

Bylaws

MILL CREEK HOMEOWNERS' ASSOCIATION

EXHIBIT A

0200450, 0002048 + 0002049

Return to: MillCreekLLC
10900 NE 8th St.
Bellevue, WA 98004

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9/18/2006

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ARTICLE I
REGISTERED OFFICE

The registered office of the Corporation required by the Montana Business Corporation Act to be maintained in the State of Montana may be, but need not be, identical with the principal office in the State of Montana may be, and the address of the registered office may be changed from time to time by the Board of Directors in accordance with the Montana Business Corporation Act.

ARTICLE II
ASSOCIATION STRUCTURE

Section A. After the period of Declarant Control: The members of said association shall have the right to adopt Articles of Association, ByLaws, and rules and regulations for the benefit of the Association. The Association shall elect a board of three directors to manage the Association, which board of directors shall elect a president, Vice President and Secretary-Treasurer. The Association shall have at least one annual meeting, at which directors and officers of the Association for the next year shall be elected. The annual meetings shall be on or about the second Tuesday of February of each year. Special meetings of the Association may be called upon ten days' written notice from any member of the Association. The board of directors of the Association shall be required to take action at a meeting of the members of the Association shall be required to take action at a meeting of the members of the Board of Directors of the Association. Until the expiration of the period of Declarant Control, the Homeowners Association will have the same powers but without the requirement of the membership vote on election of directors or the power to override at the Director's determination.

The period of Declarant Control is discussed in Article III, Section D, below.

Section B. Powers and Duties of Mill Creek Homeowners Association.

B.1 Mill Creek Homeowners' Association Management Duties. Subject to the rights and obligations of Declarant as set forth in the Declaration and the Developer as stated herein and to the rights and obligations of the other Owners, the Mill Creek Homeowners' Association will be responsible for the administration and operation of the subdivision. The Board of Directors will exercise for the Mill Creek Homeowners' Association all powers, duties and authority vested in or obligated to be taken by the Mill Creek Homeowners' Association and not reserved to Declarant, the Developer or the other Members by the Declaration, this Document, the other Mill Creek Documents, or other applicable law.

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B.2 Mill Creek Homeowners' Association's Responsibility. The Mill Creek Homeowners' Association, subject to the rights and obligations of the Declarant, the Developer and Owners set forth in this Document and the Declaration, shall:

A. will be responsible for the management, maintenance and control of the Common Areas, including roadways and all improvements on the Common Area (including furnishings and equipment related thereto), and will keep it in good, clean and attractive condition and repair consistent with the standards of Mill Creek;

B. shall enter into an agreement with the owners of the clubhouse, providing that Mill Creek Homeowners' Association shall be responsible for membership fees of all lot owners. That fee will take into consideration the services provided, cost of the clubhouse, including any lease payments, taxes, utilities and maintenance of the clubhouse. Mill Creek Homeowners' Association will include each lot owner's share of the cost in its annual assessments. The use of the clubhouse need not be exclusive to the members of Mill Creek Homeowners' Association;

C. shall prohibit any minor unaccompanied by his/her parent or guardian from recreating or being in or near the created ponds and waterfalls.

D. through its Board of Directors, may adopt, amend and repeal rules and regulations, to be known as the "Mill Creek Rules," governing, among other things and without limitation:

(i) The use of the Common Area; and

(ii) The use of private roads, if any, within Mill Creek that are not designated as Common Area.

A copy of the Mill Creek Rules in effect will be distributed to each Member of the Mill Creek Homeowners' Association, and any change in the Mill Creek Rules will be distributed or made available to each Member within a reasonable time following the effective date of the change.

E. through its Board of Directors provide for enforcement of the Mill Creek Rules, this Declaration, and the Bylaws of the Association. Without limiting the generality of the foregoing, the Board may suspend the voting rights of a Member after notice and hearing as provided in the Bylaws for a violation of any of the afore named documents.

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F. may employ or contract for the services of a Manager to act for the Mill Creek Homeowners' Association and the officers according to the powers and duties delegated to the Manager pursuant to the Bylaws or resolution of the Board. Neither the Board nor any officer of the Mill Creek Homeowners' Association will be liable for any omission or improper exercise by a Manager of any such duty, power, or function so delegated by written instrument executed by or on behalf of the Board. The Manager may be the Declarant or a person related to the Declarant.

