

**BYLAWS OF
ESTATES AT FARRAGUT HOMEOWNER'S ASSOCIATION, INC.**

**ARTICLE 1
NAME AND NATURE OF CORPORATION**

The name of the homeowners association is Estates at Farragut Homeowner's Association, Inc. ("**Association**"). The Association is a non-profit corporation organized pursuant to the laws of the State of Idaho.

**ARTICLE 2
PRINCIPAL OFFICE**

The principal office and place of business of the Association shall be located at P.O. Box 2612 Hayden, Idaho 83835, or at such other location(s) 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 is P.O. Box 2612 Hayden, Idaho 83835.

**ARTICLE 3
APPLICABILITY**

3.1 Applicability. The provisions of these Bylaws are applicable to the planned residential development known as the Estates at Farragut, 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, agents, contractors, 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, and the Declaration of Covenants, Conditions and Restrictions Estates at Farragut recorded July 7, 2023, as Kootenai County recorder Instrument No. 2941453000 as amended by the First Amended and Restated Declaration of Covenants, Conditions and Restrictions Estates at Farragut recorded _____, 2023, as Kootenai County recorder Instrument No. _____ (the "**Declaration**"), the Design Guidelines, 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 portion of any Lot shall signify that these Bylaws are accepted and ratified, and will be observed.

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

**ARTICLE 4
MEMBERSHIP**

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 the Estates at Farragut and/or Additions hereto annexed in accordance with the Declaration. The terms and conditions of the Declaration are expressly incorporated in these Bylaws by reference:

4.1.1 Class A Membership. The Owner of each Lot in the Property, other than the Declarant, shall be entitled to be a Class A Member and shall be entitled to one (1) vote for each Lot owned. If a Lot is owned by more than one (1) person, each such person shall be a Member of

the Association, but there shall be no more than one (1) vote per Lot. 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 (20) votes for each Lot 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 any Lot, will become a Class A Member and shall be entitled to one (1) vote for each Lot owned.

4.2 Voting Requirements. Any action by the Association that requires 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 as otherwise provided in the Declaration, the Articles, these Bylaws, or by law, the vote of at least fifty-one percent (51%) (a "**Majority**") of the voting power present at any meeting (in person, by electronic means, or by proxy) shall constitute the vote of the Members.

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

4.4 Discipline of Members, Suspension of Rights. The Association may not cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of such Owner's individually owned Lot 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 may impose fines, 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 fines or monetary penalties are imposed, such penalties shall include actual attorney fees and all costs in connection with the collection of such penalties.

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

4.5.1 When a Member's fees, fines, and/or assessments become delinquent, or the Board has information that a Member has otherwise failed to comply with the provisions 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 Majority of the Board. Suspension of the Membership shall require

approval by two-thirds (2/3) of the Board of Directors.

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 Lot, the suspension shall apply to all Owners of that Lot.

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.

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, fines, 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.

4.9 Transfer. Membership in the Association shall not be sold, assigned or transferred. However, upon sale of a Member's Lot in the Estates at Farragut, 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 fees, fines, and assessments until such transfer is recorded in the Association records, at which time, the Lot purchaser (new Member) shall be solely liable for all assessments.

ARTICLE 5 MEETING OF MEMBERS

5.1 Annual Meeting. The annual meeting of the Members shall be held at the Property, at a time, place and location determined by the Board, or at such other location as close as possible to the Property as the Board may select. If the Board fails to set another time and date, then the meeting shall occur on the second Wednesday of November of each year, at the hour of 7:00 p.m., at the meeting location 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 meeting.

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 if Members with at least ten percent (10%) of the voting power of any Association sign, date and deliver to any corporate officer one (1) or more written demands for the meeting describing the purpose or purposes for which it is to be held. The close of business on the thirtieth day before delivery of the demand or demands for a special meeting to any corporate officer is the record date for the purpose of determining whether the ten percent (10%) requirement of this section has been met. Only those matters that are within the purpose or purposes described in the meeting notice may be conducted at a special meeting of members.

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 sixty (60) 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.

5.4 Quorum. Thirty percent (30%) of the voting power of the Association, in person or by proxy, 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.

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.

5.6 Regular Business. The regular business of the Association may be carried out by a Majority of the voting power of the Association present, in person or by proxy, at any annual, regular or special meeting at which a quorum exists, except as otherwise stated in these Bylaws.

5.7 Adjournment for Lack of Quorum. In the absence of a quorum at a meeting of the Members, 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 meeting date.

