

**BYLAWS
OF
BELLERIVE HOMEOWNER'S ASSOCIATION, INC.**

**ARTICLE I.
NAME AND NATURE OF CORPORATION**

The name of the homeowner's association is Bellerive Homeowner's Association, Inc. ("Association"). The Association is a nonprofit corporation organized pursuant to the laws of the State of Idaho.

**ARTICLE II.
PRINCIPAL OFFICE**

The principal office and place of business of the Association shall be within Kootenai County, Idaho, or at such other location or locations within or without the State of Idaho as may be determined by the Board of Directors from time to time. The mailing address of the Association will be Bellerive Homeowner's Association, Inc., c/o Nancy Nick, P.O. Box 3070, Coeur d'Alene, Idaho 83816.

**ARTICLE III.
APPLICABILITY**

Section 3.1 Applicability. The provisions of these Bylaws are applicable to the development known as Bellerive, located in Kootenai County, State of Idaho, as now existing or hereafter amended. Said development is referred to below as the "Property." All present and future owners and their tenants, future tenants, employees, and any other persons who might use a portion of the Property or its facilities in any manner, are subject to the regulations set forth in these Bylaws, the Articles of Incorporation for the Association, the Declaration of Covenants, Conditions and Restrictions for Bellerive (the "Declaration"), any reservations of easements, and any other procedures, rules, regulations or policies adopted under such documents by the Association, all as now exist or as may hereafter be amended or modified. The mere act of occupancy of any portions of any Unit shall signify that these Bylaws are accepted and ratified, and will be observed.

Section 3.2 Definitions. Except as otherwise specifically provided herein, the definitions contained in the Declaration are incorporated in these Bylaws by reference.

**ARTICLE IV.
MEMBERSHIP**

Section 4.1 Classes of Membership and Voting Rights. The Association shall have two (2) classes of voting membership as set forth below. Each Member shall be an Owner or contract purchaser of property in Bellerive and/or any Expansion Property in accordance with the Declaration. The terms and conditions of the Declaration are expressly incorporated in these Bylaws by reference:

Bylaws of Bellerive Homeowner's Association, Inc.

4.1.1 **Class A Membership.** The Owner of each Unit in the Property, other than the Declarant, shall be a Class A Member and shall be entitled to one (1) vote for each Unit owned. If a Unit is owned by more than one (1) person, each such person shall be a Member of the Association, but there shall be no more than one (1) vote per Unit. Multiple owners will have joint rights and obligations.

4.1.2 **Class B Membership.** The Declarant shall be known as the Class B Member, and shall be entitled to twenty five (25) votes for each Unit owned; provided that the Class B Membership shall cease to exist after the termination of the Period of Declarant Control, as defined in the Declaration, and at such time, Declarant, if still an Owner of a Unit or Units, will become a Class A Member and shall be entitled to one (1) vote for each Unit owned.

Section 4.2 Voting Requirements. Except as otherwise expressly provided in the Declaration, the Articles or these Bylaws, any action by the Association that must have the approval of the Association membership before being undertaken shall require the vote or written assent of the prescribed percentage of the total voting power of the Association. Except on matters specifically provided for in the Declaration, the Articles, these Bylaws, or by law, the vote of a majority of a quorum present at any meeting (in person or by proxy) shall constitute the vote of the Members.

Section 4.3 Joint Owner Disputes. The vote for a Unit must be cast as a single vote, and the vote assigned to a particular Unit 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 4.4 Discipline of Members, Suspension of Rights. The Association shall have no power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of such Owner's individually owned Unit on account of a failure by the Owner to comply with the provisions of the Declaration, Articles, these Bylaws, or duly enacted rules and regulations, except where the loss or forfeiture is the result of the judgment of a court or a foreclosure or sale under a power of sale for failure of the Owner to pay assessments levied by the Association. Notwithstanding the foregoing, the Board shall have the power to impose monetary penalties, temporary suspensions of an Owner's rights as a Member of the Association or other appropriate discipline for failure to comply with the Declaration, Articles, these Bylaws or duly enacted rules and regulations; provided that the Member to be disciplined shall be given notice and the opportunity to be heard by the Board with respect to the alleged violations before a decision to impose discipline is reached. In the event monetary penalties are imposed, such penalties shall include actual attorneys' fees and all costs in connection with the collection of such penalties.

