

BYLAWS

OF

PONDEROSA PINES RANCH PROPERTY OWNERS ASSOCIATION, INC.

a Non-Profit Corporation

ARTICLE I. OFFICES

Section 1.1 Business Office

The principal office and place of business of the corporation shall be located at the direction of the board of directors on the Ponderosa Pines Subdivision. The corporation may have such other offices, either within or without the State of Montana, as the board of directors may determine from time to time. The board of directors may designate the location of other offices. The secretary of the corporation shall maintain a copy of the records required herein at the principal office.

Section 1.2 Registered Office

The corporation's registered office shall be located within Montana at the address of the corporation's registered agent. The location of the registered office may be, but need not be, identical with that of the principal office if the latter is located within Montana. The board of directors may change the registered agent and the address of the registered office from time to time, upon filing the appropriate statement with the Secretary of State.

ARTICLE II. MEMBERS

Section 2.1 Membership

(a) *Membership.* Membership in the corporation may be held by an individual, a group of household members, a corporation, or other entity. If membership is held by a household, corporation or other entity, the entity or group shall be considered one member. Each member (subject to restrictions herein) shall be entitled to one vote on any business matter which shall lawfully come before the members. If a membership stands of record in the names of two or more persons, then the vote of one name shall bind all other names on that one membership. Each member shall be eligible for benefits that the board of directors shall determine from time to time.

(b) *Membership Admission.* Those persons and entities described below as “lot owners” and

“lot purchasers” and their successors in interest are and shall be Members of the Association.

Lot Owners are those persons or entities to whom title to the lot(s) vests in their name(s).

“Lot Purchasers” are those persons or entities who have entered into a Contract for Deed or other contract with the lot owner to purchase one or more lots in the Subdivision, but to whom a Warranty Deed for the lot(s) has not been delivered by the lot owner(s).

“Members in Good Standing” shall be those Members, as determined by the Association’s records, who are current on their Annual and any Special Assessments, and who have no “Past Due” balance on their Association Account, as the term is defined hereafter.

(c) *Classes of Members.* Lot Owners are and shall be Class A Members. Lot Purchasers are and shall be Class B Members.

Section 2.2 Voting Rights

(a) *Voting rights by Class membership.* Class A Members shall for each lot owned have one vote for members of the board of directors and for all other issues upon which votes shall be taken so long as they are members in Good Standing.

Class B Members shall have no vote but shall have all other rights, privileges and duties of members.

Consistent with Class A Members, the Developer shall have one vote on each matter subject to a vote for each lot of the Subdivision for which title vests in the Developer.

(b) *Multiple ownership of a lot.* Where there is more than one person or entity who own(s) any individual lot of the Subdivision, the person or entity whose name first appears in the Warranty Deed shall be entitled to exercise the vote attributable to such lot UNLESS all of the persons or entities, collectively named in the Warranty Deed as owner(s) shall exercise such vote or shall designate in writing prior to exercising such vote a person or entity different from that above described.

(c) *Actions subject to vote.* No action shall be taken nor be binding upon the Association unless:

a. The matter shall have been duly noticed for action in the call for the meeting or in these By-Laws; and

b. The action shall have been affirmatively voted upon by a majority of those Members entitled to vote who were present in person or by proxy at the meeting; or the Board of Directors was authorized by such vote of the members to take such action; and

c. There was a quorum present, in person or by proxy, at said meeting, the quorum comprising the owners and purchasers of at least ten percent (10%) of the lots of the Subdivision.

(d) *Proxies and Written Ballot.* Any member entitled to vote may do so in person or by proxy or by written ballot. No proxy shall be deemed valid for more than eleven months after the date of execution thereof unless otherwise provided in the proxy instrument. All proxies must be in writing and an original presented to the secretary of the corporation at least fifteen days prior to any vote being taken to be effective for that vote. Voting by proxy or by written ballot shall be in accordance with paragraphs 2.15 and 2.16, following.

Section 2.3 Termination of Membership

Immediately upon the transfer of a lot owners legal or equitable title to a lot subject to the Ponderosa Pines Subdivision protective covenants, as they exist or as they are amended, he/she shall be deemed to have transferred his/her membership as to that lot to the grantee(s).

The corporation may suspend or terminate a member from voting in the corporation if the board of directors has made a good faith determination that it is in the best interests of the corporation to do so. In addition, the corporation may only suspend or terminate a member from voting in the corporation pursuant to the following procedure, which shall be carried out in good faith. The procedure provides:

- (1) the corporation must, by first class mail, give the member written notice of the suspension or termination of voting privileges not less than 15 days prior to the effective date of the proposed action and an explanation of the reasons for it; and
- (2) an opportunity for the member to be heard, orally or in writing, not less than 5 days before the effective date of the suspension or termination of voting privileges by a person or persons authorized to decide that the proposed suspension or termination not occur; or
- (3) the board of directors may conduct the hearing, or in its sole discretion, may allow a committee of the board of directors or a committee of members, to hold the hearing and make the determination.

Notwithstanding the above provisions, the corporation shall consider a members voting rights terminated if (1) the board of directors has established annual dues and the member fails to make the payment of annual dues within 30 days of the due date or (2) the member has transferred his/her/its interest in his/her/its lot to another party.

Section 2.4 Resignation

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So long as a member has a legal or equitable ownership in a lot subject to the Ponderosa Pines Subdivision protective covenants, he/she may not resign as a member of this Association.

Section 2.5 Transfer of Membership

Membership in this corporation is not transferrable or assignable.

Section 2.6 Dues

The board of directors may determine that annual membership dues shall be paid by each member. The board of directors may establish a different amount of dues to be paid by different types of membership (i.e. residential and vacant lot owners); however, regardless of amount of dues paid by a member, each member shall only be entitled to one vote. If dues are required, the board of directors may terminate members from voting for non-payment of annual membership dues. The board may (but is not required to) notify members of nonpayment of dues and may provide a grace period in which to pay dues.

