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ARTICLE I - Introduction, Definitions and Purpose

Section 1.1

These are the Bylaws of the Midtown Square Subdivision Homeowners' Association, an Idaho non-profit organization located in Meridian, Idaho and created by the Declaration Establishing Covenants, Conditions, and Restrictions for Midtown Square Subdivision made March 7, 1994.

Section 1.2 - Definitions:

Unless otherwise indicated, capitalized terms are defined in Article III of the Declaration Establishing Covenants, Conditions, and Restrictions for Midtown Square Subdivision, hereafter referred to as either "the Declaration" or "the CC&R's".

Section 1.3 - Purpose:

The general purpose of the Midtown Square Subdivision Homeowners' Association (hereafter referred to as the "Association") is the promotion of the common good, public safety and general welfare of the homeowners, and protection of property values in the Midtown Square Subdivision.

Section 1.4 - Non-political Character

The Association shall remain non-partisan and non-political at all times and shall not participate or intervene, either directly or indirectly, in any political campaign on behalf of or in support of any candidate for public office. However, the Association may coordinate individual or group action before local legislative and administrative agencies with respect to zoning, traffic and parking regulations, property tax valuation, or similar matters.

Section 1.5 - Non-profit Character The Association shall be organized and operated exclusively for non-profitable purposes. No part of the income of the Association shall be distributed to its members, directors, or officers, except for reimbursement of expenses incurred caused by acting for the Association.

ARTICLE II - Annual and Special Meetings of the Association

Section 2.1 - Annual Meetings

A meeting for all Members of the Association (hereafter referred to as Homeowners) shall be held not less than once each calendar year and in accordance with Article V, Section 8 of the Declaration.

Section 2.2 - Special Meetings

Special meetings of the Homeowners may be called at any time by the president or by the Board of Directors (hereafter referred to as the "Board") or upon written request of one-fourth (1/4) the Homeowners.

Section 2.3 - Proxies

At all Homeowner meetings, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon that meetings' close.

ARTICLE III – The Board

Section 3.1 - Membership of the Board

The affairs of the Association shall be governed by a Board of not less than five (5) or more than eight (8) Members.

Section 3.2 - Powers and Duties

The Board may act in all instances on behalf of the Association, except as provided in the Declaration and these Bylaws. The Board shall have, subject to the limitations contained in the Declaration, the powers and duties necessary for the administration of the affairs of the Association which shall include, but not be limited to, the following:

- (a) Keeping a complete record of all its acts and corporate affairs and to present a statement thereof to the Homeowners at the annual meeting of the Homeowner, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Homeowners who are entitled to vote.
- (b) As more fully provided in Article XII, Section 2.2 of the Declaration, to fix the amount of the annual assessment against each Lot, to send written notice of each assessment to every Homeowner subject thereto and to foreclose the lien against any property for which assessments are not paid within ninety (90) days after original due date or to bring an action at law against the Homeowner personally obligated to pay the same.
- (c) Adopt and amend budgets for revenues, expenditures, and reserves.
- (d) Employ a manager, an independent contractor, an attorney, a certified public accountant or such other employees as deemed necessary and to prescribe their duties.
- (e) Appoint and remove, with or without cause, all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them security or fidelity bonds as it may deem appropriate.
- (f) Supervise all officers, agents, and employees of this Association, and to see their duties are properly performed.

- (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 deemed appropriate.
- (i) Issue, or to cause an appropriate officer to issue, upon demand by any person, 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.
- (j) Cause the Common Areas to be maintained.
- (k) Make contracts or incur liabilities
- (l) Institute, defend, or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Association's Declaration, Bylaws or Rules in the Association's name on behalf of the Association.
- (m) Adopt or amend Bylaws, rules, and regulations.
- (n) Foreclose the lien, in accordance with Idaho law, against any property for which assessments are not paid within ninety (90) days after the original due date or to bring an action at law against the owner personally obligated to pay the same.
- (o) Exercise any other powers conferred by the Declaration or Bylaws.
- (p) Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association.
- (q) Exercise any other power necessary and proper for the governance and operation of the Association.

No delay or omission on the part of the Board in exercising any right, power, or remedy herein provided, in the event of any breach of the conditions continued herein, shall be considered as a waiver thereof or agreement therein. A waiver of any breach of the conditions contained herein shall not be construed as a waiver of any succeeding breach or violation, and no such waiver shall result in or impose any liability on the Board.

Section 3.3 - Board Vacancies

In the event of death, resignation or removal of a Board Member, his or her successor shall be filled by the affirmative vote of a majority of the remaining Board. Any such appointed Board Member shall hold office for the unexpired term of his or her predecessor in office.