Section 4.5 Disciplinary Procedure. The procedure for imposition of disciplinary action shall be as follows:

4.5.1 When a Member's fees and/or assessments become delinquent, or the Board has information that a Member has otherwise failed to comply with the provisions Bylaws of Bellerive Homeowner's Association, Inc.

of the Declaration, Articles, these Bylaws, or duly enacted rules and regulations, the Treasurer or other authorized officer of the Association shall mail to the alleged violating Member a notice of violation specifying the alleged violation. If the violation is not remedied within ten (10) days, the Treasurer or other duly authorized officer of the Association shall mail to the alleged violating Member a second notice of violation, which shall include a notice setting a time and date for a hearing before the Board.

4.5.2 At the hearing, the alleged violating Member shall have the opportunity to be heard with respect to the alleged violations before a decision to impose discipline is reached. Fines may be imposed by a simple majority of the Board. Suspension of the Membership shall require approval by two-thirds (2/3) of the Board of Directors.

Section 4.6 Effect of Suspension. During suspension, a Member shall lose all rights of Membership, including but not limited to, the right to vote, and the right to use Association facilities, however, a suspended Member is still responsible for the payment of fees and assessments. In the event the suspended Member is one Owner of a multiple owner Unit, the suspension shall be applicable to all Owners of that Unit.

Section 4.7 No Election or Waiver of Remedies. The mere suspension of Membership shall not in any way prohibit any other legal remedy, including but not limited to, the filing of a claim of lien and foreclosure of it in order to assure full payment of fees and assessments.

Section 4.8 Reinstatement. A Membership which has been suspended may be reinstated upon the approval of two-thirds (2/3) vote of the Board of Directors, but only so long as fees and assessments have been brought current and the prospective Member fulfills all of the requirements of general Membership in accordance with these Bylaws. An application for reinstatement shall be made to the Treasurer and shall be accompanied by a non-refundable fee in an amount to be determined by the Board of Directors from time to time. Upon approval of two-thirds (2/3) vote of the Board of Directors, the Membership shall be returned to good standing.

Section 4.9 Transfer. Membership in the Association shall not be sold, assigned or transferred. However, upon sale of a Member's Unit in Bellerive, the selling Owner's Membership rights shall transfer to the new Owner. Provided, however, that the selling Member must notify the Treasurer of the Association of any such transfer, and the Treasurer shall promptly record such transfer in the records of the Association. The purchaser and the selling Member shall be jointly and severally liable for all unpaid assessments until such transfer is recorded in the Association records, at which time, the Unit purchaser (new Member) shall be solely liable for all assessments.

ARTICLE V. MEETING OF MEMBERS

Section 5.1 Annual Meeting. The annual meeting of the Members shall be held in Kootenai County, Idaho, at a time, place and location determined by the Board. If the Board shall fail to set another time and date, then the meeting shall occur on the second Wednesday of Bylaws of Bellerive Homeowner's Association, Inc.

November of each year, at the hour of 7:00 p.m., at a suitable meeting place convenient to the Members, which shall be designated 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 Board.

Section 5.2 Special Meetings. Special meetings of the Members may be called by the President or by a majority of the Board. A special meeting may also be called by not less than twenty-five percent (25%) of the voting power of the Association, or by Members representing not less than fifteen percent (15%) of the voting power held by Members other than Declarant.

Section 5.3 Notice of Meeting. At the direction of the President, the Secretary, or the officers or persons calling the meeting, written notice of regular and special meetings shall be given by the Secretary to all Members in the manner specified for notices under these Bylaws. Such notice shall specify the place, day and hour of the meeting and in the case of a special meeting, or when required by statute, the purpose or purposes for which the meeting is called. Except in the case of an emergency, notice shall be delivered to each Member entitled to vote at such meeting not less than ten (10) days or more than fifty (50) days prior to the date of such 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. Meetings of the Members shall be held at the Property or at a meeting place as close thereto as possible.

Section 5.4 Quorum. Sixty percent (60%) of the voting power of the Association shall constitute a quorum for the conduct of regular business of the Association. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 5.5 Proxies. At all meetings of Members, a Member entitled to vote may vote in person or by proxy. All proxies shall be in writing, signed by the Member, and filed with the Secretary before the appointed time of each meeting. All proxies shall be valid only for the meeting for which the proxies are given, except that a proxy shall continue in effect in the event the meeting is reconvened at a later time after adjournment for lack of a quorum, unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon receipt of notice by the Secretary of the Board of the death or judicially declared incompetence of such Member.

