

# BYLAWS OF LAKE FOREST PROPERTY OWNERS, INC.

## ARTICLE I: PRINCIPAL OFFICE

Section 1.1 Offices: The principal office or place of business of this non-profit corporation in the State of Idaho shall be in the County of Kootenai. Mailing address will be as specified in the Articles of Incorporation and as may be amended from time to time. The Corporation may have such other offices either within or without the State of Idaho, as the Board of Directors may designate from time to time.

## ARTICLE II: MEMBERSHIP

Section 2.1 Classes of Membership and Voting Rights. This corporation (hereinafter "Corporation") shall have two (2) classes of voting membership, each member shall be an owner or contract purchaser of property in LAKE FOREST SUBDIVISION ("Subdivision"), and/or Additions thereto, in Kootenai County, Idaho, established according to the following provisions:

2.1.1 Class "A" Membership. Class "A" member shall be each Owner of a Lot other than the Declarant and each Class "A" member shall be entitled to one (1) vote for each Lot owned. If a Lot is owned by more than one (1) person, each such person shall be a member of the Corporation, but there shall be no more than one (1) vote per Lot. Multiple owners will have joint rights and obligations.

2.1.2 Class "B" Membership. Class "B" member shall be the Declarant who shall be entitled to three (3) votes for each Lot or unit specified on final plats of the Subdivision approved by Kootenai County; provided that Class "B" membership shall be converted to Class "A" membership and shall forever cease to exist on the occurrence of the following:

- (1) When the voting power Class "A" members equals Class "B" voting power; or
- (2) On the thirtieth (30th) anniversary of the recordation of the Declaration of Covenants, Conditions and Restrictions.

2.1.3 Voting Requirements. Each action of the Corporation, which must attain a certain percentage of the membership, must attain such assent from the total voting power of A and B classes, so long as the B class shall exist. References herein to membership without reference to voting shall mean the Owners without regard to class.

Section 2.2 Joint Owner Disputes. The vote for a Lot must be cast as a single vote; and the vote assigned to a particular Lot shall not be fractionalized or split. If joint owners are unable to agree how their vote shall be cast; they shall lose their right to vote on the matter in question.

Section 2.3 Suspension. A member may be suspended from the Corporation and the member's rights withdrawn for non-payment of fees or assessments. Said suspension shall occur as follows:

2.3.1 A period of one (1) year's delinquency in payment of member's fees and assessments;

2.3.2 Notice from the Treasurer of the Corporation of failure to make payment;

2.3.3 A second notice for failure to make payment and mailing of a notice of suspension hearing (all notices mailed by regular mail to Lot address or the Owner's address according to the tax records of Kootenai County are deemed received);

2.3.4 A determination of suspension from membership by two-thirds (2/3) of the Board of Directors; and

2.3.5 During suspension, a member shall lose all rights to vote, use of corporate facilities, or enjoyment of any of the advantages of corporate membership; however, a suspended member is still responsible for fees and assessments and the mere suspension of membership shall not in any way prohibit any other legal remedy, including but not limited to, the filing of claim of lien and foreclosing on the same in order to assure full payment of fees and assessments.

Section 2.4 Resignation. A member may resign by filing a written resignation with the Secretary, but neither resignation nor suspension shall relieve said member from the obligation to pay any dues; assessments or charges previously or subsequently accrued and unpaid.

Section 2.5 Reinstatement. A membership which has been suspended may be reinstated upon the approval of two-thirds (2/3) vote of the Board, but only so long as fees and assessments have been brought current and the prospective member fulfills all of the requirements of general

membership with these Bylaws. An application for reinstatement shall be made to the Treasurer accompanied by a nonrefundable fee of Fifty Dollars (\$50.00) at least sixty (60) days prior to the annual meeting. Upon approval of two-thirds (2/3) vote of the Board of Directors, the membership shall be returned to good standing.

