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Vickie M Zeier, Missoula County Clerk & Recorder



BYLAWS
OF
MULLAN OWNERS ASSOCIATION

ARTICLE I- GENERAL PROVISIONS

1.1 **Legal Description.** These Bylaws ("Bylaws") apply to the Mullan Owners Association ("Association"), which governs the property more particularly described on Exhibit A, together with any property added to the Declaration (defined below), as such may be amended, restated or finalized from time to time.

1.2 **Adoption.** These Bylaws are adopted by the Board of Directors.

ARTICLE II - DEFINITIONS AND GOVERNANCE

2.1 **Definitions.** Unless otherwise defined herein, all terms used in these Bylaws shall have the meaning set forth in the Declaration, as such may be amended, restated or finalized from time to time. The definitions contained in the Declaration are incorporated by reference herein.

2.2 **"Declaration"** shall mean and refer to the Declaration for Mullan Heights Condominiums recorded September 21, 2012 as Document No. _____, records of Missoula County, Montana, as such may be amended, restated or finalized from time to time.

ARTICLE III - MEMBERSHIP VOTING RIGHTS

3.1 **Voting Rights.** Voting shall be based on the Percentage of Interest as defined by the Declaration. If ownership of any Unit is vested in more than one person, then the vote for such Unit shall be exercised as the co-owners of such Unit decide among themselves and advise the Secretary of the Association in writing prior to any meeting. Absent such advice, the Unit's vote shall be suspended if more than one person seeks to exercise it.

3.2 Annual Meeting. The annual meeting of the Members shall be held in the month of December, or such month thereafter that is determined reasonably practical, at a date, time and place to be set by the Board. After the expiration of the terms of the Initial Directors, the Members shall elect a Board of Directors and transact any other business that may legally come before the meeting.

3.3 Special Meetings. Special meetings of the Members may be called by the President, the Board of Directors, or the holders of not less than five percent (5%) of all Members entitled to vote.

3.4 Method of Calling Meetings. Written or printed notice stating the place, date and time of meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally, electronically, by facsimile or by mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be given three (3) days after the date when deposited in the United States mail, with postage prepaid, addressed to the Member at his address as it appears on the records of the Association, or at his last known address. If notice is given electronically, such notice shall be deemed to be delivered when sent. If notice is delivered by facsimile, such notice shall be deemed to be delivered upon facsimile confirmation.

3.5 Quorum. A majority of the Members entitled to vote, in person or by proxy, shall constitute a quorum at a meeting of Members. When a quorum is present or represented at any meeting, the vote of a majority of Members entitled to vote, present in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of the Governing Documents, a different vote is required, in which case such express provision shall govern and control the decision of such question. If less than a majority of the Members entitled to vote are represented at a meeting, a majority of the Members entitled to vote may adjourn the meeting without further notice until a quorum is present and represented.

3.6 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary of the Association before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Unit, or upon receipt of written notice by the secretary of the Association of the death or judicially declared incompetence of a Member, or upon the expiration of eleven (11) months from the date of the proxy. The proxy shall identify the person or persons authorized to exercise the proxy and the length of time it will be valid. If the Member specifies a choice in his or her proxy, the vote shall be cast in accordance with that choice. In addition, voting by proxy shall comply with any other applicable requirements of Mont. Code Ann. § 35-2-539.

3.7 Telephonic Participation. So long as the Association has 50 or fewer

Members, Members may participate in a meeting of the Members by means of a conference telephone call or similar communication equipment through which all persons participating in the meeting can hear each other at the same time. Participation in this manner constitutes presence in person at a meeting.

ARTICLE IV – BOARD OF DIRECTORS

4.1 General Powers. The business and affairs of the Association shall be managed by its Board of Directors (collectively, the "Board"). The Board shall in all cases act as a board, and they may adopt such rules and regulations for the conduct of their meetings, the management of the Association, and the use of the Common Elements as they may deem proper, not inconsistent with these Bylaws, the Declaration and the laws of the State of Montana. The Board shall also have the rights, duties and obligations specified in the Declaration. The Board may employ a manager or management agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize. The Board may employ personnel or contract for the maintenance, upkeep and repair of the Common Elements or other property or equipment owned or provided for the use of the Association ("Common Elements").

