

721419

BYLAWS

of

THE CROSSING HOA, INC.

FILED BY  
*W. Berg*  
2001 JAN 22 P 2:00  
30<sup>00</sup>  
MARIE SCOTT  
BONNER COUNTY RECORDER  
*MS* DEPUTY

ARTICLE I.

IDENTIFICATION, GOVERNING LAW, PURPOSE AND EFFECTIVENESS

- 1.1 **Corporate Identification.** This corporation shall be known as The Crossing HOA, Inc. (Association) and shall be registered with the Idaho Secretary of State as a nonprofit corporation.
- 1.2 **Governing Law.** The Association is formed under the authority of Chapter 3 of Title 30 of the Idaho Code, known as the Idaho Nonprofit Corporation Act, and the provisions of these Bylaws shall be interpreted under the laws of the State of Idaho.
- 1.3 **Effectiveness.** These Bylaws shall be effective upon the execution of this document by the initial Directors of the Association.

ARTICLE II.  
OFFICES

The principal office of the Association shall be located in the County of Bonner, Idaho.

ARTICLE III.  
MEMBERSHIP AND MEETINGS

- 3.1 **Membership.** Every Lot Owner, whether the lot is undeveloped or improved, shall be a member of the Association
- 3.2 **Transfer of Membership.** A Lot Owner shall not transfer, pledge, convey or alienate the Association membership except to a bona fide successor in interest of the ownership of the lot. A sale of a lot by real estate contract shall constitute a valid transfer of membership to the buyer. A prohibited transfer is void.
- 3.3 **Voting Rights.** There shall be two classes of membership: Class A and Class B. The Declarant, or its successor in interest, shall hold Class B membership for each Lot it owns. All other Lot Owners shall hold Class A memberships.
  - 3.3.1 **Class A Membership.** Class A members shall have one (1) vote in the Association for each Lot owned, such vote to be cast by the Lot Owner. Where co-

owners exist, they shall designate in writing, with the Secretary, who shall cast the vote of the Lot Owner. A designation shall remain of record until revoked. Any co-owner may revoke a designation in a writing submitted to the Secretary. The Secretary shall not accept a vote by co-owners who fail to properly designate authority to cast the vote. Fractional votes are not permitted. All co-owners may attend and otherwise participate in Association meetings.

- 3.3.2 **Class B Membership.** The Class B member (the Declarant) shall have ten (10) votes in the Association for each Lot owned. The Declarant may designate an agent or agent(s) to cast its votes. Class B membership shall automatically convert to Class A membership upon the earlier of the following: (a) the voting power of Class A members exceeding that of Class B; (b) the recordation of notice by the Declarant of voluntary conversion; or (c) at 11:59 p.m. on December 31, 2012.
- 3.4 **Majority Vote.** Except as otherwise set forth herein, a majority of votes of the Members shall be the action of the Association.
- 3.5 **Proxy Voting.** A Lot Owner may give his proxy to another Lot Owner. Such proxy shall be in writing and delivered to the Secretary prior to any vote. A proxy shall automatically expire on its annual anniversary.
- 3.6 **Actions Reserved to the Members.** The following actions are reserved to the Members, voting at a duly noticed meeting of the Association:
- 3.6.1 **Elect and Remove Directors.** The Members shall have the exclusive authority to elect and remove directors.
- 3.6.2 **Approve Budget.** Upon presentation by the Board, the Members shall adopt an annual budget and any supplemental budgets of the Association. The Members may amend the budget presented by the Board. The Association shall not make expenditures, except emergency expenditures, absent an approved budget. The Board may declare an emergency.
- 3.6.3 **Resolve a Deadlock of the Board.** If the Board refers a matter to the Members because of a deadlock on the Board or otherwise, the Members shall have the right and duty to resolve the matter by majority vote.
- 3.6.4 **Amend the Bylaws.** Upon resolution of the Board, the Members may at a duly called meeting of the Members, amend the Bylaws with a by a 60% majority of votes, and amend the Articles of Incorporation with a 75% majority of votes.
- 3.6.5 **Limitation of Action.** Except as set forth in this Article 2.5, the Members shall take no action except upon resolution of the Board presented to the Members at a duly called meeting of the Members. The Members may amend any resolution presented by the Board.
- 3.7 **Annual Meeting.** The annual meeting of the Members shall be held on a duly noticed date each year falling **in the month of October**. The Members shall elect directors to the Board of Directors and adopt an annual budget for the calendar year beginning on January 1<sup>st</sup> of the year following the annual meeting.