Section 3.4 - Removal

Any Board Member may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event any member of the Board shall be absent from three consecutive regular Board meetings, the Board may by action taken at the meeting in which such third absence occurs, declare the office of said absent Board Member to be vacant.

Section 3.5 - Compensation

No Board Member shall receive compensation for any service he or she may render to the Association. However, any Board Member may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 3.6 - Action Taken Without a Meeting

The Board 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 all the Board. Any action so approved shall have the same effect as though taken at a meeting of the Board.

Section 3.7 - Eligibility to Serve

No Homeowner shall be eligible to be elected to, appointed to, or continue to serve on the Board, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment of regular or special assessments due the Association.

Section 3.8 - Management Agent

The Board may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board to perform such duties and services as the Board shall from time to time authorize in writing. Any management agreement entered into by the Association shall provide that such agreement may be terminated by the Association with or without cause upon thirty (30) days' written notice. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods.

Section 3.9 - Standard of Care

In the performance of their duties, the officers and members of the Board are required to exercise the care required of fiduciaries of the Unit Owners.

ARTICLE IV – Meetings of the Board**Section 4.1 - Regular Meetings**

A regular meeting of the Board shall be held a minimum of six (6) times annually at such place and hour as may be fixed from time to time by resolution of the Board, provided that the Board may by resolution, exclude months of holding such regular meetings.

Section 4.2 - Notice

No notice need be given for the regular meeting of the Board. Notice of any special meetings shall be sufficient if mailed to each Board Member, postage prepaid, to his or her address as it appears on the records of the Association, at least three days before the meeting, or given personally or by telephone not later than the day before the meeting.

Section 4.3 - Special Meetings

Special meetings of the Board shall be called by the President or by any two Board Members. The action of a majority of the Board, although not at a regularly called meeting, shall be valid and effective in all respects if the record of the meeting shall be agreed to in writing by all members of the Board.

Section 4.4 - Quorum

At all meetings of the Board, a majority (half plus one) of the Board shall constitute a quorum except as otherwise provided by law or by the By-laws. The act of a majority of the Board present shall be the act of the Board.

Section 4.5 - Reporting Minutes

Minutes of every regular and special meeting of the Board shall be mailed or otherwise delivered to each address in the Midtown Square subdivision within two weeks (14 days) of adjournment of said meeting.

Section 4.6 - Telephonic Attendance

A Board Member may attend a meeting of the Board by an electronic or telephonic communication method whereby the Board Member may be heard by the other members, and hear the deliberations of the other members, on any matter properly brought before the Board, and his or her vote shall be counted, and his or her presence shall be noted as if he or she were present in person on that particular matter.

Section 4.7 - Order of Business

The order of business at all meetings of the Board shall be as follows:

- (a) Reading and approval of minutes of preceding meeting.
- (b) Reports.
- (c) Certification of election results (when required).
- (d) Election of the Board (when required).
- (e) Ratification of Budget (if required and noticed).
- (f) Unfinished business.
- (g) New business.

ARTICLE V - Nomination and Election of Officers

Section 5.1 - Nominations

Nominations for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 5.2 - Ballots

All elections of the Board shall be made on written ballots which shall (a) set forth the names of those nominated by the Nominating Committee for such vacancies, and (b) contain a space for a write-in vote by the members for each vacancy. All election materials prepared with Association funds shall list candidates in alphabetical order and shall not suggest a preference among candidates. Such ballot shall be prepared and mailed by the Secretary to the members at least 14 days in advance of the date set

forth therein for a return. In those instances in which two or more nominees for the same office receive an equal number of votes, an additional ballot or ballots containing only those nominees receiving an equal number of votes shall be necessary in order to fill the position or positions which have not been filled. No Homeowner shall be eligible to vote, either in person or by proxy, or to be elected to the Board, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Section 5.3 - Corporate or Trust Ownership

In the event any membership is owned by a corporation, then the vote for any such membership shall be cast by the President or Vice President of such corporation or by a person designated in a certificate signed by the President of such corporation and attested by the Secretary or an Assistant Secretary of such corporation and filed with the Secretary of the Association, prior to or during the meeting. Any such certificate shall remain valid until revoked or superseded in writing. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes.

ARTICLE VI- Officers and Their Duties

Section 6.1 - Designation

The principal officers of the Association shall be the President, the President-Elect, the Secretary and the Treasurer, all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. Officers must be duly elected or appointed to the Board.

Section 6.2 - Selection of Officers

The officers of the Association shall be elected annually for a term of two years by the Board at the first regular meeting of the Board following elections.

