

BYLAWS¹
of the
SOUTHERN COMFORT HOMEOWNERS' ASSOCIATION, INC.,
an Idaho Nonprofit Corporation

ARTICLE 1. Corporate Entity

1.1: Name. The name of the corporation shall be the SOUTHERN COMFORT HOMEOWNERS' ASSOCIATION, INC. ("Association"), a nonprofit corporation organized under the laws of Idaho.²

1.2: Location. The registered and the business offices of the Association shall be located in the County of Blaine, State of Idaho, as from time to time established by the Board.³

1.3: Declaration. The term "Declaration" shall mean and shall refer to the "Declaration of Covenants, Conditions and Restrictions" filed of record with the Blaine County Recorder's Office on February 15, 1977, as Instrument No. 171731, and all amendments, supplements, and revisions thereto properly executed, filed, recorded, and applicable to the subdivision commonly known and referred to as the Southern Comfort Subdivision.

1.4: Effect. The terms and provisions of the Declaration, including without limitation the "DEFINITIONS" set forth therein, are incorporated and shall apply to these Bylaws, the same as if they had been fully set forth herein. Without limiting the foregoing, these Bylaws shall constitute the "regulations" referred to in Article V, Section 3 of the Declaration.

ARTICLE 2. Membership

2.1: Qualifications. Every Owner of a Lot which is subject to assessment shall be a member of the Association ("Member" and "Membership"). Membership shall be appurtenant to and may not be separated from the ownership of any Lot which is subject to assessment.⁴

2.2: Delegation of Use.⁵

2.2.1: Any Member may delegate his or her right of enjoyment of the Common Area and facilities (if any) solely (a) to members of his or her immediate family, (b) to tenants to whom the Lot and any dwellings thereon are lawfully leased under terms and conditions consistent with

¹ I.C. 30-30-206

² Articles of Incorporation, July 8, 2004.

³ I.C. 30-30-302(10).

⁴ Declaration Art. III, Sec. 1; I.C. 30-30-401; 30-30-302(15).

⁵ Declaration Art. II, Sec. .2.

the Declaration and these Bylaws, and (c) to contract purchasers who reside on the property pending the closing of the contract for sale of the Lot.

2.2.2: In the case of 2.2.1(b) and (c), notice of such delegation of use, including the name and capacity of the party being delegated the right of enjoyment, the appropriate contact information for that party, and the nature of and the effective dates of such delegation, shall be provided by a Member to the Association in writing prior to the effective exercise of such rights by the party to whom the delegation is being made.

2.2.3: No delegation of use which fails to meet the requirements of these Bylaws shall be recognized by the Association, and any attempted delegation contrary to the Declaration or to these Bylaws shall be void and of no effect.

2.2.4.: A delegation of the rights of enjoyment to a party by a Member shall not confer upon or transfer to that party the rights and powers of that Member as set forth in these Bylaws. Without limiting the foregoing, any delegation of the right of enjoyment, in and of itself, shall not confer upon the delegated party the status of Member, nor empower him or her to vote on Association matters or to hold a position of authority as a Director or Officer of the Association.⁶

2.3: Voting Rights.

2.3.1: The Association shall have one (1) class of voting membership.⁷

2.3.2: There shall be one (1) vote per Lot.⁸

2.3.3: Cumulative voting shall not be allowed for any purpose or upon any question.⁹

2.3.4: All Members are entitled to vote on issues properly brought before the membership.¹⁰

2.3.5: A Member may appoint a proxy to vote or otherwise to act for the Member by signing an appointment form provided by the Association. An appointment of a proxy is effective when received by the Secretary or other agent of the Association authorized to tabulate votes. No proxy shall be valid for a period longer than eleven (11) months from the date of its execution. Proxies may be revoked as provided by law.¹¹

2.3.6: If a Membership stands of record in the names of two (2) or more persons, their acts with respect to voting shall have the following effect – (a) if only one (1) person votes, such act

⁶ I.C. 30-30-412; 30-30-602.

⁷ Declaration Art. III, Sec. 2; I.C. 30-30-404.

⁸ Declaration Art. III, Sec. 2.; I.C. 30-30-404 and -510.

⁹ I.C. 30-30-510 and -514.

¹⁰ Declaration Art. IV.

¹¹ I.C. 30-30-513.

shall bind all; (b) if more than one (1) person votes, the vote shall be divided on a *pro rata* fractional basis.¹²

2.3.7: The determination of the Secretary with respect to any Member's qualification for voting, or as to the casting of any vote, whether by personal participation or by proxy, shall be deemed final and conclusive. The Secretary shall record the names of all Members voting on each matter for which a Membership vote is taken.¹³

2.3.8: Except as otherwise provided herein, or in the Declaration, if a quorum is present, the affirmative vote of the majority of votes represented and participating at a meeting, which affirmative votes also constitute a majority of the required quorum, shall be the act of the Membership.¹⁴

2.4: Annual Meeting. An Annual Meeting of Members of the Association shall be held at the business office of the Association, or elsewhere in Blaine County, Idaho, at a time and location designated by the Board; provided, however, that no Annual Meeting may be convened sooner than six (6) months, nor later than eighteen (18) months, following the preceding Annual Meeting.¹⁵

2.5: Special Meetings.

2.5.1: Special Meetings of the Members may be called at any time for the purpose of considering matters which by the terms of the Declaration require the approval of all or some of the Members, or for any other reasonable purpose.¹⁶

2.5.2: Special Meetings may be called by written notice signed by a majority of the Board, or by Members having one-tenth (10%) of the total votes of the Membership.¹⁷

2.5.3: Special Meetings of Members shall be held at the principal office of the Association, or elsewhere in Blaine County, Idaho, at a time and location designated in the notice thereof.¹⁸

2.5.4: Only those matters that are within the purpose or purposes described in the notice of meeting may be conducted at a Special Meeting of the Members.¹⁹

2.6: Notice. Written notice of any Annual or Special Meeting of the Association Membership shall be communicated to each Member by USPS mail, private carrier, hand delivery, electronic

¹² I.C. 30-30-510(2).

¹³ I.C. 30-30-516.

¹⁴ I.C. 30-30-103(1); I.C. 30-30-512.

¹⁵ I.C. 30-30-501; [Re: Declaration Art. IV, Sec. 1, see Opinion of Counsel (Mr. Laski), January 10, 2014.]

¹⁶ Declaration Art. IV, Sec. 2; I.C. 30-30-502.

¹⁷ I.C. 30-30-502(1); [Cf. Declaration Art. IV, Sec. 2].

¹⁸ I.C. 30-30-502(4).

¹⁹ I.C. 30-30-502(5).

messaging (including text or e-mail), or any other means authorized by law. Such notice shall set forth the date, time, location, and subjects of the meeting and shall be sent to each Member not less than thirty (30) days and not more than sixty (60) days prior to the specified meeting date. Each Member shall have a continuing obligation to provide the Association with his or her current contact information. A Member may elect at any time not to receive notice via electronic messaging by providing a written statement to that effect to the Association, including therein an alternate address for future notices.²⁰

2.7: Participation. A Member may attend and participate for all purposes (including the establishing of a quorum) and may vote in any meeting, either but only (a) in person, (b) via proxy, or (c) via real-time telecommunications capabilities, including without limitation, via conference call or Internet conferencing; provided however, that each such Member so participating can hear and can be heard by all other Members participating in the meeting.²¹

2.8: Quorum. Unless otherwise specified herein or in the Declaration, a quorum for an Annual or Special Meeting shall exist if Members representing a majority of the voting power in the Association attend and participate in the meeting. If, upon the convocation of a meeting, a quorum is not present, a majority of the voting power attending and participating may adjourn the meeting to a time not less than five (5) days nor more than fifteen (15) days from the original meeting date, at which adjourned meeting the quorum requirement shall be reduced to Members representing one-third ($33\frac{1}{3}\%$) of the total voting power in the Association attending and participating. The location of the adjourned meeting must meet the requirements applicable to Special Meetings.²²

2.9: Order of Business. The order of business at all meetings of the Members shall be:²³

- A. Roll Call
- B. Filing of Notice of Meeting
- C. Reading and Approval of Minutes of Preceding Meeting
- D. Reports of the Officers and Board
- E. Review of Financial Statements (if applicable)
- F. Election of Directors (if applicable)
- G. Unfinished Business
- H. New Business
- I. Adjournment

²⁰ I.C. 30-30-104; 30-30-505.

²¹ I.C. 30-30-302(3).

²² I.C. 30-30-511, -505(4), and -506(5).

²³ I.C. 30-30-501 and -502).

2.10: Procedure. All matters of parliamentary procedure shall be decided by the Secretary (or by the Parliamentarian, if one is appointed by the Board) in accordance with Robert's Rules of Order.²⁴

2.11: Action by Written Consent. Any action which could be taken at a meeting of the Members may be taken without a meeting, if authorized by a writing signed by Members representing eighty per cent (80%) of the total voting power in the Association, and filed with the Secretary. Written notice of Member action or inaction pursuant to this provision shall be given to all Members in timely fashion.²⁵

2.12: Special Actions. Increases in annual assessments beyond a certain level, and special assessments for capital improvements, shall be subject to the specific requirements set forth in Article VI of the Declaration.²⁶

ARTICLE 3. BOARD OF DIRECTORS

3.1: Powers. The Board of Directors, for the benefit of the Members, shall enforce the provisions of the Declaration and shall have all the powers accorded to directors of corporations duly organized and authorized by the State of Idaho.²⁷

3.2: Number and Qualification. The Board of the Association shall be composed of three (3) Directors. Directors must be Members of the Association at the time of their election and for the duration of their term.²⁸

3.3: Election. Directors shall be elected annually at the Annual Meeting of the Members by majority vote. Nominations for the Board of Directors shall be open to the floor. Every nomination shall be made and seconded by a Member and shall specify the full name of the nominee. Prior to any vote, the Secretary shall confirm that each nominee is a Member of the Association and is otherwise qualified to serve as a Director of the Association.²⁹

3.4: Term of Office. Each Director shall serve for one (1) year commencing upon his or her election and until his or her successor shall have been duly elected and qualified; provided however, that the term of any Director shall be immediately terminated upon the death, resignation, removal, or the failure of that Director to maintain ownership of a Lot.³⁰

²⁴ I.C. 30-30-302(3).

²⁵ I.C. 30-30-504.

²⁶ Declaration Art. VI, Sec. 3, 4, and 5.

²⁷ Declaration Art. V, Sec. 5; I.C. 30-30-601.

²⁸ Declaration Art. V, Sec. 1; I.C. 30-30-602 and -603.

²⁹ I.C. 30-30-604.

³⁰ Declaration Art. V, Sec. 2; I.C. 30-30-602 and -605.

3.5: Removal.

3.5.1: Any Director may be removed with or without cause by a majority vote at an Annual or Special Meeting of the Membership called for such purpose and for which specific notice is given, but only if the number of votes cast to remove the Director would be sufficient to elect the Director at a meeting to elect Directors; provided, however, that unless the entire Board is removed, an individual Director shall not be removed if the number of votes cast against his or her removal exceeds twenty-five percent (25%) of the total Membership.³¹

3.5.2: Any Director elected by the Board (rather than by the Membership) may be removed without cause by the vote of two-thirds ($66\frac{2}{3}\%$) of the Directors then in office; provided however, that a Director elected to the Board to fill the vacancy of a Director elected by the Members may be removed without cause by the Members, but not by the Board.³²

3.6: Vacancies. Any vacancy on the Board, whether by death, resignation, removal, or the failure to maintain ownership of a Lot, may be filled by the majority vote of the remaining Directors, for the unexpired term of the vacated Directorship. If the Directors in office constitute less than a quorum of the Board, the remaining Director or Directors may fill any vacancy by the affirmative vote of a majority of all the Directors remaining in office.³³

3.7: Meetings and Notice.

3.7.1: The Board of Directors shall meet no less frequently than quarterly, at such times and places as shall seem to them appropriate to the conduct of the Association's business affairs.³⁴

3.7.2: The President or a majority of the Board may call meetings of the Board for any proper purpose, upon not less than forty-eight (48) hours' notice given personally, telephonically, or by electronic messaging to each Director. At any duly convened meeting of the Board, a Director may participate for all purposes (including establishing a quorum) and may vote via real-time telecommunications capabilities including, without limitation, via conference call or Internet conferencing; provided however, that such Director can hear and can be heard by all other Directors participating in the meeting.³⁵

3.7.3: A Director's attendance at or participation in a meeting waives any required notice of the meeting unless the Director upon arriving at the meeting or prior to the vote on a matter

³¹ Declaration Art. V, Sec. 2; I.C. 30-30-608(3).

³² I.C. 30-30-608(8).

³³ I.C. 30-30-610.

³⁴ I.C. 30-30-612.

