

**BY LAWS OF THE**  
**SAGECREST MULTI FAMILY PROPERTY OWNERS'**  
**ASSOCIATION, INC.**

**AN IDAHO NON-PROFIT  
CORPORATION**

Pursuant to resolution of the Members of the Sagecrest Multi Family Property Owners' Association, effective the 1st day of January 2012, the Bylaws of this Association are hereby set forth in their entirety, as follows: In the event there is an express conflict between the term(s) and provisions found in the recorded Articles and these Bylaws, the Articles shall control. In the event of an express conflict in the provisions of the recorded covenants, conditions, and restrictions, (CCR's), relating to the real property and improvements thereon, over which the Sagecrest Multi Family Property Association manages and presides, then the term(s) and provisions set forth in the CCR's shall control:

**ARTICLE 1  
DEFINITIONS**

The following terms shall have the following meanings:

- 1.1 **ARTICLES**: The articles of Incorporation and any amendments thereto of the SAGECREST MULTI FAMILY PROPERTY OWNERS' ASSOCIATION, INC.
- 1.2 **ASSESSMENTS**: Payments required of Members of this Association as defined and required under the Conditions, Covenants, and Restrictions (hereinafter CCR" s) of the SAGECREST MULTI FAMILY PROPERTY OWNERS' ASSOCIATION, INC., and any amendments thereto;
- 1.3 **ASSOCIATION**: shall mean and refer to the Sagecrest Multi Family Property Owners' Association, Inc., a non-profit corporation organized under the laws of the state of Idaho, its successors and/or assigns; it may also be referred to herein as the Company, Corporation, Homeowners' Association, and/or Property Owners' Association. As used herein, these terms all refer to the "POA";
- 1.4 **BOARD**: The nominated initial Board of Directors of the POA, and any subsequently elected, appointed, and/or qualified Board of Directors of the Association;
- 1.5 **COMMON AREA**: shall mean all real property and improvements thereon, including private streets, drives, parking areas, and recreational facilities, owned by the POA for the, common use and enjoyment of the Owners. The Common areas to be owned by the POA and at the time of the conveyance of the first lot is/are described as follows: see plat.

- 1.6 **DECLARATION**: shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions and any amendments thereto applicable to the Properties recorded in the office of the County Recorder of Ada County, State of Idaho;
- 1.7 **DIRECTOR**: A duly elected and qualified member of the Board of Directors of POA. The membership shall elect Directors at Annual meetings and in accordance POA By-Laws. A member shall qualify to be elected as a Director if the member is one in good standing with respect to the POA and is an owner of a dwelling unit within the complex of the POA for longer than 1 year.
- 1.8 **DWELLING UNIT**: shall mean that portion or any part of any structure intended to be occupied by a person, persons, and/or one family unit, together with the vehicular parking area attached thereto, and any and all projections there from;
- 1.9 **FIRST MORTGAGE**: shall mean any Mortgagee possessing a lien on any Dwelling Unit first and prior to any other Mortgage;
- 1.10 **INSTITUTIONAL HOLDER**: shall mean a Mortgagee which is a bank, savings and loan association, or established mortgage company, or other entity chartered under federal and/or state laws, and/or any corporation or insurance company, or any federal or state agency;
- 1.11 **LOT or LOTS**: shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the Common areas;
- 1.12 **MEMBER**: Any person or entity who is the record owner, whether one or more persons and/or entities, of the fee simple titled to any lot which is part of the Properties including contract sellers, but excluding those having such interest merely as a security of the performance of an obligation. The term Shareholder as may be used herein shall be deemed to mean Member;
- 1.13 **MORTGAGE**: shall mean any mortgage, deed of trust, or other security instrument by which a Dwelling Unit or any part thereof is encumbered;
- 1.14 **MORTGAGEE**: shall mean any person or any successor to the interest of such person named as the mortgagee, trust beneficiary, or creditor under any Mortgage;
- 1.15 **OWNER**: shall mean and refer to the record owner, whether one or more persons and/or entities, of the fee simple titled to any lot which is part of the Properties including contract sellers, but excluding those having such interest merely as a security of the performance of an obligation. An owner may also be referred to as a "homeowner";

- 1.16 **PLAT**: shall mean a final subdivision plat covering any real property in the Sagecrest Multi Family (residential) SUBDIVISION as recorded in the office of the county recorder for the county of Ada in the state of Idaho, as the same may be amended by duly recorded amendments thereto;
- 1.17 **PROPERTIES**: shall mean and refer to that certain real property hereinabove described.

