

By-Laws
AS AMENDED
November 20, 1999
of
BEAR LAKE WEST HOMEOWNERS' ASSOCIATION
(An Idaho Corporation Not For Profit)

ARTICLE I

MEMBERSHIP

Section 1. Members. Every person acquiring legal or equitable title to any lot in Bear Lake West Homeowners' Subdivision located in Bear Lake County, State of Idaho (hereinafter collectively referred to as the HOA Subdivision), automatically becomes a member of the Bear Lake West Homeowners' Association, (hereinafter referred to as HOA), an Idaho Corporation not for profit, and with such ownership in the Subdivision and membership in the Corporation becomes subject to the requirements and limitations imposed in these By-Laws and in the Declaration of Restrictions made by Bear Lake West HOA and to the regulations and assessments of the Corporation. Bear Lake West HOA shall be deemed the owner of each unsold lot in the Subdivision and shall sustain the rights, privileges and obligations or membership in the Association with respect to said lots, except as limited or restricted herein.

Section 2. Shares in the Corporation. Membership in the Corporation shall be evidenced by one share of stock in the Corporation for each lot owned by the member in the Subdivision, each such share bearing the number of the lot in the Subdivision for which it is designated. The person of persons owning any such lot in the Subdivision shall automatically become the owner of such share of stock, and the ownership of such share of stock shall immediately and automatically pass to each succeeding owner or owners of such lot in the Subdivision. Members shall be entitled to one vote at any regular or special meeting of the members for each share of stock they hold as shown by the records of the Corporation.

Section 3. Membership Rights. Members shall have the right to use all parks, private or public roads, recreational facilities, utilities systems or all other services including, but not limited to water, sewage, and garbage services and all other amenities within the Subdivision or owned by the Corporation. Such facilities shall be made available to guests of members of the Corporation who invited by such members and upon payment of such guest fees as may be established by the Board of Directors of the Corporation from time to time.

Section 4. Reciprocal Easement. Members shall each have a non-exclusive and reciprocal right and easement to use the common areas, roadways, and recreational facilities within the Subdivisions or owned by the Corporation for all uses authorized by the Corporation. No member shall hinder or obstruct the use or enjoyment thereof by any other such member or guests for such recreational purposes. No portion of such facilities shall be used in such manner as to obstruct or interfere with the enjoyment of members or their guests, or to annoy them by unreasonable noises or

otherwise, nor shall any nuisance, immoral or illegal activity be committed or permitted to occur in or about such facilities.

Section 5. Suspension of Membership. Breach by any member or guest of any member of the regulations imposed by the Corporation and the Declaration of Restrictions, or failure to pay any assessment or fee lawfully imposed by the Corporation shall constitute grounds for suspension of all membership rights, including voting rights, at the discretion of the Board of Directors of the Corporation. No delay or omission on the part of the Board of Directors of the Corporation in exercising any right, power, or remedy herein provided, in the event of any breach of the conditions contained herein, shall be considered as a waiver thereof or acquiescence therein. A waiver of any breach of the conditions contained herein shall not be construed as a waiver of any succeeding breach or violation, and no such waiver shall result in or impose any liability on the Board of Directors.

ARTICLE II

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The Annual Meeting of the members shall be held at the office of the Corporation or at any other address specified in the Notice of the Meeting, in August of each year, at the time and date specified in the notice.

Section 2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, or by any Director. The Secretary shall call a special meeting upon written request of the members who have a right to vote one-fifth (1/5) of all of the shares of the entire membership.

Section 3. Notices. Notice of meetings shall be given to the members by the Secretary. Notice may be given to the member either personally or by mailing a copy of the notice, postage prepaid, to the address appearing on the books of the Corporation. (Each member shall register his/her address and any change in address with the Secretary). Notice of any meeting, regular or special, shall be mailed not less than ten (10) or more than thirty-five (35) days in advance of the meeting and shall set forth the purposes of the meeting.