Section 5.6 Regular Business. The regular business of the Association may be carried out by a simple majority of the voting power of the Association present in person or by proxy at any annual, regular or special meeting, except as otherwise stated in these Bylaws. Except as otherwise provided in these Bylaws, the Articles or the Declaration, all meetings of the Members shall be governed by Roberts Revised Rules of Order, the latest edition of which shall be available at the meeting.

Section 5.7 Adjournment for Lack of Quorum. In the absence of a quorum at a Membership meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than ten (10) days and not more than thirty (30) days from the original Bylaws of Bellerive Homeowner's Association, Inc.

meeting date.

Section 5.8 Action Without Meeting. Any Action which may be taken at a meeting of the Members may be taken without a meeting if a consent, in writing, setting forth the action so taken, is signed by all Members entitled to vote thereon. Such consent shall have the same force and effect as a unanimous vote.

ARTICLE VI. BOARD OF DIRECTORS

Section 6.1 Governing Body. The Board of Directors of the Association shall constitute the governing body of this Association.

Section 6.2 Number, Qualification and Term of Directors. The Board of Directors shall initially consist of three (3) Directors, all of whom shall be appointed by Declarant. The initial Directors need not be Members of the Association and will serve at the pleasure of the Declarant. At the first annual meeting of the Members, following surrender of Special Declarant Rights or expiration of the Period of Declarant Control, the number of Directors shall increase to five (5), at which time all of the Directors must be Members in good standing of the Association. These Directors shall hold office for staggered terms of three (3) years. At the first annual meeting, the Members shall elect two (2) Directors for a term of three (3) years, two (2) Directors for a term of two (2) years and one (1) Director for a term of one (1) year.

Section 6.3 Election of Board of Directors Upon Surrender of Special Declarant Rights or Expiration of the Period of Declarant Control. Nominations for election to the Board of Directors may be made from the floor of the annual meeting of the Association. Additionally, the Board may appoint a Nominating Committee that shall consist of a Chairman, who shall be a Director, and two (2) or more Members of the Association. If the Board appoints a Nominating Committee, the Committee shall be appointed at least ninety (90) days prior to each annual meeting of the members to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine; but not less than the number of vacancies that are to be filled.

Section 6.4 Removal Upon Surrender of Special Declarant Rights or Expiration of the Period of Declarant Control. Following the surrender of Special Declarant Rights or expiration of the Period of Declarant Control, any Director may be removed by the Members, in accordance with Idaho law, whenever, in the judgment of the Members the best interests of the Association would be served thereby.

Section 6.5 Disqualification. Any Director may lose his or her position as a Director by disqualification for any one of the following reasons:

6.5.1 The Director ceases to be a Member of the Association for any reason.

6.5.2 The Director is absent from three (3) consecutive Board of Director's meetings without just cause.

6.5.3 The Director has a continuing conflict of interest between outside interests and duties as a Director.

The final determination of disqualification for any of the above reasons shall be made by the Board of Directors by a three-fourths (3/4) affirmative vote of the remaining Directors. Upon such an affirmative determination of disqualification, that Director's seat shall be considered vacant.

Section 6.6 Vacancies. A vacancy in the Board because of death, resignation, removal, disqualification or otherwise may be filled by a majority vote of the remaining Directors for the remainder of the term of the Director being replaced, or, following the surrender of Special Declarant Rights or expiration of the Period of Declarant Control, until a successor is elected at a special meeting of the Members called for that purpose.

Section 6.7 Quorum. The presence in person of the majority of the Directors at any meeting of the Board shall constitute a quorum and the vote of the majority of the quorum actually present at any meeting shall constitute an action of the Board of Directors.

Section 6.8 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 Bellerive 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 designated for the meeting and shall be posted at a prominent place or places within the Property.

Section 6.9 Special Meetings. A special meeting of the Board of Directors may be called by written notice, signed by the President or by any two (2) of the Directors other than the President. Notice shall be provided to all Directors and shall be posted at the Property in the manner prescribed for notice of regular meetings of the Board. The notice shall include a description of the nature of any special business to be considered by the Board at the special meeting.

Section 6.10 Waiver of Notice. Before, at or after 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 express purpose of objecting to the transaction of any business because the meeting is allegedly unlawful.

