health, safety and welfare of the owners of the property, their guests and invitees. Assessments may also be used to maintain "open space easements" upon failure of the individual property owner to do so. When such maintenance is done at the expense of the "Association" the owner of the property may be assessed and liened in the full amount of said expense and the costs incurred therein, according to the provisions contained in the Covenants, Conditions, and Restrictions.

Assessments may also be used to provide road maintenance and utility line maintenance, mailing costs, common signage, common utility expenses and traffic control signs, and other related expenses incurred on behalf of the Association as further described hereafter.

The annual assessments provided for herein shall commence as to all lots subject to assessment on the first day of the month following the conveyance of that lot by the developer to that purchaser.

There shall be two classes of assessments allowable under these Bylaws: (1) Capital assessments, and (2) Operating assessments.

Capital assessments shall be for the purpose of acquiring, replacement or the construction of new facilities, or the major repair or renovation of existing facilities.

Operating Assessments shall be for the purpose of sustaining day-to-day activities of the Association, including maintenance of "landscape easements", minor repairs, accounting for the association, common utility expense, and road maintenance.

The Board of Directors shall have the final authority to determine under which general heading to make various assessments. Further, the Board may make assessments

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in either or both categories on each person or persons or entity having a membership interest.

The Board of Directors must first obtain the approval of at least fifty-one percent (51%) of the membership interests before taking the following action:

- A. Making any assessment for a capital improvements costing in excess of \$5,000.00.
- B. Mortgaging, encumbering, or otherwise disposing of any property of the Association, whether real or personal, in excess of the amount of value of \$5,000.00.

Assessments shall be made on an annual basis on the first day of January to and including the 31st day of December of each year and notice thereof shall be mailed by the Secretary of the Board to each member at his or her address in the records.

All assessments become due ten (10) days after the date of mailing and must be paid within thirty (30) days of the said due date, after which they will become delinquent. The Board shall have the authority to impose reasonable interest charges and penalties on amounts which are overdue. Any assessment not paid within thirty (30) days as set forth above shall bear interest at the maximum amount allowed by law. The Association may bring an action against the owner personally obligated to pay the assessment, or foreclose a lien filed against the property. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use or abandonment of his or her tract.

ARTICLE X

BUDGETS

On or before July 15th of each year, the Board shall prepare and mail to each member a budget for both capital and operating expenses for the forthcoming calendar year. The two budgets shall be divided by the total number of tracts in the subdivision at the time, and assessments shall be made against each membership interest accordingly. The assessment on any given year may not increase by more than 25% without approval by 2/3 of the entire membership. The Board shall cause a copy of an operating statement to simultaneously be prepared showing income and disbursements for the preceding fiscal year, which statement shall be mailed to each member within thirty (30) days of the end of the fiscal year.

ARTICLE XI

LIENS FOR ASSESSMENTS, AND FORECLOSURES

All sums assessed, but unpaid for either a capital or operating assessments shall constitute a lien against any tract where the said assessment remains unpaid after three (3) months following the date when the same became delinquent, as set forth in

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paragraph IX above. Such lien shall be superior to all other liens and encumbrances, except for tax and special assessment liens placed by a statutory authority, other statutory liens, and the lien of any first mortgage or a first trust indenture of record.

To evidence such liens, the Association shall prepare a written notice of lien assessment, setting forth the amount of such unpaid indebtedness, the amount of the accrued interest, the late charges thereon, the name of the owner of the tract and a description of the real property. Such notice shall be signed as verified by the Chairman of the Board of Directors and shall be recorded in the office of the County Clerk and Recorder. Such lien shall attach from the date of the recording of such notice. Such lien may be enforced by the foreclosure of the defaulting membership interest by the Association in like manner as a mortgage on real property as otherwise provided by law upon the recording of a notice or claim thereof. In any such proceedings, the owner shall be required to pay the costs, expenses, and attorney's fees incurred for filing a lien, and in the event of foreclosing proceedings, additional costs, all expenses, and reasonable attorney's fees incurred.

ARTICLE XII

QUORUM

Meetings of the Association shall be convened at the time and place contained in the notice of such meeting only if a quorum of the membership interest is present either in person or by proxy. A quorum shall consist of 37% (thirty-seven percent) of the total membership interest of the Association qualified and eligible to vote at the time. Any membership interest may be represented by the owner thereof or by his or her agent who has written authority to so act.