## ARTICLE 2 PROPERTY OWNERS' ASSOCIATION

- 2.1 **MEMBERSHIP**: Every owner of a lot, which is subject to the assessment, shall be a member of the POA. The foregoing is not intended to include persons or entities who hold an interest merely as security for the payment of an obligation. Membership shall be appurtenant and may not be separated from ownership of any Lot, which is subject to assessment. Such ownership shall be the sole qualification for membership, and shall automatically commence upon a person becoming such Owner and shall automatically terminate and lapse when such ownership in said property shall terminate or be transferred.
- 2.2 **VOTING RIGHTS**: The POA shall have one (1) class of voting membership, and such votes shall be apportioned and shall be able to be cast as described herein:
- A. **VOTING MEMBERS**: shall be all Owners, and shall be entitled to one vote for each lot owned. When more than one person and/or entity holds an interest in any lot, all such persons shall be members. The vote for such lot with multiple owners shall be exercised as the owner(s) determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Lot.
  - B. **FRACTIONAL VOTES**: and/or cumulative voting shall not be allowed. The vote applicable to any or (1) Lot being sold under contract of purchase shall be exercised by the contract seller, unless the contract expressly provides otherwise.
  - C. **AN OWNER OR OWNER'S PROXY**: shall not be entitled to vote in the following circumstances:
    - 1. When such Owner is not current in the payment of any assessments levied and/or chargeable against the lot owned by the Owner, which have assessed prior to the meeting or matter upon which the vote is to be cast.
    - 2. When such Owner is currently in violation of the CCR's and/or Bylaws.

- D. PROXY:** A member who is unable to attend a meeting, and/or who is desirous to have their vote cast by another, shall provide to the Board, prior to the meeting upon which said vote is to be cast, a written proxy, signed and dated by the Owner. If the Owner is an entity, then the Proxy shall be evidenced by a duly executed resolution, signed by the officer and/or manager of the entity, expressly authorizing the proxy to be exercised. Any restriction(s) on the use of the proxy for voting purposes shall be the responsibility of the person and/or entity granting the proxy. A proxy may be in place, and in effect for a period up to one (1) year from the date of its issuance, unless otherwise expressly withdrawn by the person and/or entity issuing the proxy.
- E. VOTES:** on any matters requiring a vote, whether related to a meeting or not, may be cast in person, by telephone, by email, or by proxy. If a vote is taken outside of a scheduled meeting and by telephone or email, the decision shall be ratified and documented within the minutes of the next scheduled meeting.
- F. NOTICE OF MEETING:** Written notice, of any meeting called for the purpose of taking any action authorized under this Article, including the voting upon any assessments as set forth herein, above, shall be sent to all members not less than thirty (30) days, not more than sixty (60) days in advance of the meeting.
- G. QUORUM VOTE QUALIFICATION:** At such meetings called and properly noticed, the presence of Members, in person, or by telephone, or by written proxy shall constitute a quorum.
1. Only those members and/or those proxies who are current in the assessments by the POA shall be entitled to vote at any such noticed meeting.
  2. No member and/or proxy currently in violation of the CCR's and/or Bylaws shall be entitled to vote at any such noticed meeting.
- H. VOTING PERCENTAGES REQUIRED:** For the passing and/or rejection of any motion before the POA, including but not limited to the approval of budget(s), capital improvements, amendments to Articles of Incorporation, Bylaws and/or CCR's, and other such matters presented to the Members for a Vote as required by the Articles, Bylaws, and/or CCR's following minimum percentages shall be required for the following Member and/or the Board of Directors actions:
1. Regular Member Meeting Actions I Resolutions: 51% of those present,
  2. Approval of POA Proposed Budget: 51% of those present;
  3. Amendments to Articles, Bylaws, and CCR's 75% of all Owners;
  4. Election of Board of Directors: 51% of those present;
  5. Board of Director Action: 66 2/3% of the Board;

## 2.3 ASSESSMENTS:

A. **CREATION OF LIEN AND PERSONAL OBLIGATIONS OF ASSESSMENTS:** Each owner of any lot, by acceptance of a deed therefore (whether or not it shall be so expressed in such deed), is deemed covenant and agree to pay to the POA:

1. Regular Assessments or other regular periodic assessments or charges; and
2. Special Assessments for capital improvements, such assessments to be fixed, established and collected from time to time, as hereinafter provided.