³⁵ I.C. 30-30-612 and 614.

not noticed in conformity with law or these Bylaws objects to lack of notice and does not thereafter vote for or assent to the objected to action.³⁶

3.7.4: Minutes of each meeting of the Board of Directors shall be kept and shall be communicated to the Members in timely fashion.³⁷

3.8: Quorum. Two (2) members of the Board participating in a meeting of the Board constitute a quorum for the transaction of business at such meeting. A majority of the votes cast by the Directors participating at a meeting of the Board for which a quorum is present constitutes the action of the Board.³⁸

3.9: Action by Written Consent. Any action required or authorized by law or these Bylaws to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting out the action so taken, shall be signed by all of the Directors and filed with the Secretary. A written consent so executed shall have the same effect as a unanimous vote of the Directors.³⁹

3.10: Committees. Consistent with the Declaration and these Bylaws, the Board may establish and empower committees, including a Design Committee, from time to time as shall seem appropriate to the exercise of its powers.⁴⁰

ARTICLE 4. OFFICERS

4.1: Qualifications. All Officers must be duly elected Directors of the Association at the time of their election to, and for the duration of, their term in office.⁴¹

4.2: Election. The Board shall elect from among its Directors the following Officers: President, Vice President, Secretary, and Treasurer (and, in the Board's discretion, a Parliamentarian). Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. The election of such Officers shall be the first order of business of the first meeting of the Board following the election of the Directors at the Annual Meeting.⁴²

4.3: Term. Each Officer shall serve for a term of one (1) year commencing upon his or her election and until his or her successor shall have been duly elected and qualified.⁴³

³⁶ I.C. 30-30-615.

³⁷ I.C. 30-30-1101.

³⁸ Declaration Art. V, Sec. 3; I.C. 30-30-616.

³⁹ Declaration Art. V, Sec. 3; I.C. 30-30-613.

⁴⁰ Declaration Art. VII; I.C. 30-30-617.

⁴¹ I.C. 30-30-622.

⁴² I.C. ; 30-30-621.

⁴³ I.C. 30-30-622.

4.4: Offices.⁴⁴

4.4.1: President. The President is the principal executive officer of the Association and shall, in general, supervise and direct all of the business affairs of the Association. The President shall preside at all meetings of the Board. The President shall sign contracts or other instruments which the Board has authorized to be executed, and may delegate such duties as required from time to time in furtherance of the exercise of his or her office.

4.4.2: Vice President. The Vice President shall assist the President in the execution of his or her duties, and shall perform the duties of the President in the President's absence or in the event of the President's inability or refusal to act. In the event of the removal of the President, the Vice President shall act in the stead of the President of the Association until such time as the Board has voted to fill the vacancy.

4.4.3: Secretary. The Secretary shall maintain, or shall cause to be maintained, the records of the Association, the Membership list, the minutes of all meetings, a record of all votes at meetings, the agendas for meetings, copies of all notices and distributions to the Membership, and all other records and documents pertaining to the non-financial operations of the Association. The Secretary shall also have the responsibility and the authority for authenticating any and all records of the Association.⁴⁵

4.4.4: Treasurer. The Treasurer shall maintain, or shall cause to be maintained, the financial records of the Association, shall manage, deposit, and invest all funds of the Association as directed by the Board, shall disburse money for all Association obligations, shall keep regular books or accounts of all Association financial transactions, and shall provide for timely financial reports or financial reviews as ordinarily required and as otherwise directed by the Board. The Treasurer may secure the services of an accountant on behalf of the Board, and shall ensure that the Association complies with applicable state and federal requirements pertaining to taxation, corporate qualification, and nonprofit registration. The Treasurer shall ensure that the Association maintains liability and such other insurance as provided for in these Bylaws and under statute.

4.4.5: Parliamentarian. The Parliamentarian (if one is appointed) shall advise the President on questions of parliamentary procedure, shall become knowledgeable about the rules of order, shall bring a current copy of the Bylaws to each meeting, and shall perform such other related duties as may be delegated by the Board. The Parliamentarian shall also be in possession of a copy of

⁴⁴ I.C. 30-30-621, --622, and -625.

⁴⁵ I.C. 30-30-621(2), -625, and 1101.

