

**CODE OF BY-LAWS  
OF  
CALLAWAY RANCH HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I - PRINCIPAL BUSINESS OFFICE**

The principal business office of the corporation in the State of Idaho shall be located at 435 E. Columbia, Meridian, Ada County, Idaho. The corporation may have such other offices, either within or without the State of Idaho, as the board of directors may from time to time designate.

**ARTICLE II - MEMBERS**

A. Eligibility for Membership: The number of members of this corporation, and the qualifications for their membership, shall be as set forth in the Articles of Incorporation.

B. Annual Meetings: An annual membership meeting shall be held on the second Monday of the month of April during each calendar year, unless the board of directors shall fix a different date. The place of the meeting shall be at the principal business office of the corporation, unless the board of directors shall fix a different place. Written notice of the time and place of the annual membership meeting shall be given to each member, by regular United States Mail at the last address of such member as shown on the books and records of the corporation, not less than ten (10) days prior to the date of such meeting. The notice of the meeting shall include a statement of the purpose of the meeting, as set forth in the request for the meeting. The necessity for written notice of the meeting may be waived by unanimous consent of all members.

C. Special Meetings. Special meetings of the membership may be held at any time upon request of the board of directors, any officer of the corporation, or by members holding the right to cast not less than ten (10) votes at membership meetings of the corporation. Any such request shall state the purpose for which the special membership meeting is desired to be held. Written notice of the time and place of a special membership meeting shall be given to each member, by regular United States Mail, at the last address of such member as shown on the books and records of the corporation, not less than ten (10) days prior to the date of such meeting. The notice of the meeting shall include a statement of the purpose of the meeting, as set forth in the request for the meeting. The necessity for written notice of the meeting may be waived by unanimous consent of all members.

D. Other Provisions Relating to Meetings: Membership meetings may also be called and held in any manner prescribed or permitted by Section 30-310, Idaho Code.

E. Voting. Voting rights, and qualifications for voters, at any annual or special membership meeting, shall be as set forth in the Articles of Incorporation. Members may vote in person or by proxy executed in writing by the member designating the proxy. All proxies must be filed with the secretary of the corporation not later than the commencement of the meeting at which such proxy intends to vote for a member. No proxy shall be valid more than eleven months after its date of execution. All co-owners of a single lot may collectively cast only one (1) vote, in the manner determined by a majority in interest of such co-owners.

### ARTICLE III - BOARD OF DIRECTORS

A. Number and Qualifications. The number of directors of this corporation shall be determined from time to time in the manner set forth in the Articles of Incorporation, but must be at least three members at all times.

B. Election - Term of Office. Directors shall be elected at each annual membership meeting. Directors shall serve a term of office of one (1) year from the date of their election, and upon expiration of their term of office shall continue to serve as directors until their respective successors have been duly elected and qualified. Directors may be removed from office by not less than an 80% majority vote at any special membership meeting called for such purpose.

C. Meetings. Regular meetings of the board of directors shall be held as determined from time to time by resolution of the whole board of directors. Special meetings of the board of directors may be called by any members thereof, upon not less than five (5) days advance notice to each of the other members. Such notice shall be sufficiently given when mailed, postage fully prepaid, to the last known address of such director as the same shall appear upon the books and records of the corporation. The necessity for formal notice of any special meeting may be dispensed with by unanimous consent of the whole board of directors, and such waiver may be signified by the signatures of each director at any time affixed to the minutes of such special meeting. A simple majority of the directors shall constitute a quorum for the transaction of regular business at any meeting of the board of directors.

D. Vacancies. Vacancies in the board of directors resulting from death, resignation, or removal from office of a directors, shall be filled by a majority vote of the remaining directors. Any person so appointed to fill a vacancy shall serve until the next annual membership meeting, and until his or her successor has been duly elected and qualified.

### ARTICLE IV - OFFICERS OF THE CORPORATION

A. Election - Terms of Office. All officers of the corporation shall be elected by the board of directors, and their terms of office shall be prescribed by the board of directors. Officers shall be elected at the first regular or special meeting of the board of directors following each annual membership meeting. Any officer may be removed from office at any time by the board of directors. The vote of a simple majority of the directors present and voting at any

regular or special meeting of the board of directors shall be sufficient for election or removal of officers to be elected or removed.