The regular and special assessments, together with interest, costs of collection and reasonable attorney's fees shall be a charge on the Lot and shall be a continuing lien upon the lot against which such assessment is made. Each such assessment, together with interest, costs of collection and reasonable attorney's fees shall also be the personal obligation of the Owner of such lot at the time when the assessment fell due. The obligation shall remain a lien on the Lot until paid a foreclosed, but shall not be a personal obligation of successors in title, unless expressly assumed.

B. **PURPOSE OF ASSESSMENTS:** The assessment levied by the POA shall be used for the purpose of promoting and enhancing the property values, occupancy, and improvements to the property, including, but not limited to amenities for occupants for recreation, health, safety, and welfare of the residents in the Properties, and for the operation, maintenance repair, and improvement of the Common Areas, and facilities located thereon, for the reasonable expenses incurred in the operation of the affairs of the POA, for the expenses incurred by the POA in connection with any of its obligations contained in this Declaration or in the CCR's of the property and for any other purpose reasonably authorized by the directors of the POA.

C. **RESERVE ACCOUNT:** A portion of the assessment shall be applied to a reserve account, which shall build a reserve to fund capital improvements and/or major maintenance expenses apportionable to each lot. Examples of improvements include, but are not limited to: roof replacements to building in the subdivision to replace roofs at periodic intervals, parking resurfacing and/or replacement, landscaping repairs, replacement and improvement. (This list is NOT all-inclusive for purposes of determining the apportionment and/or payment of funds from the reserve account).

D. **NOTICE AND QUORUM FOR ANY ACTION:** Written notice of any meeting called for the purpose of taking any action authorized under Section 2.3, above, shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At such meetings called, the presence of members and/or of written proxies of those members who are current in their POA assessments shall constitute a quorum.

1. Only those members and/or those proxies who are current in the assessments by the POA shall be entitled to vote at any such noticed meeting.
2. No member and/or proxy currently in violation of the CCR's and/or Bylaws shall be entitled to vote at any such noticed meeting.

**F. UNIFORM RATE OF ASSESSMENT:** Both annual and special assessments must be fixed at a uniform rate for non-exempt Lots.

**G. ASSESSMENTS:** Creation of Lien and Personal Obligation of Assessments: Each owner of any lot, by acceptance of a deed therefore (whether or not it shall be so expressed in such deed), is deemed to covenant and agree to pay to the POA:

1. Regular assessments or other regular periodic assessments or charges; and
2. Special Assessments for capital improvements, such assessments to be fixed, established and collected from time to time, as hereinafter provided.

The regular and special assessments, together with interest, costs of collection and reasonable attorney's fees shall be a charge on the Lot and shall be a continuing lien upon the lot against which such assessment is made. Each such assessment, together with interest, costs of collection and reasonable attorney's fees shall also be the personal obligation of the Owner of such lot at the time when the assessment fell due. The obligation shall remain a lien on the Lot until paid or foreclosed, but shall not be a personal obligation of successors in title, unless expressly assumed.

**H. DATE OF COMMENCEMENT OF REGULAR ASSESSMENTS: DUE DATES:** The regular assessments provide for herein shall commence as to a Lot sold on the first day of the month following the initial conveyance of the said Lot. The Board of Directors of the POA shall fix the amount of the regular assessment against each Lot at annual meetings of the POA. The due dates shall be established by the Board of Directors.

**I. EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF ASSOCIATION POA:** Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The POA may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for by non-use of the Common Area or abandonment of his Lot. Any Owner/Member who has not paid any due assessment(s) shall not be entitled to vote in person or by proxy on any decision requiring a vote by Members of the POA. Upon full payment of any assessment(s) due, then said Member may be able to cast a vote.