- 3.8 **Special Meetings.** Special meetings of the Members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the petition of no less than twenty-five percent (25%) of the Members.
- 3.9 **Place of Meeting.** Meetings shall be held in the designated Association office. The Association may recess a meeting and reassemble in any location to which a majority of Members shall agree. A meeting may be had by means of a telephone conference or similar communications equipment by which all persons participating in the meeting can hear one another.
- 3.10 **Notice of Meeting.** Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called, shall unless otherwise prescribed by statute, be delivered not less than fourteen (14) nor more than twenty-eight (28) days before the date of the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Member at his address as it appears in the Association records, or served on the Member's person. Each owner of a lot shall be entitled to notice. A Member's attendance at a meeting, other than to register an objection to proper notice, shall constitute a waiver of notice.
- 3.11 **Quorum.** The presence in person or by proxy of Members representing a thirty percent (30%) of the lots shall constitute a quorum at a meeting of Members. If less than a quorum is represented at such meeting, a majority of the Members entitled to vote may adjourn the meeting from time to time without further notice.
- 3.12 **Proxies.** At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting.
- 3.13 **Agents.** A Member may designate an agent under a power of attorney that expressly states such agent may cast the Member's vote. An agent may participate in a meeting and cast votes, but shall not hold office in the Association.
- 3.14 **Manner of Acting.** Except as otherwise provided herein or in the Articles of Incorporation, the act of the majority of the Members present at a duly convened meeting shall be the act of the Association.
- 3.15 **Action of Members without a Meeting.** Any permitted or required action may be taken without a meeting if all Members who are entitled to vote consent to the action by signature on a writing that sets forth the action so taken.
- 3.16 **Record of Membership.** The Association Secretary shall maintain a record of Membership. Such record shall contain the name(s) of the lot owner(s), notice address(es), and the name of the owner who cast the vote for the lot.

**ARTICLE IV.  
BUDGET AND MAINTENANCE ASSESSMENTS**

- 4.1 **Budget.** The Board of Directors shall prepare and the Association shall adopt an annual budget.
- 4.2 **Board Determines Rate of Assessment.** The Board shall establish the rate of assessment based on the approved annual budget. The Board shall not assess in excess of the funds necessary to fund the budget EXCEPT that the Board shall have the right to increase the assessment by no greater than ten percent (10%) for the purpose of making capital improvements, major or emergency repairs. Funds reserved in excess of budgeted expenses shall be placed in a reserve fund.
- 4.3 **Rate of Assessments.** Each lot, regardless of size and location, shall bear an equal burden for the general expenses of the Association including but not limited to Common Area maintenance. The Association may, through its Board, levy special assessments disproportionately for particularized services provided to certain Lot Owners or to Lot Owners in a disproportionate manner.
- 4.4 **Due Date of Assessments.** The annual assessment shall become due on **January 1<sup>st</sup>** of each year for the period January 1 through December 31<sup>st</sup>. Payment received after January 30<sup>th</sup> shall be subject to a late penalty. The Treasurer shall send written notice of the assessment to every lot owner subject thereto.

**ARTICLE V.  
BOARD OF DIRECTORS**

- 5.1 **General Powers.** The business and affairs of the Association shall be managed by its Board of Directors. The Board of Directors may, by resolution, grant authority to officer(s), agent(s), or employee(s) to represent and act in the name of the Association. Specifically, the Board of Directors, by resolution, may authorize its officers to open, close, and sign on checking and savings accounts, enter contracts, and encumber assets. An action of the Board of Directors shall constitute an act of the Association, EXCEPT the Board may not expend funds or assess Members in excess of the approved annual budget without express authorization of the Members. Notwithstanding the above limitation, the Board may borrow and/or spend in excess of the budget where it declares an emergency. The Board shall seek approval of such emergency expenditures within thirty (30) days of the emergency expenditure(s).
- 5.2 **Management Vested in the Board of Directors.** The Board shall govern the Association and shall manage the Property. The Board may, but is not required to seek the approval of the Members before taking an action other than those actions reserved to the Members in Article 3.6. The Board shall present an annual budget to the Members at least 14 days prior to an annual or special meeting of the Members.

- 5.3 **Number, Tenure and Qualifications.** The Board shall consist of no less than three (3) Directors who shall serve staggered three year terms. Directors shall be elected by the Lot Owners at an annual meeting or at a special meeting called for the purpose electing Directors. Directors shall be Lot Owners, except a non-Lot Owner may be elected if nominated by the Declarant. Co-owners may serve as Directors.
- 5.4 **Electing a Director.** The President shall call for nominations for Director. The nominee need not be present. A Lot Owner may nominate himself or herself. Members shall cast one (1) vote for each position. Where only one (1) Director position is being filled, the nominee obtaining the most votes shall be elected. Where more than one (1) Director is being elected, those nominees with the highest plurality of votes shall be elected.
- 5.5 **Removing a Director.** The Lot Owners may remove a Director at any time, for any reason or no reason at all. In the case of removal, the Members shall vote on each Director and the Director shall be removed upon the vote of a majority, excluding the vote of the Director subject to removal.
- 5.6 **Vacancies.** Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. The Board may not appoint a Director who has been removed.
- 5.7 **Officers.** The Board shall annually elect officers. There shall be a President, Vice President, Secretary and Treasurer. No Director may hold more than one office except one Director may be both Secretary and Treasurer. The duties of office shall be expressed in the Bylaws. An officer may be removed by the Board upon the vote of a majority, excluding the vote of the officer subject to removal.
- 5.8 **Action of the Board.** The votes of a majority of the Board shall be the action of the Board.
- 5.9 **Meetings.** The Board of Directors shall meet from time to time as required to carry out the business of the Association.
- 5.10 **Notice.** The Board of Directors shall, by resolution, adopt notice requirements.
- 5.11 **Quorum.** A majority of the number of Directors fixed by Article 5.2 shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.
- 5.12 **Manner of Acting.** The act of the majority of the Directors present at a duly convened meeting shall be the act of the Board of Directors.
- 5.13 **Action without a Meeting.** Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so to be taken, shall be signed by all of the Directors. This consent requirement may be satisfied by a written resolution adopted by the Directors and signed by all of the Directors.