Section 4. Proxy Voting. At any membership meeting, the presence, whether in person or by proxy, of members entitled to vote not less than ten percent (10%) of the total shares (including shares held by HOA for unsold lots), shall constitute a quorum for the transaction of the business. All proxies shall be in writing and be filed with the Secretary at the commencement of the meeting. Any proxy given by a person who shall not be a qualified member at the date of the meeting and any proxy given more than eleven (11) months before the date of the meeting shall be void.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Membership and Powers. The corporation shall be governed by a Board of Directors consisting of seven (7) directors in accordance with Article IX of the Articles of Incorporation of the Corporation. Without limiting the generality of the preceding sentence, or any power vested in it by law, the Board of Directors shall have the power (a) to appoint and remove, with or without cause, all officers, agents, and employees of the Corporation, prescribe their duties, fix their compensation, and require of them security or fidelity bonds as it may deem expedient (nothing contained in these By-laws shall be construed to prohibit the employment of any member, officer, or director of the Corporation in any capacity whatsoever); (b) to establish, levy, assess and collect the annual assessments and all other charges; (c) to adopt and publish rules and regulations governing the use of property and community facilities belonging to the Corporation, and the personal conduct of members, their family, their tenants, and their guests with respect thereto; (d) to exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation, except those expressly reserved to the members; and (e) in the event any member of the Board of Directors of this Corporation shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting in which such third absence occurs declare the office of said absent Director to be vacant.

Section 2. Duties. It shall be the duty of the Board of Directors (a) to cause to be kept a full, true and accurate record of its acts and corporate affairs and to present a statement thereof to the members at the Annual Meeting of the members or at any special meeting when requested in writing of one-fifth (1/5) of the membership; (b) to supervise all officers, agents, and employees of the Corporation and to see that their duties are properly performed; (c) in accordance with these By-laws (i) to fix the amount of the annual fees against each share of stock in the Corporation as soon as may be practicable after the beginning of each calendar year and, in any event, before January 1, (ii) to prepare a roster of the properties and annual assessments applicable thereto which shall be kept in the office of the Corporation and shall be open to inspection by any member, and (iii) to send written notice of each assessment to every owner subject thereto; (d) to issue or to cause an appropriate officer to issue, upon demand by any person, a certificate stating whether any annual assessment has been paid, which shall be conclusive evidence that any charge stated therein has or has not been paid.

Section 3. Vacancies. Vacancies in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors and any such appointed Director shall hold office for the unexpired term of his or her predecessor in office.

ARTICLE IV

MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Annual Meetings. The Annual Meeting of the Board of Directors shall be held immediately following adjournment of the Annual Meeting of the members in each year.

Section 2. Regular Meetings. A Regular Meeting of the Board of Directors shall be held monthly at the office of the Corporation, provided that the Board of Directors may, by resolution, exclude months and change the time and place of holding such Regular Meetings.

Section 3. Notices; Waivers. No notice need be given for the Annual or any regular meeting of the Board. Notice of any special meeting shall be sufficient if mailed to each Director, postage prepaid, at his/her address as it appears on the records of the Corporation, at least three (3) days before the meeting, or given personally or by telephone not later than the day before the meeting. No notice need be given to any Director who attends the meeting, or to any Director who in writing (before or after the meeting) waives such notice.

Section 4. Special Meetings. Special Meetings of the Board of Directors shall be called by the Secretary upon request by any officer of the Corporation or by any two (2) Directors. The action of a majority of the Board, although not at a regularly called meeting, shall be valid and effective in all respects if the record of the meeting shall be assented to in writing by all members of the Board.

Section 5. Quorum. At all meetings of the Board, a majority of the Board of Directors shall constitute a quorum; and, except as otherwise provided by law or by the By-laws, the act of a majority of the Directors present shall be the act of the Board.

ARTICLE V

ELECTION OF DIRECTORS

Section 1. Ballots. The election of Directors shall be by written ballot as hereinafter provided. At each Annual Meeting or at any special meeting called for the purpose of electing Directors, the members or their proxies may cast under the Articles of Incorporation of the Corporation. The nominees receiving the largest number of votes shall be elected.