Section 2.7 Annual Membership Meeting

(a) *General* The annual meeting of the members shall be held at the Firehall located on the Ponderosa Pines Subdivision at Three Forks, Montana, or such other place as may be designated in writing thirty (30) days prior to the meeting date. The meeting will be held on last Friday in August of each year at 7:00 P.M., beginning with August 31, 2001, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall fall on a weekend or holiday, the annual meeting shall be held on the next succeeding business day. If the election of directors is not held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as is convenient.

Whether specified in the notice, or not, the following reports shall be presented to the Members at the annual meeting:

- a. The president and treasurer shall report on the activities and financial condition of the corporation.
- b. Budget for the forthcoming year with identification of the proposed expenditures for the forthcoming year and anticipated revenues.
- c. Such additional reports as shall be determined by the board of directors to be presented.

(b) *Electronic presence.* The board of directors may allow members to be present and participate at an annual meeting by means of electronic device, at the expense of the member(s) desiring to be present.

Section 2.8 Special Membership Meetings

(a) *Who May Call.* Special meetings of the members may be called by the President, the Board of Directors, or by members upon submitting a signed petition of at least ten percent (10%) of the members calling for a special meeting, at a time and place designated by the Board of Directors. If no designation is made, the place of meeting shall be the principal office of the corporation in the State of Montana. If all members shall meet at any time and place, either within or without the State of Montana, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken. Any action required or permitted to be approved by the members may be approved without a meeting of members if the action is approved by members holding at least 50% of the voting power. The action must be evidenced by one or more written consents that describe the action taken, be signed by those members representing at least 50% of the voting power, and be delivered to the corporation for inclusion in the minutes or filing with the corporate records.

(b) *Electronic presence.* The board of directors may allow members to be present and participate at a special meeting by means of electronic device, at the expense of the member(s) desiring to be present.

Section 2.9 Place of Membership Meeting

The board of directors may designate any place within the county in Montana where the principal office is located as the meeting place for any annual or special meeting of the members. The members may change the meeting place if all the members entitled to vote at the meeting agree by written consents to another location. The written consents may be in the form of waiver of notice or otherwise. The new location must be within the State of Montana. If the board of directors do not designate a meeting place, then the members shall meet at the principal office of the corporation in Montana.

Section 2.10 Notice of Membership Meeting

(a) *Required notice.* The secretary of the corporation shall deliver notice of the membership meeting to each record member.

(b) *Manner of Communication.* Notice stating the place, day and hour of any meeting of members shall be delivered either personally or by mail, to each member entitled to vote at such meeting, not less than thirty (30) or more than sixty (60) days before the meeting date.

The secretary of the corporation may deliver to members notice of the membership meeting by a separate written notice, through a regular publication, or by a newsletter of the corporation. The notice must be given in a fair and reasonable manner: it must be in writing (unless given by public broadcast) and state the place, day and hour of any annual or special membership meeting. If the meeting will be held by electronic media, the notice shall indicate the identification for the use of that electronic media. If the board of directors determine that separate written notice or notice by a regular publication or a newsletter of the membership meeting is impracticable, the secretary of the

corporation may give notice of the membership meeting by means of a newspaper of general circulation in the area where it is published, or by radio, television or other form of public broadcast.

(c) *Contents of Notice.* Unless the Montana Nonprofit Corporation Act, requires it, the notice of an annual membership meeting need not include a description of the meeting's purpose or purposes. However the notice of each special membership meeting shall include a description of the meeting's purpose or purposes.

Regardless of whether the notice is of an annual or special membership meeting, if a purpose of the meeting is for the members to consider either:

- (1) a proposed amendment to the articles of incorporation (including any restated articles requiring member approval);
- (2) a plan of merger;
- (3) the sale, lease, exchange or other disposition of all, or substantially all of the corporation's property;
- (4) the dissolution of the corporation; or
- (5) the removal of a director,

then the notice must state this purpose and be accompanied by a copy or summary, if applicable, of the:

- (1) amendment to articles;
- (2) plan of merger; or
- (3) transaction for disposition of all the corporation's property.

Likewise, if the corporation indemnifies or advances expenses to a director as defined by the Montana Nonprofit Corporation Act the secretary shall report this information in writing to all the members with or before notice of the next membership meeting.

(d) *Effective Date.* The secretary shall deliver the notice, either personally, by mail, by newspaper, or public broadcast not less than 30 nor more than 60 days before the date of the meeting. Notice shall be deemed to be effective at the earlier of the following:

- (1) the date when the notice was deposited in the United States mail, if mailed postpaid and correctly addressed to the member at the member's address as it appears on the corporation's record books; or
- (2) the date shown on the return receipt (if sent registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee); or
- (3) the date when received, published, or broadcast; or

(4) the date 5 days after deposit in the United States mail, if mailed postpaid and correctly addressed to an address other than that shown in the corporation's current member record book.

(e) *Adjourned Meeting.* If the members adjourned any membership meeting to a different date, time, or place, the secretary need not give notice of the new date, time and place, if the new date, time, and place is announced at the meeting before adjournment. But if the board of directors fix a new record date for the adjourned meeting, or must fix one, then the secretary must give notice, in accordance with the requirements of this section, to those persons who are members as of the new record date.

(f) *Waiver of Notice.* A member entitled to a notice may waive notice of the meeting (or any notice required by the Montana Nonprofit Corporation Act or bylaws), by a writing signed by the member. The member must send the notice of waiver to the corporation (either before or after the date and time stated in the notice) for inclusion in the minutes or filing with the corporate records.

A member's attendance at a meeting:

- (1) waives the member's right to object to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.
- (2) waives the member's right to object to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.

Section 2.11 Conduct of Membership Meetings

(a) *Conduct of Meeting.* The president, or in the president's absence, the vice-president, or in their absence, the secretary, or in the secretary's absence the treasurer shall call the membership meeting to order and shall act as the chairperson of the meeting. The chairperson (or a person designated by the chairperson) shall establish rules of the meeting that will freely facilitate debate and decision making. The chairperson will indicate who may speak when and when a vote will be taken. The secretary of the corporation shall act as the secretary of all meetings of the members, but in the secretary's absence, the presiding officer may appoint any other person to act as the secretary of the meeting.