B. Duties and Responsibilities. The powers, duties and responsibilities of the officers of the corporation shall be as hereafter set forth, unless modified from time to time by resolution of the board of directors.

1. **The President:** The president shall be the chief executive officer of the corporation, and shall have general supervision of the other officers. The president shall preside at all meetings of the members and of the board of directors and see that all orders and resolutions of the board are carried into effect; subject, however, to the right of the board to delegate to any other officer or officers of the corporation any specific powers, other than those that may be by law conferred only upon the president. The president shall execute in the name of the company all deeds, bonds, mortgages, contracts and other documents authorized by the board of directors, except in cases where the execution thereof shall be expressly delegated by the board to some other officer or agent of the corporation. The president shall have the general powers and duties of supervision and management usually vested in the office of the president of corporations.
2. **Vice President:** A vice president shall perform the duties and exercise the powers of the president in case of the president's illness, disability or temporary absence from the office of the corporation and shall perform such other duties as may from time to time be granted or imposed by the board of directors or the president.
3. **The Secretary:** The secretary shall attend all sessions of the board and all meetings of members held at the office of the corporation and act as clerk thereof and record all votes and the minutes of all proceedings in a book to be kept for that purpose. The secretary shall give, or cause to be given, notice of meetings of the members and of the board of directors when notice is required to be given under these by-laws or any resolution of the board. The secretary shall have custody of the seal of the corporation and shall affix and attest the seal to all authorized documents requiring a seal and shall in general perform the duties usually incident to the office of secretary, and such further duties as shall from time to time be prescribed by the board of directors or the president.
4. **The Treasurer:** The treasurer shall keep full and accurate 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 banks and depositories as may be designated by the board of directors. The treasurer 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, and whenever they may require, accounts of all transactions as treasurer and of the financial condition of the company. The treasurer shall perform the duties usually incident to the office of the treasurer and such other duties as may be prescribed from time to time by the board of the directors or the president. The office of treasurer may be filled by the same person as the person holding the office of secretary.

#### ARTICLE V - COMMON AREAS AND FACILITIES

A. Common Area to be Maintained by Association. The common area to be maintained shall comprise the common space lots shown on the official plats of Callaway Ranch Subdivision, the drainage systems and any present or future irrigation piping systems for said subdivisions, according to the official plats thereof filed in the office of the County Recorder of Ada County, Idaho. The initial subdivision filed for record will be Callaway Ranch Subdivision, with additional property to be annexed to this corporation by filing for record of plats and additional declaration of Covenants, Conditions and Restriction referencing this corporation. This corporation shall acquire ownership of said lots from the developer and present owner of said Callaway Ranch Subdivision, whose Declaration of Covenants, Conditions and Restrictions reference this corporation, and shall use, operate and maintain the same in the following manner and for the following purposes, together with any other manners and purposes, from time to time deemed necessary or desirable by the board of directors:

1. This corporation shall maintain all paving, landscaping, lighting, water amenities, irrigation piping facilities and other improvements which are now or may hereafter be lawfully installed upon said lots, and may add to or modify the same as the board of directors shall from time to time deem necessary or desirable for the use and benefit of its members and their visitors.
2. This corporation shall assume and discharge all of the terms, conditions and provisions of that agreement recorded as Instrument No. \_\_\_\_\_ in the office of the Recorder of Ada County, Idaho. 10110 5262
3. Each owner of all or any portion of any lot in the said subdivisions shall have a permanent nonexclusive easement to use said lots for purposes of utilities, for landscaped area, recreational area and drainage facilities, all subject to rules and regulations promulgated by this corporation as hereafter provided. Public authorities shall have access to said lots at any time for the purpose of providing necessary fire, police or other emergency protection and for maintenance of the drainage facilities.

4. This corporation shall operate and maintain all surface water drainage systems and irrigation piping which are now or hereafter lawfully installed in, on, under or across said subdivisions.
5. This corporation shall pay all real property taxes and assessments which shall from time to time be levied upon or against said common area lots and any improvements thereon.
6. This corporation may establish reasonable rules and regulations governing the operation of the open area within said lots and may modify such rules and regulations from time to time. A copy of such rules and regulations, and all amendments thereto, shall be furnished to each member promptly upon adoption thereof.

