

BYLAWS
OF
TREEPORT HOMEOWNER'S ASSOCIATION, INC.

Revision 1

Original BYLAWS Adopted July 17, 1982 by the Directors and Amended by the Members June 21 , 2014.

These BYLAWS are revised to reflect Amendment 1 as approved by the membership at the Annual Homeowners Meeting, June 21, 2014 and adopted by the Board of Directors August 10, 2014.

ARTICLE I
MEMBERS

1. The "Member" of this association shall be a person who owns at any time, but only during the time of ownership, a tract of land within the Treeport Development.

2. The "Owner" of a tract of land within the Development shall mean the record owner, whether one or more persons or entities, including purchasers under a contract for deed, but excluding those having such interest merely as security for the performance of an obligation. If an ownership interest in anyone tract of land within the Development is held or acquired at any time by more than one person, a partnership, a corporation or other form of organization only one vote shall be allowed to the owner or joint owners of the tract, and the vote shall be exercised in the manner determined by said owner or joint owners themselves.

3. An owner of a tract of land in said Development shall automatically become a member of this Association upon purchase of the tract and be bound by the Articles and By-Laws of the Association, but upon such member disposing of all parcels owned, his rights and obligations as a member shall cease, except that such person shall continue to be liable for any unpaid assessments that accrued during the time he was a member. The ownership interest held by the vendee under a contract for purchase of any tract within the Development shall cease upon foreclosure of the contract or repossession of the land for any reason, whereupon all ownership rights shall revert in the vendor.

4. Deleted by Amendment 1

5. The Association shall issue no shares of stock and there shall be no stock interest in this nonprofit association. It shall be the duty of each member upon becoming automatically a

member under the provisions hereof to notify the treasurer/secretary of the Association of the fact of membership within 30 days and to furnish the name and address under which the membership shall be carried and recognized by the Association.

6. Each member as defined in Declaration of Covenants, Conditions and Restrictions, Article II, Section 2, Membership and Voting Rights shall pay an assessed fee in accordance with the Amended Declaration of Covenants, Conditions and Restrictions (CC&Rs) Article II, Section 4C, Maximum Annual Assessment, as a contribution toward the maintenance of the common areas and the affairs of the Association. Assessed fees are payable annually in advance within the first 30 days of each calendar year, beginning January 1st of each calendar year. Upon becoming a member, a tract owner shall pay a fee for the rest of the year in which he becomes a member at said rate. Upon termination of a membership, the member shall be responsible for pro-rating his assessment fee with his buyer in the year of sale.

7. Said fees and assessments set forth in the Amended Declaration of Covenants, Conditions and Restrictions (CC&Rs) Article II, Sections 4C shall not be changed except upon the affirmative vote of at least 2/3rds of the membership. No vote on change of fees shall be taken without 30 days advance notice to all members. In no event shall said fee be reduced below the assessed fees stated in the Amended Declaration of Covenants, Conditions and Restrictions (CC&Rs) Article II, Section 4C, Assessments; if the Association has pledged the future assessment fees from memberships to secure any financing or loans that the Association has engaged pursuant to a lawful exercise of its power.”

8. The Directors may resolve problems arising as to membership or membership fees if in a given case these provisions are not clear as to application, or require detailed explanation.

9. No member shall be liable in any way for debts of the Association except to the extent of the duty to pay the established fees of this Association.

9a. Deleted by Amendment 1

10. Each member of the association shall have the full right and power to execute and deliver an assignment of his voting rights resulting from his membership to any person or corporation, and make said assignment irrevocable for a limited number of years, and in such event, the assignee shall have the full right to vote as the owner of such membership as though holding a proxy, but not limited by other provisions of these By-Laws as to proxies issued for particular meetings.

ARTICLE II
MEETINGS OF MEMBERS

1. The annual meeting of members shall be held on the 3rd Saturday of June of each year at a location within a reasonable proximity (10 miles) of the Treeport Subdivision. The time and place of meeting shall be determined by the Directors and designated in the Notice of the Meeting. Failure to hold an annual meeting shall not work a forfeiture or dissolution of the Association, nor remove any officer or director from office.