Section 2.6        Transfer. Membership in the Corporation shall not be sold, assigned or transferred. However, when a member sells a lot, the seller's membership rights shall transfer to the new owner; however, the seller must notify the Treasurer of the Corporation of any such transfer. Purchaser and seller members are jointly and severally liable for all unpaid assessments until transfer is complete on the corporate books. After completed transfer, the purchaser (new member) is solely liable.

### **ARTICLE III: MEETING OF MEMBERS**

Section 3.1        Annual Meeting. The annual meeting of the members shall be held in Kootenai County, Idaho, at a time, place and location determined by Board. If the Board shall fail to set another time and date, then the meeting shall occur on the fourth Friday of September in each year, at the hour of 7:00 o'clock p.m., at a meeting place to be announced in the call of the meeting. The purpose of the meeting shall be to elect directors and for the transaction of such other business as may come before the meeting.

Section 3.2        Special Meetings. Special meetings of the members may be called by the President, or by not less than twenty-five percent (25%) of the members of class A and B members while more than one (1) shall exist, at any time with proper notice.

Section 3.3        Meeting Place. The President or the members may designate any place in Kootenai County, Idaho, as a place for any special meeting.

Section 3.4        Notice of Meeting. Written notice stating the place, day and hour of the annual meeting of members shall be delivered either personally or by mail to each member entitled to vote at such meeting, not less than ten (10) days nor more than thirty (30) days before the date of such meeting, by or at the direction of the President or Secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or these Bylaws, the purposes for which the meeting is called shall be stated in the notice. If mailed, the notice shall be deemed delivered three (3) days after being deposited in the United States mail, postage

prepaid, addressed to the member at members address as it appears on the records of the Corporation.

Section 3.5 Quorum. Twenty percent (20%) of the voting power of the membership shall constitute a quorum for the conduct of regular business of the Corporation (including proxies).

Section 3.6 Proxies. At any meeting of members, a member entitled to vote may vote by proxy, executed in writing by the member.

Section 3.7 Regular Business. The regular business of the Corporation may be carried out by a simple majority of voting memberships present in person or by proxy at any annual, regular or special meeting, except as otherwise stated in these Bylaws. All parliamentary questions shall be ruled by Robert's Rule of Order (latest edition available at meeting).

## ARTICLE IV: GOVERNING BODY

Section 4.1 General Powers. The Board of Directors of the Corporation shall constitute the governing body of this Corporation.

## ARTICLE V: BOARD OF DIRECTORS

Section 5.1 Term of Directors. The initial Board of Directors shall consist of three (3) Directors which need not be members. The number of directors shall change to seven (7) after the conversion of Class "B" memberships to Class "A", or earlier if so decided by the Board. After the expansion of the Board, all Directors must be members. The Directors shall hold office for a term of three (3) years with the Directors having staggered terms so as to elect a nearly equal amount of Directors each year.

Section 5.2 Election of Board of Directors. The directors shall be elected at the annual meetings. The nominations for the election of the Board of Directors may be made at the floor of the annual meeting of this Corporation. Additionally, the Board may appoint a nominating committee of the members to serve until the close of such annual meeting and shall make as many nominations as directors to be elected. Such nominating committee shall be appointed at least ninety (90) days prior to each annual meeting.

Section 5.3 Removal. Any Director may be removed, in accordance with Idaho law, by the members whenever, in their judgment, the best interests of the Corporation would be served thereby.

Section 5.4 Disqualification. Any Director may lose his or her position as Director by disqualification for the following reasons:

5.4.1 Loss of membership in the Corporation after conversion to Class "A";

5.4.2. Absence from three (3) consecutive Board of Director's meetings without just cause; or

5.4.3 Continuing conflict of interest between outside interests and duties as a Director. The final determination of disqualification if loss of membership has occurred, lack of just cause for absences on a continuing nature or conflicts of interest, shall be made by the Board of Directors by a two thirds (2/3) affirmative vote of the Directors. Upon such an affirmative determination of disqualification, that position shall be considered vacant.

Section 5.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the remaining members of the Board of Directors, or by the members for the unexpired term.

Section 5.6 Quorum. The presence in person of the majority of the Directors at any meeting of the Board shall constitute a quorum. The vote of the majority of the quorum actually present at any meeting shall constitute an action of the Board of Directors.

