

**BYLAWS OF NORTH HENRYS LAKE HOMEOWNERS’
ASSOCIATION, INC.
(ORIGINAL BY-LAWS ADOPTED JULY 8, 1978. UPDATED JUNE
19, 1998, SEPTEMBER 2013, & OCTOBER 30, 2017 BY A VOTE OF
THE MEMBERS.)**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is North Henrys Lake Homeowners Association, Inc. hereinafter referred to as the “Association”. The principal office of the corporation shall be located at the Henrys Lake Lodge Subdivision, Island Park, Idaho.

**ARTICLE II
DEFINITIONS**

Section 1. “Association” shall mean and refer to North Henrys Lake Homeowners Association, Inc, its successor and assigns.

Section 2. “Common area” shall mean and refer to all real property owned by the Association for the common use and enjoyment of the owners and shall include streets, all water facilities, water rights and lands acquired by the Association.

Section 3. “Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to each of the five Divisions in Henrys Lake Lodge Subdivision filed in the office of the County Recorder of Fremont County, Idaho.

Section 4. “LOT” shall mean and refer to any residential plot of land, excluding any common area, shown upon any recorded subdivision map of Henrys Lake Lodge Subdivision, recorded in the office of the County Recorder of Fremont County, Idaho. Any previously separated lots that have been legally amended and replated as a single lot, by plat recorded in the office of the County Recorder of Fremont County, shall be considered a single lot for purposes of these By-Laws. *(Amended by membership vote in 2017)*

Section 5. Member shall mean and refer to those persons entitled to membership as provided hereinafter.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of Henrys Lake Lodge subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to any lot and may not be separated from ownership of any lot which is subject to assessment. Ownership of such lot shall be the sole qualification for membership.

Section 2. Transfer of Membership. The membership held by any record owner of a lot shall not be transferred, pledged or alienated in any way, except upon sale or assignment of such lot and then only to the purchaser or assignee thereof. Membership shall be transferred concurrently with the recordation of the transfer of ownership of the lot to which it relates.

Section 3. Voting Rights. The Association shall have one (1) class of voting membership. Members shall be entitled to one (1) vote for each Lot owned by such Member. *(Amended by membership vote in 2013)*

Section 4. Compliance. Every member of the Association shall be subject to and shall abide by the provisions of the Articles of Incorporation of the Association, these By-Laws, the Declaration and any rules and/or regulations from time to time promulgated by the Board of Directors of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

Section 5. Termination of Membership. Membership in the Association shall automatically terminate and only if the owner of a lot sells or transfers his interest in such lot.

Section 6. Assessments and Charges

(a) Payment of Assessments and charges. the rights of membership in the Association are subject to the payment of fees, dues and annual, special and extraordinary assessments from time to time levied by the Association, the obligation of which assessments or charges is imposed personally against each owner. In the event of nonpayment, the member shall be barred from the use

of the common area, including the right of delivery of water to the member. The terms and provisions of the Declaration are incorporated herein and made a part hereof by this reference thereto.

(b) Joint and Several Liability for Dues, Fees and Assessments. The members of the Association shall be jointly, severally and personally liable for the payment of such dues, fees, and annual, special and extraordinary assessments levied by the Association against each and every lot in which they have an ownership interest of record, pursuant to the provisions of the Declaration and these By-laws.

(c) Uniform Rate. All dues, annual and special assessments must be fixed a uniform rate for all lots.

(d) Liabilities of Members. No member of the Association shall be personally liable for any of the debts, liabilities and/or obligations of the Association.

(e) Costs of Disconnection From The Water System. In the event of nonpayment or delinquency in assessments by any owner to pay all dues, annual and special assessments levied by the North Henrys Lake Homeowners Association, Inc. the Board of Directors may disconnect the water service from the property to be levied against the property owner together with any and all costs which are incurred to re-hook or restore the water service to the owner. If a water service has been disconnected, the property owner must make payment in full for any assessment, cost of discontinuing service and cost of reconstructing the service in full prior to reconnection of the service together with all interest and costs incurred by North Henrys Lake Homeowners Association, Inc.