(b) *Order of Business.* The order of business at a membership meeting shall be as follows:

- (1) call to order,
- (2) reading of prior minutes,
- (3) election of directors, if that is the purpose of the meeting,
- (4) business specified by the notice,
- (5) unfinished business,

- (6) new business,
- (7) adjournment.

At the annual meeting, the president and treasurer shall report on the activities and financial condition of the corporation.

Section 2.12 Fixing of Record Date

(a) *Purpose of Fixing a Record Date.* The board of directors may fix in advance a date, referred to as the record date, for the purpose of determining which members of any voting group, as of a certain date, are entitled to receive notice of a member meeting. The board of directors may also fix this record date for the purpose of determining which members of any voting group are entitled to vote at any meeting of members. The board may also fix a record date to determine which members may exercise any rights or which members belong in a group for any other proper purpose. The record date shall not be more than 70 days prior to the date on which the particular action, requiring a determination of members, is to be taken.

(b) *If No Record Date Is Fixed.* If the board of directors does not fix a record date for the purposes described in paragraph (a) of this section, then the record date for determination of the members shall be at the close of business on one of the following:

- (1) With respect to an annual membership meeting or any special membership meeting properly called by the board or president, the day preceding the day on which the secretary of the corporation delivers the first notice to the members;
- (2) With respect to a special membership meeting demanded by the members, the date the first member signs the demand;
- (3) With respect to actions taken without a meeting pursuant to Article II, section 2.16), the date the first member signs a consent;
- (4) With respect to a meeting for which notice was waived, the day preceding the day on which the meeting is held.

(c) *Adjournment.* In the event of an adjournment, the board of directors may fix a new record date. The board of directors must fix a new record date if the meeting is adjourned to a date more than 70 days after the date fixed for the original meeting.

Section 2.13 Membership List

(a) *Contents of List.* After the board fixes a record date for notice of a meeting, the officer or agent maintaining the corporation's record books shall prepare a complete record of the members entitled to notice of the meeting. The record shall include the address of each member.

(b) *Inspection.* The membership list must be available for inspection by any member, beginning 2 business days after the secretary gives notice of the meeting for which the list was prepared. The list will continue to be available throughout the meeting. The list shall be located for inspection at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting is to be held. A member, the member's agent, or attorney is entitled on written demand to inspect the list. The member shall be responsible for any reasonable inspection expenses. The corporation shall maintain the membership list in written form or in another form capable of conversion into written form within a reasonable time.

(c) *Limitations on Use of Membership List* Without consent of the board, a membership list or any part of it may not be obtained or used by a person for any purpose unrelated to a member's interest as a member. This prohibition against use of membership list for unrelated purposes includes but is not limited to:

- (1) using the list to solicit money or property unless the money or property will be used solely to solicit the votes of members in an election to be held by the corporation;
- (2) using the list for any commercial purpose; or
- (3) the selling or purchasing of the list.

Section 2.14 Membership Quorum and Voting Requirements

(a) *Quorum.* Ten percent (10%) of the votes entitled to be cast on a matter must be represented at a meeting of members to constitute a quorum on that matter. Once a vote is represented for any purpose at a meeting, the corporation shall deem it present for quorum purposes for the remainder of the meeting and for any adjournment of the meeting unless a new record date is or must be set for that adjourned meeting.

(b) *Voting.* If a quorum exists, and the votes cast in favor of an action (other than the election of directors) constitute a majority of the required quorum, then the corporation shall consider the action on a matter approved.

Section 2.15 Membership Action by Written Ballot

(a) *Authority.* Members may take any action without a meeting if action by ballot is authorized by the board of directors and the corporation delivers a written ballot to every member entitled to vote on that matter.

(b) *Contents.* A written ballot must set forth each proposed action and provide the members with an opportunity to vote for or against each proposed action.

(c) *Approval.* The corporation shall consider an action by written ballot approved only when: the number of votes cast by ballot equals or exceeds the quorum that the bylaws require to

be present at a meeting authorizing the action; and the number of approvals equals or exceeds the number of votes that the bylaws require to approve the matter at a meeting.

(d) *Solicitations.* All solicitations made in advance of the meeting for votes by written ballot must: indicate the number of responses needed to meet the quorum requirements, state the percentage of approvals necessary to approve each matter other than election of directors, and specify the time by which a ballot must be received by the corporation to be counted.

(e) *Revocation.* A written ballot may not be revoked.

Section 2.16 Proxies

At all membership meetings, a member may vote in person, or by proxy. The member may appoint a proxy to vote by signing an appointment form, either personally or by attorney-in-fact. The corporation shall consider a proxy appointment valid if made in writing and filed with the secretary of the corporation at least 30 days before the time of the meeting. No proxy shall be valid after 11 months from the date it was made, unless otherwise provided in the proxy.

Section 2.17 Corporation's Acceptance of Votes

(a) *When Signature Corresponds to Member's Name.* If the name signed on a vote, ballot, consent, waiver, or proxy appointment corresponds to the name of a member, the corporation if acting in good faith is entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the member.

(b) *When Signature Doesn't Correspond to Member's Name.* If the name signed on a vote, consent, waiver, or proxy appointment does not correspond to the name of its member, the corporation if acting in good faith is nevertheless entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the member if:

- (1) the member is an entity as defined in the Montana Nonprofit Corporation Act and the name signed purports to be that of an attorney-in-fact of the member and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the member has been presented with respect to the vote, consent, waiver, or proxy appointment;
- (2) the name signed purports to be that of an attorney-in-fact of the member and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the member has been presented with respect to the vote, consent, waiver, or proxy appointment;

(3) two or more persons hold the membership as households, cotenants or fiduciaries and:

- (i) the name signed purports to be the name of at least one of the coholders; and
- (ii) the person signing appears to be acting on behalf of all the coholders.