G. may acquire, hold and dispose of personal property, and real property. The Board, acting on behalf of the Mill Creek Homeowners' Association, will accept any real or personal property, leasehold or other property interests within Mill Creek.

H. will make available for inspection by Owners and Mortgagees, upon request, during normal business hours or under other reasonable circumstances, current copies of the Mill Creek Documents, and the books, records, and financial statements of the Mill Creek Homeowners' Association prepared pursuant to the Bylaws. The Mill Creek Homeowners' Association may charge a reasonable fee for copying such materials.

I. establish and maintain an adequate reserve fund from Annual Assessments levied for maintenance, repair or replacement of the Common Area and Improvements located within the Common Area that must be replaced on a periodic basis and for any other facilities made available to the Mill Creek Homeowners' Association that must be replaced on a periodic basis with contribution from the Mill Creek Homeowners' Association.

J. will perform all of the duties and obligations imposed on it expressly by the Mill Creek Documents, together with every other duty or obligation reasonably to be implied from the express provisions of the Mill Creek Documents or reasonably necessary to satisfy any such duty or obligation. The Mill Creek Homeowners' Association may exercise any other right or privilege (i) given to it expressly by the Mill Creek Documents, (ii) reasonably to be implied from the existence of another right or privilege given expressly by the Mill Creek Documents, or (iii) reasonably necessary to effectuate any such right or privilege.

K. through its board of directors, assess the members for the costs of operation of the Association and other needs of the Association as called for herein and more particularly stated in Article VI, below.

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L. provide insurance as stated in the Declaration.

ARTICLE III
MEMBERSHIP

Section A. General. There shall be two classes of Members: (1) Developer, a voting class and (2) Owners, a voting class.

Section B. Mill Creek Land LLC is the Developer, whose address is 10900 NE 8th Street, Suite 900, Bellevue, WA 98004.

Section C. Owners are each lot owner of single home lots and each unit owner of townhouse lots within the Mill Creek Subdivision. Each owner of property added to the coverage of the Declaration of Covenants shall also be a member. No mortgage holder or beneficiary of a deed of trust or trust indenture shall be a member unless it has acquired the interest in foreclosure.

The lots or units are located within that property located in Section 26, Township 27 North, Range 20 West, P1M1 Flathead County Montana and more particularly shown on the Plat of Mill Creek on file and of record with the clerk and recorded of Flathead County, Montana, and such other properties that may be made subject to the Declaration of Covenants filed with this document.

Section D. The Period of Declarant Control shall mean the period beginning on the date the Declaration of Covenants is first recorded in the office of the Clerk and Recorder of Flathead County, Montana, and ending on the earlier of: (a) the date which is 20 years later, or (b) the date on which the Developer has sold ninety percent (90%) of the Lots within Mill Creek (including all additional phases) and the Developer has notified the Homeowners Association in writing that Developer has determined that no additional property shall be added to Mill Creek. The Period of Declarant Control may be reinstated or extended by agreement between Developer and the Homeowners Association upon such terms and conditions as the parties may agree. During the Period of Developer Control, Developer may appoint, remove and replace from time to time any or all of the directors and officers of the Homeowners Association. The membership will not be allowed during this period of time to elect a Director. If Developer so elects, Developer may from time to time relinquish, either on a temporary or permanent basis, the right to appoint all or a portion of the directors and officers of the Homeowners Association; provided that any such relinquishment shall be expressed in writing to the Homeowners Association.

Section E. Voting. After the Period of Declarant Control, unless provided otherwise in these Bylaws, each Member of a voting class shall have one vote, which will be cast by a designated representative of each firm and in person by an individual Member.

All notices given under this Declaration will be sent by personal delivery, which will be effective upon receipt; by overnight courier service, which will be effective one business day following timely deposit with a courier service; or by regular, registered or certified mail, postage prepaid, which will be effective three days after deposit in the U.S. mail.

