

BYLAWS
OF
NORTHSTAR MEADOWS PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE I

MEMBERS, OFFICES AND MANAGER

1.1. MEMBERS. The NORTHSTAR MEADOWS PROPERTY OWNERS' ASSOCIATION, INC. (the "Association") is a membership corporation. Each lot of real property in Northstar Meadows Subdivision ("Northstar Meadows") represents one (1) membership in the Association, which is owned by the fee simple title holder or holders to the real property. In other words, all current lot owners in Northstar Meadows and any new purchaser of a lot own a membership in the Association.

1.2. PRINCIPAL OFFICE. The principal office for the transaction of the business of the Association is hereby located at the residence or office of the manager of the Association, as the Board of Directors (the "board") shall hire and may replace from time to time as it deems necessary. The board is hereby granted full power and authority to change said principal office from one location to another in said County.

1.3. MANAGER. The Association shall appoint or contract with an Association manager. The manager may, but is not required to be a member of the Association nor a member of the board. The manager shall attend all board and member meetings, take and keep minutes of all meetings, send any and all notices for meetings and assessments, collect assessments or seek assistance from third parties when necessary upon board approval, pay all Association expenses in a timely manner, account to the board for all receipts and expenditures, keep all records of the Association, including financial records and records of receipts and expenditures on behalf of the Association.

ARTICLE II

MEETINGS OF MEMBERS

2.1. PLACE OF MEETING. All meetings of Association members shall be held at the principal office of the Association or any place the board approves and the manager designates in the notice of any meeting.

2.2. ANNUAL MEETING. The annual meeting of members shall be held at a date and time set by the board with notice to members in accordance with the Idaho Nonprofit Corporation Act, as it may be amended or replaced from time to time. There shall not be an annual meeting on a legal holiday. At the meeting, directors shall be elected, reports of the Association's affairs shall be considered and any other business may be transacted which is within the power of the members.

2.3. SPECIAL MEETINGS. Special meetings of members, for any purpose or purposes whatsoever, may be called at any time by the board, or by a petition signed, dated and presented to the manager by at least ten percent (10%) of the members describing the purpose for which it is to be held.

2.4. ADJOURNED MEETINGS. Any members' meeting, annual or special, whether or not a quorum is present, may from time to time be adjourned by the vote of a majority present. At the adjourned meeting, any business may be transacted which might have been transacted at the meeting at which such adjournment is taken.

2.5. NOTICE OF MEETINGS. Notice of annual or special meetings of members shall be given in writing to each member, specifying the place, day and hour of the meeting and the general nature of the business to be transacted, and if a special meeting, a description of the matter or matters for which the meeting is called, and whether action is proposed to be taken requiring the approval of the members (such as, electing directors or modifying the conditions, covenants and restrictions governing Northstar Meadows), not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail or other means of written communication, addressed to the member at a mailing address, email address or fax number, registered with the manager. If no address is registered the manager shall attempt to contact that member either personally or by telephone to attempt to obtain that contact information. If the manager cannot contact the member, the manager shall use the name and address on file for that member with the Blaine County Assessor's Office for purposes of providing all property tax notifications. Providing additional notice of a meeting previously adjourned to a different date, whether annual or special, is not necessary unless the meeting is adjourned for forty-five (45) days before the date of the next meeting.

2.6. QUORUM OF MEMBERS. Ten percent (10%) of the votes entitled to be cast on a matter must be represented in person, by proxy, by mailed written ballot or by absentee ballot at a meeting of members to constitute a quorum on that matter. A bylaw amendment to decrease or increase the quorum requirement for any member action must be approved by the members. In the absence of a quorum at the beginning of a meeting, any meeting may be adjourned, but no other business may be transacted, unless voting on an agenda item or other matter is conducted by absentee ballot sufficient to provide a quorum.

2.7. VOTING. A vote in favor or against a matter by a majority of a quorum of the members, as set forth above, shall decide the matter. Only members who are record holders of fee simple title to a lot in Northstar Meadows are entitled to vote as of the date of any meeting shall be entitled to vote at such meeting, unless some other period is fixed by resolution of the board. Each such member is entitled to one vote and if there are multiple owners of a lot attempting to vote, then no vote will be accepted from those members. Unless one-third (1/3) or more of the voting power is present in person, by proxy, by mailed written ballot or by absentee ballot, the only matters that may be voted upon at an annual or regular meeting of members are those matter that are described in the meeting notice.

2.8. ACTION BY WRITTEN CONSENT OR ABSENTEE BALLOT. Any action required or permitted by law to be taken by the members may be taken without a meeting or any

action proposed to be taken at a meeting can be approved by absentee ballot. Members may vote by written consent or absentee ballot on any action that may be taken at any meeting of the members provided that the ballot procedure complies with Idaho Code section 30-3-53, or as it may be amended, as follows:

2.8.1. A written ballot shall be sent to each member and:

- (a) Set forth each proposed action; and
- (b) Provide an opportunity to vote for or against each proposed action.

2.8.2. Approval by written ballot alone, when a meeting is not held, shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

2.8.3. All solicitations for votes by written ballot shall:

- (a) Indicate the number of responses needed to meet the quorum requirements;
- (b) State the percentage of approvals necessary to approve each matter other than election of directors; and
- (c) Specify the time by which a ballot must be received by the Association in order to be counted.

2.8.4. Once cast, a written ballot may not be revoked, even if submitted as an absentee ballot and the member attends the meeting.

2.9. CONSENT TO MEMBERS' MEETING. No defect in the calling or noticing of a members' meeting, either annual or special, will affect the validity of any action at the meeting if a quorum is present; or if each member entitled to vote, but not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting or an approval of the minutes, either before or after the meeting and such waivers, consents or approvals are filed with the corporate records or made a part of the minutes of the meeting. Attendance by a member at a meeting shall also constitute a waiver of notice of that meeting, except when the member objects, at the beginning of a meeting, to the transaction of any business because the meeting is not lawfully called or convened, and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting, if the objection is expressly made at the meeting.

ARTICLE III

BOARD OF DIRECTORS

3.1. GENERAL POWERS. All corporate powers of the Association shall be exercised by, or under the authority of, and the business and affairs of the Association shall be controlled

by, the board; subject, however, to such limitations as are imposed by law, the articles of incorporation, or the bylaws. The directors have all the powers conferred by law, but shall act only as a board, and an individual director shall have no power as such. The board may give general or limited or special power and authority to the manager or other independent contractors or employees, if any, of the Association to transact the business and affairs of the Association, and may give powers of attorney to agents of the Association to transact any special business requiring such authorization.

3.2. NUMBER, CLASSIFICATION AND ELECTION. The authorized number of directors of the Association shall be at least three (3) and not more than seven (7) until changed by amendment of the Articles or by a Bylaw amending this Section. The directors shall be elected every two (2) years by the members of the Association appointed by the board then entitled to vote, and shall hold office until their respective successors are elected or until their death, resignation or removal. At all elections thereafter directors shall be elected by the members for a term of two (2) years to succeed the director whose term then expires; provided that nothing herein shall be construed to prevent the election of a director to succeed himself.

3.3. VACANCIES. Vacancies in the board shall exist in the case of any of the following events: (1) the death, resignation, or removal of any director; (2) the authorized number is increased.

3.4. DECLARATION OF VACANCY. The board may declare vacant the office of a director in any of the following cases: (1) if the holder of said office is declared to be of unsound mind by a final order of court; or (2) if he is finally convicted of a felony; (3) if within sixty (60) days after notice of his election he does not accept the office either in writing or by attending a meeting of the board; or (4) if, in the judgment of a majority vote of the board the business interests of the Association will be served thereby.