ARTICLE IV MEETING OF MEMBERS

Section 1. Annual Meetings. All annual and other meetings of members shall be held at the principal office of the Association, or at any other place within Fremont County, which may be designated by the Board of Directors. The first annual meeting of the members shall be held the second Saturday of July 1978. Subsequent regular annual meetings of the members shall be held on the same day of the same month of each year thereafter, at the hour of 10:00 am.

Section 2. Special Meetings.

Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of one-fourth (1/4) of the members entitled to vote.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least (15) days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the Association, or supplied by such member for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, twenty-five (25) percent of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement the meeting, until a quorum shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically be revoked when the member is no longer an owner. Unless otherwise specifically stated in the proxy, a proxy shall be valid for eleven (11) months after execution.

Section 6. Entry of Notice. Whenever any member entitled to vote has been absent from any meeting of members, whether annual or special, an entry in the minutes to the effect that notice has been fully given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such member or members as required by law and by the Articles of Incorporation, Declaration and By-Laws of the Association.

Section 7. Voting. Voting may be via voice or by ballot, provided, however, that all elections for directors must be by secret written ballot upon demand made by any member at any election and before the voting begins.

Section 8. Consent of Absentees. The transaction of business at any meeting of members, either annual or special, however called and noticed, shall be as valid as though it had been at a meeting duly held after regular call and notice.

If a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. Action Without Meeting. Any action which under the provision of the laws of the State of Idaho may be taken at a meeting of the members, may be taken without a meeting, if authorized by the same vote of all the members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the Association.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of seven (7) Directors who shall be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three (3) directors for a term of one (1) year, two (2) directors for a term of two (2) years, and two (2) directors for a term of three (3) years. At each annual meeting thereafter the members shall elect directors to fill the expiring terms. No director may be re-elected unless at least one (1) year shall have expired since his last term of office.

Section 3. Vacancies. Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office for the unexpired term of his predecessor and until his successor is elected at an annual meeting of members, or at a special meeting called for that purpose. Any director may be removed from the Board, with or without cause, by a majority vote of the members cast in the same manner as such votes may be cast for the election of directors as set forth in these by-Laws.

A vacancy or vacancies shall be deemed to exist in case of death, resignation, or removal of any director, or if the members shall increase the authorized

number of directors but shall fill at the meeting at which such increase is authorized or at an adjournment thereof, to elect the additional directors so provided for, or in the case members fail at any time to elect the full number of authorized directors.

The members may at any time elect directors to fill in any vacancy not filled by the directors and may elect the additional directors at the meeting at which an amendment of the By-Laws is voted authorizing an increase in the number of directors.

If no director tenders his resignation to the Board of Directors, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting. The directors shall be elected at large, from any Division of the Subdivision.

Section 2. Election. The members or their proxies may cast, in respect to each vacancy on the Board of Directors, as many votes as they are entitled to exercise under the provision of Article III, Section III of these By-Laws. There shall be no cumulative voting.

ARTICLE VII MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held immediately before the annual meeting.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Notice of Adjournment. Notice of adjournment of any directors' meeting, either regular or special, need not be given to absent directors, if the time and place are fixed at the meeting adjourned.

Section 5. Entry of Notice. Whenever any director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such director, as required by law and by the By-Laws of the Association.

Section 6. Waiver of Notice. The transactions of any meeting of the Board of Directors however called and noticed or wherever held, shall be a valid as though it had been at a meeting duly held after regular call and notice, if a quorum be present, and it, either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 7. Adjournment. A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour. 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.

Section 8. Attendance at Meetings. If a director shall fail to attend four (4) consecutive meetings of the Board of Directors without a leave of absence granted by said Board of Directors, his office as a director may be declared vacant by a vote of a majority of all the remaining directors.

Section 9. Action by Written Consent in Lieu of Board Meeting.