If the address of the Lot or Unit is the registered address of the Owners, then any notice will be deemed duly given if delivered to any person occupying the Lot or Unit or sent to the Lot or Unit by any other means specified for a particular notice in any of the Mill Creek Documents, or if the Lot or Unit is unoccupied, if the notice is held and available for the Owners at the principal office of the Mill Creek Homeowners' Association. All notices and demands intended to be served upon the Board of Directors will be sent to the address of the Mill Creek Homeowners' Association or such other address as the Board may designate from time to time by a notice delivered to all Owners in accordance with this Section.

If no address is registered or if all of the Owners cannot agree, then the address of the Lot or Unit will be deemed the registered address until another registered address is furnished as required under this Section.

Section G. Owner's and Association's Addresses for Notices. All Owners and each Lot and each Unit will have one and the same registered mailing address to be used by the Mill Creek Homeowner's Association or other Owners for notices, demands and all other communications regarding Mill Creek Homeowners' Association matters. The Owner or Owners of a Lot or Unit will furnish the registered address to the Secretary of the Mill Creek Homeowners' Association within five days after receiving title to the Lot. The registration will be in written form and signed by all of the Owners of the Lot or Unit or by such persons as are authorized by law to represent the interests of all Owners of the Lot or Unit.

Section F. Notice of Membership. Any person, on becoming a Member, will furnish the Secretary of the Mill Creek Homeowners' Association with a photocopy or certified copy of the recorded instrument or such other evidence as may be specified by the Board under the Bylaws or the Mill Creek Rules, vesting the person with the interest required to make him a Member. At the same time, the Member will provide the Mill Creek Homeowners' Association with the single name and address to which the Mill Creek Homeowners' Association will send any notices given pursuant to the Mill Creek Documents. The Member will state in such notice the voting interest in Mill Creek Homeowners' Association to which the Member believes he is entitled and the basis for that determination. In the event of any change in the facts reported in the original written notice, including any change of ownership, the Member will give a new written notice to the Mill Creek Homeowners' Association containing all of the information required to be covered in the original notice. The Mill Creek Homeowners' Association will keep and preserve the most recent written notice received by the Mill Creek Homeowners' Association with respect to each Member.

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ARTICLE IV
MEETINGS OF MEMBERS

Section A. Annual Meeting. The annual meeting of the Members shall be held at 9:00 A.M. on the first Tuesday of May in each year, beginning with the year 2007, 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 be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting of the Members, 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 conveniently may be.

Section B. Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by 25% of the Board of Directors.

Section C. Place of Members' Meeting. The Board of Directors may designate any place, either within or without the State of Montana, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place, either within or without the State of Montana, as the place for the holding of such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Corporation in the State of Montana.

Section D. Notice of Meeting. Notice shall be given for each special meeting to each Member entitled to vote at such meeting stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. Such notice shall be given not less than thirty nor more than sixty days before the date of the meeting in writing, unless oral notice is reasonable under the circumstances. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member's address as it appears on the books of the Corporation, unless a Member shall have filed with the Secretary of the Corporation a written request that notices intended for such Member be mailed to a different address, in which case the notice shall be mailed to the address designated in the request, with postage thereon prepaid. Any notice of meetings may be waived by a Member by submitting a signed waiver either before or after the meeting, or by attendance at the meeting. When a members' meeting is adjourned for 10 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than 10 days, it is not necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat other than by announcement at the meeting at which the adjournment is taken.

Section E. Voting Lists. The Officer or agent having charge of the transfer books shall make, at least ten days before each meeting of Members, a complete list of the Members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with

Section I. Voting by Ballot. Voting by Members on any question or on any election may be voice unless the presiding Officer shall order or any Member shall demand that voting be by ballot.

Section H. Meeting of All Members. If all of the Members shall meet at any time and place, either within or without the State of Montana, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section G. Proxies. At all meetings of Members, a Member may vote either in person or by proxy executed in writing by the Member or by such Member's duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after twelve months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it, except where an irrevocable proxy is permitted by statute. Any executor, administrator, guardian, trustee or other fiduciary, may give proxies. The Board of Directors may, in advance of any annual or special meeting of the Members, prescribe additional regulations concerning the manner of execution and filing of proxies and the validation of the same, which are intended to be voted at any such meeting.