Section 5.7 Regular Meetings. Regular meetings of the Board of Directors shall be conducted at least quarterly at a time and a place within or near the Development as may be fixed by the Board. Notice of the time and the place of the regular meetings shall be given to each Director personally, by mail, by telephone or telegraph at least three (3) days prior to the day named for the meeting.

Section 5.8 Special Meetings. A special meeting of the Board of Directors may be called by written notice signed by the President or by any one-half (1/2) of the Directors other than the President. Notice shall be provided to all Directors. The notice shall include a description and the nature of any special business to be considered by the Board.

Section 5.9 Waiver of Notice. Before or at any meeting of the Board, any Director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to giving a notice to that Director. Attendance by a Director at any meeting of the Board shall be a waiver of notice to that Director of the time and the place of the meeting, except where such attendance is for the limited and expressed purpose of objecting to the transaction of any business because the meeting is allegedly unlawful.

Section 5.10 Action By Consent of Directors. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the Board of Directors shall individually or collectively consent in writing to such action. Said consent may occur by electronic communication and may later be ratified in writing.

Section 5.11 Board Meetings Open to Members. Regular and special meetings of the Board shall be open to all members of the Corporation, provided however that members who are not on the Board may not participate in any deliberation or any discussion unless expressly so authorized by vote of a majority of the quorum of the Board.

Section 5.12 Executive Session. The Board may, with the approval of two-thirds (2/3) of the quorum of the Directors, adjourn the meeting and reconvene in Executive Session to discuss and vote upon sensitive matters. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 5.13 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration and management of the affairs of the Corporation to the full extent allowed under law.

Section 5.14 Designation of Committee With Authority of Board. The Board may, by majority vote of the Directors, designate one (1) or more committees authorizing such committee or committees to act with the authority of the Board. The delegation of the duty or duties shall be specific, limited in scope, time and type of authority.

## ARTICLE VI: OFFICERS OF CORPORATION

Section 6.1 Titles and Appointments of Power. The officers of the Corporation shall constitute the Board of Directors of the Corporation. The officers shall consist of a President, a Vice-President, a Secretary and a Treasurer. The Board of Directors shall elect the officers. The Board of Directors may also appoint such other officers as they may deem desirable. Such

officers shall have the authority and perform the duties prescribed from time to time by the Board of Directors. One individual may hold more than one office except the offices of Secretary and President.

Section 6.2 Election and Term. The election of officers shall take place at the first meeting of the Board of Directors following the annual meeting of the members. The term for the officers shall be one (1) year unless said officers shall resign or shall be removed or otherwise disqualified to serve.

Section 6.3 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 6.4 President. The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He/she shall preside at all meetings; shall sign, with the Secretary, or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors.

Section 6.5 Vice-President. The Vice-President shall perform the duties of the President in the President's absence or in the event of death, inability or refusal to act, and when so acting shall have all of the powers and be subject to all of the restrictions placed upon the President.

Section 6.6 Treasurer. The Treasurer shall have charge of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies paid to the Corporation from any source whatsoever; deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories; and 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 to him or her by the President or the members.

Section 6.7 Secretary. The Secretary shall keep the minutes of the meetings of the members and director in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the Corporate records and of the Seal of the Corporation and keep a register of the post office

addresses of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the office of Secretary.

Section 6.8 Compensation. The officers of the Corporation shall not be entitled to remuneration, except as authorized by the Board for: (a) reimbursement of actual expenses incurred on behalf of the Corporation; and, (b) Labor performed on behalf of the Corporation (if such labor is of the type that would require employment of individuals at an hourly wage to perform the same service or labor).

## **ARTICLE VII: RECEIPT OF NON-CORPORATE ASSETS**

Section 7.1 Gifts. The membership or the Board of Directors of the Corporation may accept on behalf of the Corporation any contribution, gift, bequest or devise for general purposes or for any special purpose of the Corporation.