- J. SUBORDINATION OF THE LIEN TO MORTGAGES:** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or are proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.
- K. EXEMPT PROPERTY:** The following property, subject to this Declaration, shall be exempt from the assessments created herein:
1. All property expressly dedicated to and accepted by a Local public authority;
  2. The Common Area(s);
  3. All other Properties owned by the POA;

### **ARTICLE 3 MEMBER MEETINGS**

- 3.1 ANNUAL MEETING AND LOCATION:** The annual meeting of the Members of this POA for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held each year at the principal office of the POA, or at some other place either within or without the State of Idaho as designated by the Board of Directors, the date, time, and meeting location shall be determined by Board of Directors.
- 3.2 SPECIAL MEETINGS:** Special meetings of the Members for any purpose or purposes may be called at any time by the Board of Directors, the Chairman of the Board, the President, a majority of the Board of Directors, or any Members holding in the aggregate one-fifth (1/5th) of the voting power of all Members. The meetings shall be held at such time and place as the Board of Directors may prescribe, or, if not held upon the request of the Board of Directors, at such time and place as may be established by the President or by the Secretary in the President's absence. Only business within the purpose or purposes described in the meeting notice may be conducted

- 3.3 NOTICE OF MEETINGS:** Written notice of the place, date and time of the annual Members' meeting and written notice of the place, date, time and purpose or purposes of special Members' meetings shall be delivered not less than thirty (30) or more than sixty (60) days before the date of the meeting, either personally, by mail, or in any other manner approved by law, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each Member of record entitled to notice of such meeting. Notice may be mailed and/or electronically emailed. Mailed notices shall be deemed to be delivered when deposited in the mail, first-class postage prepaid, correctly addressed to the Member's address shown in the POA's current record of Members.
- 3.4 WAIVER OF NOTICE:** Except where expressly prohibited by law or the Articles of Incorporation, notice of the place, date, time and purpose or purposes of any Members' meeting may be waived in a signed writing delivered to the POA by any Member at any time, either before or after the meeting. Attendance at the meeting in person or by proxy waives objection to lack of notice or defective notice of the meeting unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. A Member waives objection to consideration of a particular matter at a meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.
- 3.5 MEMBER: OFFICER ACTION WITHOUT A MEETING:** The Members may take any action without a meeting that they could properly take at a meeting, if a written consent setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter and is delivered to the POA for inclusion in the minutes or filing with the corporate records. Members not entitled to vote, for any reason, including, but not limited to non-payment for any dues or assessments, and/or non-compliance with the CCR"s, Articles of Incorporation, and/or Bylaws shall receive notice of said action prior to any vote being taken. Actions taken under this section are effective when the duly signed consent is in the possession of the POA, unless otherwise specified in the consent. A Member may withdraw consent only by delivering a written notice of withdrawal to the POA prior to the time that the duly signed consent is, in the possession of the POA.
- 3.6 LIST OF MEMBERS:** At least ten (10) days before any Members' meeting, the Secretary of the POA or the agent having charge of the stock transfer books of the POA shall have compiled a complete list of the Members entitled to notice of a Members' meeting, with the address of each Member and the number, of shares owned by each. The Secretary shall have this list available for inspection at each meeting and adjournment thereof.
- 3.7 QUORUM AND VOTING:** The presence in person, by telephone, or by proxy of the holders of the votes entitled to be cast on a matter at a meeting shall constitute a quorum of Members for that matter. If a quorum exists, action on a matter shall be approved by the affirmative votes of a majority of the shares represented at the meeting and entitled to vote upon the subject matter, unless a greater number of affirmative votes are required by the Articles of Incorporation or by law.



- 3.8 ORDER OF BUSINESS:** At all meetings of Members, the following order of business shall be observed and followed so far as consistent with the purposes of the noticed meeting:

**Agenda:**

- 1) Call to Order / Welcome of Members
- 2) Administrative Matters:
  - a. Proof of Meeting Notice
  - b. Roll Call of attendees and/or proxies
  - c. Establish Quorum of Qualified Votes
- 3) New Business:
  - a. Treasurer's Report
  - b. Property Status
  - c. Miscellaneous items raised by members
- 4) Election of Officers of POA:
  - a. Call for Nominations / Reading of written nominations, if any
  - b. Vote on officers
- 5) Other Business
  - a. Resolutions to be presented
  - b. Vote taken on resolutions if any
- 6) Adjournment

- 3.9 ADJOURNED MEETINGS:** If a Members' meeting is adjourned to a different place, date or time, whether for failure to achieve a quorum or otherwise, notice need not be given of the new place, date or time if the new place, date or time is announced at the meeting before adjournment. When a determination of Members entitled to vote at any meeting of Members has been made as provided in these Bylaws, that determination shall apply to any adjournment thereof, unless Idaho law requires fixing a new record date. If Idaho law requires that a new record date be set for the adjourned meeting, notice of the adjourned meeting must be given to Members as of the new record date. Any business may be transacted at an adjourned meeting that could have been transacted at the meeting as originally called.