3.5. FILLING VACANCIES. Vacancies on the board may be filled by a majority of the remaining directors, although less than a quorum, or by a sole remaining director. If the board accepts the resignation of a director tendered to take effect at a future time, the board may elect a successor to take office when the resignation becomes effective. A reduction of the authorized number of directors does not remove any director prior to the expiration of his term of office.

3.6. ANNUAL AND REGULAR MEETINGS. Annual and/or regular meetings of the board shall be held at any place within Blaine County, Idaho at such times and on such dates as authorized and provided from time to time by resolution of the board, or by written consent of all directors. In the absence of such designation, other regular meetings of the board shall be held at the principal office of the Association. Should any meeting date fall on a legal holiday, then the meeting shall be held on the next business day that is not a legal holiday. Notice of other regular meetings is hereby dispensed with.

3.7. SPECIAL MEETINGS. Special meetings of the board for any purpose may be called at any time by the President or, if he is absent or unable or refuses to act, by any Vice President or any two directors. Written notice of special meetings stating the time, place and in

general terms, the purpose or purposes thereof, shall be mailed, emailed, faxed or personally delivered to each Director not later than one (1) day before the meeting.

3.8. ADJOURNED MEETINGS. A quorum of the directors may adjourn any directors' meeting, to meet again at a stated time and place; provided, however, that, in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the board. Notice of the time and place of holding an adjourned meeting need not be given to absent directors, if the time and place is fixed at the adjourned meeting. Otherwise notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 3.7 of this Article III, to the directors who are not present at the time of the adjournment.

3.9. QUORUM. At all meetings of the board, a majority of the authorized number of directors shall be necessary and sufficient to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present shall be regarded as the act of the board, unless a greater number be required by law or by the Articles of Incorporation.

3.10. ACTION WITHOUT MEETING. Any action required or permitted by law to be taken by the board may be taken without a meeting, if each member of the board signs a written consent to such action and such consents are filed with the corporate records. Such action by written consent shall have the same force and effect as a unanimous vote of such directors or committee members. Any certificate or other document which relates to action so taken shall state that the action was taken by unanimous written consent of the board or committee without a meeting, and with the bylaws authorize the directors so to act; and such statement shall be prima facie evidence of such authority.

3.11. MANIFESTATION OF DISSENT. A Director of the Association who is present at a meeting of the board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the manager of the Association before the adjournment of the meeting, or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE IV

COMMITTEES

4.1. COMMITTEES OF THE BOARD. The board may create one (1) or more committees of the board and appoint members of the board to serve on them. Each committee shall be comprised of at least one (1) member of the board, unless all members of the committee are required to be board members for purposes of obtaining insurance coverage, and have one (1) or more directors, who serve at the pleasure of the board. The board may delegate to a committee any of the power and authority of the board in the management of the business and affairs of the Association, except the power to adopt, amend, or repeal bylaws. The board shall have the power to prescribe the manner in which the proceedings of the Design Review Committee and other committees shall be conducted.

4.2. CREATION OF COMMITTEES. The currently existing committee of the board is the Design Review Committee. The creation of any new committees and appointment of members to it or the termination of a new committee must be approved by the greater of:

4.2.1. A majority of all the directors in office when the action is taken; or

4.2.2. The number of directors required by these bylaws to take action.

4.3. CONDUCT OF COMMITTEE MEETINGS. Committees shall only hold meetings as necessary to conduct the business of the Committee. The portion of these bylaws governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the board, apply to committees of the board and their members as well.

ARTICLE V

OFFICERS

5.1. TITLES AND APPOINTMENT. The Board shall elect a chairperson and may appoint any officers, who are required to be members of the Association, the board may deem necessary and appropriate by the Board.

ARTICLE VI

CORPORATE INSTRUMENTS AND INDEMNIFICATION

6.1. CORPORATE INSTRUMENTS. The board may, in its sole discretion, determine the method and designate the person or persons, to execute any corporate instrument, check or other document, or to sign the corporate name, without limitation; except where otherwise provided by law or by the bylaws; and such execution or signature shall be binding upon the Association.