(c) *Doubt About Validity of Signature.* The corporation is entitled to reject a vote, ballot, consent, waiver, or proxy appointment if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the member.

(d) *No Liability.* The corporation and its officer or agent who accepts or rejects a vote, ballot, consent, waiver, or proxy appointment in good faith and in accordance with the standards of this section are not liable in damages to the member for the consequences of the acceptance or rejection.

Section 2.18 Corporate Records

(a) *Minutes and Accounting Records.* The corporation shall keep a permanent record of the minutes of all meetings of its members and board of directors, a record of all actions taken by the members or board of directors without a meeting, and a record of all actions taken by a committee of the board of directors acting in place of the board and on behalf of the corporation. The corporation shall maintain appropriate accounting records.

(b) *Membership List.* The corporation shall maintain a record of the members' names and addresses. The membership list shall indicate each member is entitled to one vote.

(c) *Form.* The corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(d) *Other Records.* The corporation shall keep a copy of the following records at its principal office or at a location from which the records may be recovered within 2 business days:

- (1) its articles or restated articles of incorporation and all amendments to them currently in effect;
- (2) its bylaws or restated bylaws and all amendments to them currently in effect;
- (3) resolutions adopted by its board of directors;
- (4) the minutes of all membership meetings, and records of all actions taken by members without a meeting, for the past 3 years;
- (5) the financial statement furnished for the past 3 years to the members;

- (6) a list of the names and business addresses of its current directors and officers; and,
- (7) its most recent annual report delivered to the Secretary of State.

Section 2.19 Member's Rights to Inspect Corporate Records

(a) *Absolute Inspection Rights of Records by Members.* A member (or a member's agent or attorney) is entitled to inspect, at a reasonable time and location specified by the corporation, any of the records of the corporation described herein. The member must give the corporation written notice or a written demand to inspect at least 15 days before the date on which the member wishes to inspect.

(b) *Conditional Inspection Right.* The member (or the member's agent or attorney) may inspect, at a reasonable time and reasonable location specified by the corporation, additional records if the member meets the following criteria:

- (1) the member must give the corporation a written demand to inspect made in good faith and for a proper purpose at least 15 business days before the date on which the member wishes to inspect; and
- (2) the member must describe with reasonable particularity:
 - (i) the member's purpose and
 - (ii) the records that the member desires to inspect; and
- (3) the corporation must approve that the records are directly connected with the member's purpose.

(c) *Additional Records.* If the member meets the requirements herein, the member may inspect:

- (1) excerpts from minutes of any meeting of the board of directors, records of any action of a committee of the board of directors acting on behalf of the corporation, minutes of any meeting of the members, and records of action taken by the members without a meeting, to the extent not subject to inspection herein;
- (2) accounting records of the corporation; and
- (3) subject to provisions herein, the membership list.

(d) *The Right to Copy and Costs.* The corporation shall allow members to copy any records of the corporation required by the Montana Non Profit Act. The member, upon giving the proper notice, shall be provided with the documents and may indicate by appropriate sticker device, which corporate documents they desired copied. The corporation may copy the documents at the rate of \$30.00 per hour or may deliver the documents to a business that deals in photocopying and shall charge the charge assessed by that business plus \$30 per hour for the time to compile and deliver the documents to that business.

ARTICLE III. BOARD OF DIRECTORS

Section 3.1 General Powers

All corporate powers shall be exercised by or under the authority of the board of directors. The business and affairs of the corporation shall be managed under the direction of the board of directors.

Section 3.2 Number, Tenure, and Qualifications of Directors

(a) *Number of Directors.* The initial number of directors shall be five (5), but additional directorship positions may be added by majority vote of the members. Directors shall be elected at the annual meeting of the members, and the term of office of each director shall staggered so that not all of the directors are subject to election in any one year. At no time shall the number of directors be less than three (3). However, if the director's term expires, the director shall continue to serve until the members have elected and qualified a successor or until there is a decrease in the number of directors. Directors need not be residents of Montana.

(b) *Qualifications.* Directors must at all times meet the following qualifications:

1. A Director must be a Member in Good Standing.
2. A Director cannot be a party named in a current Covenant Violation or Delinquent Assessment enforcement action, litigation, or lawsuit brought by the Association or its' assigns.
3. On being elected, a Director must commit in writing to uphold and enforce the recorded covenants, as they exist and as they may be amended, of the Ponderosa Pines Ranch Subdivision as described in "Amended Declaration of Covenants, Conditions, and Restrictions and the "By-Laws of Ponderosa Pines Ranch Property Owners Association, Inc.," and to actively discharge his/her duties for this corporation.

No Member may stand for election to the Board of Directors, who is not in compliance with items "a" and "b" above at the time the annual meeting is announced and/or at the time the election is held, nor may they be appointed to fill a vacancy on the Board of Directors, if at the time of their appointment, they are not in compliance with items "a" and "b" above.

(c) *Tenure.* The Directors shall each hold office for three years, except that at the first election of Directors following the adoption of these By-Laws, and depending on the number of positions up for election, the person receiving the first, second and third largest number of votes as Directors at large shall hold office as Directors, respectively, for three years, two years and one year. If four or more Director positions are up for election at the first annual meeting following the adoption of these By-Laws, the person receiving the lowest number of votes will serve for one year, the persons receiving the second and third lowest number of votes will serve for two years, and all other persons elected at that time will serve for three years. However, if the director's term expires, the director shall continue to serve until the members have elected and qualified a successor or until there is a decrease in the number of directors.

Section 3.3 Removal of Directors

A director may be removed, with or without cause, if a majority of the members of the board of directors present at a duly constituted meeting votes for the removal. Likewise, a director may be removed by the members by a two-thirds majority vote present at a duly constituted meeting to remove directors. Removal is effective only if it occurs at a meeting called for that purpose. Notice must be sent to all members and directors that a purpose of the meeting is removal.