Section F. Quorum. A majority of the Members of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Members. If a quorum is present, the affirmative vote of a majority of the Members represented at the meeting and entitled to vote on the subject matter shall be the act of the Members, unless the vote of a greater number is required by the Montana Business Corporation Act, the Articles of Incorporation, or the Bylaws. If less than a majority of the outstanding Members are represented at a meeting, a majority of the Members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Members. the address of each, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting. The original transfer book shall be prima facie evidence as to who are the Members entitled to examine such list or transfer books or to vote at any meeting of Members.

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ARTICLE V
BOARD OF DIRECTORS

Section A. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors 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 Corporation, and such authority may be general or confined to specific instances.

Section B. Meetings. The annual meeting of the Board of Directors at 9:00 A.M. on the first Tuesday of May in each year, beginning with the year 2007, for the election or appointment of Officers and for the transaction of any other business. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election or appointment of Officers shall not be held on the day designated herein for any annual meeting of the Directors, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Directors as soon thereafter as conveniently may be. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Montana, for the holding of additional regular meetings without other notice than such resolution.

Section C. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Montana, as the place for holding any special meeting of the Board of Directors called by such person or persons.

Section D. Notice. Notice shall be given for any special meeting of the Board of Directors to each Director stating the date, time and place of the meeting. Such notice shall be given at least one day prior thereto in writing, unless oral notice is reasonable under the circumstances. If mailed, such notice shall be deemed to be delivered on the earlier of ten days after deposit in the United States mail addressed to the Director's address as shown on the Corporation's records with postage thereon prepaid or upon receipt. The attendance 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.

Section E. Conduct of Meeting. All Directors, to the extent possible, shall personally attend regular and special meetings of the Board of Directors. However, any Director may participate in any regular or special meeting by 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 deemed to be present in person at the meeting. The Directors may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as they may deem proper, not inconsistent with law or these Bylaws.

Section L. Action Without a Meeting. Unless prohibited by the Montana Business Corporation Act any action required to be taken at a meeting of the Directors, or any other action which may be taken at a meeting of the Directors or of a committee of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or all of the members of the committee of Directors, as the case may be, entitled to vote with respect to the subject matter thereof.

Section K. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the dissent of such Director shall be entered in the minutes of the meeting or unless such Director shall file a written dissent to such action with the person acting as the secretary of the meeting before adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section J. Resignation of Director. Any Director may resign his or her office at any time, such resignation to be made in writing and to take effect immediately without acceptance.

Section I. Removal of Directors. The entire Board of Directors or any Director may be removed either with or without cause, at any time, by a vote of the Members who were entitled to vote for the election of the Director sought to be removed, at any special meeting called for that purpose, or at the annual meeting. Except as otherwise prescribed by the Montana Business Corporation Act, a Director may be removed for cause by vote of a majority of the entire Board.

Section H. Vacancies. Any vacancy occurring in the Board of Directors and any Directorship may be filled by the affirmative vote of a majority of the remaining Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of such Director's predecessor in office. Any directorship to be filled by reason of any increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

Section G. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section F. Quorum. A majority of the number of the duly elected and qualified Directors shall constitute a quorum for the transaction of business; provided, that if less than a majority of such number of Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

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ARTICLE VI
COMMITTEES

Section A. Permanent and Temporary Committees. The Board of Directors may establish such permanent and/or temporary committees as it deems necessary and proper.

Section B. Other Committees. The Board of Directors by resolution adopted by a majority of the full Board, may designate two or more of its members to constitute such other Committee as it desires. Each committee shall exercise such powers as may be specifically delegated to it by the Board and act upon such matters as may be referred to it from time to time for study and recommendation by the Board or the President.

Section C. Tenure and Qualifications. Each member of each Committee shall hold office until the next regular annual meeting of the Board of Directors following his or her designation and until his or her successor is designated as a member of such Committee and is elected and qualified.

Section D. Meetings. Regular meetings of each Committee may be held without notice at such times and places as each Committee may fix from time to time by resolution. Special meetings of each Committee may be called by any member thereof upon not less than two days' notice stating the place, date and hour of the meeting, which notice may be written or oral, and if mailed, shall be deemed to be delivered when deposited in the United States mail addressed to the member of each committee at his or her address designated to the Corporation. Any member of a Committee may waive notice of any meeting and no notice of any meeting need to be given to any member thereof who attends in person. The notice of a meeting of a Committee need not state the business proposed to be transacted at the meeting.

Section E. Quorum. A majority of the members of a Committee shall constitute a quorum for the transaction of business at any meeting thereof and action of a Committee must be authorized by the affirmative vote of a majority of the members present at a meeting at which a quorum is present.

Section F. Action Without a Meeting. Any action that may be taken by a Committee at a meeting may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the members of such Committee.

Section G. Vacancies. Any vacancy in a Committee may be filled by a resolution adopted by a majority of the full Board of Directors.

Section H. Resignations and Removal. Any member of a Committee may be removed at any time with or without cause by resolution adopted by a majority of the full Board of Directors. Any member of a Committee may resign from such Committee at any time by giving written notice to the President or Secretary of the Corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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Section J. Procedure. Each Committee shall elect a presiding officer from its members and may fix its own rules or procedures which shall not be inconsistent with these Bylaws.

Section I. Design Review Committee. There shall be a Design Review Committee which shall have the powers as stated in the Declaration of Covenants.

ARTICLE VII
OFFICERS

Section A. Number. The Officers of the Corporation shall consist of a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary and a Treasurer, and such assistant Officers as may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person.

Section B. Election And Term Of Office. The Officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his or her successor shall have been duly elected and qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided. Election or appointment of an Officer or agent shall not of itself create contract rights.

Section C. Removal. Any Officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section D. Resignation. Any Officer or agent may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Such resignation shall take effect at the date of the 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 E. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section F. President. The President shall be the principal executive officer of the Corporation and, subject to the general powers of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. The President shall,

when present, preside at all meetings of the Board of Directors and shall in general perform all duties incident to the office of President and such other duties as may be prescribed by the Bylaws or by the Board of Directors from time to time.

Section G. Vice President(s). The Vice-President (or in the event there be more than one Vice-President, the Vice-President in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President in the event of the President's absence, death, inability or refusal to act. When so acting, the Vice-President shall have all the powers of and be subject to all the restrictions upon the President; and in addition thereto, shall perform such other duties as may be assigned by the President or by the Board of Directors, or as may be prescribed by the Bylaws.

Section H. Secretary. The Secretary shall: (a) keep the minutes of the Members' and of the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records; (d) keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; (e) have general charge of the books of the Corporation; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section I. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws; and (b) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors. 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 of Directors shall determine.

Section J. Other Assistants and Action Officers. The Board of Directors shall have the power to appoint any person to act as assistant to any Officer, or to perform the duties of such Officer whenever for any reason it is impracticable for such Officer to act personally, and such assistant or acting Officer so appointed by the Board of Directors shall have the power to perform all the duties of the office to which appointed to be assistant, or as to which appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors.

Section K. Compensation. The compensation of the Officers shall be fixed from time to time by the Board of Directors and no Officer shall be prevented from receiving such compensation by reason of the fact that such Officer is also a Director of the Corporation.

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ARTICLE VII
WRITTEN INSTRUMENTS, LOANS AND DEPOSITS

Section A. Written Instruments. Subject always to the specific directions of the Board of Directors, all deeds and mortgages made by the Corporation to which the Corporation shall be a party shall be executed in its name by any Officer and attested by any Officer. All other written contracts and agreements to which the Corporation shall be a party shall be executed in its name by any Officer.

Section B. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section C. Check, 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 Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

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

Section E. Directors' Contracts. No contract or other transaction between the Corporation and any other corporation shall be affected or invalidated by the fact that any one or more of the Directors of this Corporation is or are interested in, or is a Director or Officer, or are Directors or Officers of such other corporation, and any Director or Directors, individually or jointly, may be a party or parties to or may be interested in any contract or transaction of this Corporation or in which this Corporation is interested; and no contract, act or transaction of this Corporation with any person or persons, firm or association, shall be affected or invalidated by the fact that any Director or Directors of this Corporation is a party, or are parties, to, or interested in, such contract, act, or transaction, or in any way connected with such person or persons, firm or association and each and every person who may become a Director of this Corporation is hereby relieved from any liability that might otherwise exist from contracting with the Corporation for the benefit of such person or any firm or corporation in which such person may be in any way interested.

ARTICLE IX
FISCAL YEAR

The fiscal year of the Corporation shall end on the last day of December each year.