ARTICLE XIII

VOTING INTEREST

Whenever any tract is owned or leased by two or more persons or by an entity or contains a condominium comprised of various owners, such person or persons or entity must, prior to a meeting where voting may be allowed, among and between themselves, determine who is entitled to vote the membership interest, and in what manner it shall be voted. If, in the judgment of the Board, a bona fide and irreconcilable dispute arises as to the voting or right to vote a membership interest, such interest may be declared to be a dispute and for the time such interest is in dispute, it shall have no voting rights.

ARTICLE XIV

SECRETARY

The Secretary of the Board of Directors shall maintain a record of all membership interests in the Association. In order to make a determination of membership interest for any purpose stated in these Bylaws or the laws of the State of Montana, the Board may order the record closed for a stated period of time. Notice of assessments and liability for assessments shall be in the name of the registered owner on the membership list at the time assessments are declared by the Board.

ARTICLE XV

BOARD MEMBERS

The Board of Directors shall consist of three (3) or more persons.

By express written declaration, the initial directors shall have the option to, at any time, turn over to the Association the total responsibility for electing and removing members of the Board. Members of the Board and their officers, assistant officers, agents and employees acting in good faith on behalf of the Association:

(1) Shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith;

(2) shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such;

(3) shall have no personal liability in tort to any Owner or any person or entity, except for their own willful misconduct or bad faith.

(4) shall have no personal liability arising out of the use, misuse or condition of the Property which might in any way be assessed against or imputed to them as a result of or by virtue of their capacity as such.

ARTICLE XVI

TERMS AND REPLACEMENT

The terms of office for members of the Board shall be three (3) years. Positions on the Board of Directors shall be filled in the manner hereinafter described. At the first annual meeting of the Association, the members shall elect by majority vote the other two (or more) members of the initial Board. Immediately following the third annual meeting of the Board of Directors, after the date of execution of these By-Laws; the members, by majority vote, shall elect a new Board of Directors, as provided in Article VI.

Any vacancy created by resignation shall be filled immediately by appointment by the remaining Board members. Such appointment must be approved by a majority of the members of the Association at the next meeting of the Association, whether general or special. If the appointment is not approved, then the members shall fill the vacancy by a majority vote. At any time and for any reason that a vacancy occurs on the Board and an agreement cannot be reached on a successor, then such vacancy shall be filled by the membership interest at large at a special meeting held for that purpose. At such election any membership interest may nominate candidates from the floor and voting shall be by ballot and each membership interest shall have one (1) vote. The person receiving the highest number of votes shall be deemed to be elected to the vacant position on the Board of Directors.

At any meeting, whether general or special, any one or all of the members of the Board may be removed and replacements elected upon a majority vote of the total membership interests outstanding and eligible to vote at that time.

ARTICLE XVII

COMMITTEES

Pursuant to Title 35, Chapter 2, M.C.A. and subject to the restrictions stated therein the Board may appoint committees to act for the Board and to exercise the authority of the Board on matters referred to them by the Board. Such committees may be dissolved at any time by the Board of Directors.

Notwithstanding the foregoing, the Board of Directors itself may elect to be the Committee for Design Review as provided in Article VIII. U. above.

ARTICLE XVIII

INSURANCE

The Board may purchase insurance policies to protect the property of the Association against casualty loss and to protect the Association and the Board members, when acting in their official capacity, from liability. The extent and specific nature of coverage shall be determined by the Board.

ARTICLE XIX

COVENANTS

No acts by the Association or by the Board of Directors shall be contrary to the Declaration of Covenants, Conditions and Restrictions Including Design Regulations on file with the Clerk and Recorder of Madison County, Montana, and any amendments thereto.

On its own initiative, the Board may take such action as it deems necessary, including the taking of legal action and initiating suit to enforce the Declaration of Covenants, Conditions and Restrictions Including Design Regulations. The Board may choose to adopt Rules and Regulations as deemed necessary.