Section 3.4 Board of Director Vacancies

If a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors, the directors may fill the vacancy.

If the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

If a director resigns effective at a specific later date, the directors may fill the vacancy, before the vacancy occurs, but the new director may not take office until the vacancy actually occurs.

When the directors elect a director to fill a vacancy, the director's term expires at the next membership meeting at which members elect directors.

Section 3.5 Ex-Officio Members of the Board

The officers and executive directors or managers of the corporation shall serve as non-voting, ex-officio members of the board. They are members by virtue of their office. Each ex-officio member officer or director may attend board meetings and participate in discussion; however, each ex-officio member shall be entitled to one vote only if the individual is a regularly elected or appointed board member.

Section 3.6 Regular Meetings of the Board of Directors

The board of directors shall hold a regular meeting immediately after, and at the same place as, the annual membership meeting. No notice of the meeting other than this bylaw is required. The board of directors may provide, by resolution, the date, time and place (which shall be within the county where the company's principal office is located) of additional regular meetings. Regular board of director meetings may be held by electronic media.

Section 3.7 Special Meetings of the Board of Directors

The presiding officer of the board, the president, or 20% of the directors then in office may call and give notice of special meetings of the board of directors. Those authorized to call special board meetings may fix any place within the county where the corporation has its principal office as the special meeting place. Special board of director meetings may be held by electronic media.

Section 3.8 Board of Director Meetings by Electronic Media

If, authorized by the board of directors, the board of directors or any designated committee of the corporation may participate in a board or committee meeting by means of electronic media, such as a telephonic conference call, or video conferencing, or similar communications equipment, provided all persons entitled to participate in the meeting received proper notice of the electronic meeting, and provided all persons participating in the meeting can hear each other at the same time. A director participating in electronic conferencing is deemed present in person at the meeting. The chairperson of the meeting may establish reasonable rules as to conducting the meeting by electronic media.

Section 3.9 Notice of, and Waiver of Notice for, Special Director Meetings

(a) *Notice.* The corporation's secretary shall give either oral or written notice of any special director meeting at least 2 days before the meeting. The notice shall include the meeting place, day and hour. If the meeting is to be held by electronic media, (regardless of whether it is regular or special), the secretary must provide instructions for participating in the electronic conferencing.

(b) *Effective Date.* If mailed, notice of any director meeting shall be deemed to be effective at the earlier of:

- (1) 5 days after deposited in the United States mail, addressed to the director's business office, with postage prepaid; or
- (2) the date shown on the return receipt (if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the director); or
- (3) the date when received.

(c) *Waiver of Notice.* Any director may waive notice of any meeting. The waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records.

A director's attendance at a meeting waives the director's right to object to lack of notice or defective notice of the meeting; this shall be true unless the director, at the beginning of the meeting (or promptly upon arrival), objects to holding the meeting or transacting business at the meeting, and does not vote for or assent to action taken at the meeting.

Neither the secretary nor director needs to specify in the notice or waiver of notice the business to be transacted at, or the purpose of, any special board meeting.

Section 3.10 Director Quorum

A majority of the number of directors shall constitute a quorum for the transaction of business at any board of director meeting.

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Section 3.11 Directors, **Manner of Acting**

(a) *Required Number to Constitute Act.* The act of a majority of the directors present at a meeting at which a quorum is present (when the vote is taken) shall be the act of the board of directors. If no quorum is present at a meeting of directors, the directors may not take action on any board matter other than to adjourn the meeting to a later date.

(b) *Director Approval.* The corporation shall deem a director to have approved of an action taken if the director is present at a meeting of the board unless:

- (1) the director objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting; or
- (2) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or
- (3) the director delivers written notice of dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

Section 3.12 Conduct of Board of Director Meetings

The president, or in the president's absence, the vice-president, or in their absence, any person chosen by the directors present shall call the meeting of the directors to order and shall act as the chairperson of the meeting. The chairperson, or the chairperson's designee, shall establish rules of the meeting that will freely facilitate debate and decision making. The chairperson will indicate who may speak when and when a vote will be taken. The secretary of the corporation shall act as the secretary of all meetings of the directors, but in the secretary's absence, the presiding officer may appoint any other person to act as the secretary of the meeting.

Section 3.13 Director Action Without a Meeting

The directors may act on any matter generally required or permitted at a board meeting, without actually meeting, if: all the directors take the action, each one signs a written consent describing the action taken, and the directors file all the consents with the records of the corporation. Action taken by consents is effective when the last director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be referred to as a meeting vote in any document.

Section 3.14 Director Committees

(a) *Creation of Committees.* The board of directors may create one or more committees and appoint members of the board to serve on them. Each committee must have 2 or more directors, who serve at the pleasure of the board of directors.

(b) *Selection of Members.* To create a committee and appoint members to it, the board must acquire approval by the majority of all the existing directors when the action is taken.

(c) *Required Procedures.* Sections 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13 and 3.14 of this Article III, which govern meetings, notice and waiver of notice, quorum and voting requirements, conduct of the board of directors, and action without meetings apply to committees and their members. In addition, the committees shall keep regular minutes of their proceedings and report the same to the board of directors. The committees are subject to all the procedural rules governing the operation of the board itself.

(d) *Authority.* Each committee may exercise the specific board authority which the board of directors confers upon the committee in the resolution creating the committee. Provided, however, a committee may not:

- (1) approve or recommend to members dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the corporation's assets;

(2) elect, appoint, or remove directors or fill vacancies on the board of directors or on any of its committees; or

(3) adopt, amend, or repeal the articles or bylaws.

(e) *Audit Committee*. The board of directors, by resolution adopted by the affirmative vote of a majority of the directors then in office, may create an audit committee consisting of 3 or more directors designated by the board of directors, but not employed by the corporation. The committee shall have the power to appoint, oversee, and assist accountants or auditors in any audit or review of the records of the corporation.