B. Other Facilities. The corporation shall also, at its expense, maintain, repair and replace:

1. The underground drainage system (pipelines, sand traps, manholes, and whatever other appurtenances) of Drainage District No. ~~4~~<sup>2</sup> expressly provided in that agreement recorded as Instrument No. \_\_\_\_\_ in the office of the Recorder of Ada County, Idaho. 101042289
2. The underground irrigation pipelines, pumps and appurtenances thereto, situated within the said subdivisions serving the said open area lots.

#### ARTICLE VI - UNIFORM STANDARDS OF APPEARANCE

This corporation shall establish reasonable uniform standards for the exterior appearance and condition of all buildings and improvements situated in said subdivisions, for the purpose of maintaining a uniform and aesthetically pleasing exterior appearance and condition of such building and improvements. This corporation shall have the power to require any member to perform maintenance, repairs, and reasonable modification to such member's buildings and improvements for the purpose of bringing the same into conformity with such uniform standards of exterior appearance and condition. Should any member fail to perform maintenance, repairs or modification required by this corporation pursuant to the foregoing authority, the corporation shall have the right to bring a legal action for specific performance to compel such compliance, or in the alternative the corporation may cause the required work to be done at the member's cost and expense. The corporation may recover from any member its reasonable attorney fees and costs of suit incurred in enforcing compliance with the provisions herein set forth.

#### ARTICLE VII - INSURANCE

The corporation shall procure and make payment of premiums upon casualty insurance covering improvements to said common area lots owned by the corporation, and public

liability insurance covering occurrences in, on, and about the common areas and facilities owned by the corporation, covering such risks and in such policy limits as the board of directors shall from time to time deem appropriate. The board of directors is expressly authorized to decline to insure certain risks if in the discretion of the board of directors the procurement of insurance covering such risks is not economically feasible or practicable for the corporation.

## ARTICLE VIII - ASSESSMENTS

A. Purpose of Assessments. Members shall be subject to assessment for the purpose of paying the costs of administration and operation of the corporation, and for the purpose of paying the costs of the services provided by the corporation to its members. There shall be two types of assessments: (1) Maintenance and Operation Assessments; and (2) Tax and Insurance Assessments.

B. Maintenance and Operation Assessments. At least annually, the corporation's board of directors shall fix a maintenance and operation budget, to provide funds for the payment of the estimated costs of operating and maintenance costs for the corporation's common area and other facilities, together with any administrative expenses of the corporation. The budget may be adjusted from time to time as necessary in consideration of actual cost experience. Reasonable reserves for future expenses may be included in the budgets. Each lot, except the common area lots, shall be apportioned an equal share of the total annual assessment. The amount of monthly maintenance and operation assessment with respect to each lot shall be one-twelfth of the annual maintenance and operation assessment for such lot. The member or members who own each lot on the first day of each calendar month must pay the monthly maintenance and operation assessment with respect to such lot for said calendar month.

C. Tax and Insurance Assessments. Real estate and personal property taxes, and irrigation taxes, assessments and charges payable by the corporation, and the costs of all casualty and public liability insurance carried by the corporation, shall be apportioned equally among the lots as billings for such charges are received by the corporation. Tax and insurance assessments must be paid prior to the date the corporation is required to make payment of such expenses.

D. Payment of Assessments. Assessments shall be payable at the rate of Ten Dollars (\$10) per month for each residential lot, beginning at the time the lot is sold by the original developer, and payable at such times and intervals as may be designed by the board of directors in its notification to members of the amounts assessed. Any assessment which shall not have been paid within fifteen (15) days following the due date thereof shall be deemed delinquent. For good cause the board of directors may extend the foregoing time limitation. Unpaid assessments constitute a lien upon any lot or lots owned by the member whose assessments are unpaid, and may be enforced by foreclosure as provided in the Articles of Incorporation. In the event any such foreclosure proceeding is required, the corporation shall be entitled to recover its reasonable attorney fees and costs of suit in addition to the amount of the unpaid assessment or assessments.