ARTICLE XX

OFFICERS

The Board of Directors shall appoint a Secretary for the Association. The Board of Directors may, at its discretion, appoint additional officers to generally supervise and control the business of this corporation and delegate certain powers, duties, and responsibilities to such officers. The manner of selection, the qualifications, the term of office, the method of removal, the scope of duties and responsibilities, and the number of such officers shall be determined by the Board of Directors.

ARTICLE XXI

COMPENSATION

Board members shall be reimbursed for any out-of-pocket expenses incurred while acting in their official capacity for their services as members of the Board of Directors.

ARTICLE XXII

SEVERABILITY

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

ARTICLE XXIII

INTERPRETATION AND AMENDMENT

The Board of Directors shall have the power to interpret all the provisions of these Bylaws and such interpretation shall be binding on all persons. These Bylaws may be amended from time to time whenever at least fifty-one percent (51%) of the membership interests shall have voted in favor of such amendment.

THESE BYLAWS were adopted by the Board of Directors for the Pronghorn Meadows Homeowners' Association on the 22 day of October 2014.

PRONGHORN MEADOWS HOMEOWNERS' ASSOCIATION

Steve Adams, President

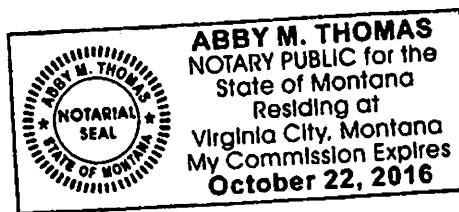
STATE OF MONTANA)
:ss.
County of Madison)

On this 22ND day of October 2014, before me, the undersigned Notary Public for the State of Montana, personally appeared Steve Adams, known to me to be the person whose name is subscribed the within instrument, and known to me to be the President of PRONGHORN MEADOWS HOMEOWNERS' ASSOCIATION and acknowledged to me that he executed the same as an individual, and in his official capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove first written.

[Signature]
NOTARY PUBLIC for the State of Montana
Residing at
My Commission expires

Seal



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160857 RECORDS Pages: 11
STATE OF MONTANA MADISON COUNTY
RECORDED: 04/22/2015 4:50 KOI: AMEND/CORR
Peggy Kaatz Stemler CLERK AND RECORDER
FEE: \$87.00 BY: *[Signature]*
TO: FIRST AMERICAN TITLE PO BOX 599, JENNIS MT 59729

CC
CC

**AMENDED BYLAWS
OF
PRONGHORN MEADOWS HOMEOWNERS' ASSOCIATION, INC.**

PRONGHORN MEADOWS HOMEOWNERS' ASSOCIATION, INC. is an organization empowered to act in accordance with the Declaration of Protective Covenants of Pronghorn Meadows, as may be amended from time to time, and these Amended Bylaws.

**ARTICLE I
Definitions**

- 1.1. "Affirmative Vote" means the affirmative vote of the majority of the membership interest who are eligible to vote and who are present at a meeting in person or by proxy.
- 1.2. "Association" means the Pronghorn Meadows Homeowners' Association or any successor association or entity.
- 1.3. "Board of Directors" means the Design Committee, and shall hereinafter be referred to as "Board of Directors of the Association," "Board of Directors," or "Board."
- 1.4. "Board Member" means a member of the Board of Directors.
- 1.5. "Bylaws" means these Amended Bylaws, as may be further amended from time to time.
- 1.6. "Committee Member" means a director of the Board of Directors.
- 1.7. "Declaration" means the Declaration of Protective Covenants of Pronghorn Meadows, recorded on July 11, 2005 in the Madison County Clerk and Recorder's Office, and as may be amended from time to time.
- 1.8. "Design Committee" means the Board of Directors.
- 1.9. "Lot" means any Lot identified in the Pronghorn Meadows Subdivision, as found in Exhibit A to the Declaration.
- 1.10. "Member" means a member of the Association.
- 1.11. "Pronghorn Meadows Subdivision" means the all lots and property found in Exhibit A to the Declaration.

1.12. "Rules and Regulations" means such rules and regulations adopted from time to time by the Board of Directors for the benefit of the Association and/or its members.

ARTICLE II

Name and Location

2.1. The Association may change its name by an Affirmative Vote. Any such name change shall be accomplished by filing of notice of the use of an assumed name by the Association or by amendment to the Bylaws and the Articles of Incorporation with the State.