Section 3.15 Compensation, Loans to, or Guarantees for Directors

(a) *Director Compensation*. The board of directors may, upon approval of the majority of that board, pay each director expenses, if any, of attendance at each board meeting or committee meeting of the board. The directors shall not be paid a salary or fee for attending the meeting. A director may, however, serve the corporation as an employee and receive compensation.

(b) *Loans to or Guaranties for Directors*. The corporation may not lend money to or guarantee the obligation of a director of the corporation.

Section 3.16 Standard of Conduct

A Director shall discharge his duties as a Director, including his duties as a member of a committee in good faith and with the care an ordinarily prudent person in a similar position would exercise under similar circumstances and in a manner the director reasonably believes to be in the best interests of the corporation. In discharging his duties, a director is entitled to rely on information, opinions, reports, or statements, including the financial statements and other financial data, if prepared or presented by one or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented; or an attorney, public accountants, or other persons with regard to matters the director reasonably believes are within the person's professional or expert competence; or a committee of the board of which the director is not a member, as to matters within its jurisdiction, if the director reasonably believes the committee merits confidence.

A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance set forth above unwarranted.

A director is not liable to the corporation, any member, or any other person for any action taken or not taken as a director if the director acted in compliance with this paragraph.

Section 3.17 Conflict of Interest

A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair at the time it was entered into or is approved by the corporation. A director has an indirect interest in a transaction if another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction; or another entity of which the director is a director, officer, or trustee is a party to the transaction. A conflict of interest transaction is authorized, approved, or ratified, if it receives the affirmative vote of a majority of directors on the board or on the committee who have no direct or indirect interest in the transaction.

Section 3.18 Specific Duties of the Board of Directors

It shall be the duty of Directors to uphold and enforce the protective covenants of Ponderosa Pines Subdivision as they now exist and as they shall be amended, to follow the provision of this corporation as expressed in the Articles of Incorporation, By Laws, and Resolutions of the Board of Directors, and to establish the policies and programs of this Corporation to further the purpose of this Corporation.

ARTICLE IV. OFFICERS

Section 4.1 Number of Officers

The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer. The board of directors shall appoint each of these officers. The board may appoint other officers and assistant officers, including a vice-president, if it deems it necessary. If the board of directors specifically authorizes an officer to appoint one or more officers or assistant officers, the officer may do so. The same individual may simultaneously hold more than one office in the corporation.

Officers must at all times comply with the following qualifications:

- a. An Officer must be a Member in Good Standing.
- b. An Officer cannot be a party named in a current Covenant Violation or Delinquent Assessment enforcement action, litigation or lawsuit brought by the Association or its assigns.
- c. Upon being appointed, an Officer must commit in writing to uphold and enforce the protective covenants of Ponderosa Pines Subdivision, as they exist and as they may be amended, and the Articles of Incorporation, By laws, and Resolutions of the Board of Directors of this Corporation.

Section 4.2 Appointment and Term of Office

The board of directors shall appoint officers of the corporation for a term that the board determines. If the board does not specify a term, the officers shall hold office for one year or, within that year, until they resign, die or are removed in a manner provided in section 4.3 of Article IV.

A designation of a specified term does not grant to the officer any contract rights, and the board can remove the officer at any time prior to the termination of the designated term.

Section 4.3 Removal of Officers

The board of directors may remove any officer or agent any time, with or without cause. The removal shall be without prejudice to the contract rights, if any, of the person removed. A board's appointment of an officer or agent shall not of itself create contract rights.

Section 4.4 President

The president shall be the principal executive officer of the corporation. The president shall be subject to the control of the board of directors, and shall in general supervise and control, in good faith, all of the business and affairs of the corporation. The president shall, when present, preside at all meetings of the members and of the board of directors. The president may sign, with the secretary or any other proper officer of the corporation that the board has authorized, corporation deeds, mortgages, bonds, contracts, or other board authorized instruments.

Section 4.5 The Vice-President

If the board of directors appoints a vice-president, the vice president shall perform, in good faith, the president's duties if the president is absent, dies, is unable or refuses to act. If the vice-president acts in the absence of the president, the vice-president shall have all presidential powers and be subject to all the restrictions upon the president. (If there is no vice-president or the vice president is unable or refuses to act, then the secretary shall perform the presidential duties.) The vice-president shall perform any other duties that the president or board may assign to the vice-president.

Section 4.6 The Secretary

The secretary shall in good faith: (1) create and maintain one or more books for the minutes of the proceedings of the members and of the board of directors; (2) provide that all notices are served in accordance with these bylaws or as required by law; (3) be custodian of the corporate records; (4) when requested or required, authenticate any records of the corporation; (5) keep a

current register of the post office address of each member; and (6) in general perform all duties incident to the office of secretary and any other duties that the president or the board may assign to the secretary.

Section 4.7 The Treasurer

The treasurer shall: (1) have charge and custody of and be responsible for all funds and securities of the corporation; (2) receive and give receipts for moneys due and payable to the corporation from any source, and deposit all moneys in the corporation's name in banks, trust companies, or other depositories that the board shall select; (3) submit the books and records to a Certified Public Accountant or other accountant for annual audit or review; and (4) in general perform all of the duties incident to the office of treasurer and any other duties that the president or board may assign to the treasurer. If required by the board of directors, the treasurer shall give a bond for the faithful performance of the treasurer's duties and as insurance against the misappropriation of funds. If a bond is required, it shall be in a sum and with the surety or sureties that the board of directors shall determine.

Section 4.8 Assistant Secretaries and Assistant Treasurers

The assistant secretaries and assistant treasurers, in general, shall perform the duties that the secretary or treasurer, respectively, or the president or board may assign to them. The assistant treasurers shall, if required by the board, give bonds for the faithful performance of their duties and as insurance against the misappropriation of funds; the bond shall be in sums and with the sureties that the board of directors shall determine.

Section 4.9 Salaries, Loans to, or Guarantees for Officers

The board of directors may fix and or adjust salaries of the officers from time to time. The corporation may not lend money to or guarantee the obligation of an officer of the corporation.