Action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board and shall state that the action was taken by unanimous written consent of the Board of

Directors without a meeting and that the By-Laws of the Association authorized the directors to so act. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. Subject to limitations of the Articles of Incorporation, the Declaration, or the By-Laws, and the laws of the State of Idaho as to action required to be authorized or approved by the members, and subject to the duties of directors, as prescribed by the By-Laws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by the Board of Directors. Without prejudice, to such general powers, but subject to the same limitations, the directors shall have the following powers, to wit:

- (a) To select and remove all the other officers, agents and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation, the Declaration, or these By-Laws, fix their compensation and, at the discretion of the directors, require from them security for faithful service.
- (b) To adopt and publish rules and regulations governing the use of the common areas and facilities, and the personal conduct of the members and their guests and delegates thereon, and to establish penalties for the infraction thereof, including, but not limited to the suspension of voting rights and the right to use and enjoy the common areas.
- (c) To conduct, manage and control the affairs and business of the Association.
- (d) To establish and change the principal office for the transaction of business of the Association from one location to another within Fremont County, to designate any place within Fremont County for the holding of any members' meeting or meetings, and to adopt, make and use a corporate seal and to alter the form of such seal from time to time as in their judgment they deem best, provided that the form of such seal shall at all times comply with the applicable provisions of law.
- (e) To borrow money and incur indebtedness for the purposes of the Association, and subject to the provisions of the Articles of Incorporation of the Association to cause to be executed and delivered therefor, in the Association name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities

therefor.

(f) To maintain and otherwise manage and administer, or cause to be managed and administered, the common areas and facilities, and all other property acquired by the Association, and to contract and pay maintenance, gardening, utilities, materials and supplies and services relating to the common areas and/or facilities, and to employ personnel reasonable necessary for the operation of the Association, including lawyers and accountants where appropriate.

(g) To maintain, or cause to be maintained, such easements, water systems, and other areas as may be established from time to time.

(h) To pay taxes and special assessment which are or would become a lien on the common areas.

(j) To undertake the reconstruction of any portion or portions of the common areas damaged or destroyed.

(k) To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

(l) To prepare a Budget for the ensuing year which will fix and levy against the members of the Association such fees and dues as may be deemed reasonably necessary to the Board of Directors and shall require approval by a majority of the members present or represented be deemed reasonable necessary to the Board of Directors. Said budget shall be submitted to the Members at the Annual Meeting of Members and shall require approval by a majority of the members present or represented by proxy at said meeting. The amount of the annual assessment against each Lot shall be divided by the number of Lots. If a quorum is not present at the annual homeowner's meeting, the prior year's budget will be used for assessment purposes. *(Amended by membership vote in 2013)*

(m) To grant any powers or act as the Architectural Control Board of each Division of the Henrys Lake Lodge Subdivision as provided in the Declaration, and to exercise all other powers granted to the Board of Directors by the Articles of Incorporation on these By-Laws, or the laws of the State of Idaho.

Section 2. Duties. It shall be the duty of the Board of Directors

(a) To cause to be kept a complete record of all of its acts and corporate affairs, and cause an annual independent examination or audit of the Association's account or accounts to be made, and to cause a copy of such report to be available to each member within thirty (30) days of completion, additionally, to cause the preparation of an annual operating statement reflecting income and expenditures of the Association for its fiscal year and the distribution of such annual operating statement to each member of the Association within ninety (90) days after the end of each fiscal year.

(b) As more fully provided in the Declaration, to:

- (1) Fix the amount of the annual and special assessments against each lot at least thirty (30) days in advance of each annual assessment period. (2) Prepare a roster of the lots within the Henrys Lake Lodge Subdivision and the assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner by prearranged appointment with the president or treasurer, and (3) Send written notice of each assessment to every owner subject thereto at least fifteen (15) days in advance of each annual assessment period.
- (c) To issue, or to cause an appropriate officer to issue, upon demand by any owner, a certificate setting forth whether or not any assessment or portion thereof has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment or portion thereof has been paid, such certificate shall be conclusive evidence of such payment.
- (d) To contract and pay premiums for fire, casualty, liability and other insurance, including indemnity and other bonds.
- (e) To cause all or any officers or employees have fiscal responsibilities to be bonded in the discretion of the Board.
- (f) To cause the common areas and facilities and all other property to be maintained and managed pursuant to the Declaration.
- (g) To procure and maintain adequate liability and hazard insurance on property owned by the Association.
- (h) To exercise all other powers granted to the Board of Directors by the Articles of Incorporation, or these By-Laws, or the laws of the State of Idaho.