2. Special meetings of the members shall be called upon the unanimous vote of the Directors, or upon the written request of at least 33-1/3% of all members.

3. Notice of all meetings of members shall be mailed by the treasurer/secretary, to the addresses furnished by the members, at least 30 days before the date of each meeting. Failure of one or more members to receive the notice shall not invalidate the meeting as held.

4. To constitute a quorum, there shall be present and voting at the meeting, either in person or by proxy, members representing at least 40% of the total memberships owned by all members. Where quorum is not met at a scheduled meeting, the board may adjourn and re-schedule the meeting immediately following, and at that rescheduled meeting the quorum requirement shall be reduced by 10%.

- 4a. Unless one third (1/3) of the voting power is present in person, by proxy, by mailed written ballot or absentee ballot, the only matters that may be voted upon at an annual, or special meeting of members are those matters that are described in the meeting notice (Idaho Statute 30-3-56)

5. Each membership shall be entitled to one vote through the owning member, a member having the right to one or to many votes depending upon the number of memberships owned by said member. All questions shall be decided by a vote of the majority of the membership represented at the meeting, except as otherwise provided by law, or by the Articles or By-Laws of this Association.

6. Any membership may be represented and vote by the owner or by a proxy given by the owner to some person other than the owning member. All proxies shall be in writing, shall define the tract or land portion to be represented by the proxy holder, shall refer only to a particular meeting, shall be dated no longer than six months before the meeting and shall be available and presented at the meeting where exercised.

7. The President or other presiding officer at a meeting shall have the right to establish the order of business for the meeting.

8. A vote of members may be obtained by mail, if the Board of Directors so resolve, and if the request for a mail ballot from all members is mailed by the treasurer/secretary and contains a full explanation of the question or questions submitted for vote and ballot by mail, and if reasonable time is allowed for return of ballots before the vote is counted. No mail vote shall be considered as valid and effective unless at least 2/3rds of the existing memberships shall be represented by returns received from members. The annual meeting of members shall not be handled by mail.

ARTICLE III BOARD MEMBERS

1. The business affairs of the Association shall be managed by a Board of three directors, which Board shall exercise all of the powers of the Association, unless specifically reserved for the members.

2. Members of the Board shall be elected from all members for terms of three years and may serve consecutive terms if so nominated, and elected at the annual members meeting.

3. The Directors shall appoint a committee on nominations prior to each annual meeting, and that committee shall report its recommendations and nominations at the meeting, but other nominations from members may be received at any meeting.

4. If there is a vacancy at any time upon the Board of Directors, the same shall be filled by a vote of the surviving member or members of the Board. In the event that there is at some time no Director able to act in this connection, a new Board of Directors shall be appointed by the Bonner County Board of Commissioners. Any new Board named by said County Commissioners shall immediately call for a Special Membership meeting of the Association for a vote by the members to affirm the appointed Board of Directors or to elect new board members.

5. No Director shall receive any salary or fixed allowance for expense, except upon advance engagement for some special service or investigation, or committee activity where services should not be expected gratis, and where the Board finds and records in its minutes the need bringing about its action.

6. The Board shall arrange for its meetings, but in any event, the Board shall meet in Executive Session immediately following the annual meeting of members to vote positions of responsibility and authority amongst the Board members.

7. Committees of the Board (Idaho Statute 30-3-79). The committees are to serve in an advisory role to the Board of Directors. Committee members shall be appointed by the Board of Directors at the annual membership meeting or in the case of any vacancy on a committee, by Resolution of the Board of Directors at a special meeting of the board called for that purpose. A committee may not elect, appoint, or remove directors or fill vacancies on the board or on any of its committees. A committee may not adopt, amend or repeal the articles or bylaws. Other restrictions in accordance with Idaho Statute 30-3-79 also apply. Committee chairpersons shall attend scheduled board of director's regular meetings. Committees shall be comprised of the following.....

