

**AMENDED BYLAWS
OF
THE COVE ASSOCIATIONS, INC.**

**ARTICLE I
CORPORATE POWERS**

Section 1. The corporate powers to conduct the business and manage the property of this corporation shall be vested in and exercised and controlled by a Board of Directors. The Board of Directors shall be not less than three nor more than ten in number.

**ARTICLE II
OFFICERS**

Section 1. The officers of this corporation shall consist of a president, one or more vice-presidents, if desired by the members, a secretary and a treasurer. From time to time, there may be appointed assistant secretaries and assistant treasurers. Any two of the above offices, except the offices of president and secretary, may be held by the same person.

Section 2. The officers shall serve without compensation other than reimbursement for reasonable and necessary expenses incurred for the corporation and approved by the Board of Directors.

**ARTICLE III
POWERS AND DUTIES OF DIRECTORS**

The Board of Directors shall have power:

First: To elect and to remove at pleasure all of the officers, agents, and employees of the corporation; to prescribe such duties for them as may not be inconsistent with these Bylaws and the laws of the State of Idaho.

Second: To exercise, conduct, manage and control the powers, business, affairs and property of the corporation, and to make such rules and regulations therefore not inconsistent with these Bylaws and the laws of the State of Idaho as it deems best.

Third: To fix from time to time the place of the office of the corporation and to authorize offices for such corporation at other places within or without the State of Idaho; and to adopt, make and use a corporate seal.

Fourth: To issue certificates of membership if deemed necessary by the Board of Directors.

Fifth: To form committees from the membership of the corporation to serve in an advisory capacity to the Board of Directors in conducting the business and affairs of the corporation.

Sixth: To grant, bargain, sell, convey, assign, transfer, lease, let, mortgage, bond, pledge, hypothecate, or otherwise dispose of from time to time, and at any time at all, part interest or participation, all and singular, its promissory notes, bond coupons, due bills, obligations or other evidence of their debt, and any and all property whatsoever belonging to such corporation in such manner, and upon such terms and conditions as may from time to time, and at any time, be deemed proper in the judgment of said Board of Directors.

Seventh: The Board of Directors shall meet immediately after its annual election and elect a president, one or more vice presidents, a secretary and a treasurer, and provide for the appointments of assistant secretaries and treasurers if they deem necessary. One person may hold more than one office, except that the same person shall not be both president and secretary. In case there should be no quorum present at the meeting of the Board of Directors after the annual meeting, the president shall adjourn the meeting from day-to-day until a quorum is obtained.

Eighth: And, generally, to do and perform every act and thing permitted by its Articles of Incorporation and the laws of the State of Idaho, whether specified or not, that may pertain to the affairs of the corporation.

Ninth: To manage and collect membership fees and assessments previously approved by the membership.

ARTICLE IV **VACANCIES AMONG DIRECTORS**

Section 1. Whenever any vacancy shall occur in the office of director by death, resignation, or otherwise, it shall be filled by appointment by the Board of Directors, and for that purpose a majority of the remaining members of the Board is a quorum, and the person so appointed shall hold office for the unexpired term and until his successor is elected.

ARTICLE V **ELECTION OF DIRECTORS**

Section 1. The directors shall be annually elected by the stockholders at the annual meeting of the stockholders. Their terms of office shall begin immediately after election and shall continue for two one years and until their successors shall be elected. All elections shall be conducted in the manner as provided by the laws of the State of Idaho. At such elections, only those who are members of record shall be entitled to vote, and the membership books of the corporation shall be conclusive.

ARTICLE VI **PRESIDENT**

Section 1. The president of the corporation shall preside at all meetings of the directors and at all meetings of the members.

Section 2. He/she shall sign, as president of the corporation, all certificates of stock and all contracts, deeds, leases, evidences of debt and instruments in writing, except as otherwise provided in the Bylaws.

Section 3. He/she shall call special meetings of the members and of the Board of Directors whenever he deems it advisable and special meetings of the Directors upon the written request of two members of the Board.

Section 4. He/she shall, at the annual meeting of the members, make a full report of all the transactions of the past year, which, in addition to the general review of the business of the corporation, shall embody such exhibits from property and profit and loss accounts as to enable members to understand fully the financial condition of the corporation at the time of such report.

Section 5. If the president is not present at any meeting of the Board of Directors or of the members, the first vice president, or in his absence or inability to act, the second vice president, shall preside at such meeting.

Section 6. The president shall have general charge of and control over the affairs of the corporation subject to the Board of Directors.

ARTICLE VII **VICE PRESIDENT**

Section 1. In case of the absence, sickness or inability to act of the president, the vice president of the corporation, who is also a member of the Board of Directors, shall discharge the duties of said office of the president.

ARTICLE VIII **SECRETARY**

Section 1. The secretary shall attend all sessions of the Board and all meetings of the members and record all votes and the minutes of all proceedings in a book to be kept for that purpose; and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be. He shall keep in safe custody the seal of the corporation and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed, it shall be attested by his signature or by the signature of the treasurer.

ARTICLE IX **TREASURER**

Section 1. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate records and accounts of receipts and disbursements in books belonging to the corporation and shall deposit all monies and other valuable effects in the name and to the credit of the corporation, in such depositories as may be designated by the Board of Directors.

