

**BY-LAWS OF MISSOURI RIVER RANCHES
LANDOWNERS CORPORATION**

**ARTICLE I
FORMATION AND OBJECTIVES**

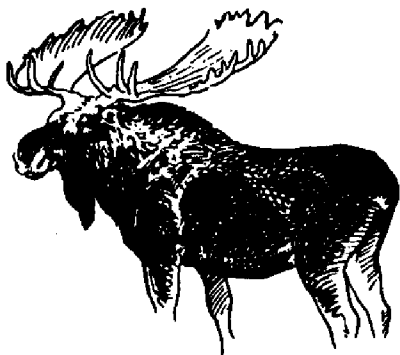
Section 1.1 Formation

This Missouri River Ranches Landowners Corporation (hereafter called the Corporation) is a nonprofit, eleemosynary corporation organized and existing under the laws of the State of Montana.

Section 1.2 Objectives

The objectives of the Corporation are:

- a. To maintain, preserve and improve the common areas and roadway used by members of the Corporation, their guests and other permitted users, for ingress, egress, recreational and utility purposes; and
- b. To enforce covenants heretofore or hereafter adopted affecting the Missouri River Ranches Subdivision (hereafter called the Subdivision). See Exhibit 'A' for real property.
- c. To perform such other functions consistent with the law and validity directed by the Board of Directors to be performed by the Corporation.



**ARTICLE II
MEMBERSHIP**

Section 2.1 Definition of Members

Those persons and entities described below as "lot owners" and "lot purchasers" and their successors in interest are and shall be Members of the Corporation.

"Lot owners" are those persons or entities to whom Montana Recreational Properties, Inc. (hereafter called the Developers) has delivered a Warranty Deed for one or more lots in the Subdivision. A lot for which a Warranty Deed shall have been delivered shall be deemed "owned."

"Lot purchasers" are those persons or entities who have entered into a Contract for Deed with the Developer to purchase one or more lots in the Subdivision, but to whom a Warranty Deed for any lot in the Subdivision has not been delivered by the Developer.

Those persons or entities who by reason of purchase, assignment or otherwise acquire the rights of lot owners or lot purchasers are and shall be deemed, respectively, lot owners or lot purchasers, as the case may be.

Section 2.2 Classes of Members

Lot owners are and shall be Class A Members.

Lot purchasers are and shall be Class B Members.

Section 2.3 Voting

Class A Members shall for each lot owned have one vote for at-large Members of the Board of Directors and for all other issues upon which votes shall be taken.

Class B Members shall have no vote except as provided in Section 4.2 but they shall have all other rights, privileges and duties of Members.

The Developer shall have one vote on each matter subject to vote for each Lot of the Subdivision for which no Warranty Deed shall have been delivered.

Where there is more than one person or entity comprising the Grantee of any individual lot of the Subdivision, the person or entity first named in the Warranty Deed as Grantee shall be entitled to exercise the vote attributable to such lot UNLESS all of the persons or entities, collectively named as Grantee, shall unanimously exercise such vote or shall have designated in writing prior to exercising such vote a person or entity different from that above described.

Section 2.4 Proxies

Any Member entitled to vote may do so in person or by proxy. No proxy shall be valid for more than eleven months after the date of execution thereof unless otherwise provided in the proxy instrument.

Any officer of the Developer or of a Member entity shall have the right to exercise the appropriate voting rights.

**ARTICLE III
MEETINGS OF MEMBERS**

Section 3.1 Annual Meeting

There shall be an annual meeting of Members of the Corporation to be held in Montana, unless some other place shall be designated in the notice of the meeting.

The annual meeting shall be held in July of each year, commencing in 1992, or upon such other date, not later than ninety days thereafter, as shall be designated in the notice.

Notice of the date of the annual meeting or any special meeting shall be mailed to all Members at least thirty days prior to the date set for such meeting.

Section 3.2 Business To Be Conducted At The Annual Meeting

Whether specified in the notice, or not, the following reports shall be presented to the Members at the Annual Meeting.