- 3.10 PROXIES:** A Member may appoint a proxy to vote or otherwise act for the Member by signing an appointment form, either personally or by an agent. No appointment shall be valid after twelve (12) months from the date of its execution. An appointment of a proxy is revocable unless the appointment is coupled with an interest. No revocation shall be effective until written notice hereof has actually been received by the Secretary of the POA or any other person authorized to tabulate votes.

**ARTICLE 4**  
**BOARD OF DIRECTORS**

- 4.1 **NUMBER AND QUALIFICATION:** The business affairs and property of the POA shall be managed under the direction of a Board of Directors, consisting of three (3) members, who shall serve for a term of one (1) year. The number of members of the Board shall be consistent with the CCR's. The Board of Directors may increase or decrease this number by resolution.
- 4.2 **ELECTION; TERM OF OFFICE:** The directors shall be elected by the Members at each annual Member's meeting or at a special meeting called for that purpose. Despite the expiration of a director's term, the director continues to serve until his or her successor is elected and qualified or until there is a decrease in the authorized number of directors.
- 4.3 **VACANCIES:** Except as otherwise provided by law, vacancies in the Board of Directors, whether caused by resignation, death, retirement, disqualification, removal, increase in the number of directors, or otherwise, may be filled by the Board of Directors, by the Members, or, if the directors in office constitute less than a quorum of the Board of Directors, by an affirmative vote of a majority of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor, except that the term of a director elected due to an increase in the number of directors expires at the next Members' meeting at which directors are elected. A vacancy that will occur at a specific later date may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.
- 4.4 **QUORUM AND VOTING:** At any meeting of the Board of Directors, the presence in person (including' presence by electronic means such as a telephone conference call) of a majority of the number of directors provided for in these bylaws (or absent such a provision, then the number stated in the articles of incorporation) shall constitute a quorum for the transaction of business. If a quorum is present at the time of a vote, the affirmative vote of a majority of the directors present at the time of the vote shall be the act of the Board of Directors and of the POA except as may be otherwise specifically provided by the Articles of Incorporation, by these Bylaws, or by law.

A director who is present at a meeting of the Board of Directors when action is taken is deemed to have assented to the action taken unless: (a) the director objects at the beginning of the meeting, or promptly upon his or her arrival, to holding it or to transacting business at the meeting ; (b) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) the director delivers written notice of his or her dissent or abstention to the secretary of the meeting before its adjournment or by registered mail to the POA within three (3) days after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

- 4.5 **REGULAR MEETINGS:** Regular meetings of the Board of Directors shall be held at such place, date and time as shall from time to time be fixed by resolution of the Board.
- 4.6 **SPECIAL MEETINGS:** Special meetings of the Board of Directors may be held at any place and at any time and may be called by the Chairman of the Board, the President, Vice President, Secretary or Treasurer, or any director.
- 4.7 **NOTICE OF MEETINGS:** Unless the Articles of Incorporation provide otherwise, any regular meeting of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Any special meeting of the Board of Directors must be preceded by at least two (2) days' notice of the date, time, and place of the meeting, but not of its purpose, unless the Articles of Incorporation or these Bylaws require otherwise. Notice may be given personally, by facsimile, by mail, email, voicemail, or in any other manner allowed by law. Oral notice shall be sufficient only if a written record of such notice is included in the POA's minute book.
- 4.8 **NOTICE SHALL BE DEEMED EFFECTIVE AT THE EARLIEST OF:** (a) receipt; (b) delivery to the proper mailing or email address, or telephone number of the director as shown in the POA's records; or (c) five (5) days after its deposit in the United States mail, as evidenced by the postmark, if correctly addressed and mailed with first-class postage prepaid.
- Notice of any meeting of the Board of Directors may be waived by any director at any time, by signed writing, delivered to the POA for inclusion in the minutes, either before or after the meeting Attendance or participation by a director at a meeting shall constitute a waiver of any required notice of the meeting unless the director promptly objects to holding the meeting or to the transaction of any business on the grounds that the meeting was not lawfully convened and the director does not thereafter vote for or assent to action taken at the meeting.
- 4.9 **DIRECTOR'S ACTION WITHOUT A MEETING:** The Board of Directors, or a committee thereof, may take any action without a meeting that it could properly take at a meeting if a written consent setting forth the action is signed by all of the directors, or all of the members of the committee, as the case may be, either before or after the action is taken, and if the consent is delivered to the POA for inclusion in the minutes or filing with the corporate records. Such action shall be effective upon the signing of consent by the last director to sign, unless the consent specifies a later effective date.
- 4.10 **COMMITTEES OF THE BOARD OF DIRECTORS:** The Board of Directors, by resolutions adopted by a majority of the members of the Board of Directors, may create from among its members one (1) or more committees and shall appoint the members thereof. Each such committee must have two (2) or more members, who shall be directors and who shall serve at the pleasure of the Board of Directors. Each committee of the Board of Directors may exercise the authority of the Board of Directors to the extent provided in its enabling resolution and any pertinent subsequent