2.2. The principal office of the Association shall be located in the residence of the duly elected Secretary of the Association; or if there is no Secretary, in the residence of the duly elected Board of Directors' Chairman of the Association.

ARTICLE III

Powers

3.1 The Association shall have all the powers of a not for profit corporation enumerated and set forth in Title 35, Chapter 2, MCA.

ARTICLE IV

Membership

4.1 Membership interests in the Association shall run with the land so that each Lot owner will automatically become a member of the Association with the purchase of any Lot, and will be a permanent member until the Lot is sold or transferred to a different owner. Accordingly, no member shall be expelled, nor shall any member be permitted to withdraw or resign while possessing a membership interest.

4.2 The voting rights of the owners are subject to:

- A. Ownership of an interest by fee or by contract in a Lot in the Pronghorn Meadows Subdivision;
- B. The full payment of assessments, fees, fines, interest, attorneys' fees, other costs, and liens imposed by the Association; and
- C. Compliance with the Declaration, Bylaws, and Rules and Regulations.

4.3 The voting rights may be suspended by action of the Board of Directors during any period when such owner shall have failed to pay any monies then due and payable, but upon payment of such monies the member's voting rights shall be automatically restored.

4.4. Each Lot shall have one (1) membership or voting interest. Where there is more than one owner for a specific Lot or when there is joint ownership of a Lot, only one (1) vote may be cast collectively by such owners. Such owners must, prior to a meeting where voting may be allowed, among and between themselves, determine who is entitled to vote the membership interest, and in what manner it shall be voted. If, in the judgment of the Board of Directors, a bona fide and irreconcilable dispute arises as to the voting or right to vote a membership interest, such interest may be declared to be a dispute and for the time such interest is in dispute, it shall have no voting rights.

ARTICLE V

Meetings

5.1 There shall be an annual meeting of the membership of the Association. The annual meeting shall be held at a place specified in the notice of the meeting and at a date and hour selected by the Board of Directors. The notice of the annual meeting may state those matters that will come before the Association for approval.

5.1.1 At the Annual Meeting, the members shall elect the Board of Directors, as set forth in more detail in Article VI.

5.1.2 At the annual meeting, the members shall, by Affirmative Vote, select the Board Chair from the Board of Directors.

5.1.3 At the Annual Meeting, the members shall discuss wildlife issues in the wildlife corridor.

5.2 Special meetings may be called at any time upon the initiative of the Board Chair, a majority vote of the Board of Directors, or by a Petition signed by 5% of the membership interest eligible to vote at the time the Petition is presented to any member of the Board of Directors, and said Petition must specify the purpose(s) for which it is being requested. Upon receipt of a qualified Petition, the notice for such special meeting shall be provided by the Board Chair or his designated representative within 30 days after receiving a qualified Petition. Notice of any special meeting shall state the hour, date and place of the meeting and shall state the reason(s) of such meeting and said special meeting shall be strictly confined to the matters set forth in the notice.

5.3 Written notice of all annual and special meetings shall be mailed, emailed, or personally delivered by any director on the Board of Directors to every member of record no later than ten (10) days and not more than fifty (50) days before the date of the meeting. It shall be the duty of each member to advise the Association of his or her current address and email address. In the absence of such notice, the member's address shall be the address of record with Madison County Tax Assessor's office.

5.3.1 The notice of the annual meeting shall include a copy of the budget for the prior calendar year, with actual income and expenses included, and a copy of the budget for the next calendar year.

5.3.2 The notice of the annual meeting shall also include a questionnaire asking owners about wildlife movement and the number of wildlife using the wildlife corridor.

5.4 At the beginning of either an annual or special meeting of the Association, the presence in person or by proxy of 10% of the membership interest eligible to vote shall constitute a quorum. If a quorum shall not be present at any meeting, such meeting shall be

adjourned and may be immediately re-convened, at which time the presence in person or by proxy of 5% of the membership interest eligible to vote shall constitute a quorum.

5.5. Once a quorum is established, except as otherwise stated in the Declaration or Bylaws, the Association may act by Affirmative Vote.

5.5.1 If any action approved by the Association compels the Board of Directors to take positive action, the Board of Directors retains the final discretion as to how the action should be taken so that the action taken complies with the law.