## **ARTICLE VIII: BOOKS AND RECORDS**

Section 8.1 Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep Minutes of the proceedings of its members' meetings and Board of Directors and committees having any of the authority of the Corporation, and shall keep at its principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member or member's agent or attorney for any proper purpose at any reasonable time.

Section 8.2 Rules and Regulations. The Board shall have the right and power to make Rules and Regulations for the general welfare of the Project. The Board shall keep and maintain a record of adoption, amendment, interpretation and compliance approvals in regard to the Declaration and Rules and Regulations.

## **ARTICLE IX: FISCAL YEAR**

Section 9.1 Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

## **ARTICLE X: BUDGET, ASSESSMENTS AND CHARGES**

Section 10.1 Preparation of Budget. Not less than thirty (30) days before the end of the fiscal year, the Board shall prepare a budget for the Corporation for the coming year. In



preparing its budget, the Board shall estimate the common expenses of the Corporation to be paid during the year, make suitable provision for accumulation of reserves, and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Corporation. If, during the year the budget proves to be inadequate for any reason, including nonpayment of any owner's assessment, the Board may prepare a supplemental budget for the remainder of the year.

Section 10.2 Purpose of Assessments. The assessments levied by the Corporation shall be used exclusively to promote the recreation, health, safety and welfare of the property owners; protect the value of property located in the development; and improvement and maintenance of common areas and for the common good of the Development. Six (6) assessments may be charged in accordance with the restrictions and requirements herein. Those assessments include:

1. Regular assessments;
2. Limited common area assessments;
3. Special assessments;
4. Extra-ordinary assessments;
5. Correction assessments; and
6. Fine assessments.

Each such assessment together with any collection costs, including but not limited to any interest, costs, or attorney's fees, shall be a personal obligation of the Owner and/or person whose name is on the assessment rolls for that particular lot. Assessments may be secured by a lien against the non-paying member's lot and any and all assessments shall be a constructive real covenant affecting title of real property of each member. No member is exempt from any liability because of waiver of use, enjoyment by abandonment of any premises or lot, unless specifically set forth herein.

Section 10.3 Regular Assessment. The Board shall be empowered to assess each lot, no more than Twenty and No/100 Dollars (\$20.00) per lot monthly without a majority approval of the members. Regular assessments shall be used for maintenance and improvements to the project and any common areas of the Corporation and/or any other necessary and desirable purposes for the benefit of the Corporation and its members, including but not limited to management, administration and professional assistance. Declarant shall not be required to pay any assessment for any lot owned by Declarant.

Section 10.4 Limited Common Area Assessments. The Declarant may plat certain areas as limited common area, which area may be owned by the Corporation but used by only certain owners. The Board is empowered to assess each lot which attains a right to use and enjoy a specific limited common area a sufficient amount for the maintenance and improvements of such area. The amount of such assessment can be amended if two-thirds (2/3) of the owners of a respective limited common area demand amendment in writing, said demand shall not involve owners without interest in the particular limited common areas. Different limited common areas will have separate and different amounts based upon the respective needs of each area, as determined by the Board.

Section 10.5 Special Assessments. By unanimous request of individuals to be served, the Board may in addition to the regular assessments authorized above, assess special assessments for the use of special facilities, equipment or services within the Development. Any proceeds collected for the use of special items shall be exclusively for that specified use and shall be kept separate and distinct from general corporate funds.

10.5.1 Payments and Modifications: All special assessments shall be due at a time specified by the Board with approval of the majority of members served (no Class "A" or B distinction) and may be enforced in the same manner as other assessments, or in addition the Board may withhold the special use for non-payment of an assessment. All special assessments shall be spent exclusively for the maintenance and/or improvement of the special use for which it is meant. Any modification of special assessments shall require a majority vote of all special assessment members and a majority of the Board.

10.5.2 Forfeiture of Special Use: In the event that a special assessment member fails to pay the required special assessments for one (1) year and after notices of such delinquency and failure to pay the arrearage within thirty (30) days of mailing such notice, then use shall be temporarily forfeited until payments of the arrearage and any collection charges are made in full, In the event that two (2) years shall pass without delinquency being satisfied, then the member shall permanently forfeit any right to use the Corporation's property on which the special assessment was due.

