

**BYLAWS
OF
EAGLE RIDGE PROPERTY OWNERS' ASSOCIATION, INC.
An Idaho Nonprofit Corporation**

ARTICLE I - OFFICES

Section 1: Principal Office: The principal office of Eagle Ridge Property Owners' Association, an Idaho nonprofit corporation (the "Corporation"), shall be located at 555 W. Bannock St., Boise, Idaho, 83702. The Corporation may have such other offices as the Board of Directors may designate or as the business of the Corporation may require from time to time.

Section 2: Registered Office: The registered office of the Corporation to be maintained in the State of Idaho shall be located at 555 W. Bannock St., Boise, Idaho, 83702, and may be changed from time to time by the Board the Directors.

ARTICLE II - MEMBERSHIP AND VOTING RIGHTS

Section 1: Organization: The Corporation is organized as an Idaho corporation under the Idaho Nonprofit corporation Law. The Corporation is charged with the duties and vested with the powers prescribed by law and set forth in the Articles, and the Declaration of Covenants, Conditions and Restrictions for Eagle Ridge (hereinafter "Declaration"), recorded at the office of the Valley County Recorder. Neither the Articles nor these Bylaws shall, for any reason, be amended or otherwise change so as to be inconsistent with the Declaration. In the event that there should exist any ambiguity in any provision of the Articles or these Bylaws, then such provision shall be construed, to the extent possible, so that such provision shall be interpreted to be consistent with the provisions of the Declaration.

Section 2: Membership: Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot of Eagle Ridge, shall be a Member of the Corporation. Membership shall be appurtenant to any may to be separated from the fee ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership. Transfer of a Lot shall automatically transfer membership in the Corporation.

Section 3: Voting Rights: The Corporation shall have two (2) classes of voting memberships:

Class A: Class A Members shall be all Owners, with the exception of Declarant, (as defined in the Declaration) and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be entitled to all rights and privileges of membership. The vote for such Lot shall be exercised as its Owners collectively determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B: Class B Members shall be the Declarant, who shall be entitled to two (2) votes for each Lot owned.

Section 4: Suspension of Voting Rights: No member, whether Class A or Class B shall be entitled to vote or be counted for purposes of a quorum unless they are then current in the payment of assessments, whether Regular or Special, which have been levied by the Association.

ARTICLE III - MEETINGS

Section 1: Annual Meetings: An annual meeting of the members shall be held during the month of July in each year beginning in the year 1998, with the exact date, time and place of meeting to be established

by the Board of Directors, for the purpose of electing directors, and for the transaction of such other business as may come before the meeting.

Section 2: Special Meetings: Special meetings of the members may be called by the Board of Directors or on the request of not fewer than ten percent (10%) of the Members of the Corporation.

Section 3: Place of Meetings: The Board of Directors may designate any place, either within or without the State of Idaho, as the place of meeting for any annual meeting or for any special meeting. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the principal office of the Corporation in the State of Idaho.

Section 4: Notice of Meeting: Written notice stating the place, day and hour of any meeting of members shall be delivered either personally or by mail to each member, not less than fifteen (15) days before the date of the meeting.

Section 5: Waiver of Notice: Whenever any notice is required to be given to any member under the provisions of the Idaho Nonprofit Corporation Act as set forth in Title 30, Chapter 3, Idaho Code (the "Act") or under the provisions of the Articles of Incorporation of the Corporation (the "Articles") 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 equivalent to the giving of such notice.

Section 6: Officers of the Members' Meeting: The presiding officer at members' meetings shall be the President of the Corporation or, in the absence of the President, the Vice President or, in the absence of both the President and Vice President, a chairman elected by the members present at the meeting. The Secretary of the Corporation or, in the absence of the Secretary, any person appointed by the presiding officer of the meeting, shall act as Secretary of a members' meeting.

Section 7: Quorum and Voting Requirements: one-third (1/3) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members. The members present at a duly organized and conveyed meeting where a quorum has been present can continue to conduct business as a quorum until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting and entitled to vote on the subject matter shall be the act of members, unless the vote of a greater number is required by the Act, the Articles, or the Bylaws.

Section 8: Proxies: A member may vote either in person or by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution. Every proxy shall be revocable at the pleasure of the member who executed it.

Section 9: Action by Members Without a Meeting: Any action required or permitted to be taken at a meeting of the members of the Corporation may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of members, and may be stated as such in any articles or documents filed with the Idaho Secretary of State under the Act.

