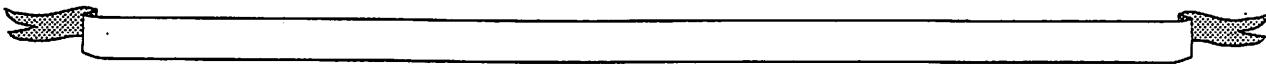


BY-LAWS
of

*Fox Hill Estates Homeowners'
Association, Inc.*

INCORPORATED UNDER THE LAWS OF THE STATE OF

MONTANA



CORP-KIT NORTHWEST, INC.

BYLAWS
OF
FOX HILL ESTATES HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
DEFINITIONS

The terms defined in the Declaration of Covenants, Conditions and Restrictions of Fox Hill Estates Phase 1, 2 and 3, recorded in the records of Flathead County, Montana, (The "Declaration") shall have the same meaning in these Bylaws.

ARTICLE II
NAME AND LOCATION

The name of the corporation is Fox Hill Estates Homeowners' Association, Inc. incorporated under the laws of the State of Montana on March 30, 2006 for a perpetual period.

The principal office of this corporation shall be located at 491 Creston Road, Kalispell, MT 59901.

ARTICLE III
MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided interest in any tract or lot, which is located within the "property", shall be a member of the Association, provided that any such person or entity who holds such an interest merely as security for performance of an obligation shall not be a member.

Membership shall be appurtenant to and may not be separated from the ownership of the lot.

The rights of the membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of, and becomes a lien upon the property against which such assessments and charges are made.

Membership rights of any person whose interest in the property is subject to assessment may be suspended by action of the Directors during the period which the assessments remain unpaid, but upon payment of such assessments, all rights and privileges shall be automatically restored.

ARTICLE IV VOTING

All members shall be entitled to one vote on Association matters on the basis of one vote for each lot owner. When more than one person or entity holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised by one person or alternative person as the owners of the lot determine. Any person or entity, on becoming an owner, will furnish to the Secretary of the Association a photocopy of the recorded instrument vesting that person or entity with the ownership interest, which instrument will remain with the files of the Association.

ARTICLE V ASSESSMENTS

The Board of Directors of the Association shall establish the assessments and charges at such times and in such amounts as they determine to be appropriate. The Association may bring an action to collect the amount of the assessment and charges, together with interest, costs and reasonable attorney's fees.

ARTICLE VI NONPROFIT CORPORATION

The Association is not organized for profit. No member of the Association, member of the Board of Directors, or person from whom the Association may receive any property or funds will receive or will be lawfully entitled to receive any pecuniary profit from the operations of the Association, and in no event will any part of the funds or assets of the Association be paid as a dividend or be distributed to, or inure to the benefit of any member of the Board of Directors. Notwithstanding the foregoing, (i) reasonable compensation may be paid to any Member or Manager acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, (ii) any Member or Manager may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, and any Director may be reimbursed for actual expenses incurred in the performance of his duties.

ARTICLE VII BOARD OF DIRECTORS

A Board of Directors consisting of at least three but no more than five directors will manage the affairs of the corporation. The Directors must be members of the corporation.

The initial three board of directors shall be:

1. _____
2. _____
3. _____

During the period of Declarant Control, Declarant may appoint, remove and replace from time to time all of the directors of the Homeowners' Association. If declarant so elects, Declarant may from time to time relinquish, either on a temporary or permanent basis, the right to appoint all or a portion of the directors of the Homeowners' Association; provided that any such relinquishment shall be expressed in writing to the Homeowners' Association.

Following the Period of Declarant control, Directors shall be elected or appointed annually by the members at the Homeowners' Association annual meeting.

Vacancies in the Board of Directors shall be filled by the remaining Directors, any such appointed Director to hold office until the successor is elected by the members, who may make such election at the next annual meeting of the members or at any special meeting duly called for the purpose.

ARTICLE VIII ELECTION OF DIRECTORS

Election of the Board of Directors shall be by written ballot as hereinafter provided. At such election, 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 Articles of Incorporation. The names receiving the largest number of votes shall be elected.

Except for the first members meeting to elect the Board of Directors, nominations for election to the Board of Directors shall be made by a nominating committee which shall be one of the standing committees of the Association. The nominating committee shall consist of the 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 the annual meeting of the members.

Term: All directors shall serve for one year.

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. Such nominations may be made from among the members or non-members as the committee, in its discretion, may determine. Nominations shall be placed on a written ballot which shall describe the vacancies to be filled, set forth the names of those nominated by the nominating committee for such vacancies, and contain a space for write-in vote by the members for each vacancy. Such ballots shall be prepared and mailed by the Secretary to the members at least fourteen (14) days in advance of the date set forth therein for a return, which shall be a date not later than the day before the annual meeting or special meeting called for elections.

The vote shall be turned over by the Secretary to the nominating committee, which shall then adopt a procedure by which the votes shall be counted in a manner that the vote of any member or his proxy shall not be disclosed by anyone.

ARTICLE IX POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors shall have the power:

- A. To call special meetings of the members whenever it deems necessary.
- B. To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient.
- C. To establish, assess, levy and collect assessments or charges.
- D. To establish an architectural review and other appropriate committees.
- E. To adopt and publish rules and regulations.
- F. To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those expressly otherwise reserved to the members.

It shall be the duty of the Board of Directors:

A. To cause to be kept a complete record of all its acts and corporate affairs and present a statement thereof to the members at the annual meeting of the members.

B. To supervise all officers, agents and employees of this Association and to see that their duties are properly performed.

C. To prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member; to fix the amount of assessment against each lot for each assessment, at least thirty (30) days in advance of such date; and to send written notice of each assessment to every owner subject thereto.