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ARTICLE X
CORPORATE SEAL

This Corporation shall not have a corporate seal.

ARTICLE XI
WAIVER OF NOTICE

Whenever any notice is required to be given to any Member or Director of the Corporation under the provisions of the Articles Of Incorporation, Bylaws, or the Montana Business Corporation Act, a waiver thereof in writing, signed by the person or person entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII
ASSESSMENTS

Section A. Determination: The Board of Directors will prepare a budget before the close of each fiscal year of the Mill Creek Homeowners' Association. Annual Assessments for Common Expenses will be based upon the estimated net cash flow requirements of the Mill Creek Homeowners' Association to cover the functions of Mill Creek Homeowners' Association.

Section B. Apportionment of Annual Assessments. Each Owner will be responsible for that Owner's share of the Common Expenses, which will be divided among the Lots included in the Project under this Declaration from time to time. The division will count as one unit each for a single family lot, and each townhome lot, and will be treated as the greater of one lot or the number of units on the lot. Accordingly, at any given time, an Owner's share of Common Expenses will be determined as a fraction, the numerator of which is the number of Lots owned by the Owner, and the denominator of which is the number of single family Lots plus the greater number of units or lots which are townhouses, then platted and incorporated in the Project. The townhouse Lots will be assessed for full outside maintenance and additional landscape maintenance.

Notwithstanding the preceding, any Common Expenses or portion thereof benefiting fewer than all of the Lots or units will be assessed exclusively against the Lots or units benefited. Further, the costs of insurance may be assessed in proportion to risk, and the costs of utilities may be assessed in proportion to usage.

Section C. Collection. Annual Assessments will be collected in periodic installments as the Board may determine from time to time, but until the Board directs otherwise, they will be

current year's budget. Creek Homeowners' Association as may be required by the Act, to make up any shortfall in the personal property related thereto, or, after adopting and submitting a revised budget to the Mill Creek Homeowners' Association, including the necessary fixtures and described capital improvement upon the Common Area, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a one or more Special Assessments, applicable to that year only, for the purpose of defraying, in

Section H. Special Assessments. The Board of Directors may levy in any fiscal year

charges, fixed charges, and other charges. using other methods determined by the Board; or they may be some combination of usage from time to time the method of setting and apportioning Common Area Assessments. The Assessments may be set and apportioned depending on the usage of each Lot or unit; they may be set at a fixed amount for each Lot or unit regardless of use; they may be set and apportioned from time to time the method of setting and apportioning Common Area Assessments. The Board shall establish

Section G. Apportionment and Collection of Assessments. The Board shall establish

will be assessed for additional landscaped areas that are common to the townhouse units. improvements for the single Family Lots and townhouse Lots. In addition, the townhouse Lots method of setting and apportioning common area landscape maintenance and capital

Section F. Landscape Assessments. The Board shall establish from time to time the

irrigation system and waterfall pumping system. hook-up charges, service fees, and other fees and charges relating to the provision of such services, including charges intended to fund a reserve for repairs and replacement of the by the Mill Creek Homeowners' Association to Owners. The charges may include monthly fees, paid for domestic water service and the well irrigation system, or any other services provided

Section E. Utility Assessments. The Board of Directors may set charges and fees to

not be considered advance payments of Annual Assessments. additional equipment or services for the benefit of the Members. Such payments to this fund will working capital funds in segregated accounts to meet unforeseen expenditures or to acquire in which the Owner acquired title. The Mill Creek Homeowners' Association will maintain the amount of the Annual Assessment determined by the Board of Directors for the Lot for the year and reserves of the Mill Creek Homeowners' Association an amount equal to one-fourth of the from Declarant or any seller after Declarant, each Owner will contribute to the working capital

Section D. Capitalization of the Association. Upon acquisition of record title to a Lot

any fiscal year. make pro rata refunds of any Annual Assessments in excess of the actual expenses incurred in same. The Mill Creek Homeowners' Association will have the right, but not the obligation, to not be deemed a waiver, modification, or release of the Owners from their obligation to pay the Creek Homeowners' Association to fix the Annual Assessments for any Assessment period will payable monthly in advance on the first day of each month. The omission or failure of the Mill

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H.1 Apportionment and Collection of Special Assessments. The Board will apportion Special Assessments among the single Family Lots and townhouse Lots and collect payment according to the same guidelines as set forth above. Lots in a newly platted portion of the Expansion Property which is added to the Property shall not be subject to Special Assessments which preceded the recording of the new Plat, unless the Special Assessment is due in monthly or periodic installments, in which case the Lots in the newly platted portion shall be subject to the Special Assessment only to the extent of the installments which are not yet due at the time of the recording of the new Plat.