4.2 Number and Qualification. The Association shall have not less than three (3) directors ("Directors") who shall constitute the Board of Directors as the governing body of the Association. The number of Directors may be increased or decreased, but not to fewer than three (3), from time to time by amendment to the Articles of Incorporation and these Bylaws. After the term of the Initial Directors (hereinafter defined), three (3) Directors shall be elected from among the unit owner. Unless vacated sooner, each Director shall hold office until the Director's term expires and a successor is elected. Upon expiration of the terms of the Initial Directors, the election of the Board shall be conducted at the annual meeting of the Members. At such annual meeting, the Association shall elect from its Membership, the Board of Directors. A Director must be a Member in good standing. At such election, the Members or their proxies may cast their vote(s) for each vacancy. The persons receiving the largest number of votes shall be elected. There shall be no cumulative voting. Voting for directors or for their removal may be by secret written ballot.

4.3 Initial Board of Directors. The initial Directors shall be appointed by the Declarant and need not be members (the "Initial Directors"). Each Initial Director shall serve until the earlier of the time when (i) Declarant no longer owns at least twenty-five percent of the Units in the Property (as such may be enlarged pursuant to the Declaration) or (ii) Declarant voluntarily relinquishes its rights to appoint Initial Directors. Until the earlier of the time when (i) Declarant no longer owns any Units in the Property or (ii) Declarant voluntarily relinquishes its rights to appoint Initial Directors, the Declarant, in its sole and absolute discretion, shall be entitled to fill by appointment any vacancy in the Initial Directors or to remove any Initial Director. Notwithstanding any other provision of these Bylaws to the contrary, the Members shall have no power to remove the Initial Directors nor to appoint any additional or successor Director until the earlier of the time when (i) Declarant no longer owns any Units in the Property or (ii) Declarant voluntarily relinquishes its rights to appoint Initial Directors.

4.4 Election. After the date when Declarant no longer owns any Units in the Project or (ii) Declarant voluntarily relinquishes its rights to appoint Initial Directors, the election of the Board shall be conducted at the annual meeting of the Members.

4.5 Term after Initial Board. After the date when (i) Declarant no longer owns any Units in the Property or (ii) Declarant voluntarily relinquishes its rights to appoint Initial Directors, the term of two (2) directors shall be for a term of two (2) years, and one (1) director shall be elected for a term of one (1) year. Unless vacated sooner, each director shall hold office until the director's term expires and a successor is elected.

4.6 Annual Meetings. The annual meeting of the Board shall be held in the first week of November, or as soon thereafter as is practicable, at a time and place designated by the Board.

4.7 Special Meetings. Special meetings of the Board may be called by or at the written request of the President or any of the Directors. The person or persons authorized to call other meetings of the Directors may fix the place and time for the meeting. Directors may attend telephonically.

4.8 Notice. Notice of any annual or other meeting of the Board shall be given at least two (2) days prior to the scheduled meeting, by written notice delivered personally, electronically or by facsimile transmission or mailed to each Director at the address most likely to be received by that person. If mailed, such notice shall be deemed to be delivered three (3) days after it was deposited in the United States mail, with proper postage pre-paid. If notice is given electronically, such notice shall be deemed to be delivered when sent. If notice be given by facsimile, such notice shall be deemed to be delivered upon facsimile confirmation. The participation of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and such Director must file a written dissent with the person acting as Secretary of the meeting before the adjournment or immediately after adjournment of the meeting.

4.9 Quorum. At any meeting of the Board, a majority of the total Directors shall constitute a quorum.

4.10 Manner of Acting. Each Director shall have one vote. The act of the majority of the Directors present at a meeting at which a quorum is present shall constitute a binding vote. However, the act of a single Director present at a meeting at which a quorum is present shall not be the act of the Directors unless a majority of the Directors in office vote in favor of authorizing such.

4.11 Action without Meeting. Action required or permitted to be taken at a Board meeting may be taken without a meeting if the action is approved by all members of the

Board. The action must be evidenced by written consents (delivered personally, electronically, by facsimile or by mail) of all Directors.

4.12 Attendance. All Directors may participate in a regular or special meeting through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is considered to be present in person at the meeting.

4.13 Removal of Directors. After the date when (i) Declarant no longer owns any Units in the Property or (ii) Declarant voluntarily relinquishes its rights to appoint Initial Directors, the Members may remove a Director by casting the percentage of votes that would be sufficient to elect the Director. A Director elected by the Members may be removed by the Members only at a meeting called for the purpose of removing the Director. The meeting notice must state that the purpose or one of the purposes of the meeting is removal of the Director.

4.14 Resignation. A Director may resign at any time by giving written notice to the Board, the President or the Secretary of the Association. Unless otherwise specified in the notice, the resignation shall take effect at the date specified in the notice or if such date is not specified, then, upon receipt thereof by the Board or such officer. The acceptance of the resignation shall not be necessary to make it effective.