5.8 Action Without Meeting. Any action which may be taken at a meeting of the Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. This written ballot must 1) set forth each proposed action; 2) provide an opportunity to vote for or against each proposed action; 3) indicate the number of responses needed to meet the quorum requirements; 4) state the percentage of approvals necessary to approve each action; and 5) specify the time by which the ballot must be received in order to be counted. For the action being voted upon to be approved, the number of votes cast by ballot must equal or exceed the quorum required to be present at a meeting authorizing the action being voted upon and the number of approvals must equal or exceed the number of votes that would be required to approve the matter at a meeting.

ARTICLE 6 BOARD OF DIRECTORS

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

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. Following the Period of

Declarant Control, the Board of Directors shall consist of at least three (3) Directors. At the first annual meeting of the Members following the expiration of the Period of Declarant Control, the Members shall elect at least three (3) Directors.

6.3 Election of Board of Directors Upon 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 may 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.

6.4 Removal Upon Expiration of the Period of Declarant Control. Following the 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.

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 Directors 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.

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 expiration of the Period of Declarant Control, until a successor is elected at a special meeting of the Members called for that purpose.

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.

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 Property as may be fixed by the Board. Notice of the time and the place of the regular meetings of the Board shall be given to each Director personally, by mail, by telephone or email at least two (2) days prior to the day designated for the meeting.

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.

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 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 not properly called.

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 if later ratified in writing or by electronic transmission, including, but not limited to, DocuSign.

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 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 Board members present.

6.13 Executive Session. Pursuant to Idaho Code § 55-3204(2), the Board, may, with the approval of two-thirds (2/3) of the Directors present at a meeting with a quorum, adjourn a meeting and reconvene in Executive Session for the following purposes: (a) to consider matters of personnel, hiring, bid review, or contract negotiation; (b) to consider records that are not subject to disclosure under part 11, chapter 30, title 30, Idaho Code; (c) to consult with an attorney for the purpose of obtaining legal advice; (d) to discuss ongoing or potential litigation, mediation, arbitration, or administrative proceedings; or (e) to discuss sensitive matters related to an individual member's property or assessments, such as violations or delinquent assessments. The nature of any and all business to be considered in the Executive Session shall first be announced in open session. Executive Sessions shall not be open to Members.

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

6.15 Committee Designation. The Board may, by Majority vote of the Directors at a meeting with a quorum, 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.

6.16 Fidelity Bonds. The Board of Directors may require that all Directors, officers, and employees of the Association handling or responsible for the Association funds furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association.

ARTICLE 7 OFFICERS OF THE ASSOCIATION

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 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, a Treasurer and any other officer appointed by the Board of Directors. An officer, other than the President and Secretary, 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.

7.2 Election and Term. Declarant or the Board of Directors, as applicable, shall appoint the officers at the annual meeting of the Board. The term for the officers shall be one (1) year unless said officers resign, or are removed or otherwise disqualified to serve.

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.

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 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.

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.

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.

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 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.

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 8 INDEMNIFICATION AND INSURANCE

8.1 Certain Definitions. For the purposes of this Article, (1) “**Agent**” means any person who is or was a director, officer, employee or other agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the Association; (2) “**Proceeding**” means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and (3) “**Expenses**” includes without limitation attorney fees and costs and any expenses of establishing a right to indemnification under Section 8.3 or paragraph (c) of Section 8.4.

8.2 Indemnification. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any Proceeding (other than an action by or in the right of the Association to procure a judgment in its favor) by reasons of the fact that such persons is or was an Agent of the Association, against Expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association and, in the case of a criminal Proceeding, had no reasonable cause to believe the conduct of such persons was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the persons reasonably believed to be in or not opposed to the best interests of the Association or with respect to any criminal Proceeding that the person had reasonable cause to believe that the person’s conduct was unlawful. However, no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Association in the performance of such persons’ duty to the Association, unless and only to the extent that the court in which such Proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the Expenses which such court shall deem proper.

8.3 Expenses in Successful Defense. To the extent that an Agent of the Association has been successful on the merits in defense of any Proceeding referred to in Section 8.2 or in defense of any claim, issue or matter therein, the Association shall indemnify the Agent against Expenses actually and reasonably incurred by the Agent in connection therewith.

8.4 Determination of Standard of Conduct. Except as provided in Section 8.3, any indemnification under this Article shall be made by the Association only if authorized in the specific case, upon a determination that indemnification of the Agent is proper in the circumstances because the Agent has met the applicable standard of conduct set forth in Section 8.2, as determined by:

(a) A Majority vote of a quorum of the Board of Directors consisting of Directors who are not parties to such Proceeding;

(b) Approval or ratification by the affirmative vote of a Majority of the total voting rights represented, in person or by proxy, at a duly held meeting of the Association at which a

quorum is present or by the written consent of a Majority of the total voting power of the Association. For purposes of determining the required quorum of any meeting of the Association called to approve or ratify indemnification of an Agent and the vote or written consent required therefor, an Agent who is a Member to be indemnified shall not be entitled to vote thereon;

(c) The court in which such Proceeding is or was pending, upon application made by the Association or the Agent or the attorney or other persons rendering services in connection with the defense, whether or not such application by the Agent, attorney or other person is opposed by the Association; or

(d) Independent legal counsel in written opinion, engaged at the direction of a quorum of disinterested Directors.