5.6 All annual and special meetings shall be presided over by the Board Chair or his appointed representative.

5.7 Any action required or permitted to be taken by the Members may be taken without a meeting if the action is approved by 80% of the membership interest eligible to vote at the time the action is taken. The action must be evidenced by one or more written consents that describe the action taken, is signed by 80% of the membership interest eligible to vote, and is delivered to the Board of Directors for inclusion in the Association's records.

ARTICLE VI

Board of Directors

6.1 In accordance with the Declaration, the Association shall be governed by the Board of Directors.

6.2 The Board of Directors shall be made up of not less than three nor more than five directors.

6.3 The term for each director is three years. Directors may be elected for successive terms.

6.4 The Board of Directors currently has five directors whose terms expire ____.

6.5 At any meeting at which an election is held, any Member present in person at the meeting may nominate himself or another candidate to be on the Board of Directors.

6.6 Cumulative voting shall be provided for the election of any director.

6.7 At the annual meeting, the Members shall, by Affirmative Vote, select the Board Chair (also sometimes referred to as "President") from among the Board of Directors.

6.8 The Board of Directors shall appoint a Secretary for the Association. The Secretary may, but is not required to be, a director or a Member. The Secretary shall remain in the office of the Secretary until he or she resigns or until the Board of Directors appoints a different person to be Secretary, whichever happens first.

6.8.1 The Secretary shall maintain a record of all membership interests in the Association. In order to make a determination of membership interest for any purpose stated in these Bylaws or the laws of the State of Montana, the Board of Directors may order the record closed for a stated period of time.

6.9 The Board of Directors may, at its discretion, appoint a manager to generally supervise and control the business of the Association and delegate certain powers, duties, and responsibilities to such officers. The manner of selection, the qualifications, the term of office, the method of removal, the scope of duties and responsibilities, and the number of such officers shall be determined by the Board of Directors.

6.10 At any meeting of the Association, whether annual or special, any director may be removed, and his or her replacement elected, upon a majority vote of the membership interests eligible to vote at that time.

6.11 Except for a vacancy created after the Members remove a director, vacancies on the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Board of Directors, even though less than a quorum of the Board of Directors, and any such appointed director shall hold office for the unexpired term of his or her predecessor in office.

6.12 Without limiting any power vested in the Board of Directors by law or by the Declaration, the Board of Directors shall have the power to:

- A. To do all things expressly or impliedly authorized by the Declaration or these Bylaws or to carry into effect the Declaration, these Bylaws, or the goal or purpose of the Association;
- B. To do all things necessary to promote, conserve, and preserve the Pronghorn Meadows Subdivision and the purpose of the Association.
- C. To prepare a budget for the Association;
- D. To make, notify, and collect assessments, fees, and fines, and other costs and expenses described in the Declaration;
- E. To make, establish, and enforce Rules and Regulations necessary to assist in carrying out its powers;
- F. To call meetings of the Association, both annual and special, and to preside over such meetings and to give appropriate notice of such meetings as required by these Bylaws;
- G. To call meetings of the Board of Directors as are necessary to conduct Association

affairs;

- H. To formulate and introduce resolutions at the meetings of the Association and the Board of Directors;
- I. To enter into contracts and agreements as are necessary to effect the business of the Association;
- J. To pay for such insurance as may be necessary and in the best interest of Association and the Board of Directors, and to provide for the use and disposition of the insurance proceeds in the event of loss or damage. The extent and specific nature of coverage shall be determined by the Board of Directors;
- K. To pay the expenses of the Association;
- L. To maintain lists of Members.
- M. To keep records in a good and businesslike manner of all assessments made, the status of each Member's payments of assessment, and all expenditures;
- N. To deal with agencies, officers, boards, commissions, departments, and bureaus or other governmental bodies in a federal, state, county, or local basis on behalf of the Association; and
- O. To provide, through any monies collected on behalf of the Association, an adequate reserve fund for the proper maintenance of those areas that the Association owns or is responsible for maintaining, including but not limited to all roads in Pronghorn Meadows Subdivision, which must be maintained to county standards.