- a. Report of the activities of the Corporation for the preceding year.
- b. Report of the financial condition of the Corporation.
- c. Budget for the forthcoming year with identification of proposed expenditures for the forthcoming year and anticipated revenues.

Election of Directors shall be held at the Annual Meeting.

Section 3.3 Special Meetings of Members

Special meetings of the members may be called by a majority of the Board of Directors or by the Secretary upon written demand of the Members owning or purchasing at least ten percent (10%) of the lots in the Subdivision.

Section 3.4 Agenda for Meetings

All notices of meetings, annual or special, shall set forth all matters upon which action of the Members will be requested.

Section 3.5 Voting, Quorum

No action shall be taken nor be binding upon the Corporation unless:

- a. The matter shall have been duly noticed for action in the



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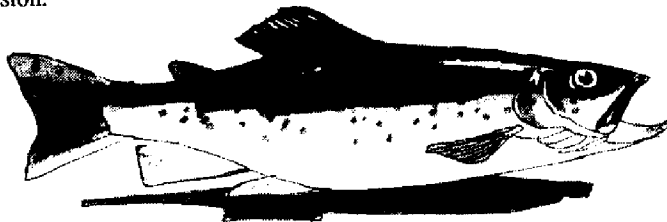
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call for the meeting or in these By-Laws; and

b. The action shall have been affirmatively voted upon by the Developer and by a majority of those Members entitled to vote who were present in person and by proxy at the meeting; or

The Board of Directors was authorized by such vote of the Members and Developer to take such action; and

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



ARTICLE IV DIRECTORS

Section 4.1 Number of Directors

There shall be five Directors of the Corporation together constituting the Board of Directors. The Directors shall from among their number select a Chairman who shall preside at meetings of the Board.

Section 4.2 Elections of Directors

Those lot owners and lot purchasers actually residing full-time upon one or more of their respective lots in the Subdivision shall, as a group, by majority vote based upon the number of lots owned or being purchased by such residents, be entitled to elect one of the five (5) Directors.

The Developer, so long as it shall retain legal title to ten percent (10%) or more of the total number of lots in the Subdivision, shall be entitled to select one of the five Directors.

The remaining three Directors shall be elected in accordance with the provisions of Section 2.3 hereof. These shall be known as "Directors at Large."

Section 4.3 Terms of Office

The Director elected by resident lot owners and lot purchasers shall hold office for one year.

The Director elected by the Developer shall hold office for one year.

The Directors at Large shall each hold office for three years, except that at the first election of Directors the persons 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.

Section 4.4 Directors' Meetings

There shall be at least one meeting of the Board of Directors annually, the first to be held immediately after the Annual Meeting of the Members. Other meetings of the Board may be called by the Chairman upon ten days prior written or telephoned notice.

A majority of the Directors shall constitute a quorum; all business conducted shall require the affirmative action of a majority of the Directors present at the meeting. No Director may act by proxy.

Section 4.5 Function of Directors

Directors shall establish the policies and the programs of the Corporation, these to be executed by the officers of the Corporation.

Section 4.6 Informal Approval of Actions

Meetings of Directors may be held although the Directors shall not have been physically present together at the same time. Actions resulting from meetings by electronic or other means must be ratified and confirmed in subsequent writings

ARTICLE V

OFFICERS

Section 5.1 Titles

There shall be a president and a secretary of the Corporation and such other officers as may be deemed necessary by the Board of Directors. The officers shall be appointed by the Board of Directors and shall serve at the pleasure of the Board. Members of the Board of Directors may be officers, but need not be.

Section 5.2 Duties of Officers

The Board of Directors by resolution shall specify and delineate the duties and responsibilities of the officers of the Corporation. No officer shall be required to undertake his office until the duties and responsibilities of his office shall have been set forth in writing and acknowledged by him.



ARTICLE VI GENERAL PROVISION RELATING DIRECTORS AND OFFICERS

Section 6.1 Payment for Services

Members of the Board of Directors shall not be eligible for any remuneration for their service. Officers of the Corporation shall be paid such amounts as shall be determined by the Board of Directors.

Members of the Board of Directors and officers of the Corporation shall be reimbursed all of their respective expenses justifiably and necessarily incurred in the performance of their duties. The Board may institute such procedures for control of and payment for such expenses as it may deem appropriate.

Officers may be appointed for specific terms, not to exceed two years, pursuant to contract with the Corporation.

Section 6.2 Holding Over

The term of office of Directors and officers shall automatically be extended to the date that the successor of each such Director and officer shall take office, except in the case of removal of such Director or officer.

Section 6.3 Removal of Officers and Directors

Any officer or Director may be removed from office prior to the expiration of his or her term for the following causes:

Directors

a. For malfeasance, upon conviction thereof in any court of law.



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b. Without any grounds alleged or cause assigned by the affirmative vote of three-fourths of the Members entitled to vote and the assent of the Developer at a special meeting held for that purpose.

Officers

a. For malfeasance, upon conviction thereof in any court of law.

b. For malfeasance, upon action of the Board of Directors.

c. For violation of the provisions of any employment contract between the officer and the Corporation, upon action of the Board of Directors.

Section 6.4 Resignations

Any Director or Officer may resign, such resignation being effective upon delivery of notice thereof to the Secretary of the Corporation, or at such later date stated in the notice.

Section 6.5 Filling Vacancies

Vacancies in the Board of Directors shall be filled by appointment of temporary Directors to serve until the next annual meeting of the Corporation, such appointments to be made by the remaining Director or Directors.

If there shall at any time be no Directors, the President shall immediately call a special meeting of Members to elect a new Board of Directors in accordance with Section 4.2 hereof.

Section 6.6 Waivers, Ratifications

Notices of meetings of Directors may be waived in writing. Actions of the Board and/or the officers may be ratified by the Members or the Board of Directors, as the case may be, where such action was not properly authorized when taken.



ARTICLE VII RECORDS

Section 7.1 Records To Be Maintained

The Corporation shall maintain at the office of the Developer the following records in a current status:

a. Minutes of all meetings of Members of the Corporation and all meetings of the Board of Directors.

b. A record of the status of all Members as to the payment of maintenance assessments, whether the same shall have been required by contract or other undertaking or as a result of the action of the Corporation.

c. Financial data showing all receipts and disbursements of the Corporation and a balance sheet as of the end of each fiscal year showing the assets and liabilities of the Corporation.

Nothing in this Section shall be construed to limit the records to be maintained only to those mentioned above.

At its option, the Developer may, with reasonable notice,

request the Corporation to maintain its records elsewhere.

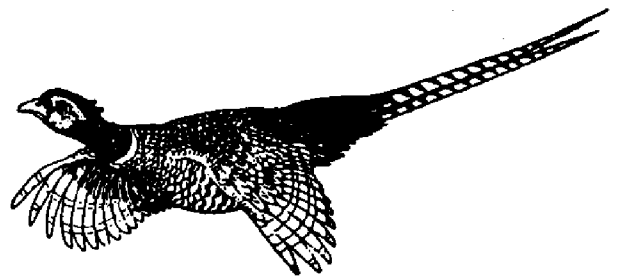
Section 7.2 Custody of Legal Instruments

The Corporation shall safely and securely maintain all legal documents and instruments which may be delivered to its custody.

Section 7.3 Furnishing Copies of Records

Any lot owner or the Developer shall, promptly upon payment of the actual cost of copying and the actual postage plus a charge of ten dollars (\$10.00) per hour for the necessary services of any Corporation Member or employee required therefor, be entitled to obtain a copy of any Corporation record. Other Members of the Corporation shall be entitled upon payment of the costs above stated to obtain the last prepared financial data concerning the Corporation.

No copy of any record of the Corporation shall be furnished any person or entity other than a Member or the Developer without a valid order issued by a court having jurisdiction.



ARTICLE VIII 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 Members. Members not present may make their views known by writing to the Secretary prior to the meeting.