ARTICLE V. CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

Section 5.1 Contracts

The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instruments in the name of and on behalf of the corporation and such authorization may be general or confined to specific instruments.

Section 5.2 Loans

The corporation shall not allow anyone to contract on behalf of it for indebtedness for borrowed money unless the board of directors authorizes such a contract by resolution. The corporation shall not allow anyone to issue evidence of the corporation's indebtedness unless the board of directors authorizes the issuance by resolution. The authorization may be general or specific.

Section 5.3 Checks, Drafts, etc.

All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation, and in such manner as shall be from time to time determined by resolution of the Board of Directors but in all cases must immediately be signed by two officers and/or two directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an assistant Treasurer and countersigned by the President or Vice-President of the corporation.

Section 5.4 Deposits

The treasurer of the corporation shall deposit all funds of the corporation, that are not being used, in banks and other depositories; the board of directors shall authorize by board resolution the exact location of the banks and depositories.

Section 5.5 Voting of Securities Owned by this Corporation

(a) *General*. Subject to the specific directions of the board of directors, any shares or other securities issued by another corporation and owned or controlled by this corporation may be voted at any meeting of securityholders of the other corporation by the president of this corporation who may be present.

(b) *Proxy*. Whenever, in the judgement of the president, or in the president's absence, the vice-president, it is desirable for this corporation to execute a proxy or written consent in respect to any shares or other securities issued by any other corporation and owned by this corporation, the president or vice-president of this corporation, acting in the name of this corporation, shall execute the proxy or written consent. The president or vice-president will not need the authorization of the board to take this action. Nor will the president or vice president need to affix a corporate seal, countersignature or attestation by another officer. Any person or persons designated in this subsection as the proxy or proxies of this corporation shall have the full right, power, and authority to vote the shares or other securities issued by the other corporation and owned by this corporation the same as the shares or other securities might be voted by this corporation.

**ARTICLE VI. INDEMNIFICATION OF DIRECTORS, OFFICERS
AGENTS, AND EMPLOYEES**

Section 6.1 Indemnification of Directors

(a) *General.* An individual made a party to a proceeding because the individual is or was a director of the corporation may be indemnified against liability incurred in the proceeding, but only if the indemnification is both:

- (1) determined permissible and
- (2) authorized, as defined in subsection (b) of this section 6.1 (The indemnification is further subject to the limitation specified in subsection (d) of section 6.1.)

(b) *Determination and Authorization.* The corporation shall not indemnify a director under section 6.1 of Article VI unless:

- (1) *Determination.* Determination has been made in accordance with procedures set forth in the Montana Nonprofit Corporation Act that the director met the standard of conduct set forth in subsection (c) below, and
- (2) *Authorization.* Payment has been authorized in accordance with procedures listed in the Montana Nonprofit Corporation Act based on a conclusion that the expenses are reasonable, the corporation has the financial ability to make the payment, and the financial resources of the corporation should be devoted to this use rather than some other use by the corporation.

(c) *Standard of Conduct* The individual shall demonstrate that:

- (I) the individual acted in good faith; and
- (2) the individual reasonably believed:
 - (i) in acting in an official capacity with the corporation, that the individual's conduct was in the corporation's best interests;
 - (ii) in all other cases, that the individual's conduct was at least not opposed to the corporation's best interests; and
 - (iii) in the case of any criminal proceeding, that the individual had no reasonable cause to believe that the conduct was unlawful.

A director's conduct with respect to an employee benefit plan for a purpose the director reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirement of subsection (c)(2)(ii).

The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nob contendere or its equivalent, is not, of itself, a determination that the director did not meet the standard of conduct described in this section.

(d) *No indemnification Permitted in Certain Circumstances.* The corporation shall not indemnify a director under section 6.1 of Article VI if:

- (I) the director was adjudged liable to the corporation in a proceeding by or in the right of the corporation; or
- (2) the director was adjudged liable in any other proceeding charging that the director improperly received personal benefit, whether or not the individual acted in an official capacity.

(e) *Indemnification Limited.* Indemnification permitted under section 6.1 of Article VI in connection with a proceeding by the corporation or in the right of the corporation is limited to the reasonable expenses incurred in connection with the proceeding.

Section 6.2 Advance Expenses for Directors

The company may pay for or reimburse, in advance of final disposition of the proceeding, the reasonable expenses incurred by a director who is a party to a proceeding if:

- (1) by following the procedures of the Montana Nonprofit Corporation Act the board of directors determined that the director met requirements (3)-(5) listed below; and
- (2) the board of directors authorized an advance payment to a director; and
- (3) the director has furnished the corporation with a written affirmation of the director's good faith belief that the director has met the standard of conduct described in section 6.1 of Article VI; and
- (4) the director has provided the corporation with a written undertaking, executed personally or on the director's behalf, to repay the advance if it is ultimately determined that the director did not meet the standard of conduct; the director's undertaking must be an unlimited general obligation, but need not be secured, and

the corporation may accept the undertaking without reference to financial ability to make repayment; and

- (5) the board of directors determines that the facts then known to it would not preclude indemnification under section 6.1 of this Article VI or the Montana Nonprofit Corporation Act.

Section 6.3 Indemnification of Officers, Agents and Employees

The board of directors may choose to indemnify and advance expenses to any officer, employee, or agent of the corporation applying those standards described in sections 6.1 and 6.2 of Article VI.

Section 6.4 **Mandatory Indemnification**

Notwithstanding any other provisions of these bylaws, the corporation shall indemnify a director or officer, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director or officer was a party because he or she is or was a director or officer of the corporation, against expenses incurred by the director or officer in connection with the proceeding.

ARTICLE VII. PROHIBITED TRANSACTIONS

Section 7.1 Prohibited Transactions

(a) *Prohibition Against Sharing in Corporation Earnings.* No member, director, officer, employee, committee member, or person connected with the corporation shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation; provided that this shall not prevent the corporation's payment to any person of reasonable compensation for services rendered to or for the corporation in effecting any of its purposes as determined by the board of directors.