resolutions adopted in like manner, provided that the authority of each such committee shall be subject to applicable law. Each committee of the Board of Directors shall keep regular minutes of its proceedings and shall report to the Board of Directors when requested to do so.

**4.11 TELEPHONE/EMAIL MEETINGS:** Members of the Board of Directors or of any committee appointed by the Board of Directors may participate in a meeting of the Board of Directors or committee by means of a conference telephone/email or similar communications equipment that enable all persons participating in the meeting to hear/read each other's discussion at the same time during the meeting. Participation by such means shall constitute presence in person at a meeting.

**4.12 DIRECTOR CONFLICTS OF INTEREST:** No contract or other transaction between the POA and one (1) or more of its directors or any other POA, firm, or entity in which one (1) or more of its directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purposes, if:

- A. the fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or
- B. the fact of such relationship or interest is disclosed or known to the stockholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent, in which vote or consent such interested directors may participate to the extent that they are also Members; or
- C. the contract or transaction is fair and reasonable to the POA and the fact of such relationship or interest is fully and fairly disclosed or known to the POA.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors, or a committee thereof, which authorizes, approves or ratifies such contract or transaction.

**ARTICLE 5  
OFFICERS**

- 5.1 OFFICERS ENUMERATED; ELECTION:** The officers of the POA shall consist of those members of the Board of Directors, and such members of the Board shall hold the office of a president, a vice-president, or a secretary/treasurer or a secretary and a treasurer – dependent on how many board members are elected. Upon election to serve on the Board of Directors, the Members of the POA shall also indicate on their ballot to which office the Member wishes to have the Board of Director Member Serve. The officers shall hold office at the pleasure of the Members of the POA for a term of not more than one (1) year, or in the event that more than one (1) year passes between the times in which the annual Member meeting is held, then the Board Member shall so serve until the meeting is held. Board of Director Members may be re-elected to the Board of Directors and as an Officer at the regular Member meeting. In the event the members/owners of the POA do not select officers, the Board of Directors may elect officers. (note: moved from amendment at bottom)
- 5.2 QUALIFICATIONS:** The officers of the POA shall be selected from the Board of Directors and be in compliance with the CCR's, Bylaws, and Rules of the POA.
- 5.3 DUTIES OF THE OFFICERS:** Unless otherwise prescribed by the Board of Directors, the duties of the officers shall be as follows:

**PRESIDENT:** The President shall exercise the usual executive powers pertaining to the office of President. The President shall preside at meetings of the Board of Directors and of the Members, perform the other duties of the President prescribed in this section, and perform such other duties as the Board of Director may from time to time designate.

**VICE PRESIDENT:** Each Vice President, if any shall be elected, shall perform such duties as the Board of Directors may from time to time designate. In addition, the Vice President, or if there is more than one, the most senior Vice President available, shall act as President in the absence or disability of the President.

**SECRETARY:** The Secretary shall be responsible for and shall keep, personally or with the assistance of others, records of the proceedings of the directors and Members and authenticate membership records of the POA; and perform such other duties as the Board of Directors may from time to time designate.

**TREASURER:** The Treasurer shall have the care and custody of and be responsible for the review of, all funds and securities of the POA and the review of all financial statements produced by the POA Management Company. Treasurer shall perform all of the duties incident to the office of Treasurer, and such other duties as from time to time may be assigned by the Board of Director

- 5.4 **VACANCIES:** Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting.
- 5.5 **REMOVAL / INTERIM REPLACEMENT OF OFFICER:** Any officer or agent may be removed by action of the Board of Directors with or without cause. A successor officer shall be appointed by the Board of Directors within twenty (20) days to so serve until such time as the regular meeting of the Members is held. The Board shall take no action until such successor is appointed. The appointed officer shall be a member. Election or appointment of an officer or agent does not create any contract rights.
- 5.6 **COMPENSATION:** All officers of the POA shall serve without compensation.