Section 6.3 - President

The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Board. He or she shall have all of the general powers and duties which are incident to the office of President of a nonprofit Association organized under the laws of the State of Idaho, including but not limited to the power to appoint committees from among the Association Members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. He or she may fulfill the role of Treasurer in the absence of the Treasurer. The President, as attested by the Secretary, may cause to be prepared and may execute amendments to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 6.4 - President-Elect

The President-Elect shall take the place of the President and perform his or her duties whenever the President is absent or unable to act. If neither the President nor the President-Elect is able to act, the Board shall appoint some other Board Member to act in place of the President, on an interim basis. The President-Elect shall also perform such other duties as may be imposed upon him or her by the Board

or by the President. The President-Elect assumes the office of the President at the expiration of the President's term of office.

Section 6.5 - Secretary

The Secretary shall keep the minutes of all meetings of the Board. He or she shall have charge of such books and papers as the Board may direct and he or she shall, in general, perform all the duties associated with the office of Secretary of a nonprofit Association organized under the laws of the State of Idaho. The Secretary may cause to be prepared and may attest to execution by the President of amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable. The Secretary or an Assistant Secretary shall attend all meetings of the Board and all meetings of the Members and shall cause to be recorded all votes taken and the minutes of all proceedings to be recorded and filed in a book to be kept for that purpose; shall maintain a book of resolutions passed by this Association or its predecessors and have the same available at all meetings of the Board; shall give, or cause to be given, notice of all meetings of the members and of the Board, certify the results of all elections and the authenticity of all petitions, and shall in general perform all duties and exercise all powers associated with the office of Secretary and such other duties and powers as may from time to time be prescribed by the Board or the President.

Section 6.6 - Treasurer

The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He or she shall be responsible for the deposit of all monies and other valuable effects in such depositories as may from time to time be designated by the Board, and he or she shall, in general, perform all the duties associated with the office of Treasurer of a nonprofit Association organized under the laws of the State of Idaho. He or she may endorse on behalf of the Association for collection only, checks, notes and other obligations, and shall deposit the same and all monies in the name of and to the credit of the Association in such banks as the Board may designate. He or she may have custody of and shall have the power to endorse for transfer on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others.

Section 6.7 - Multiple Offices

The offices of Secretary and Treasurer may be held by the same person but in no event shall the same officer execute, acknowledge or verify any instrument in more than one capacity, if such instrument is required by law, the Declaration, or these By-Laws to be executed, acknowledged or verified by two (2) or more officers.

Section 6.8 - Delegation

The Board may delegate temporarily the powers and duties of any officer of the Association, in case of his absence or for any other reason to any other officer and may authorize the delegation by any officer of the Association of any of his powers and duties to any agent or employee subject to the general supervision of such officer.

Section 6.9 - 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.

ARTICLE VII- Committees

Section 7.1 - Standing Committees

The Board shall appoint an Architectural Control Committee as provided in the Declaration, and a Nominating Committee, as provided in these By-laws.

Section 7.2 - Other Committees

The Board may appoint other committees as deemed appropriate in carrying out its purpose.

Section 7.3 - Ad hoc Committees

The Board may, for its convenience and at its discretion, appoint one or more ad hoc committees of one or more Directors or Homeowners. No such ad hoc committee shall have any power or authority except to advise the Board; any such committee shall exist solely at the pleasure of the Board; no minutes of the proceeding of any such committee need be kept, and no member of any such committee shall receive any compensation for such membership except by way of reimbursement for reasonable expenses actually incurred by him by reason of such membership, with prior approval of the Board.

ARTICLE VIII - Interpretation/Miscellaneous

Section 8.1 - Conflict

In the case of any conflict between the Declaration and these By-laws, the Declaration shall enforce the decision.

Section 8.2 - Notices

Unless another type of notice is herein elsewhere specifically provided for, all notices called for in these By-Laws shall be given in writing.

March 2005

**MIDTOWN SQUARE HOMEOWNERS ASSOCIATION
BY-LAWS**

The parties below, by their signatures, on this 12th day of May 2006, hereby acknowledge and attest that the above By-Laws for Midtown Square Homeowners Association Subdivision were voted upon and approved by the Midtown Square Homeowners Association board on the 14th day of March 2005.

MIDTOWN SQUARE HOMEOWNERS ASSOCIATION

ATTEST: *Suzanne Cox* *Claudia Most*
Suzanne Cox, Secretary Claudia Most, President

On this ___th day of May, 2006, personally appeared Claudia Most and Suzanne Cox, known or identified to me to be the President and the Secretary, respectively, of Midtown Square Homeowners Association, the Association that executed the foregoing instrument, and acknowledged to me that such Association executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal.

Beth M. Loosli
Notary Public for Idaho
Residing at Boise, Idaho

BETH M. LOOSLI
Notary Public
State of Idaho

MY COMMISSION EXPIRES
May 16, 2011
BONDED THROUGH NOTARY PUBLIC UNDERWRITERS

My commission expires: