

BY-LAWS
OF
MALLARD SPRINGS OWNERS' ASSOCIATION
As amended on December 9, 1976 and
February 1, 2010

ARTICLE I

NAME AND LOCATION: The name of the corporation is MALLARD SPRINGS OWNERS' ASSOCIATION, hereinafter referred to as the "Association". Location of the principal office shall be the home address of the secretary of the Association as the office holder and corresponding address may change from time to time.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Mallard Springs Owners' Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, filed of record in the office of the Clerk and Recorder of Sweet Grass County, Montana, as Document No. 97904, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any numbered and designated plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the recorded Owner, whether one or more persons are entities, of the fee simple title to any lot or living unit situated upon the properties, but notwithstanding the applicable theory of the mortgage, it shall not mean and refer to the mortgagee unless and until such mortgagee has acquired title pursuant to the foreclosure of the mortgage or any proceeding in lieu thereof.

Section 6. "Declarant" shall mean and refer to First Big Timber Corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of Clerk and Recorder, Sweet Grass County, Montana.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. ANNUAL MEETINGS. The date for annual meetings will be set by the Board.

Section 2. SPECIAL MEETINGS. Special meetings of the members may be called at any time by the president or by the Board of Directors or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. NOTICE OF MEETINGS. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. QUORUM. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or by e represented.

Section 5. PROXIES. At all meetings of members, each member may vote in person or by proxy, subject to the provisions of the Declaration. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE IV

BOARD OF DIRECTIONS: SELECTION: TERM OF OFFICE

Section 1. NUMBER. The affairs of this Association shall be managed by a Board of five (5) directors, who shall be members of the Association.

Section 2. TERM OF OFFICE. At the first annual meeting the members shall elect one director for a term of one year, two directors for a term of two years and two directors for a term of three years; and at each annual meeting thereafter the members shall elect one or more directors for a term corresponding to the number of and terms of directors whose terms are expiring.

Section 3. REMOVAL. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. COMPENSATION. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. ACTION TAKEN WITHOUT A MEETING. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. NOMINATION. Nomination for election to the Board of Directors shall be made from the floor at the Annual Meeting.

Section 2. ELECTION. Election to the Board of Directors shall be by majority vote. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 2. QUORUM. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. POWERS. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the Common Area and facilities, except roads, of a member during any period in which such member shall be in default of the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and compensation.

Section 2. DUTIES. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period, and fix the due date;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the due date; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. ENUMERATION OF OFFICERS. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. ELECTION OF OFFICERS. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. TERM. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. SPECIAL APPOINTMENTS. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. VACANCIES. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. MULTIPLE OFFICES. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. DUTIES. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments, and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolutions of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association books to be made by a member of the Board of Directors at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Board of Directors of the Association shall appoint an Architectural Control Committee, as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten (10) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Owner's property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his lot or living unit.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Mallard Springs Owners' Association and the state and year of incorporation.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

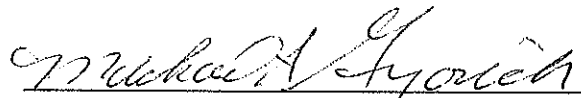
Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

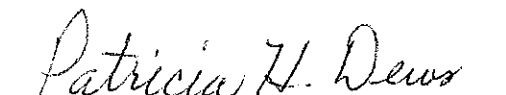
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

The foregoing are the By-Laws of Mallard Springs Owners' Association as amended by the Board of Directors on December 9, 1979 and the membership on February 1, 2010.


Michael A. Gregorich, President

ATTEST:


Patricia H. Dews, Secretary

HORSE PERMIT APPLICATION INFORMATION

The Mallard Springs Subdivision covenants state that, "The Association may provide for the issuance of revocable permits under such rules as the Association may prescribe for an owner to keep and maintain one or more saddle horses on the lot or lots owned by that person."

The Mallard Springs Owners' Association (MSOA) Board of Directors has established rules that apply to keeping horses in the subdivision and a process for issuing revocable permits. Lot owners seeking to graze horses on their lots must submit a permit application to the Board for review. Horses are not allowed on any lot without an approved horse permit.

The purpose of the permits is to prevent negative impacts to neighboring lot owners that can be caused by poor management of horses. These effects often include blowing soil, weed invasion, and nuisance odors, which cause reduced enjoyment and/or devaluation of neighboring properties.

Permits may be issued by the Board for lots that produce enough grazing forage to reasonably sustain a horse or horses for a specified amount of time. According to standard guidelines for horse grazing and based on the forage production potential for Mallard Springs' sandy and gravelly soils, it is reasonable to expect that one acre will provide enough forage to sustain a horse for up to 3 weeks, if not irrigated; up to 12 weeks, if irrigated.

Keeping horses within Mallard Springs Subdivision is a privilege that may be granted, not a right! Those keeping horses are required to adhere to the conditions of their permit, and are asked to be considerate of their neighbors. These permits are revocable. Conditions that may result in a permit being revoked include, but are not limited to, large amounts of bare ground, weed infestation, blowing soil, or excessive manure build-up.

Permits are valid only for the time period shown on the permit.

To apply for a horse permit, complete an application available from the MSOA Secretary, Pat Dews. The Board will schedule an on-site meeting to discuss applicable grazing area, if needed.