## **ARTICLE 6 COMMITTEES**

- 6.1 **COMMITTEES:** The Board of Directors shall appoint an Architectural Control Committee as provided in the CCR's, and any other such committees as allowed by the CCR's, the Articles of Incorporation, and/or these Bylaws.

## **ARTICLE 7 BOOKS, RECORDS AND REPORTS**

- 7.1 **RECORDS OF CORPORATE MEETINGS, ACCOUNTING RECORDS AND MEMBERSHIP REPORTS:** As part of its permanent records, the POA shall keep minutes of all meetings of the Board of Directors and Members, as well as all actions taken without a meeting and all actions taken by a committee exercising the authority of the Board of Directors. The POA or its agent shall maintain a list of the names and addresses of its Members in alphabetical order.

The POA shall also maintain appropriate accounting records, and at its principal place of business shall keep copies of:

- (a) its Articles of Incorporation or restated Articles of Incorporation and all amendments in effect;

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- (b) its Bylaws or restated Bylaws and all amendments in effect;
- (c) minutes of all Members' meetings and records of all actions taken without meetings for the past three (3) years;
- (d) the year-end balance sheets and income statements for the past three (3) fiscal years, prepared as required by Idaho law;
- (e) all written communications to Members generally in the past three (3) years;
- (f) a list of the names and business addresses of its current officers and directors; and
- (g) its most recent annual report to the Secretary of State.

**7.2 COPIES OF CORPORATE RECORDS:** Any person dealing with the POA may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors, or Members, when certified by the President, Vice President, Secretary / Treasurer.

**7.3 EXAMINATION OF RECORDS:** A Member shall have the right to inspect and copy, during regular business hours at the principal office of the POA, in person or by his or her attorney or agent, the corporate records if the Member gives the POA written notice of the demand at least five (5) business days before the date on which the Member wishes to make such inspection.

The POA shall be entitled to impose reasonable charges for copy fees, administrative costs incurred by any management company, and bank or similar fees required in order to comply with any request for inspection and copying. In addition, if a Member's demand is made in good faith and for a proper purpose, a Member may inspect and copy, during regular business hours at a reasonable location specified by the action of a committee of the Board of Directors, records of actions taken by the Board of Directors without a meeting, minutes of Members' meetings held or records of action taken by Members without a meeting not within the past three (3) years, accounting records of the POA, or the record of Members; provided that the Member shall have made a demand describing with reasonable particularity the Member's purpose and the records the Member desires to inspect, and provided further that the records are directly connected to the Member's purpose.

This section shall not affect any right of Members to inspect records of the POA that may be otherwise granted to the Members by law.

**7.4 FINANCIAL STATEMENTS:** Not later than four (4) months after the end of each fiscal year, or in any event prior to its annual meeting of Members, the POA shall prepare a balance sheet and income statement in accordance with Idaho law. The POA shall furnish copy of each to any Member upon written request.

**ARTICLE 8  
FISCAL YEAR**

- 8.1 The POA shall conduct its business on a „calendar year“ .

**ARTICLE 9  
CORPORATE SEAL**

- 9.1 The corporate seal of the POA, if any, shall be in the form as determined by the Board of Directors.

**ARTICLE 10  
MISCELLANEOUS PROCEDURAL PROVISIONS**

- 10.1 The Board of Directors may adopt rules of procedure to govern any meetings of Members or directors to the extent not inconsistent with law, the POA's Articles of Incorporation, or these Bylaws, as they are in effect from time to time. In the absence of any rules of procedure adopted by the Board of Directors, the chairman of the meeting shall make all decisions regarding the procedures for any meeting.

**ARTICLE 11  
AMENDMENT OF BYLAWS**

- 11.1 The Board of Directors is expressly authorized to make, alter and repeal the Bylaws of the POA.