(b) *Prohibition Against Issuance of Stock, Dividends, Distributions.* The corporation shall not have or issue shares of stock. No dividends shall be paid. No part of the income or assets of the corporation shall be distributed to any of the persons listed in section 7.1(a) without full consideration. The corporation is prohibited from lending money to guarantee the obligation of a director or officer of the corporation. (See sections 3.16(b) and 4.9). No member of the corporation has any vested right, interest or privilege in or to the assets, property, functions or activities of the corporation. The corporation may contract in due course, for reasonable consideration, with its members, trustees, officers without violating this provision.

(c) *No Personal Distributions Upon Dissolution.* None of the persons listed in section 7.1(a) shall be entitled to share in the distribution of any of the corporation's assets upon the dissolution

of the corporation. All members of the corporation are deemed to have expressly agreed that, upon the dissolution or the winding up of the affairs of the corporation, whether voluntary or involuntary, the assets of the corporation, after all debts have been satisfied, then remaining in the hands of the board of directors, shall be distributed, transferred, conveyed, delivered, and paid over exclusively to the organization or organizations as the board of directors may designate. Receiving organizations must be organized and operated exclusively for charitable, education, religious or scientific purposes and at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1986 as it now exists or may later be amended.

(d) *Other Prohibitions.* Neither the corporation, nor its directors, nor its officers have any power to cause the corporation to do any of the following with Related Parties:

(1) make any substantial purchase of securities or other property, for more than adequate consideration in money or money's worth;

(2) sell any substantial part of its securities or other property, for less than an adequate consideration in money or money's worth.

For the purpose of this subsection, Related Parties means any person who has made a substantial contribution to the corporation, or with a brother, sister, spouse, ancestor, or lineal descendant of the person giving, or with a corporation directly or indirectly controlled by the person giving.

Section 7.2 Prohibited Activities

Notwithstanding any other provisions of these bylaws, no member, director, officer, employee or representative of this corporation shall take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986 and its regulations as they now exist or as they may later be amended, or by an organization, contributions to which are deductible under section 170(d)(2) of the Internal Revenue Code of 1986 and regulations as they now exist or as they may later be amended.

Section 7.3 Purchase of Memberships

The corporation may not purchase any of its memberships or any right arising from membership.

Section 7.4 Corporate Funds Used For Indemnification.

Corporate funds may be used to benefit officers and directors by way of indemnification, but only if such indemnification is authorized by Article VI of these bylaws.

ARTICLE IX. FINANCES

Section 8.1. Budget

Prior to the **annual** membership meeting, the Board of Directors will cause a proposed budget for the forthcoming year to be prepared. A copy of that budget, with any explanation deemed desirable by the Board, shall be sent to each Member with the notice of the meeting.

The proposed budget shall be considered at the annual meeting of the members. Members not present may make their views known by writing to the secretary prior to the meeting.

It shall be the duty of the Board of Directors at a meeting held immediately after the annual meeting of the Members to adopt a budget, having first ascertained the sense of the Members at the annual meeting.

Section 8.2. Balanced Budget

The budget as proposed and as adopted shall provide in anticipated revenues adequate funds to pay all anticipated **expenditures during the same period.**

Section 8.3. Determination of Assessments

The Board of Directors shall determine a fair and equitable method of assessing Members an annual **amount** for the payment of budgeted and extraordinary expenditures; the Board shall, utilizing such method, establish such assessment for each lot in the **Subdivision**; the Board shall notify the owners and purchasers of each lot of the assessment and the Board shall indicate how and when such assessment shall be paid.

Section 8.4. Member Accounts Past Due

A Member account is deemed "Past Due" when the balance, or any **part** of it, remains unpaid 90 calendar days after the published "Due Date."

Section 8.5. Unpaid Assessments Lienable

The Board of Directors may cause a lien to be placed against the interest of any owner or purchaser of a lot in the Subdivision for the amount of any assessment or other fees remaining unpaid 90 days after the published due date. All costs and expenses incurred by the Association or its' assigns in collecting past due assessments or other fees, including the Association's reasonable attorney fees, shall constitute a lien against the interest of any owner or purchaser of a lot in the Subdivision, such liens to be enforceable by sale under the laws of the State of Montana.

Section 8.6. Special Assessments

In addition to the annual assessment hereinabove provided, the Board of Directors may make special assessments to provide for emergencies.

The Board of Directors may require special assessments for lots deriving special or unequal benefits.

ARTICLE IX. PROTECTIVE COVENANTS

Section 9.1. Enforcement of Protective Covenant

The Association acknowledges the existence of certain protective covenants applicable to the Subdivision which covenants have heretofore been recorded by the Developer, and which covenants were subsequently amended by the Association, said covenants being hereby incorporated and made a part of these By-Laws by reference.

The Association hereby assumes the right to enforce the said protective covenants.

All costs and expenses of such enforcement shall be deemed proper items for inclusion as expenditures for which assessments shall be required. All costs and expenses incurred by the Association in the enforcement of the protective covenants, including the Association's reasonable attorney fees, shall constitute a lien against the interest of any lot owner or lot purchaser against whom such enforcement action was taken, such liens to be enforceable by sale under the laws of the State of Montana.

ARTICLE XI. CALENDAR YEAR

The corporate year of the corporation shall be calendar year which shall begin on the 1st day of January and end on the 31st day of December of each year.

ARTICLE XII. AMENDMENT OF BYLAWS

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted by a majority vote of the members in person or by proxy at any special meeting called for that purpose and where the notice of the meeting contains a copy of the proposed amendments.

KNOW ALL MEN **BY THESE PRESENTS**, that we, the undersigned Directors and Secretary of the corporation known as and called **PONDEROSA PINES RANCH PROPERTY OWNERS ASSOCIATION, INC.** a non-profit corporation, do hereby certify that the above and foregoing Bylaws were duly adopted as the Bylaws of said corporation on