D. To issue or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE X DIRECTORS' MEETING

The regular meeting of the Board of Directors shall be held on the day of _____ of each year, at a time designated by the Board of Directors, provided that the Board of Directors may, by resolution, change the hour and date of the holding of such regular meeting.

Notice of such regular meeting is hereby dispensed with. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) directors after no less than three (3) days notice to each director. The transaction of any business at any meeting of the Board of Directors shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present and if, before or after the meeting, each director not present signs a written waiver of notice, or consent to the holding of such meeting, or an approval of the minutes thereof.

The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XI OFFICERS

There shall be three officers: President, Vice President and Secretary - Treasurer. The President and the Vice President shall be members of the Board of Directors.

The officers shall be chosen by a majority vote of the Board of Directors.

All officers shall hold office during the pleasure of the Board of Directors.

The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out, and sign all notes, checks, leases, mortgages, deeds and other written instruments.

The Vice President shall perform all the duties of the President in his absence.

It shall be the duty of the Secretary-Treasurer, in addition to the usual duties pertaining to the office, to attend all sessions of, and keep a record of the proceedings of all Directors' meetings and transcribe all the same in a well-bound book to be known as the "corporation record". The Secretary-Treasurer shall keep the seal of the corporation and the book of the corporation minute record and it shall be his duty to affix the corporate seal to all papers requiring the same.

The Secretary-Treasurer shall serve all notices required either by law or by the bylaws of the corporation, and in case of his absence or refusal, or negligence to do so, then such notices may be served by any person thereunto directed by the President.

It is the duty of the Secretary-Treasurer to keep full and complete accounts of all receipts and disbursements of the corporation in books belonging to the corporation, and he shall deposit all money in such bank as from time to time may be designated by the Board of Directors.

Checks and withdrawals on the bank account of the corporation may be signed and issued by the President or Secretary-Treasurer up to such amounts as may from time to time be authorized by regular or special resolution of the Board of Directors. The bank on which such checks are to be drawn shall be notified from time to time of the limitation of authority to such issuing officers. The Secretary-Treasurer is charged with the responsibility of keeping a full account of all moneys received and expended, and to render to the Board of Di-

rectors, or to the President, when required, a true and faithful account of any and all transactions.

ARTICLE XII MEETINGS OF MEMBERS

The regular annual meeting of the members shall be held on the day of the month of _____ in each year at the hour of _____ .m. If the date for the annual meeting of the membership falls on a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

Special meetings of the members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, or any two or more members of the Board of Directors, or upon written request by the members who have a right to vote one-fourth (1/4) of all the votes of the membership.

The Secretary shall give notice of any meeting to the members. Notice may be given to the members either personally or by sending a copy of the notice through the mail to the address appearing on the books of the corporation. Each member shall have registered his address with the Secretary.

Except as otherwise provided in the Articles of Incorporation or these By-laws, the presence in person or by proxy of the owners of thirty-three percent (33%) of the Lots shall constitutes a quorum.

At any meeting of the members where a majority vote is required, if a quorum is present, the affirmative vote of the owners of a majority of the Lots represented at the meeting, in person or by proxy, shall be the act of the members unless the vote of a greater number is required by law, the Articles of incorporation, the Declaration or these Bylaws as from time to time in force and effect.

ARTICLE XIII PROXIES

At all corporation meetings of members, each member may vote in person or by proxy.

All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his home or other interest in the property.

ARTICLE XIV DECLARANT

Declarant's Responsibilities and Obligations. Declarant is TML Construction, LLC, and is the owner of the "property", Fox Hill Estates Phase 1 and Phase 2, at the time of the adoption of these By-Laws. Declarant's responsibilities, obligations and authority under these By-Laws are subject to Declarant's rights as set forth in the Declaration of Covenants, Conditions, and Restrictions of Fox Hill Estates, Phase 1 dated November 1, 2004 and recorded November 17, 2004, as Document No. 200431512310 and as amended May ___, 2005, as Document No. 200514511550.

ARTICLE XV CORPORATE SEAL

The Association shall have a seal in a particular form having within its circumference the words: Fox Hill Estates Homeowners' Association, Inc.

ARTICLE XVI AMENDMENTS

Provided a quorum is present, these Bylaws may be amended at a regular or special meeting of the members by a vote of a majority of members present in person or by proxy, provided that those provisions of bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and matters governed by the Declaration of Covenants, Conditions and Restrictions applicable to the properties may not be amended except as provided in such Declaration of Covenants, Conditions and Restrictions. During the period of Declarant control, any amendment shall require the written consent of the Declarant.

In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; in the case of any conflict between the Declaration of Covenants, Conditions and Restrictions applicable to the properties of the Association and these By-laws, the Declaration of Covenants, Conditions and Restrictions shall control.

The fiscal year of the Homeowners' Association shall commence on January 1st and terminate on December 31st of each year.

The undersigned, incorporation of FOX HILL ESTATES HOMEOWNER'S ASSOCIATION, INC., does hereby adopted the foregoing Bylaws as the Bylaws of FOX HILL ESTATES HOMEOWNERS' ASSOCIATION, INC.

TML, LLC

By



Terry J. Leighty, Member

By



Mark D. Leighty, Member

STATE OF MONTANA)
:ss

County of Flathead)

On this ____ day of _____, 2006 before me, the undersigned, a Notary Public for the State aforesaid, personally appeared Terry J. Leighty and Mark D. Leighty, known to me to be members of TML, Inc., the incorporator of Fox Hill Estates Homeowners' Association, Inc. and the persons who executed the foregoing instrument on behalf of such corporation, and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal the day and year in this certificate last above written.

C. Mark Hash
Notary Public for the State of Montana
Residing at Kalispell, MT
My Commission expires: Nov. 17, 2007