A. Architectural Review Committee (ARC). The ARC shall consist of 3 members; a Chairperson and 2 other members. A committee Chairperson shall be appointed by the Board of Directors. The Committee shall be responsible for developing and interpreting rules and regulations pertaining to the construction on and use of the tracts and the interpretation of the protective covenants. It shall also be responsible for the approving of any and all construction, alterations, and improvements of any nature which are placed upon the tracts. The committee is responsible to report violations of the Declaration of Covenants, Conditions and Restrictions (CC&Rs) Article IV, to the Board of Directors in writing for enforcement actions.

B. Airport Maintenance Committee (AMC). The AMC shall consist of 5 Members; a Chairperson and 4 other Members. The chairperson must have an aviation background with knowledge of airport and aircraft operations. The Chairperson shall be appointed by the Board of Directors. The Committee is responsible to maintain a surveillance program of the runway easement and other community grounds and report to the Board of Directors any unsafe condition or required maintenance that may exist. The Committee shall recommend needed repairs, improvements and annual routine maintenance requirements and provide an annual budget forecast to the board for consideration and planning. The committee is also responsible for the conduct and performance of routine maintenance to the runway, community grounds and equipment. The committee shall make recommendations to the board of any changes required to the Airport Operational Rules and Regulations. All changes to the Airport Operational Rules and Regulations must be approved by the Board of Directors.

C. Community Advisory Committee (CAC). The CAC shall consist of 5 Members; each block of the Treeport Subdivision shall be represented by 1 member from Block 1, Lots 1-15, 1 member from Block 2, Lots 1-15, 1 member from Block 2, Lots 16-26, 1 member from Block 3, Lots 1-11, and 1 member from Kootenai County Tracts 301-313 (Block 4). The committee shall elect a chairperson from amongst themselves to act as a spokesperson on common issues. Each committee member who represents a block will act as liaison to the Board of Directors for all tract owners in the block he/she represents in matters and issues that may concern them. Issues or concerns should be brought to the attention of the board for consideration and appropriate action. Committee members should be willing to participate in planning of general community events; yard sales, seasonal and annual celebrations, spring cleanup of ditches and beautification projects.

ARTICLE IV OFFICERS

1. The officers of the Association shall be the president, a vice-president, and a treasurer, each of whom shall be a separate member of the Board.
2. The officers shall be elected annually by the Board at the meeting following the annual meeting of members, and at other times if need exists for the naming of a new officer.
3. The officers shall have the usual duties of the office as common to corporate activities.
4. The board in its discretion may obtain a bond for the treasurer.

ARTICLE V CORPORATE POWERS

1. The Association shall have all the powers defined in Idaho Corporation Law and all the necessary powers to carry out such duties as it may assume as described or implied in the Articles of the Association, or in any of the special powers detailed in these By-laws.
2. The Association shall have the duty and power to spend money received from fees for security measures, maintenance of roads, improvement of the common areas in the Development, including proper thinning of trees, seeding, establishment of walks, general planning, landscaping, lighting and other similar improvements as may be deemed necessary or desirable for the common use and enjoyment of the members. The Association shall also

have the right to arrange for recreational facilities for use by the members. The Association shall have the full right to encumber its lands to enable it to carry out long-range planning for the future benefit of the members.

3. The Association shall do such things as may be necessary to implement, enforce and carry out the restrictive covenants applicable to the property and to accomplish the general intent of the covenants.

ARTICLE VI FINANCIAL AFFAIRS

1. All funds received by the Association shall be deposited by the treasurer in a bank account in the name of the Association.

Withdrawals from said account shall require the signature of any two of the Directors.

2. The Association shall operate and make reports upon a calendar-year basis.

ARTICLE VII AMENDMENT OF BY-LAWS

1. These By-Laws may be amended by a majority vote of members in attendance and/or proxy at the annual membership meeting or by a Special Meeting of the Association members duly called for this purpose. If amendments to the By-Laws are to be considered at any meeting of members, the advance notice of the meeting shall set forth the amendments to be considered with some reasonable amounts of explanation as to reasons for consideration and the general result that would be accomplished.

ARTICLE VIII

1. Should any variance exist between these By-Laws and Covenants recorded on Treeport, the Covenants shall take precedence.

ARTICLE IX RULES OF ORDER

1. Robert's Rules of Order shall be followed in the conduct of all meetings and proceedings of the Association.