ARTICLE IV - DIRECTORS

Section 1: General Powers and Standard of Care: All corporate powers shall be exercised by or under authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors except as may be otherwise provided in the Act or the Articles.

Section 2: Number, Tenure and Qualifications: The number of directors shall be three (3). Directors shall be elected by the members for staggered three-year (3) terms. Each director shall hold office until the end of the term or until a successor shall be elected and qualified. Directors shall be elected when necessary at the annual meeting of the membership by a majority vote of the total eligible

votes present or represented by proxy. Directors need to be members of the Corporation. The initial Board of Directors shall determine by lot the initial term of each director so that one-third (1/3) of the Board shall have one-year (1) terms, one-third (1/3) shall have two-year (2) terms, and one-third (1/3) shall have three-year (3) terms.

Section 3: Vacancies: Any vacancy occurring on the Board of Directors and any directorship to be filled by reason of any increase in the number of directors shall be filled by the Board of Directors. Directors elected to fill a vacancy shall be elected for the unexpired term of their predecessor in office.

Section 4: Removal of Directors: Any director may be removed from office for cause by a two-third (2/3) majority vote of the total directors. A director may be removed from office after two (2) unexcused absences within any twelve-month (12) period of any Board meeting.

Section 5: Regular Meetings: A regular annual meeting of the Board of Directors shall be held without notice than this Bylaw, within a month of the annual meeting of members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board.

Section 6: Special Meeting: Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. The person or persons authorized to call special meetings of the Board may designate any place as the place for holding any special meeting of the Board called by them.

Section 7: Notices: Notice of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the Corporation. The attendance of a director at any meeting shall indicate that such director received notice of such meeting. The purpose of any special meeting of the Board shall be specified in the notice or waiver of notice of such meeting.

Section 8: Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if fewer than a majority of the directors are present may adjourn the meeting without further notice. Once a quorum is established, it shall remain for the duration of the meeting.

Section 9: Manner of Acting: The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless otherwise provided by law or by these Bylaws.

Section 10: Informal Action: Any action required to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action as taken shall be signed by a majority of the directors.

Section 11: Open Meetings: It is the intent of the Corporation to conduct its business in open sessions whenever possible. However, in those circumstances where the Board is discussing or acting upon strategy with respect to litigation, implementation of security systems, purchase of property, interviews with prospective employees, and discussion of personnel matters, the meeting may be closed.

On any other matter which the Board feels must be dealt with in a confidential manner, the Board may close its meeting to the members of the Corporation and the general public. An affirmative two-thirds (2/3) vote of the Board members present is necessary to close the meeting.

Section 12: Compensation: The officers and directors shall serve without compensation, but reasonable expenses incurred may be reimbursed when expended for in the interest of the Corporation and approved by the Board of Directors in advance.

Section 13: Director Conflicts of Interest: No contract or other transaction between the Corporation and one or more of its Directors or any other corporation, firm, association, or entity in which one or more of its directors are Directors or officers or are financially interest, shall be either void or voidable because of such relationship or interest or because such Director or Directors are present at the meeting of the Board of Directors or a committee thereof which authorized, approves or ratifies such contract or transaction or because such Director's or Director's vote are counted for such purposes, if:

- a) The fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the vote or consent of such interested Directors; or,
- b) The fact of such relationship or interest is disclosed or known to the members entitled to vote and they authorize, approve, or ratify such contract or transaction by vote or written consent, in which vote or consent such interested Directors may participate to the extent that they are also members; or
- c) The contract or transaction in fair and reasonable to the Corporation and the fact of such relationship or interest is fully and fairly disclosed or known to the Corporation.

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorized, approves, or ratifies such contract or transaction.

Section 14: Loans to Directors: The Corporation shall not lend money to or use its credit to assist its Directors or officers.

ARTICLE V - OFFICERS

Section 1: Number and Title: The officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect one or more assistant secretaries or one or more assistant Treasures, as it may be felt desirable. Any two or more offices may be held by the same person, except the office of President and the office of Secretary.

Section 2: Election and Term of Office: The officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon as possible. Each officer shall hold office until their successor shall be duly elected and qualified.

Section 3: Vacancies: Vacancies may be filled or a new office created and filled at any meeting of the Board.

Section 4: Removal: Any officer elected or appointed by the Board of Directors may be removed by an affirmative vote of two-thirds (2/3) of the total Board whenever, in its judgement, the best interest of the corporation would be served thereby.

Section 5: President: The President shall preside at all meetings of the Board of Directors and the general membership. S/he may sign with the Secretary, or any other proper officer of the corporation authorized by the Board of Directors, any deed, mortgage, bond, contract, or other instrument which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated to some other officer or agent of the Corporation. In general, s/he shall perform all duties incident to the office of President and such other duties which shall be prescribed by the Board of Directors from time to time.

Section 6: Vice President: In the absence of the President or in the event of the President's inability or refusal to act, the Vice President (or in the event there shall be more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform other duties as from time to time may be assigned by the President or the Board of Directors.

Section 7: Secretary: The Secretary shall keep the permanent minutes of the meetings of the Board of Directors 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 corporate seal; keep a register of the name and post office address of each corporate member, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or the Board of Directors.

Section 8: Treasurer: The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; the Treasurer shall assure that the bookkeeper receive and give receipts for money due and payable to the Corporation from any source whatsoever and deposit all monies in the name of the Corporation in such bank or other financial institution as shall be selected by the Board of Directors, and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors. The Treasurer and executive director shall, with the appropriate standing committee, prepare and annual operating budget showing income and expenses to be presented to the Board for approval at the annual regular meeting of the Board of Directors.

ARTICLE VI - COMMITTEES

Section 1: Architectural Committee: At such time as permitted by the Declaration, the Board of Directors shall appoint three (3) individuals to serve on the Architectural Committee. The Board may appoint itself to serve as the committee.

The duties, responsibilities and authority of the Architectural Committee shall be set forth in the Declarations and as may be stated in writing and adopted by Resolution of the Board of Directors.

Section 2: Other Standing Committees: The Board of Directors may establish such additional committees as are necessary and appropriate to carry out the business of the Corporation. Each committee shall have the duties and responsibilities delegated to it by the Board of Directors.

Section 3: Duties: The duties, responsibilities, authority and composition of all standing committees and ad hoc committees shall be stated in writing and adopted by resolution of the Board of Directors.

Section 4: Term of Office: All committee members shall serve until the first annual meeting following their appointment or until their successors have been appointed.

ARTICLE VII - DUTIES AND POWERS OF THE CORPORATE

Section 1: General Powers of the Corporation: The specific and primary purposes and powers of the Corporation and its Board of Directors are to enforce the provisions of the Declaration and the Corporation's Articles and these Bylaws, and any other instruments relating to the management and control of the Corporation. The corporation may do any and all other acts and things that a nonprofit corporation is empowered to do, which may be necessary, convenient or desirable in the administration of its affairs for the specific and primary purposes of meeting its duties set forth in the Declaration. The corporation, through its Board of Directors, shall have the authority to delegate its powers to committees, offices of the Corporation or its employees.

Section 2: Corporation Rules: The Board of Directors shall have the power to adopt, amend and repeal such rules and regulations as it deems reasonable. The rules of the Corporation shall govern such matters in furtherance of the purposes of the Corporation. The rules of the Corporation may not discriminate

among Owners and shall not be inconsistent with the Declaration, the Articles or Bylaws. A copy of the rules of the Corporation as they may from time to time be adopted, amended or repealed or a notice setting forth the adoption, amended or repealed or a notice setting forth the adoption, amendment or repeal of specific portions of the rules of the Corporation shall be delivered to each Owner in the same manner established in the Declaration for the delivery of notices. Upon completion of the notice requirements, said rules of the Corporation shall have the same force and effect as if they were set forth in and were part of the Declaration and shall be binding on the Owners and their successors in interest whether or not actually received. The rules of the Corporation, as adopted, amended or repealed, shall be available at the principal office of the Corporation to each owner. In the event of any conflict between any such rules of the Corporation and any other provision of the declaration, or the Articles of these Bylaws, the provisions of the rules of the Corporation shall be deemed to be superseded by the provisions of the Declaration, the Articles or these Bylaws to the extent of any such conflict.

ARTICLE VIII - MISCELLANEOUS

Section 1: Indemnification: The Corporation shall indemnify any director, officer or former director or officer of the Corporation against expenses actually and reasonably incurred by him/her in connection with the defense of any action, suit or proceeding, civil or criminal, in which s/he is made a party by reason of being or having been a director or officer, except in relation to matters as to which s/he is adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the Corporation.

Section 2: Depositories: All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, savings and loan associations, trust companies, or other depositories as the Board of Directors May elect.

Section 3: Contracts: the Board of Directors may authorize any officer (s) or agent (s) of the corporation, in addition to the officers authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 4: Checks, Drafts, Etc.: All checks, drafts, or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by such persons and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instrument shall be signed by the Treasurer or an assistant Treasurer.

Section 5: Fiscal Year: The fiscal year of the Corporation shall end on the last day of December of each year.

Section 6: Investment: Any funds of the Corporation which are not needed currently for the activities of the Corporation may, at the direction of the Board of Directors, be invested in such investments as are permitted by law.

Section 7: Non-liability of Directors, Officers, Committee Members: To the fullest extent permitted by law neither the Board, any committees of the Corporation or any member of such Board or committee shall be liable to any Member of the Corporation for any damage, loss or prejudice suffered or claimed on account of any decision, course of action, act, omission, error, negligence or the like, made in good faith, and while such Board, committees, or persons reasonably believed to be acting within the scope of their duties.

Section 8: Books and Records: The Corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep a record giving the name and address of the members entitled to vote. All books and records of the Corporation may be inspected

by any member or his agent or attorney or the general public for any proper purpose at any reasonable time.

Section 9: Dissolution:

- a) A resolution to dissolve the Corporation shall be submitted to a vote of the members.
- b) In the event of dissolution of the Corporation, the Board of Directors shall, after payment of all liabilities of the Corporation, dispose of the assets of the Corporation, exclusively for the purposes of the Corporation in such manner or to such organizations organized and operating exclusively for charitable, educational, religious, or specific purposes as shall at the time qualify as an exempt organization (s) under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) and which is organized for purposes substantially similar to that of the Corporation.

Section 10: Nondiscrimination: This Corporation is an equal opportunity employer and shall make available its services without regard to race, creed, age, sex, color, ancestry, or national origin.

Section 11: Political Activity: The Corporation shall not, in any way, use corporate funds in the furtherance of, nor engage in, any political activity for or against any candidate for public office. However, this Bylaw shall not be construed to limit the right of any official or member of this Corporation to appear before any legislative committee, to testify as to matters involving the Corporation.

Section 12: Gifts: The Board of Directors may accept, on behalf of the Corporation, any contribution, gift, bequest, or devise for the general purposes or for any special purposes of the Corporation.

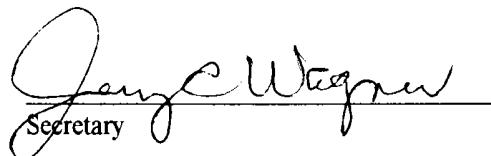
Section 13: Parliamentary Procedure: All meetings of the Board of Directors and membership shall be governed by Roberts' Rules of Order (Current Edition), unless contrary procedure is established by the Articles of Incorporation or these Bylaws, or by resolution of the Board of Directors.

ARTICLE IX - AMENDMENTS

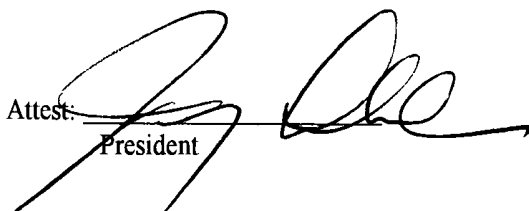
These Bylaws may be altered, amended, or repealed and a new set of Bylaws adopted by a two-thirds (2/3) majority vote of the total votes of the membership present or represented by proxy at a properly scheduled meeting of the membership; provided, any amendment altering the provisions of these Bylaws regarding membership or voting rights shall require a two-thirds (2/3) majority vote of the total Class A Members present or represented by proxy at a properly scheduled meeting, as well as two-thirds (2/3) of the total votes of the membership present or represented by proxy at a properly scheduled meeting. At least ten (10) days' prior written notice setting forth a proposed action and time and place of meeting shall be give to all Members.

SECRETARY'S CERTIFICATION

This is to certify that the foregoing Bylaws have been duly adopted by the Board of Directors at a meeting held on MARCH 5, 1998.


Secretary

Date Signed: 3/5/98

Attest: 
President

SUBSCRIBED AND SWORN TO before me, the undersigned Notary Public, in and for said State, this 5th day of March, 1998.



A large, handwritten signature in black ink is written over a horizontal line. The signature is stylized and appears to be "Leland Heinrich".

Notary Public for Idaho
Residing at Boise, Idaho
My Commission Expires: 4/21/2000

232630

TYPE: Misc

LELAND HEINRICH

VALLEY COUNTY RECORDER

BY: [Signature]

FEE: 27.00

28 MAY 12 AM 10 00

RECORDED BY [Signature]
RECORDED