Robert's Rules of Order, which Rules shall govern the formal aspects of Board and Association Membership meetings.⁴⁶

4.4.6: Other Officers. The Board may from time to time elect such other officers as the affairs of the Association may require, to hold office for such term and to exercise such authority as the Board shall prescribe.⁴⁷

4.5: Termination. The term of any Officer shall be immediately terminated upon the death, resignation, removal, or failure of that officer to qualify for his or her office. Any Officer may be removed at any time, with or without cause, by a majority vote of the Board.⁴⁸

4.6: Vacancies. Any vacant Officer position may be filled by appointment upon a majority vote of the Board. The Officer appointed to each such vacancy shall serve for the remainder of the term of the Officer he or she replaces, and until his or her successor shall have been duly elected and qualified.⁴⁹

ARTICLE 5. OPERATIONS

5.1: Contracts. The Board may authorize any Officer or Officers, and any agent or agents of the Association, in addition to the Officers so authorized by these Bylaws, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances as authorized by the Board.⁵⁰

5.2: Signing Authority. All checks, drafts, orders for the payment of money, notes, evidence of indebtedness, and other financial instruments shall be issued in the name of the Association only in such manner as the Board may authorize or direct. All financial instruments shall be signed by the Treasurer and shall be countersigned by the President or Vice President of the Association. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may authorize or direct.⁵¹

5.3: Budget. The Board shall from time to time, and no less frequently than annually, prepare a budget for the Association, determining among other matters (a) the estimated amount of expenses and capital requirements (present and future) of the Association applicable to the fiscal year, and (b)

⁴⁶ I.C. 30-30-302(3).

⁴⁷ I.C. 30-30-621.

⁴⁸ I.C. 30-03-624.

⁴⁹ I.C. 30-30-624.

⁵⁰ I.C. 30-30-622 and -625.

⁵¹ I.C. 30-30-622 and -625.

the amounts of annual and special assessments or charges to be paid by the Members, all to conform with the requirements set forth in the Declaration to the extent addressed therein.⁵²

5.4: Professional Advice. The Board may retain the services of accountants, attorneys, business managers, and other qualified consultants to assist in its operations on behalf of the Association, including, without limitation, on matters affecting real estate, property management, tax preparation, accounting compliance, record keeping, Member communication, corporate qualification, tax status, governmental regulation, legislation, and on other matters affecting the Association.⁵³

ARTICLE 6. INSURANCE AND INDEMNIFICATION

The Association shall maintain liability, Directors and Officers, and such other insurance as in the judgment of the Board shall seem necessary or appropriate. To the full extent permitted by law, the Association shall insure, defend, indemnify, and hold harmless all Directors, Officers, agents and volunteers acting in good faith on behalf of the Association from any and all liability resulting from actions or inactions in the course of their status or activities on behalf of the Association.⁵⁴

ARTICLE 7. AMENDMENT TO BYLAWS

7.1: By Membership. These Bylaws may be amended by the affirmative vote of a majority of the voting power of the Membership voting at an Annual Meeting or at a Special Meeting called for the purposes of amending these Bylaws, and for which a quorum is established. The text of the proposed amendment must be included in the notice provided for the Annual or the Special Meeting at which such vote is taken.⁵⁵

7.2: By Board. Subject to the rights of the Members in 7.1 above, these Bylaws may be amended by the affirmative vote of a majority of the Board of Directors at any meeting of the Board called for the purpose of amending these Bylaws, and for which a quorum is established; provided however, that no less than thirty (30) days prior to such Board meeting, the Board shall have provided to the Members of the Association a notice containing (a) the text of the proposed amendment to the Bylaws and (b) the date of the proposed Board vote on said amendment.⁵⁶

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⁵² Declaration Art. VI, Sections (3), (4), (5), and (6); *I.C. 30-30-501*.

⁵³ *I.C. 30-30-618(2)*.

⁵⁴ *I.C. 30-30-626*.

⁵⁵ *I.C. 30-30-709*.

⁵⁶ *I.C. 30-30-709*.

[N.B.: The footnotes accompanying the text of these Bylaws are provided solely for ease of reference to the cited materials appearing therein, and are not, per se, a part of the Bylaws.]

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Attestation:

*By Consent Resolution of the Board of Directors, Southern Comfort Homeowners' Association, effective as of August 26, 2019, a copy of which was entered into the corporate records, the foregoing revised "**Bylaws of the Southern Comfort Homeowners Association, Inc.**" were unanimously adopted by the Board, for submission to and approval by a vote of the Membership at the Annual Memberships Meeting to be held on October 5, 2019, in Ketchum, Idaho.*

/s/ Jeffra Syms

Jeffra Syms, Secretary

*At a duly called meeting of the Membership of the Southern Comfort Homeowners' Association, held on October 5, 2019, for which a quorum was established and Minutes were recorded, and in conformity with I.C. 30-30-709, the foregoing "**Bylaws of the Southern Comfort Homeowners Association, Inc.**" were adopted by the unanimous vote of the Members (present or participating), to be effective on and after October 5, 2019.*

/s/ Jeffra Syms

Jeffra Syms, Secretary