H.2 Notice. Notice of the amount and due dates for such Special Assessments must be sent to each Owner at least 30 days prior to the due date.

Section I. Default Assessments. All monetary fines, penalties, interest or other charges or fees (excluding Annual and Special Assessments) levied against an Owner pursuant to the Mill Creek Homeowner's Association which is the obligation of an Owner or which is incurred by the Mill Creek Homeowners' Association on behalf of the Owner pursuant to the Mill Creek Documents, and any expense (including without limitation attorneys' and legal assistants' fees) incurred by the Mill Creek Homeowners' Association as a result of the failure of an Owner to abide by Mill Creek Documents, constitutes a Default Assessment, enforceable as provided in this Declaration below.

Section J. General Remedies of Mill Creek Homeowners' Association for Nonpayment of Assessment. Any installment of an Annual Assessment or a Special Assessment which is not paid within 30 days after its due date will be delinquent. In the event that an installment of an Annual or Special Assessment becomes delinquent, or in the event any Default Assessment is established under this Declaration, the Mill Creek Homeowners' Association, in its sole discretion, may take any or all of the following actions:

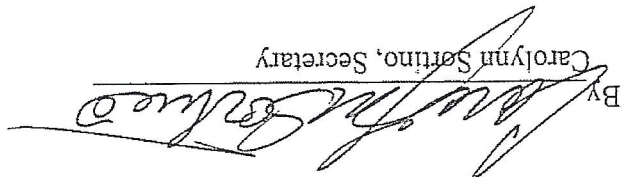
J.1 Assess a late charge for each delinquency at uniform rates set by the Board of Directors from time to time in lieu of interest, such rate may provide for a charge of up to the greater of 15% or an amount that is 6 percentage points per annum above the prime rate of major New York banks, as published in the Wall Street Journal edition dated 3 business days prior to the assessment.

J.2 Charge interest from the date of delinquency at the Default Rate;

J.3 Suspend the voting rights of the Owner during any period of delinquency;

J.4 Accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessments for the remainder of the fiscal year will be due and payable at once;

J.5 Bring an action at law against any Owner personally obligated to pay the delinquent Assessment charges.

By 
 Carolyn Sortino, Secretary
 Mill Creek Homeowners' Association

The foregoing are the Bylaws of Mill Creek Homeowners' Association, duly adopted by the Board of Directors of said Corporation on September 28, 2006.

After the period of Declarant control, but not until it has expired, these Bylaws may be altered, amended, or repealed in the same manner and by the same affirmative vote as required to amend the Declaration of Covenants to which the initial version of this document is attached. Member entitled to vote at such meeting, which notice shall state the alterations, amendments, additions, or changes which are proposed to be made in such Bylaws. Only such changes shall be made as have been specified in the notice. Any amendment must be recorded before it is effective.

ARTICLE XII
 AMENDMENTS

Section L. *Failure to Assess.* The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment notice will not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner will continue to pay Annual Assessments on the same basis as for the last year for which an Assessment was made until a new Assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Mill Creek Homeowners' Association.

Section K. *Statement of Status of Assessments.* The Mill Creek Homeowners' Association will furnish to an Owner or his designee or to any Mortgagee a statement setting forth the amount of unpaid Assessments then levied against the Lot in which the Owner, designee or Mortgagee has an interest. The Mill Creek Homeowners' Association will deliver the statement personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party within 14 business days after the registered agent of the Mill Creek Homeowners' Association receives the request by personal delivery or by certified mail, first class postage prepaid, return receipt requested or as otherwise required by the Act. The information contained in such statement, when signed by an officer or director of the Mill Creek Homeowners' Association or the Manager, will be conclusive upon the Mill Creek Homeowners' Association, the Board, and every Owner as to the person or persons to whom such statement is issued and who rely on it in good faith.

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