6.13 A meeting of the Board of Directors may be called at any time upon the initiative of the Board Chair, any other presiding officer of the Board of Directors, or a majority of the Board of Directors.

6.14 Notice of any Board of Directors' meeting may be by telephone, mail, email, or personally delivery to each director at least 2 days before the meeting. The notice need not state the purpose(s) of the meeting. A director may waive the required notice by a writing, signed by the director, and filed in the corporate records; or by attending or participating in a meeting unless the director, upon arriving at the meeting or before the vote on any matter, objects to the lack of notice and does not vote for or assent to that action.

6.15 At the beginning of a Board of Directors' meeting, the presence in person or by proxy of a majority of the Board of Directors shall constitute a quorum. Any director may participate in a meeting through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is considered present in person at the meeting.

BYLAWS

6.16. Once a quorum is established, the Board of Directors may act upon the affirmative vote of a majority of Board of Directors present.

6.17 Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if the action is taken by all Board of Directors. The action must be evidenced by one or more written consents describing the action taken, be signed (by regular or electronic signature) by each director, and filed in the corporate records.

6.18 The Board of Directors' shall not receive any monetary compensation, except that they shall be reimbursed for any out-of-pocket expenses incurred while acting in their official capacity for their services as directors on the Board of Directors.

6.19 The director who acts in good faith on behalf of the Association:

- A. Shall not be liable to the owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith;
- B. Shall have no personal liability in contract to an owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such;
- C. Shall have no personal liability in tort to any owner or any person or entity, except for their own willful misconduct or bad faith;
- D. Shall have no personal liability arising out of the use, misuse or condition of the property which might in any way be assessed against or imputed to them as a result of or by virtue of their capacity as such.

ARTICLE VII

Assessments and Fees

7.1 The Association, acting through the Board of Directors, shall have the power to levy annual assessments on its Members.

7.1.1 The assessments may be used for any purpose allowed under the Declaration.

7.1.2 The assessment may not be increased in any given year by more than 25% without the approval of 2/3 of the membership interests present in person or by proxy at a meeting.

7.1.3 The Board of Directors shall mail notice of the annual assessment to each Lot owner at his or her address of record. Only one notice need to be given each year.

7.2 The Association, acting through the Board of Directors, shall have the power to establish and charge fees for weed maintenance provided to Lot owners, for storing recreational vehicles and other excess vehicles, for providing an area for horses in the equine facility, for users of the equine facility, for granting Local Usage Passes, to lease out the equine facility or community center for short-term use, and for any other reason permitted by the Declaration, the Bylaws, or the Rules and Regulations.

7.2.1 The fees may be used in any manner that the Board of Directors, in its discretion, believes benefits the Association.

7.2.2 Fees are due in an amount and on the date established by the Board of Directors.

7.3 The Association, acting through the Board of Directors, shall have the power to charge a review fee of \$250.00, or such other amount as may be set forth in the Declaration or any amendments therefore, which shall be submitted with site plans and specifications. No request for review will be deemed submitted until the review fee is paid. The fee may be used in any manner that the Board of Directors, in its discretion, believes benefits the Association.

ARTICLE VIII

Enforcement

8.1 For any violation or threatened violation of the Declaration, Bylaws, or Rules or Regulations, the Board of Directors or any owner may:

(A) Bring a legal proceeding for monetary, injunctive, or other relief and damages; and/or

(B) Serve written notice on the persons or entity violating the Declaration, Bylaws, or Rules and Regulations.

8.2. Notice.

(A) The notice shall specify the offense, identify the location, and demand compliance with the Declaration, Bylaws, or Rules and Regulations; and

(B) The notice shall be posted at a conspicuous place on the Lot owner's Lot, and a copy of the notice shall be mailed by certified mail, return receipt requested, to the Lot owner's last known address.

(C) An Owner may contest the notice by submitting a written response to the Board of Directors, which response shall include all of the reasons why a violation has not occurred, and which shall include all documentary evidence in support of the Owner's position.

- (D) The Board of Directors will consider the Owner's response and determine whether it still believes a violation has occurred.

8.3 Time to comply.

(A) First Notice. The Lot owner shall have 30 days from the date the notice is posted and mailed to fully rectify the violation. If the violation is not fully rectified, the Lot Owner shall be fined \$250.00.