Section 10.6 Emergency Assessments. In addition to the regular and special assessments, the Board shall have emergency powers to assess an emergency assessment on lots. The emergency assessment may be imposed with the consent of a majority of the members or by a vote of two-thirds. (2/3) of the Board; however, any emergency assessment made by the Board of Directors

shall not exceed fifty percent (50%) of the annual regular assessment per lot in any one (1) year. Further, the power of the Board to assess emergency assessments shall only occur in the case of a bona fide emergency. Such an emergency shall be defined as an event which meets all four (4) of the following:

10.6.1 Was not foreseeable at the date of the last annual meeting of the membership;

10.6.2 Must relate in whole or in part to reconstruction, repair or replacement of a capital improvement on which the Development and/or Additions thereto depend or relate to the defense or protections of Corporate property, title or imminent liability;

10.6.3 Must require immediate action (expenditure of funds within thirty (30) days or less); and

10.6.4 A majority of the Board must doubt the existence of sufficient Corporate funds to meet the requirements of the emergency and the regular costs of operations of the Corporation.

Section 10.7 Correction Assessments. In the event any lot Owner, except Declarant, violates the Declaration and is given proper notice as per the Declaration, yet fails to correct the violation in accordance with the Declaration, then this assessment shall become effective. The Board may place a charge or correction assessment and record as assessment lien as follows:

10.7.1 Majority of Board declares existence of violation of Declaration.

10.7.2 Board evidences in Minutes of Corporation that proper notices have been mailed as required by the Declaration.

10.7.3 Board hires, at a reasonable price, an appropriate individual contractor to carry out work, to bring lot or premises into conformity with Declaration, and have work completed.

10.7.4 Record claim of lien for all costs, including but not limited to, labor, materials, interest, and attorney's fees according to Idaho law. If not paid in full within reasonable notice to the violating property Owner, Board may foreclose on the lien according to Idaho law.

Section 10.8 Fine Assessment. In the event that an owner violates the Declaration, the Bylaws or any properly adopted Rule or Regulation of the project on more than two (2) occasions following written notice of the violation then a fine may be assessed against the Owner

for each future similar violation. Fine assessment must be approved by two-third (2/3) of the Board and shall be a reasonable amount to discourage future violations.

Section 10.9 Assessment on Declarant's Real Estate. The Declarant of the Project, and any future Additions, are entitled to membership in the Corporation for each lot owned by them. Declarant shall not be required to pay any assessment for any lot owned by Declarant. Other members owning one (1) lot or more are required to pay the full amount of assessments levied against each lot owned by such member, whether developed or vacant. The word "lot" as used in this section shall refer to actual platted parcels specified on a recorded subdivision plat as the term is defined in the Declaration.

Section 10.10 Payment of Assessments. All assessments shall be paid to the treasurer of the Corporation within sixty (60) days of notice of assessment. Any assessment not paid within sixty (60) days from notice shall be delinquent and subject to late charges, interest charges and collection procedures.

Section 10.11 Certificate of Unpaid Assessments. Upon the request of any owner or mortgagee of a particular lot, the Board will furnish a certificate in recordable form stating the amount, if any, of unpaid assessments charged to that lot: The certificate shall be conclusively determined by the Board and the Corporation as to the amount of such indebtedness as of the date of the certificate, and may be relied upon by purchasers and mortgagees of such lot. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate.

Section 10.12 Transfer of Unit By Sale or Foreclosure. The sale or transfer of any lot shall not affect the assessment or assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer (except for assessment recorded prior to the mortgage). No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof. Where the mortgagee of the first mortgage of record obtains title to a lot as a result of foreclosure, such mortgagee shall not be liable for the unpaid dues or charges of the Corporation chargeable to such lot which accrued prior to the acquisition of title or possession of such by such mortgagee. In a voluntary conveyance of a lot, the grantee of the lot shall be liable for all unpaid assessments due the Corporation. See also Section re: Transfer of Membership.