Section 6.11 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 members of the Board of Directors shall individually or collectively consent in writing to such action. Said consent may occur by electronic communication and if later ratified in writing.

Section 6.12 Board Meetings Open to Members. Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Members who

Bylaws of Bellerive Homeowner's Association, Inc.

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 6.13 Executive Session. The Board, may, with the approval of two-thirds (2/3) of the quorum of the Directors, adjourn a meeting and reconvene in Executive Session to discuss and vote upon matters of a sensitive and/or personal nature, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in Executive Session shall first be announced in open session. Executive Sessions shall not be open to Members.

Section 6.14 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration and management of the affairs of the Association to the full extent of the law.

Section 6.15 Committee Designation. 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. Each committee shall have three (3) or more members, a majority of which must be Directors. Any non-Director committee member must be a Member of the Association.

ARTICLE VII. OFFICERS OF THE ASSOCIATION

Section 7.1 Titles and Appointments of Power. During the Period of Declarant Control, the officers of the Association shall be appointed by Declarant from among the Board of Directors of the Association. Following the surrender of Special Declarant Rights or expiration of the Period of Declarant Control, the officers of the Association shall be appointed by the Board of Directors. The officers shall consist of a President, a Vice President, a Secretary and a Treasurer. An officer, other than the President, may concurrently hold two (2) offices. Declarant or the Board of Directors, as applicable, may also appoint such other officers as Declarant or Board, as applicable, may deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors.

Section 7.2 Election and Term. Declarant or the Board of Directors, as applicable, shall appoint the officers at 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 7.3 Vacancies. A vacancy in any office may be filled by appointment by Declarant or the Board of Directors, as applicable. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7.4 President. The President shall be the principal executive officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the Board of Directors and of the Bylaws of Bellerive Homeowner's Association, Inc.

Members; shall sign, with any other proper officer of the Association authorized by the Board of Directors, any leases, deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed; shall, with the Treasurer, co-sign all checks (unless the authority to sign checks in the ordinary course of Association business has been delegated to a management company as provided in the Declaration) and promissory notes; 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 7.5 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. The Vice President shall also perform such other duties as may be prescribed by the President or the Board of Directors from time to time.

Section 7.6 Secretary. The Secretary shall record the votes and keep the minutes of the meetings of the Board of Directors and of the Members in one or more books provided for that purpose; shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; shall be custodian of the Association records and of the Seal of the Association, if any; and shall 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, and such other duties as may be assigned by the President or by the Board of Directors from time to time.

Section 7.7 Treasurer. The Treasurer shall have charge of and be responsible for all funds and securities of the Association; shall receive and give receipts for monies received by the Association from any source whatsoever; and shall deposit all such monies in the name of the Association in such banks, trust companies or other depositories designated by the Association from time to time; shall co-sign, with the President, all checks (unless the authority to sign checks in the ordinary course of Association business has been delegated to a management company as provided in the Declaration) and promissory notes; 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 by the President or by the Board of Directors.

Section 7.8 Compensation. The officers of the Association shall not be entitled to remuneration, except to the extent that such person performed labor for and on behalf of the Association which would require the employment of individuals at an hourly wage to perform the same service or labor, or incurred expense on behalf of the Association as authorized by the Members or another officer of the Association.

ARTICLE VIII. INDEMNIFICATION OF OFFICERS AND DIRECTORS

An officer or Director of the Association shall not be personally liable to the Association for monetary damages arising from any conduct, except for liability arising from (i) acts or omissions involving intentional misconduct or a knowing violation of law by the officer, manager, or Director; or (ii) any transaction from which the officer, manager or Director will

Bylaws of Bellerive Homeowner's Association, Inc.

personally receive a benefit of money, property, or services to which the officer, manager or Director is not legally entitled.

The Association has the power to indemnify, and to purchase and maintain insurance for, its Directors, managers, officers, trustees, employees, and other persons and agents. Without limiting the generality of the foregoing, the Association shall indemnify its Directors, officers or managers against all liability, damages, and costs or expenses (including attorney fees) arising from or in any way connected with service for, employment by, or other affiliation with this Association to the maximum extent and under all circumstances permitted by law.

ARTICLE IX. RECEIPT OF NON-CORPORATE ASSETS

The Membership or the Board of Directors of the Association may accept on behalf of the Association any contribution, gift, bequest or devise for general purposes or for any special purpose of the Association.

ARTICLE X. BOOKS AND RECORDS

Section 10.1 Books and Records. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its meetings of Members and the Board of Directors and all committees having any of the authority of the Association, 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 Association may be inspected by a Member or Member's agent or attorney for any proper purpose at any reasonable time.

Section 10.2 Rules and Regulations. The Association shall keep and maintain a record of interpretation and compliance approvals in regard to the Declaration and any other governing documents. The Board shall also have the right and power to make rules and regulations for the general welfare of the Association.

ARTICLE XI. FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

ARTICLE XII. BUDGET

Not less than thirty (30) days before the end of the fiscal year, the Board shall prepare a budget for the Association for the coming year and copies shall be distributed to each Member.

**ARTICLE XIII.
AMENDMENT OF BYLAWS**

These Bylaws may be amended at any time and in any manner by the vote or written assent of a simple majority of a quorum of the total voting power of the Association; provided, however, that the percentage of the voting power necessary to amend a specific clause or provision herein shall not be less than the percentage of affirmative votes prescribed for action to be taken under said clause or provision; and provided further, that any such amendment shall not be inconsistent with applicable law.

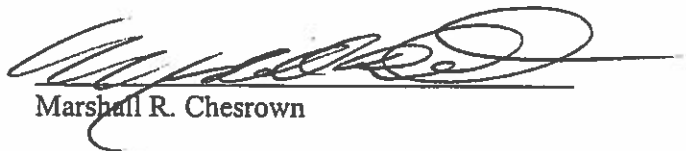
**ARTICLE XIV.
NOTICES**

Any notice permitted or required to be given by these Bylaws, the Articles, the Declaration, or other documents enacted to govern the affairs of the Property may be delivered either personally or by mail, or as otherwise specifically provided in such document. If delivery is by mail, it shall be deemed to have been given upon deposit thereof in the United States mail, postage prepaid, addressed to each person at the current address given by such person to the Secretary of the Association or addressed to the Unit of such person if no address has been given to the Secretary. All notices mailed by regular mail to the Unit address or the Owner's address according to the tax records of Kootenai County shall be effective upon the postmarked date shown on the envelope in which such notice is sent.

ADOPTION OF BYLAWS

We, the undersigned, being all of the Directors of Bellerive Homeowner's Association, Inc., do hereby assent to the within and foregoing Bylaws and hereby adopt the same as the Bylaws of Bellerive Homeowner's Association, Inc.

Executed this ____ day of _____, 2006.



Marshall R. Chesrown

Robert C. Samuel



Chad V. Rountree

Bylaws of Bellerive Homeowner's Association, Inc.

**ARTICLE XIII
AMENDMENT OF BYLAWS**

These Bylaws may be amended at any time and in any manner by the vote or written assent of a simple majority of a quorum of the total voting power of the Association; provided, however, that the percentage of the voting power necessary to amend a specific clause or provision herein shall not be less than the percentage of affirmative votes prescribed for action to be taken under said clause or provision; and provided further, that any such amendment shall not be inconsistent with applicable law.

**ARTICLE XIV.
NOTICES**


Any notice permitted or required to be given by these Bylaws, the Articles, the Declaration, or other documents enacted to govern the affairs of the Property may be delivered either personally or by mail, or as otherwise specifically provided in such document. If delivery is by mail, it shall be deemed to have been given upon deposit thereof in the United States mail, postage prepaid, addressed to each person at the current address given by such person to the Secretary of the Association or addressed to the Unit of such person if no address has been given to the Secretary. All notices mailed by regular mail to the Unit address or the Owner's address according to the tax records of Kootenai County shall be effective upon the postmarked date shown on the envelope in which such notice is sent.


ADOPTION OF BYLAWS

We, the undersigned, being all of the Directors of Bellerive Homeowner's Association, Inc., do hereby assent to the within and foregoing Bylaws and hereby adopt the same as the Bylaws of Bellerive Homeowner's Association, Inc.

Executed this ____ day of _____, 2006.


Marshall R. Chesrown


Robert C. Samuel


Chad V. Rountree

Bylaws of Bellerive Homeowner's Association, Inc.

I, the undersigned, the duly elected and acting Secretary-Treasurer of the Association, do hereby certify:

The foregoing Bylaws were adopted as the Bylaws of said Association on April 10, 2006, and that the same do now constitute the Bylaws of said Association.

Executed this 10 day of April, 2006.



Chad V. Rountree, Secretary-Treasurer