(B) Second Notice. The Lot Owner shall have 15 days from the date the second notice is posted and mailed to fully rectify the violation and to pay the fine. If the violation is not fully rectified and the fine is not completely paid, then on the 16th day the fine will be increased to \$500.00. The Lot Owner shall have 7 more days to fully rectify the violation and pay the fine.

(C) Third and Subsequent Notices. Until the Lot owner has fully complied with the Declaration, Bylaws, and Rules and Regulations, the Board of Directors may, at its discretion, continue to post and send additional notices to the Lot Owner specifying the fine and the date in which the violation must be rectified and the fine paid.

8.4 If any legal proceeding is initiated, or if any notice of violation is served, the Association has the right to lien the Lot owner's property for all unpaid assessments, fees, fines, attorney fees, other costs, and interest on all outstanding amounts owed at the rate of 12% per annum, and to foreclose the lien against the lot in the manner set forth under Montana law for the foreclosure of liens against real property. Such lien shall be superior to all other liens and encumbrances, except for tax and special assessment liens placed by a statutory authority, other statutory liens, and the lien of any first mortgage or a first trust indenture of record.

8.5 Such lien shall attach from the date the assessment becomes due, the date the notice of non-compliance is first served, or the date the lien is filed, whichever happens first.

8.6 The Association may also bring an action against the Owner personally obligated to pay all such amounts.

8.7 Any amount that remains unpaid at the time a Lot is purchased by or transferred to a successive owner, the successive owner shall also be the personal obligation of any successive owner, regardless of the fact that the amount first became due while the Lot was owned by a prior owner. Every successive owner has a duty to contact the Association's Board of Directors before taking title to a Lot to learn if there are any unpaid amounts due on the Lot or against the prior owner.

8.8 In addition to the remedies outlined in this Amended Bylaws, the Association reserves the right to assert and/or pursue any other remedy in which it may be entitled to under the

Declaration or at law or in equity.

ARTICLE IX

Severability

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

ARTICLE X

Interpretation and Amendment

10.1 The Board of Directors shall have the power to interpret all of the provisions of these Bylaws and such interpretation shall be binding on all persons.

10.2 These Bylaws may be amended from time to time whenever at least 51% of the membership interest eligible to vote shall have voted in favor of such amendment.

THESE AMENDED BYLAWS were adopted by 51% or more of the membership interests of Pronghorn Meadows Homeowners' Association on the 22nd day of APRIL, 2015

PRONGHORN MEADOWS HOMEOWNERS' ASSOCIATION

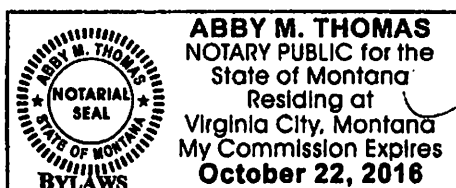
By: [Signature]
Chair
Board of Directors

4/22/15
Date

STATE OF MT)
) :ss.
County of Madison)

On this 22 day of April, 2015, before me, the undersigned, a Notary Public of the State of MT, personally appeared Steve Adams, known to me to be the person that executed the within instrument and acknowledged to me he/she executed the same, in the representative capacity indicated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



[Signature]
NOTARY PUBLIC for the State of MT
Residing at Virginia City, MT
My Commission Expires 10/22/16

~~My Commission expires~~ _____

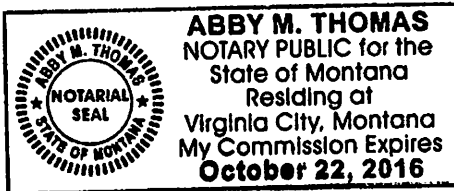
PRONGHORN MEADOWS HOMEOWNERS' ASSOCIATION

By: Cynthia A. Adams Date 4/22/15
Secretary
Board of Directors

STATE OF MT)
) :ss.
County of Madison)

On this 22 day of April, 2015, before me, the undersigned, a Notary Public of the State of MT, personally appeared Cynthia A. Adams, known to me to be the person that executed the within instrument and acknowledged to me he/she executed the same, in the representative capacity indicated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



[Signature]
NOTARY PUBLIC for the State of MT
Residing at Virginia City, MT
My Commission expires 10-22-16