4.15 Vacancies. After the date when (i) Declarant no longer owns any Units in the Property or (ii) Declarant voluntarily relinquishes its rights to appoint Initial Directors, if a director dies or resigns, the vacancy shall be filled by the remaining Board at a duly held meeting, or by the sole remaining director; provided, however, a vacancy created by the removal of a director by the Members can only be filled only by election by the Members. A successor director shall serve for the unexpired term of his or her predecessor.

4.16 Compensation: No Director shall receive compensation for any service rendered to the Association as a Director. However, any Director may be reimbursed for his or her actual expenses, if reasonable, incurred in the performance of his or her duties.

4.17 Indemnification: The Association shall indemnify any present or former director or officer of the Association to the fullest extent authorized under Mont. Code Ann. §§ 35-2-447 and 35-2-452, or any successor statutes.

ARTICLE V – OFFICERS

5.1 Enumeration of Officers. The officers of the Association shall be a President, a Secretary and a Treasurer, each of whom shall be appointed by the Board. Such other officers and assistant officers as may be deemed necessary may be appointed by the Board.

5.2 Term of Office. Each officer shall hold office until the earlier of his

successor being duly appointed, or his death, resignation or removal.

5.3 Resignation and Removal. Any officer or agent appointed by the Board may be removed by the Board whenever in their judgment the best interests of the Association would be served thereby. Any officer may resign at any time by giving written notice to the Board. Such resignation shall take effect at 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.

5.4 Vacancies. A vacancy in any office may be filled by the Board. The officer appointed to such vacancy shall serve the remainder of the term of the officer he or she replaces.

5.5 President. The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall in general supervise and control all the business and affairs of the Association, including the filing of liens for unpaid assessments in accordance with the Declaration and the enforcement activities of the Association. He or she shall, when present, preside at all meetings of the Board. He or she may sign, with the Secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by the Declaration to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed, and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

5.6 Secretary. The Secretary shall keep the minutes of the Board meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of the Declaration and these Bylaws, be custodian of the Association records, regulations, rules and resolutions and of the seal of the Association and keep a register or the post office address of each Director which shall be furnished to the Secretary by each Director, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Directors.

5.7 Treasurer. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine. He or she shall have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for moneys due and payable to the Association from any source whatsoever, including assessments, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the Declaration. The Treasurer shall be responsible for the collection of periodic assessments to be collected. Further, the Treasurer shall record the assessments due and paid and shall prepare quarterly reports reflecting the Association's assets, including the assessments due and paid and shall mail or otherwise provide a copy of the quarterly reports to each Director. In general, the Treasurer shall perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the

president or by the Directors.

5.8 Salaries. The salaries of the officers shall be fixed from time to time by the Board and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Association.

5.9 Other Duties, Obligations and Rights. The officers shall have all the duties, obligations and rights specified in the Declaration as well as those specified herein.

ARTICLE VI - CONTRACTS, LOANS, CHECKS AND DEPOSITS

6.1 Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

6.2 Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless properly authorized by a majority vote of the Board. Such authority may be general or confined to specific instances.

6.3 Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board.

6.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

ARTICLE VII – MAINTENANCE

7.1 Annual Resolution. The Board shall adopt annually a resolution reflecting the current year plan for repair, maintenance and operation of the Common Elements and other property for which the Association is responsible as provided in the Declaration, and to perform other functions of the Association. The President of the Association shall implement this plan and the Treasurer shall pay for the expenses from Association funds collected.

7.2 Repairs, Maintenance and Operation. Repairs, maintenance and operation of the Common Elements and other property for which the Association is responsible as provided in the Declaration, shall be performed on an “as needed” basis and the President of the Association is authorized to initiate all repairs and/or maintenance which are estimated to be less than Ten Thousand Dollars (\$10,000) in expense. All repairs estimated as requiring Ten Thousand Dollars (\$10,000) or more in expense shall be initiated by the President of the Association only after a majority of the Directors have adopted a resolution specifically authorizing the expense. Expenses for repair and maintenance shall be paid by the Treasurer of the Association from the Association funds

received as assessments consistent with the Declaration. In order to implement maintenance or operation resolutions, the President may employ any personnel reasonably necessary to properly effect said maintenance and repair.

ARTICLE VIII - FINANCIAL STATEMENTS, BUDGET AND RECORDS

8.1 Financial Statements. Within 90 days after the end of the fiscal year, the Board shall distribute to each Owner and, upon written request, any mortgagee, a copy of the annual financial statement consisting of a balance sheet and income and expense statement for the preceding fiscal year. The Board may also distribute to each Owner and, upon written request, any mortgagee, any additional reports reflecting the financial status of the Association or the delinquency of any assessments.