6.2. INDEMNIFICATION. The board may authorize the Association to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Association, by the reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not

opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

The board may authorize the Association to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonable entitled to indemnify for such expenses which such court shall deem proper.

ARTICLE VII

CORPORATE RECORDS AND REPORTS

7.1. CORPORATE RECORDS. The Association shall keep as permanent records at its principal office, in written form or in another form capable of conversion into written form within a reasonable time, the following:

7.1.1. Minutes of all meetings of the members and board and all actions taken by the members or directors without a meeting, and a record of all actions taken by committees of the board;

7.1.2. Appropriate accounting records that include at least a balance sheet as of the end of each fiscal year and statement of operations for that year and any and all tax filings;

7.1.3. A record of its members in a form that permits preparation of a list of the name and address of all members, in alphabetical order by class, showing the number of votes each member is entitled to cast;

7.1.4. Articles or restated articles of incorporation and all amendments currently in effect;

7.1.5. Bylaws or restated bylaws and all amendments currently in effect;

7.1.6. Resolutions adopted by the board relating to the characteristics, qualifications, rights, limitations and obligations of members;

7.1.7. All written communications to members generally within the past seven (7) years, including the financial statements furnished for the past seven (7) years under Idaho Code section 30-3-134;

7.1.8. A list of the names and business or home addresses of its current directors;
and

7.1.9. The most recent annual report delivered to the Idaho Secretary of State.

7.2. INSPECTION OF RECORDS BY MEMBERS. Subject to Idaho Code and these bylaws, a member is entitled to inspect and copy, at a reasonable time and location specified by the Association, any of the above-described records of the Association, if the member gives the Association written notice or a written demand at least fifteen (15) business days before the date on which the member wishes to inspect and copy.

7.2.1. A member may inspect and copy the records identified in this section only if:

- (a) The member's demand is made in good faith and for a proper purpose reasonably related to the member's interest as a member of the Association;
- (b) The member describes with reasonable particularity the purpose and the records the member desires to inspect;
- (c) The records are directly connected with this purpose; and
- (d) The board, at the manager's request, shall determine whether a member's request is for a proper purpose.

7.2.2. The provisions of this section do not affect:

- (a) The right of a member to inspect records under Idaho Code section 30-3-54, which concerns a member's right to inspect a membership list at or prior to a noticed meeting of the members, or, if the member is in litigation with the Association, to the same extent as any other litigant; or
- (b) The board may restrict or deny inspection of personnel and employment records, and confidential attorney-client communications if it determines that such restriction or denial of access to said records or information is in the best interests of the Association.

7.2.3. The right to copy records, includes, if reasonable, the right to receive photocopies, fax copies or other electronic means as long as a true and legible reproduction of the original or Association's copy.

7.2.4. The Association may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the member. The charge may not exceed the estimated cost of production or reproduction of the records.

7.2.5. The Association may comply with a member's demand to inspect the record of members, by providing the member with a list of its members that was compiled no earlier than the date of the member's demand.

7.3. LIMITATIONS ON USE OF MEMBERSHIP LIST. Without consent of the board, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a member's interest as a member.

7.3.1. Without limiting the generality of the foregoing, without the consent of the board a membership list or any part thereof may not be:

(a) Used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the Association;

(b) Used for any commercial purpose; or

(c) Sold to or purchased by any person.

ARTICLE VIII

AMENDMENTS

8.1. BY DIRECTORS AND MEMBERS. The bylaws, and every part hereof, may from time to time and at any time, be amended, altered, repealed, and new or additional bylaws may be adopted by a majority of the directors or by a majority vote of a quorum of the members.

[TO BE COMPLETED BASED ON OWNER APPROVAL OF BYLAWS & DIRECTORS]

CERTIFICATE OF ADOPTION

We, the undersigned, do hereby certify as follows:

That we are the duly elected, qualified and acting directors of Northstar Meadows Property Owners' Association, Inc., and that the foregoing bylaws were unanimously adopted at by the board of directors at a meeting held on _____, _____, and are currently effective.