Section 2. He/she shall disburse the funds of the corporation as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the president and directors at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as treasurer, and of the financial condition of the corporation.

ARTICLE X **REMOVAL OF DIRECTORS**

Section 1. A director may be removed by a two-thirds vote of the members at a special meeting called for that purpose.

ARTICLE XI **MEMBERS MEETINGS**

Section 1. Meetings of the members shall be held at a location designated by the Director within Pilgrims' Cove in McCall, Idaho.

Section 2. For voting purposes, a voting member shall be defined as one representative for each lot of record reflected in the official re-plat of Pilgrims' Cove in McCall, Idaho. Each lot shall be entitled to one vote regardless of the number of individuals that own or utilize that lot and otherwise enjoy all other benefits of being members.

Section 3. The annual meeting of the members shall be on the last Saturday of July at any hour set forth in the Notice of Meeting. One representative from each platted lot within Pilgrims' Cove shall be entitled to cast one vote on matters submitted to the members.

Section 4. The presence and person of a majority of voting members shall constitute a quorum.

Section 5. If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting to such time and place as they may determine, but in case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum as fixed by law or in these Bylaws, shall, nevertheless, constitute a quorum for the purpose of electing directors.

Section 6. Written notice of the time, place and purposes of meetings, including annual meetings, shall be given by the secretary or other person authorized to do so, to all members entitled to vote at such meeting, at least ten days prior to the day designated for the meeting. If such written notice is placed in United States mail, postage prepaid, and addressed to a member at his/her last known address or delivered to his/her address in Pilgrims' Cove, McCall, Idaho, notice shall be deemed to have been given. Notice of time, place and purpose of any meeting of members may be waived by the written assent of a member entitled to notice filed with or entered upon the records of the meeting either before or after the holding thereof.

Section 7. In the event that a matter is properly the subject of member action at a meeting of members noticed and conducted pursuant to terms of the Bylaws, and a tie vote or deadlock occurs when the matter is voted upon, the members shall, in good faith, (1) attempt to resolve the matter that has resulted in the deadlock, (2) if negotiations are unsuccessful, submit the matter to binding arbitration, and (3) the president of the corporation shall have the power and authority to act on behalf of the corporation in the interim period while deadlock continues so as to safeguard the corporation's assets and business. In the event that the members cannot agree upon an arbitrator to resolve the matter that is the subject of the deadlock vote, all of the members casting a vote in favor of the disputed resolution shall select one arbitrator and all members in

opposition to the resolution in dispute shall select an arbitrator. The arbitrators from each side shall then select a third arbitrator, who shall at the earliest time possible, conduct an arbitration proceeding and resolve the disputed matter.

ARTICLE XII **CERTIFICATES OF MEMBERSHIP**

Section 1. The certificates of membership of the corporation shall be in such form as shall be approved by the Board of Directors.

ARTICLE XIII **TRANSFER OF MEMBERSHIP**

Section 1. Transfer of membership certificates shall be made on the books of the corporation only by the person named in the certificate or by attorney, lawfully constituted in writing, and upon surrender of the certificate thereof.

ARTICLE XIV **INSPECTION OF BOOKS**

Section 1. The directors shall determine from time to time whether and, if allowed, when and under what conditions and regulations the accounts and books of the corporation (except such as may by statute be specifically open to inspection) or any of them shall be open to the inspection of the members, and the members' rights, in this respect, are and shall be restricted and limited accordingly, except as hereinafter provided in Section 3 of this article.

Section 2. This corporation shall maintain an office in the Boise or McCall, Idaho, to be known as its registered office. It shall keep at said office:

- (a) Records of the proceedings of the members and of the directors; and
- (b) A membership certificate register giving the names of the members in alphabetical order, and showing their respective last known addresses, the number of shares held by each, and the date on which they acquired the same; and
- (c) The bylaws of the corporation.

The corporation shall also keep appropriate records of accounts.

Section 3. Every member shall have a right to examine in person or by agent or attorney, at any reasonable time, or times, for any reasonable purpose, any and all of the books and records of the corporation, and to make copies therefrom, except that no members shall, without special permission given by the Board of Directors of the corporation, by resolution duly made and entered at a meeting of the Board, make or take any list of the names and addresses of the members of the corporation.

ARTICLE XV **CHECKS**

Section 1. All checks or demands for money and notes of the corporation shall be signed by such officer or officers as the Board of Directors may from time to time designate.

ARTICLE XVI **FISCAL YEAR**

Section 1. The fiscal year of the corporation shall be as may be established by the Board of Directors from time to time.

ARTICLE XVII **AMENDMENTS**

Section 1. These bylaws may be repealed or amended, or new bylaws may be adopted by any annual members' meeting or at any special meeting of the members called for that purpose by a vote representing two-thirds of the allotted shares or by written consent duly acknowledged in the same manner as conveyances of real property are required by law to be acknowledged by the holders of two-thirds of the allotted shares, which written consent may be in one or more instruments.

We, Robert Looper and Barbara Barsness, the President and Secretary, respectively, of the Cove Association, Inc. do hereby certify that the appended Amended Bylaws were adopted at the annual meeting of the corporation duly noticed for this purpose by the affirmative vote of no less than 67% of the members entitled to vote.

Dated _____

ROBERT LOOPER, President

Dated _____

BARBARA BARSNESS, Secretary