Section 2. Nominations; Nominating Committee. Nominations for election to the Board of Directors shall be made by the Nomination Committee, which shall consist of a Director, who shall be Chairperson, and one or more members of the Corporation. The Nomination Committee shall be appointed by the Board of Directors prior to each Annual Meeting or until its successor shall have been duly designated and qualified. The members of the Nominating Committee shall be announced at each Annual Meeting of the members.

Section 3. Nominees. The Nomination 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 to be filled. Such nominations may be made from among members, as the Committee in its discretion shall determine. Nominations shall be placed on a written ballot as provided in Section 4 and shall be made in advance of the time fixed in Section 4 for the mailing of such ballots to the members.

Section 4. Procedure. All elections of the Board of Directors shall be made on written ballots which shall (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for such vacancies; and (c) contain a space for a write-in vote by members for each vacancy. Such ballot shall be prepared and mailed by the Secretary to the members at least 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 any special meeting called for the purpose of electing Directors).

Section 5. Terms. Directors will be elected for three (3) year terms.

ARTICLE VI

OFFICERS

Section 1. Officers. The officers of the Corporation shall be a President, Secretary, and a Treasurer. The president shall be a member of the Board of Directors.

Section 2. Election by Board of Directors. All officers shall be elected at such Annual Meeting of the Board, and each shall hold office until the next Annual Meeting of the Board and until his/her successor shall have been duly elected and qualified or until his/her earlier death, resignation, or removal in accordance with the By-laws. The officers shall be chosen by a majority vote of the Directors.

Section 3. President's Duties. The President shall be the chief executive officer of the Corporation and, as such, shall have general supervision of the affairs and property of the Corporation and over its several officers, subject to the direction of the Board of Directors. The President shall, if present, preside over all meetings of the Board of Directors, and shall generally do and perform all acts incident to the office of the President. The President may sign in the name and on behalf of the Corporation all notes, leases, mortgages, deeds and all other written instruments authorized by the Board, except where the Board shall delegate the execution thereof to some other officer or agent of the Corporation. The President shall appoint a Board member as acting President to serve in the absence of the President.

Section 4. Secretary's Duties. The Secretary shall act as Secretary of the Board of Directors and shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. The Secretary shall sign all certificates of membership. The Secretary shall keep the records of the Corporation. The Secretary shall record the names and addresses of all members of the Corporation, shall see that all notices are duly given as required by the By-laws or applicable

law, and shall be the custodian of the Corporate Seal. The Secretary shall see, at the direction of the Board of Directors, that a written notice of annual assessments are sent to every member and shall see that proper books of account are maintained for all assessments paid.

Section 5. Treasurer's Duties. The Treasurer shall deposit in bank accounts approved by the Board all monies of the Corporation and shall disburse funds as directed by a resolution of the Board of Directors provided, however, that a resolution of the Board of Directors shall not be necessary for the disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Corporation.

Section 6. Books and Accounting. The Treasurer shall keep proper books of account and prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership prior to and at the Annual Meeting.

ARTICLE VII

ANNUAL FEES (HOA Homeowners Fees)

Section 1. Maintenance Fees. In order to enable the Corporation to properly maintain the private roads, common areas, recreational facilities, and other amenities within the Subdivision and/or owned by the Corporation, to provide utilities systems and services, including but not limited to, water, sewage, and garbage collection, and to construct, maintain, or repair any improvements upon property within the Subdivision and/or owned by the Corporation, the Board of Directors of the Corporation shall be empowered to annually assess the stock of the Corporation held by the members thereof. Any sums collected from the members for the purpose of constructing improvements upon property within the Subdivision and/or owned by the Corporation, or for the purpose of establishing reserves for the construction of such improvements, shall be deemed contributions to the capital of the Corporation, to be distributed pro rata to the members upon dissolution of the Corporation.