Section 8.2 Balanced Budget

The budget as proposed and as adopted shall provide in anticipated revenues adequate funds to pay for 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 expenditures; the Board shall, utilizing such method, establish such assessment for each lot in the Subdivision; the Board shall notify the owners or purchasers of each lot of the assessment and the Board shall indicate how such assessment shall be paid.

Section 8.4 Unpaid Assessments Lienable

The Board of Directors may authorize any Corporation officer to file a lien against the interest of any owner or purchaser of a lot within the Subdivision for the amount of any assessment remaining unpaid after becoming due. Such lien may provide by its terms that it be enforceable by foreclosure or other appropriate judicial process.

Section 8.5 Special Assessments

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



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emergencies.

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

Section 8.6 No Change to Contracts

Nothing in this Article VIII or any other provision of these By-Laws shall be construed as amending or purporting to amend any provision of any contract, condition or covenant heretofore entered into between the Developer and any lot owner or lot purchaser.

ARTICLE IX PROTECTIVE COVENANTS

Section 9.1 Enforcement of Protective Covenants

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

The Corporation hereby assumes the right to enforce the said protective covenants if the Developer shall fail to do so within a reasonable time.

The expenses of such enforcement shall be deemed proper items for inclusion as expenditures for which assessments shall be required.



ARTICLE X PROTECTION OF AND RESTRICTIONS UPON DIRECTORS AND OFFICERS

Section 10.1 Indemnity

The Corporation shall indemnify any Director or officer against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such Director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding liable for negligence or misconduct in the performance of duty. The Corporation may also reimburse any Director or officer the reasonable costs of settlement of any such action, suit or proceeding, if it shall be found by a majority of the Directors not involved in the controversy (whether or not a quorum) that it was to the interest of the Corporation that such settlement be made and that such Director or officer was not guilty of negligence or misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director or officer may be entitled under any By-Law, agreement, vote of Members or otherwise.

Section 10.2 Conflicts of interest

An officer or Director may act for the Corporation although he is associated with or interested in another party which is involved in the transaction, provided that he has fully disclosed that interest

to the Corporation and no other officer or Director has made known any objection. Contracts and other transactions of the Corporation with Montana Recreational Properties, Inc. shall be valid for all purposes although one or more of the officers or Directors acting for the Corporation are also officers, directors, employees, or agents of Montana Recreational Properties, Inc., or are also acting for Montana Recreational Properties, Inc.

Section 10.3 Loans

No loan shall be made by the Corporation to any Director or officer.

ARTICLE XI ACCOUNTING YEAR

Section 11.1 Fiscal Year

The fiscal year of the Corporation shall commence on January 1 or each year and terminate on December 31 of that same year.

ARTICLE XII SEAL

Section 12.1 Form of Seal

The seal of the Corporation shall be circular in form and bear the name and date of incorporation.

ARTICLE XIII AMENDMENTS

Section 13.1

These By-Laws may be amended by the affirmative vote of a majority of the Members present at any meeting duly called and held, the notice of which meeting shall have stated that a purpose of the meeting was to consider the amendment or repeal of the By-Laws.

In accordance with Title 35, Chapter 2, Section 201-202, Montana Code Annotated, these By-Laws have been adopted by the signers of the Petition for Charter.

Dated: June 20, 1991

Deer Lodge, Montana,

EXHIBIT A

Missouri River Ranch, Parcels 1 through 27 and Lot 34 located in Section 6, T15N, R2W & Section 31, of T16N, R2W, M.P.M., (C. O. S. #471065/E); Parcels 28 through 59 of Sections 30 and 31, T16N, R2W, M.P.M. (C. O. S. #471066/E); and Parcels 60 through 73, and Parcels 101 through 110 of Sections 19 and 30, T16North, R2 W, M.P.M., and Section 25, T16N, R3W, M.P.M. (C. O. S. #471067/E); and Parcels 74 through 100 of Section 25, T16N, R3W, M.P.M. (C.O.S. #471064/E); and Parcels 111 through 117 of Section 35, T16N, R3W, M.P.M. (C. O. S. #471063/E);



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