Section 10.13 Late Fee For Failure to Pay. If any part of any assessment is not paid and received by the Corporation or its designated agent within fifteen (15) days after the due date, an automatic late charge of one and one-half percent (1.5%) shall be assessed for each month until all late charges are paid. When a notice of default and demand to cure has been recorded, such assessment shall constitute a lien on the subject lot prior and superior to all other liens except: (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and (2) the lien or charge of any first mortgage of record made in good faith and for value. Such lien may be enforced by foreclosure of the subject lot in accordance with Idaho law.

## **ARTICLE XI: ENFORCEMENT OF DECLARATION**

Section 11.1 Enforcement of Declaration. This Corporation shall be primarily responsible for the enforcement of the Declaration; however, nothing herein shall prohibit any interested owner from independently taking action to enforce the Declaration. The definition, duties and rights specified in the Declaration shall guide the management of the Corporation and shall guide in the interpretation of either the Bylaws or Articles.

## **ARTICLE XII: SEAL**

Section 12.1 Seal. The Board of Directors shall acquire a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, the state of its incorporation and the words "Corporate Seal."

## **ARTICLE XIII: WAIVER OF NOTICE**

Section 13.1 Waiver of Notice. Whenever any notice is required to be given under the statutes of the State of Idaho or under the provisions of the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the legal equivalent to the giving of such notice.

## **ARTICLE XIV: INDEMNIFICATION**

Section 14.1 Limited Indemnification of Directors Committee Member and Officers Declarant and Managing Agent. Each director, committee member, officer, the Declarant and the managing agent shall be indemnified by the Corporation against all expenses and liabilities,

including attorney's fees, reasonably incurred by or imposed in connection with any proceeding in which such person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of his or her duties. In the event of a settlement, the indemnification shall apply only when the Board approves such settlement. The indemnification shall apply only when the Board also approves such settlement and reimbursement as being in the best interests of the Corporation.

## **ARTICLE XV: DEADLOCK**

Section 15.1 Coin Toss and Arbitration. If the Directors are equally divided and cannot agree on any issue, or the Shareholders are so divided that no Board can be elected, or internal dissension prevents the normal business of the Board, then the disagreement shall be resolved by the toss of a two different sided coin. Each side of the deadlock shall be represented by a side of the coin, the corporate counsel shall toss the coin into the air and allow the coin to fall to a flat surface. Whichever side of the deadlock was represented by the upside of the coin shall be enacted by the corporate officers or stockholders as the case may be. In the event that the deadlock can not be separated into two sides of an issue, then the matter shall be resolved by compulsory and binding arbitration. In the event such a deadlock shall arise, any Director may call for arbitration by appointing an arbitrator, reasonably qualified to resolve the issue on which there is disagreement and/or deadlock. The party so appointing shall bear all costs associated with that arbitration. Within three (3) days of written notice of appointment, the other party shall then select an arbitrator who is similarly qualified and shall pay the expenses for that arbitrator. The two arbitrators so selected shall, within three (3) days, select a third arbitrator whose expenses shall be borne equally by the appointing Directors personally. The three arbitrators so selected shall settle the disagreement or deadlock within three (3) days from the appointment of the third arbitrator. In the event that either Director shall fail to appoint an arbitrator within three (3) days of notice of the appointment of the first arbitrator, or in the event the first two arbitrators shall fail to select a third arbitrator within three (3) days after they have been selected, then the unappointed arbitrator shall be appointed by the Senior District Court Judge of the First Judicial District of the State of Idaho, in and for the County of Kootenai.

## **ARTICLE XVI: AMENDMENTS TO BYLAWS**

Section 16.1 Amendments to Bylaws. The Bylaws of this non-profit corporation, may be altered, amended, or new Bylaws adopted at any regular meeting or at any special meeting of the members thereof, by the affirmative vote of a majority of the total membership vote present at such meeting.

IN WITNESS WHEREOF, the undersigned certifies the above stated Bylaws were duly and lawfully accepted by the membership and Board of Directors of the Corporation.

CLARA JESSOP