- 5.14 **Compensation.** Directors shall not be compensated but may be reimbursed for expenses incurred in the performance of their duties.
- 5.15 **Presumption of Assent.** A Director who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.
- 5.16 **Deadlock.** If Directors are deadlocked, the Board of Directors shall refer the matter to the Members at a special or annual Members' meeting. If Members are deadlocked, the Members may put the question to a neutral arbitrator. Such arbitrator shall be selected by a majority of the Members or, if the Members cannot agree, in accordance with the Idaho Uniform Arbitration Act ("Act"). The arbitration shall be conducted in accordance with said Act

## ARTICLE VI. OFFICERS

- 6.1 **Number.** The officers of the Association shall be a President, Vice-President, and a Secretary/Treasurer, each of whom shall be elected by the Board of Directors.
- 6.2 **Election and Term of Office.** The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Members, or as soon thereafter as practicable. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed as a Director.
- 6.3 **President.** The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the Members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Association who is so authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed. In addition, and in general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.
- 6.4 **Vice President.** In the absence of the President or in event of his death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting,

shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

6.5 **Secretary.** The Secretary shall:

(a) Keep the minutes of the proceedings of the members and of the Board of Directors in one or more minute books provided for that purpose; (b) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) Be custodian of the corporate records; (d) Keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; and (e) In general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

6.6 **Treasurer.** The Treasurer shall: (a) Have charge and custody of and be responsible for all funds and securities of the Association; (b) Send notices of assessments due to all lot owners; (c) Receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories; and (d) In general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such sureties as the Board of Directors shall determine.

6.7 **Compensation.** The officers shall not receive compensation but may be reimbursed for expenses incurred in the performance of their respective duties.

## ARTICLE VII. CHECKS, DEPOSITS CONTRACTS, AND LOANS

7.1 **Checks and Internal Controls.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by the President. The Secretary/Treasurer shall have exclusive control and possession of blank checks and shall fill out the payee and issue the check to the President for signature upon an authorized request of the President. The President shall not possess blank checks. The Board may require a co-signature of the Vice President. The Secretary/Treasurer shall not be authorized to sign checks.

7.2 **Deposits.** All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

7.3 **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or 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.

- 7.4 **Loans.** No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

### **ARTICLE VIII. FISCAL YEAR**

The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December each year.

### **ARTICLE IX. INDEMNITY**

The Association shall indemnify its directors, officers and employees as follows:

(a) Every director, officer, or employee of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be made a party, or in which he may become involved, by reason of his being or having been a director, officer, employee or agent of the Association or any settlement thereof, whether or not he is a director, officer, employee or agent at the time such expenses are incurred, except in such cases wherein the director, officer, or employee is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. (b) The Association shall provide to any person who is or was a director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of the Association, partnership, joint venture, trust or enterprise, the indemnity against expenses of suit, litigation or other proceedings which is specifically permissible under applicable law. (c) The Board of Directors may, in its discretion, direct the purchase of liability insurance by way of implementing the provisions of this Article.

### **ARTICLE X. AMENDMENTS**

These Bylaws may be altered, amended, repealed, restated, or new Bylaws adopted by resolution of the Board of Directors and approval by a 60% of the Members at the annual meeting or at a duly noticed special meeting of the Members. The Bylaws shall not be inconsistent with the Articles of Incorporation or the Declaration of Covenants, Conditions, Easements and Restrictions.

**ARTICLE XI.  
DISSOLUTION**

Upon dissolution, the excess assets of the Association shall be distributed pro rata to the lot owners of record.

EXECUTED BY THE DECLARANT ON THE ATTACHED SIGNATURE PAGE

SIGNATURE PAGE

DATED this 13 day of December, 2006

CROSSING DEVELOPMENT, INC.

Jerald D. Hansen

By: Jerald D. Hansen  
Its: President

STATE OF IDAHO )  
COUNTY OF BONNER ) SS.

On this 13 day of DECEMBER, in the year of 2006, before me, a Notary Public for the state of Idaho, personally appeared **Jerald D. Hansen**, known or identified to me to be the president, or vice-president, or secretary or assistant secretary, of **Crossing Development, Inc.** that executed the within instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

(Sign) [Signature]  
NOTARY PUBLIC  
Residing at: SAGUA, IDAHO  
My commission expires: 11/14/08