8.5 Advancing Expenses. Expenses incurred in defending any Proceeding may be advanced by the Association prior to the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of the Agent to repay such amount, if it shall be determined ultimately that the Agent is not entitled to be indemnified as authorized in this Article.

8.6 Extent and Limitations of Indemnifications. No indemnification or advance may be made under this Article, except as provided in Section 8.3 or paragraph (c) of Section 8.4, in any circumstance where it appears:

(a) That it would be inconsistent with a provision of the Articles of Incorporation, the Declaration, these Bylaws, a resolution of the Board of Directors or Members or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the Proceeding in which the Expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

This Section 8.6 creates a right of indemnification for each Agent referred to in this Article, whether or not the Proceeding to which the indemnification relates arose in whole or in part prior to adoption of this Article; and in the event of the death of such Agent, whether before or after initiation of such Proceeding, such right shall extend to such Agent's legal representatives. In addition, to the maximum extent permitted by applicable law, the right of indemnification hereby given shall not be exclusive of or otherwise affect any other rights such Agent may have to indemnification, whether by law or under any contract, insurance policy or otherwise.

8.7 Liability Insurance. The Association may purchase and maintain insurance on behalf of any Agent of the Association against any liability asserted against or incurred by the Agent in such capacity or arising out of the Agent's status as such, whether or not the Association would have the power to indemnify the Agent against such liability under the provisions of this Article.

ARTICLE 9 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 10 BOOKS AND RECORDS

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.

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 11 FISCAL YEAR

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

ARTICLE 12 BUDGET

12.1 Annual 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.

12.2 Disclosure of Fees for Transfer of Ownership. On or before January 1 of each year, the Board shall provide each Member, at no cost, a disclosure of fees that will be charged to a Member in connection with any transfer of ownership of the Member's Lot. Fees imposed by the Board for the calendar year following the disclosure of fees shall not exceed the amount set forth on the annual disclosure, and no surcharge or additional fees may be charged to any Member in connection with any transfer of ownership of that Member's Lot.

12.3 Statement of Account. Pursuant to Idaho Code § 55-3205, the Board shall provide each Member a statement of the Member's account no more than five (5) business days after a request by the Member or the Member's agent is received by the Board. This statement of account shall include the amount of annual charges against the Member's Lot, the date when said amounts are due, and any unpaid assessments or other charges due and owing from such Member at the time of the request. The Association shall be bound by the amounts set forth within the statement of account.

12.4 Annual Financial Disclosure. Within sixty (60) days of the close of the fiscal year, the Board shall provide all Members with an up-to-date and reconciled financial disclosure for the fiscal year. The Board shall provide a Member an up-to-date financial disclosure no more than ten (10) business days after a request by the Member is received by the Board.

**ARTICLE 13
ASSESSMENTS**

Each Member shall pay an Initial Assessment, as set forth in Section 5.4 of the Declaration, upon the purchase of such Owner's Lot. This Assessment shall be in addition to any other Assessments due under the Declaration. Each Member shall be liable for the payment of Assessments provided for in the Declaration and set forth in this Article 13 of these Bylaws.

**ARTICLE 14
AMENDMENT OF BYLAWS**

These Bylaws may be amended at any time and in any manner by the vote or written assent of seventy-five percent (75%) of the total voting power of the Board, unless a higher percentage is required for the amendment of a specific clause or provision herein or by applicable law.

**ARTICLE 15
MISCELLANEOUS PROVISIONS**

15.1 Notices. Any notice permitted or required to be given by these Bylaws, the Articles, the Declaration, Design Guidelines 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 Lot of such person if no address has been given to the Secretary. All notices mailed by regular mail to the Lot 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.

15.2 Conflicts. In the event any of these Bylaws conflict with any provisions of the laws of the State of Idaho, such conflicting Bylaws shall be null and void upon final court determination to such effect, but all other Bylaws shall remain in full force and effect. In the event of any conflict between the Articles of Incorporation and these Bylaws, the Articles will control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

[Signature page to follow]

ADOPTION OF BYLAWS

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

Executed this ____ day of August, 2023.

_____, Director

_____, Director

_____, Director

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

The foregoing Bylaws were adopted as the Bylaws of said Association on August ____, 2023, and that the same do now constitute the Bylaws of said Association.

Executed this ____ day of August, 2023.

_____, Secretary