

BY-LAWS  
OF  
THE ISLANDS SUBDIVISION  
HOMEOWNERS ASSOCIATION, INC.  
REVISION 1

ARTICLE I

Name and Location: The name of the corporation is THE ISLANDS SUBDIVISION HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The initial principal office of the corporation shall be located at 310 3<sup>RD</sup> Avenue South, Nampa, Idaho 83651 but meetings of members and directors may be held at such places within the State of Idaho, County of Canyon as may be designated by the Board of Directors.

ARTICLE II

Definitions

Section 1. "Association" shall mean and refer to THE ISLANDS SUBDIVISION HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property described as follows:

All of the Lots in The Islands Subdivision No.1 according to the official plat thereof, Instrument No. 9903538 on file in the office of the County Recorder of Canyon County, Idaho, as shown by Book 26, Page 28 of Plats, and The Islands No.2, Instrument No. 9915251, as shown by Book 26, Page 39 of Plats, with Affidavit filed and recorded as Instrument #9916491, and The Islands No.3, Instrument No. 9924975, as shown by Book 27, Page 5 of Plats at page 28, and The Islands No.4, Instrument No. 9940548, as shown by Book 27, Page 30 of Plats, and The Islands No.5, Instrument No. 200007089, as shown by Book 27, Page 46 of Plats, and The Islands No.6, Instrument No. 200019998, as shown by Book 28, Page 15 of Plats, and The Islands No.7, Instrument No. 200032962, as shown by Book 28, Page 37 of Plats, and The Islands No.8, Instrument No. 200043458, as shown by Book 29, Page 8 of Plats and The Islands No.9, Instrument No. 200043459, as shown by Book 29, Page 9 of Plats, records of Canyon County, Idaho

And such additions hereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Lot" shall mean any part or parcel of the said real property upon which a dwelling or living unit is or may be located.

Section 4. "Owner" shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in the said real property, excluding persons or entities who hold an interest merely as security for the performance of an obligation.

Section 5. "Common Area Lot" shall mean any part or parcel of real property not allowed for a dwelling unit but set aside for landscaping and drainage.

Section 6. "Grantor" shall mean and refer to CUATRO DEVELOPMENT CORPORATION, an Idaho corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Grantor for the purpose of development.

Section 7. "Member" shall mean and refer to those persons or entity entitled to membership in this Association. A "member in good standing" shall be one who has all assessments paid in full and the property of said member shall reasonably conform to the CCR requirements.

### ARTICLE III Meeting of Members

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held as near as possible to the same day of the same month of each year thereafter, at the hour of 7:00 o'clock p.m. or as deemed appropriate by the Board of Directors. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, twenty five percent (25%) of the vote of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporations or these By-laws. If, however, such quorum shall not be present or represented at any meeting of the members, the meeting may be adjourned in order to obtain a quorum at a future time. Any voting member may exercise this right by announcement and the action carried by a majority vote of the members entitled to vote at such meeting. The date of the second meeting shall be set prior to adjournment and notice

shall not be required for the second meeting other than announcement at the original meeting. In the event the option of a second meeting is not exercised or a quorum is still not represented at the second meeting, the Board of Directors shall have the authority to conduct any and all Association business on behalf of the members.

Section 5. Ballots. At all meetings of members, each member shall vote in writing either in person or by absentee ballot. All absentee ballots shall be in writing and filed with the Secretary a minimum of 10 days prior to a meeting. Every ballot shall be revocable prior to a meeting and shall automatically cease upon conveyance by the member of his Lot. Proxy voting is prohibited.

#### ARTICLE IV Board of Directors, Selection, Term of Office

Section 1. Grantor. Until such time as Seventy five Percent (75%) of the lots have been sold, the Grantor may act in lieu of a Board of Directors, managing the affairs of the Association and given all powers, rights, duties and responsibilities of such Board as set forth in the documents.

Section 2. Number. The affairs of the Association shall be managed by a Board of nine (9) directors, who must be members in good standing of the Association. The Grantor, as a member, may hold one (1) of these seats if duly nominated and elected.

Section 3. Term of Office. At the first annual meeting, the members shall elect, three (3) directors for a term of one year, three (3) directors for a term of two years and three (3) directors for a term of three years and at each annual meeting thereafter the members shall elect directors for three (3) year terms to replace those whose terms have expired.

Section 4. Removal. Any director, except the Grantor, may be removed from the Board, with or without cause, by a majority vote of the members of the Association or by  $\frac{3}{4}$  vote of the Board of Directors. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the remainder of his predecessor's term.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expense incurred in the performance of his duties.

Section 6. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the written approval of a majority of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V  
Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors may be made by any member. (However, the Board of directors may reject the nomination of a member who is not in good standing with the Association.)

Section 2. Election. Election to the Board of Directors shall be by written ballot. At such election, the members may cast, in respect to each position being elected, as many votes as they are entitled to exercise under the provisions of the Articles of the Association. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Lack of Quorum. In the event that a quorum is not attained at a meeting of the members at which an election of Directors is to be held, the current Board of Directors shall appoint Directors to fill open positions, following a review of the qualifications of all nominees.

ARTICLE VI  
Meeting of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors may be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director unless deficiencies or emergency exists and such notice is waived by each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Said quorum shall constitute the minimum number of votes required to conduct the business of the Association. Every act or decision done or made by agreement of the quorum of the directors during a duly held meeting, shall be regarded as the act of the Board.

ARTICLE VII  
Powers and Duties of the Board of Directors

Section 1. Powers. The board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of common walks, grass areas, drainage areas and driveways, and the personal conduct of the members and their guest thereon, and to establish penalties for the infraction thereof.