Section 3. Indemnity of Directors or Other Agents. The members of the Association shall indemnify any member of the Board of Directors or to other person who is a party or is threatened to be made a party, to a threatened, pending, or completed action or suit by reason of the fact that he is or was a director, officer, employee, or agent of the Association, or was serving in such capacity at the request of the Association.

(a) In cases other than an action by or in the right of the Association, indemnification against expenses (including attorney's fees), judgment, fines and amounts paid in settlement actually and reasonable incurred by him in connection with the proceeding if he acted in good faith and in a manner he reasonable believed to be in, or not opposed to the best interests of the Association, or in a criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

(b) In case by or in the right of the Association, indemnification against expenses (including attorney's fees) actually and reasonable incurred by him in connection with the defense of settlement of such action or suit if he acted in good faith and in a manner he believed to be in not opposed to the best

interests of the Association, as determined in accordance with Idaho law. Indemnification of a director or other person shall be made only as authorized in each specific case upon a determination that the applicable standard of conduct set forth above has been met. The determination is to be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable a quorum of disinterested directors so directors, by independent legal counsel in a written opinion or (3) by the members.

It is intended that the liability of any member of the Association arising out of any contract made by the Board of Directors or out of the indemnity in favor of the Board of Directors shall be limited to such proportion of the total liability thereunder as the number of lots owned by such member within Henrys Lake Lodge subdivision bears to the total number of lots within Henrys Lake Lodge Subdivision. Every agreement made by the Board of Directors or by the managing agenda or by the manager on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent, or the manager on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be, are acting only as agents for the Association.

ARTICLE IX OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The Officers of this Association shall be a president and a vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of who shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office by the Board, with or without cause. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified herein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A Vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer maybe held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of the Article.

Section 8. Duties. The duties of the officers are as follows:

President: (a) The president shall preside at all meetings of the Board of Directors; shall see that order and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments and shall cosign all checks and promissory notes.

Vice President: (b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary: (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer: (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a

statement of income and expenditures to be represented to the membership at its regular annual meetings, and deliver a copy to each of the members.

ARTICLE X COMMITTEES

The Association shall appoint such committees as it deems appropriate in carrying out its purpose.

ARTICLE XI BOOKS & RECORDS

The books, records and papers of the Association shall at all times, by prearranged appointment with the president or treasurer, be subject to inspection by any member. The Declaration, Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XII ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien with a power of sale, upon the property against which the assessment is made. any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, or any costs provided for in Article III, Section 6(e) are not paid, the assessment and said costs shall bear interest from the date of delinquency at the legal rate, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, either by judicial foreclosure or power of sale proceedings, and interest, costs and reasonable attorneys' fees of any such action or proceeding shall be added to the amount of such assessment and said costs. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of his lot.

ARTICLE XIII CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: North Henrys Lake Association, Inc.

ARTICLE XIV AMENDMENTS

Section 1. Power of Members. Any proposed amendment to the By-laws must be presented by one-fourth (1/4) of the membership to the Board of Directors or a majority vote of the Board of Directors who must present the proposed amendment to the membership for its vote. the Board of Directors shall send a ballot together with the proposed amendment to all of the members of the Association within thirty (~~30~~) days of receipt of a proposed amendment. The ballot shall be voted and returned within forty-five (45) days of the mailing date. Ballots shall be opened and counted at a time set by the Board within thirty (30) days of the date set for the return of the ballots. The ballot counting shall be witnessed by at least three (3) members of the association. A majority of the members of the Association shall be required for passage, except, as otherwise provided by law, the Declaration, or by the Articles of Incorporation. By-laws may only be adopted, amended, or repealed by a majority vote of the membership. ** Note: This amendment was passed by the board just prior to the annual meeting in 2001*

Section 2. Power of Directors. Directors may only initiate an amendment for approval of the members. ** Note: This amendment was passed by the board just prior to the annual meeting in 2001*

Section 3. 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 and these By-Laws, the Declaration shall control.

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