

Latest  
2009

**BYLAWS  
OF  
MILL CREEK HOMEOWNERS ASSOCIATION**

**ARTICLE I  
Name and Location**

The name of the corporation is Mill Creek Homeowners Association, hereinafter referred to as the "Association". The address of the corporation is 11111 1st St, Bigfork, MT 59911. All meetings of the members shall be held at such time and place within the State of Montana, County of Flathead, as may be designated by the Board of Directors. The meetings of the Board of Directors shall be at such time and place designated by the Board of Directors.

**ARTICLE II  
Definitions**

Section 1. "Association" shall mean and refer to Mill Creek Homeowners 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 for Mill Creek, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Lot" shall mean and refer to each Lot shown on the plat, attached hereto as Exhibit "A".

Section 4. "Owner" shall mean and refer to the record Lot owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the subject property, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

Section 5. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Mill Creek, and any amendments thereto, applicable to the subject property and recorded in the Office of the Clerk and Recorder, Flathead County, Montana.

Section 6. "Member" shall mean and refer to the owner of a Lot.

### ARTICLE III Meeting of Members

Section 1. Annual Meetings. The annual meeting of the members shall be held at a time and place determined by the Board of Directors.

Section 2. Special Meetings. Special Meetings of the members may be called at any time by the President of the Board of Directors, or upon written request of 1/3 of the members of the Association.

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 10 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 vote, or of proxies entitled to vote, shall be no less than 51% of the membership and shall be 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 be represented.

Section 5. 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his/her lot.

Section 6. Voting/Limitation. Although every owner of a lot is a member, in no event shall more than one vote be cast for any one Lot.

### ARTICLE IV Board of Directors: Selection - Term of Office

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) Directors, who are not required to be members of the Association.

Section 2. Term of Office. At the first annual meeting, the members shall elect three (3) Directors: one Director for a term of one year, one Director for a term of two (2) years, and one Director for a term of three (3) years; and, at each annual meeting thereafter, the members shall elect for a term of three (3) years a number of Directors equal to the number of Directors whose terms are ending at the time of the annual meeting, provided that the Association, by a single majority vote, may elect a Director for a term less than three (3) years.

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 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 by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by a vote of the majority of a quorum at a meeting of the members of the Association, provided that in no event shall more than one vote be cast with respect to any one Lot.

**ARTICLE VI**  
**Meetings of Directors**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, without notice, at the discretion of the Board, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

**ARTICLE VII**  
**Powers and Duties of the Board of Directors**

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

(a) adopt and publish rules and regulations governing the maintenance and 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 of a member during any period in which such member shall be in default in 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 sixty (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) unexcused 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.

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 which such statement is requested in writing by 1/3 of the members;

(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;

(2) send written notice of each assessment to every Lot owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(3) foreclose the lien after thirty (30) days of receipt of written notice of the filing of the lien against any Lot for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Lot owner personally obligated to pay the same;

(d) issue, or to cause an appropriate officer to issue, upon demand by a person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors 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 the subject property owned by the Association; and,

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

## ARTICLE VIII Officers and Their Duties

**Section 1. Enumeration of Offices.** The officers of this Association shall be

a President, who shall at all times be a member of the Board of Directors, a Vice-President, a Secretary, and a Treasurer, and such 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 herein, 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/she 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:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see the 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.

(b) Vice-President. 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.

(c) Secretary. 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 the 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.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an audit of the Association books to be made by a public accountant, when requested by the Board of Directors; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

#### ARTICLE IX Committees

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

#### ARTICLE X 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 individual Lot 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 per cent (10%) per annum, and the Association may bring an action at law against the Lot owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs.

and reasonable attorneys fees of any such action shall be added to the amount of such assessment. No Lot owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or by abandonment of his Lot.

**ARTICLE XI  
Corporate Seal**

The Association shall have a seal in circular form having within its circumference the words Mill Creek Homeowners Association.

**ARTICLE XII  
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 the Lot owners, provided that each Lot is limited to one vote.

**ARTICLE XIII  
Miscellaneous**

The fiscal year of the Association shall be January 1 through December 31 of every year.

Adopted this 11<sup>th</sup> day of May, 2009, by unanimous vote of the members at the annual meeting of the Mill Creek Homeowners Association.

**Board of Directors:**

[Signature]

, Director

[Signature]

, Director

[Signature]

, Director

Attest:

[Signature]

Secretary