8.2 Budget. The Board shall draft and approve an annual budget for each fiscal year. The budget may be amended by a majority vote of the Board. If no budget is adopted, the last existing budget shall continue until amended by the Board.

8.3 Records. The Board shall keep detailed records of the actions of the Board, including minutes of the meetings of the Board and minutes of the meetings of the Association. The Board shall also keep detailed and accurate financial records in chronological order of the receipts and expenditures of common obligations or of individual obligations for which the Board is serving as the conduit for payment of expenses. The Board shall also maintain an assessment roll in which there shall be an account for each Owner. Such account shall designate the name and address of the Owner, the amount of each assessment, the dates and amounts on which the assessment becomes due, the amounts paid upon the account and the balance due on the assessment.

ARTICLE IX - USE RULES AND REGULATIONS

The Board may adopt such rules and regulations regarding use and operation of the Common Elements as may be reasonably necessary, provided such rules and regulations are consistent with and are in compliance with the Declaration.

ARTICLE X - ASSESSMENTS

In compliance with the Declaration, the Board of Directors may authorize assessments against the Units of Members of the Association.

ARTICLE XI - AMENDMENT

Until the earlier of the date when (i) Declarant no longer owns any Units or (ii) Declarant voluntarily relinquishes its rights to unilaterally amend these Bylaws, Declarant may amend these Bylaws without the approval of the Members. After the date when (i) Declarant no longer owns any Units in the Property or (ii) Declarant voluntarily relinquishes its rights to unilaterally amend these Bylaws, these Bylaws may be amended only by the affirmative vote or

written consent of seventy-five percent (75%) of the Members.

ARTICLE XII - MISCELLANEOUS

12.1 Conflicts. In the case of any conflict between the Articles and the Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

12.2 Fiscal Year. The fiscal year of the Association shall begin on the first day of November and end on the thirty-first day of October of every year. The fiscal year may be changed by the majority vote of the Board of Directors

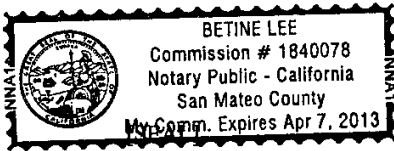
The undersigned President and Secretary of the Association do hereby certify that these Bylaws were adopted as the Bylaws of the Mullan Owners Association on September 19, 2012.

Philip W Barton
PWB, President

Philip W Barton
Plw, Secretary/Treasurer

STATE OF California)
County of San Mateo) : ss.

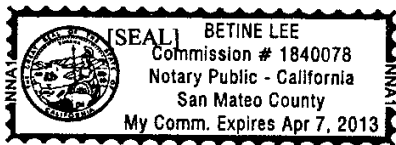
This instrument was acknowledged before me this 20 day of September, 2012, by Philip W. Barton as the President of Mullan Owners Association.



Betine Lee
Print Name: BETINE LEE
Notary Public for the State of CALIFORNIA
Residing at 2995 WOODSIDE RD., WOODSIDE, CA
My Commission expires 4-7, 2013

STATE OF California)
County of San Mateo) : ss.

This instrument was acknowledged before me this 20 day of September, 2012, by Philip W. Barton as the Secretary/Treasurer of Mullan Owners Association.



Betine Lee
Print Name: BETINE LEE
Notary Public for the State of CALIFORNIA
Residing at 2995 WOODSIDE RD., WOODSIDE, CA
My Commission expires 4-7, 2013

EXHIBIT A

Lots 24, 25, 26 and 27, in Block 15, and Lots 23, 24, 25, 26, 27, 28 and 29, in Block 14, all being in MCCORMICK'S ADDITION NO. 2, a platted subdivision in the City of Missoula, Missoula County, Montana, LESS Tracts A and B as shown and described in Deed Exhibit 1888 referenced in a Warranty Deed filed in Micro Book 3, Page 1433, records of Missoula County, Montana.

TOGETHER WITH those portions of vacated alleys in Block 14 and 15 and those portions of vacated Sherwood, Beaver and Cooper Streets, all of which are appurtenant to the above-described lots and located Northwest of the Northwest boundary of Tracts A and B noted above.

Parcel II

Lots 18, 19, 20, 21, 22, 23, 28, 29, 30, 31, 32 and 33 in Block 15 and Lots 14, 15, 16, 17, 18, 19, 20, 21 and 22 in Block 14 together with any and all vacated streets and alleys appurtenant to said Lots EXCEPTING THEREFROM Tracts A and B of Deed Exhibit No. 1888, all being in McCormick Addition No. 2, a platted subdivision in the City of Missoula, Missoula County, Montana, according to the official recorded plat thereof.