- (b) Suspend the voting rights of any member during any period in which such member shall be in default in the payment of any assessment levied by the Association; such rights may also be suspended after notice and hearing for a period not to exceed 60 days for infraction of published rules and regulations.
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-laws or the Articles of Incorporation.
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) regular meetings of the Board of Directors within any six (6) month period, or loss of good standing with the Association.
- (e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof, to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote.
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- (c) Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment.
- (d) Send written "*Notice of Assessment*" (Lien) to every owner personally obligated to pay the same or bring an action at law against the owner, at least thirty (30) days after due date. (All liens shall be recorded in the office of the Canyon County Recorder.)
- (e) If determined by the Board to be in the best interest of the Association, it shall foreclose the lien against any property for which assessments are not paid or bring an action at law against the owner, at least sixty (60) days after due date.
- (f) Upon demand by any member or members agent, issue, or to cause an appropriate officer to issue, within a reasonable timeframe, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- (g) Procure and maintain adequate liability and hazard insurance on property owned by the Association.

- (h) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- (i) To provide for exterior maintenance, landscaping and payment of all taxes levies and assessments for the common areas.
- (j) Enforce Association CC&Rs and rules by any legal means consistent with the Master Declaration, according to Article XII, Sec 1 of these By-laws.

**ARTICLE VIII**  
**Officers and Their Duties**

**Section 1.** Enumeration of Officers. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

**Section 2.** Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

**Section 3.** Term. The officers of this Association shall be elected annually by the Board and each shall hold office for a one (1) year term unless the officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

**Section 4.** Special Appointments. The Board may elect such other officers or appoint committee chair persons as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may determine.

**Section 5.** Resignation and Removal. Any officer may be removed from office by the Board with or without cause. An officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6.** Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

**Section 7.** Multiple Offices. The office of Secretary and Treasure may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President. The President shall preside at all meetings of the Board of Directors; shall see that order and resolutions of the board are carried out; shall sign all leases, mortgages, deeds or other written instruments and shall co-sign all promissory notes.

Vice President. The Vice President shall act in the place and instead of the president in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their address, and shall perform such other duties as required by the Board.

Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all promissory notes of the Association, keep proper books of accounts; cause and annual audit or review of the Association books to be made by a public accountant or by a committee of at least 3 Board members, at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and mail a copy to each of the members not in attendance. All checks over \$100 shall be signed by two (2) officers of the corporation with the exception that, if a manager is employed, said manager may sign on behalf of one (1) officer.

Note: Budget projections shall be based, when possible, on actual expenditures of the previous 3 years.

## ARTICLE IX Books and Records

Following fifteen (15) days prior written notice to the board by any member or members agent, the books, records, documents and papers of the Association shall be made available for inspection at a time and place as determined by the board. Copies may be purchased at reasonable cost.

## ARTICLE X Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. With the exception of the Grantor, each owner of any lot, by acceptance of a deed thereof, whether or not it shall be so expressed in such deed, or by acceptance of these By-laws, is deemed to covenant and agree to pay the Association an Annual Assessment for:

- (a) Paint, repair, replacement and care of common streets, walks, curbs and gutters, common areas and common structures, such as fences, flags and signage.
- (b) Maintenance of common area exterior landscaping, including trees, shrubs, grass, and watering systems.
- (c) Property taxes, liability and hazard insurance, errors and omissions insurance, irrigation taxes, assessments, L.I.D.'s and any other such levies derived from the Association's ownership of the common areas.
- (d) Other expenditures deemed appropriate by the Directors.

The regular annual and special assessments herein provided for, together with interest, costs and reasonable attorney's fee, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, fines, surcharges, fees, costs, and reasonable attorney's fees, shall also be a personal obligation of the person who is the owner of such property at the time when the assessments fell due. The lien created for the assessment shall remain and run with the said property.

Section 2. Annual Assessments. The initial amount of the Annual Assessment shall be determined by the Board of Directors and set forth in writing.

- (a) The Annual Assessment shall be due in January for the current calendar year and assessed against the first purchaser of each lot from the Grantor.
- (b) Any sum not paid within fifteen (15) days from its due date shall bear interest at twelve percent (12%) per annum from its due date until paid.
- (c) Each subsequent Annual Assessment may be increased each year by not more than ten percent (10%) above the previous year, without a vote of the members.
- (d) The Board of Directors may fix the Annual Assessments at an amount not in excess of the maximum.

Section 3. Notice & Quorum for Any Action Authorized under Section 2. Written notice of any meeting called for the purpose of taking any action authorized under Section 2, shall be sent to all members entitled to vote on such action not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members entitled to cast twenty-five percent (25%) of all votes of members entitled to vote shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum

at the preceding meeting. No such subsequent meeting shall be held more than (60) days following the preceding meeting.

ARTICLE XI  
Property Rights and Easements

Section 1. Easement for Ingress and Egress Over Common Walkways. Every owner shall have an easement over common walkways for the specific purpose of ingress and egress to that owner's respective unit.

Section 2. Easement for Roadways. Every owner shall have an easement upon and across every common roadway for ingress and egress to that owner's respective lot or lots.

Section 3. Maintenance Easement. The Association shall have and enjoy upon and across each lot an easement for the purpose of performing exterior maintenance of roadways and landscaping.

ARTICLE XII  
Miscellaneous Provisions

Section 1. Enforcement. The Association, or any owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, condition, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this provision or the Master Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Amendments. These By-laws may be amended by the Board of Directors in accordance with the Articles of Incorporation of The Islands Homeowners Association, Inc. Art XII.

These By-laws were duly and regularly adopted by the undersigned Board of Directors, during a regular Board meeting held on the 28<sup>th</sup> day of Sept, 2004.