Section 2. Amount. The Board of Directors will annually consider and adopt a budget in an amount sufficient to maintain, operate, and manage the facilities available to the members, which will be the basis for determining the annual fees on the stock of the Corporation held by the members. The budget shall include amounts for the maintenance and repair of improvements, purchase, maintenance, and repair of equipment, liability insurance and general property taxes on the property comprising the common areas and private roads in the Subdivision, and such other amounts as are necessary to carry out the purposes of the Corporation set forth in the Articles of Incorporation. The total budget will be divided by the total number of shares of stock in the Corporation owned by the members to arrive at a fee per share. Accordingly, each member's total fees will be determined by the number of shares in the Corporation owned by him/her. (In no event shall the annual fees be less than twenty-four dollars (\$24) per share. Provided further, however, that each share of stock shall not become assessable until such time as basic improvements to the lot to which the share relates has been improved to the extent of water lines and access roads extended

to the lot.) The assessability or non-assessability of each share of stock pursuant to this paragraph shall not affect the voting rights of said stock as set forth in Article I, Section 2 of these By-laws.

Section 3. When Due. The annual fee shall be payable by the member to the Corporation on or before the thirty-first (31st) day of March of each year, for the ensuing year. The Boards of Directors of the Corporation shall fix the amount of the annual budget and fees by the first day of January of each year, and written notice of the maintenance fee so fixed shall be sent to each member.

Section 4. Special Assessments for Capital Improvements. Special assessments will not exceed \$250 per lot per year unless voted upon and approved by a majority of the membership.

ARTICLE VIII

COMMITTEES

Section 1. Standing Committees. Standing Committees of the Corporation shall be the Nominating Committee, the Recreation Committee, the Maintenance Committee, the Audit Committee, and the Environmental Control Committee. Unless otherwise provided herein, each committee shall consist of a Chairperson and two (2) or more members as determined by the Board, at least one of who shall be a Director. Each committee shall be appointed by the Board of Directors at its Annual Meeting to serve until the next Annual Meeting of the Board and until its successor shall have been duly elected and qualified, except that the Nominating Committee shall be appointed in accordance with Article V, Section 2 hereof. The Board of Directors may appoint such other committees, as it deems desirable.

Section 2. Nominating Committee. The Nominating Committee shall have the duties and functions described in Article V.

Section 3. Recreation Committee. The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational program of the Corporation and shall perform such other functions as the Board, in its discretion, determines.

Section 4. Maintenance Committee. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair, or improvement of any property or community facilities within the Subdivision or owned by the Corporation, and shall perform such other functions as the Board, in its discretion, determines.

Section 5. Audit Committee. The Audit Committee shall make an annual review of the Corporation's books and approve the annual budget and balance sheet statement to be presented to the members at their Annual Meetings. The Treasurer shall be an ex officio member of the committee. An external audit may be requested by the Board of Directors.

Section 6. Environmental Control Committee. The Environmental Control Committee shall have broad responsibility for supervision and approval in all aspects of any and all improvements to be constructed, remodeled, altered, or added to on any lot within the Subdivision, following the procedures detailed in the Declaration of Restrictions.

Section 7. Subcommittees. With the exception of the Nominating Committee, each committee shall have the power to appoint a subcommittee from among its membership and may delegate to any subcommittee any of its powers, duties, and functions.

Section 8. General Duties. It shall be the duty of each committee to receive complaints from the members on any matter involving Corporation functions, duties, and activities within the field of its responsibility. It shall dispose of such complaints, as it deems appropriate or refer them to such other committee, director, or officer of the Corporation as is further concerned with the matter presented.

ARTICLE IX

BOOKS AND PAPERS

The books, records, and papers of the Corporation shall at all times, during reasonable business hours, be subject to inspection by any member upon written request specifying the reason therefore.

ARTICLE X

CORPORATE SEAL

The Corporation shall have a seal in circular form having within its circumference the words: Bear Lake West Homeowners' Association, an Idaho nonprofit corporation incorporated 1977.

ARTICLE XI

AMENDMENTS

Section 1. Amendment Procedure. These By-laws may be amended at a regular or special meeting of the members by two-thirds (2/3) majority of a quorum of the shares represented in person or by proxy, provided that those provisions of these By-laws which are covered by the Articles of Incorporation of the Corporation may not be amended except as provided in the Articles of Incorporation or applicable law.

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

AMENDED this 20th day of Nov, 1999.

J Schroeder
Secretary