**ARTICLE 12  
INDEMNIFICATION OF DIRECTORS AND OTHERS**

- 12.1 **GRANT OF INDEMNIFICATION:** Subject to Section 12.2, each person who was, or is made a party or is threatened to be made a party to, or is involved (including, without limitation as a witness) in any threatened, pending, or completed action, suit or proceeding, whether formal or informal, civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director of the POA or who, while a director of the POA, is or was serving at the request of the POA as a director, officer, employee, agent of this or another Association or of a partnership, joint venture, trust, other enterprise, or employee benefit plan, whether the basis of such proceeding is alleged action in an official capacity as a director or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the POA to the fullest extent permitted by applicable law, as then in effect, against all expense, liability and loss (including attorneys' fees, costs, judgments, fines, ERISA excise taxes or penalties and amounts to



be paid in settlement) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director and shall inure to the benefit of his or her heirs, executors and administrators.

**12.2 LIMITATIONS ON INDEMNIFICATION:** Notwithstanding Section 12.1, no indemnification shall be provided hereunder to any such person to the extent that such indemnification would be prohibited by the Idaho Non-Profit Corporation Act or other applicable law as then in affect. Except as provided in Section 12.4 with respect to proceedings seeking to enforce rights to indemnification, the POA shall not indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person, excel where such proceeding (or part thereof) was authorized by the Board of Directors of the POA.

**12.3 ADVANCEMENT OF EXPENSES:** The right to indemnification conferred in this section shall include the right to be paid by the POA the expenses incurred in defending any such proceeding in advance of its final disposition, except where the Board of Directors shall have adopted a resolution expressly disapproving such advancement of expenses.

**12.4 RIGHT TO ENFORCE INDEMNIFICATION:** If a claim under Section 12.1 is not paid in full by the POA within forty (40) days after a written claim has been received by the POA, or if a claim for expenses incurred in defending a proceeding in advance of its final disposition authorized under Section 12.3 is not paid within twenty (20) days after a written claim has been received by the POA, the claimant may at any time thereafter bring suit against the POA to recover the unpaid amount of the claim. To the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim.

The claimant shall be presumed to be entitled to indemnification hereunder upon submission of written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the POA), and thereafter the POA shall have the burden of proof to overcome the presumption that the claimant is so entitled.

It shall be a defense to any such action (other than an action with respect to expenses authorized under Section 12.3) that the claimant has not met the standards of conduct which make it permissible hereunder or under the applicable Idaho Statutes for the POA to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the POA.

The failure of the POA (including its Board of Directors, independent legal counsel, or its Members) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth herein or in the Idaho Business Association Act shall not be a defense to the action or create a presumption that the claimant is not so entitled. Further, except as provided in Section 12.3, an actual determination by the POA

(including its Board of Directors, independent legal counsel, a its Members) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses also shall not be a defense to the action or create a presumption that claimant is not so entitled.

**12.5 NON-EXCLUSIVITY:** The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this section shall be valid to the extent consistent with Idaho law.

**12.6 INDEMNIFICATION OF OFFICERS, EMPLOYEES AND AGENTS:** The POA may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to officers, employees and agents of the POA on the same terms and with the same scope and effect as the provision of this section with respect to the indemnification and advancement of expenses of directors and officers of the POA or pursuant to rights granted pursuant to, or provided by, the Idaho Business Association Act or on such other terms as the Board may deem proper.

**12.7 INSURANCE AND OTHER SECURITY:** The POA may maintain insurance, at its expense, to protect itself and any individual who is or was a director, officer, employee or agent of the POA or another Association, partnership, joint venture, trust or other enterprise against any liability asserted against or incurred by the individual in that capacity or arising from his or her status as an officer, director, agent, or employee, whether or not the POA would have the power to indemnify such person against the same liability under the Idaho Business Association Act.

The POA may enter into contracts with any director or officer of the POA in furtherance of the provisions of this section and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this section.

**12.8 AMENDMENT OR MODIFICATION:** this section may be altered or amended at any time as provided in these Bylaws, but no such amendment shall have the effect of diminishing the rights of any person who is or was an officer or director as to any acts or omissions taken or omitted to be taken prior to the effective date of such amendment.

**12.9 EFFECT OF SECTION:** The rights conferred by this section shall be deemed to be contract rights between the POA and each person who is or was a director or officer. The POA expressly intends each such person to rely on the rights conferred hereby in performing his or her respective duties on behalf of the POA.

**ARTICLE 13**  
**REPRESENTATION OF INTERESTS OF OTHER ASSOCIATIONS**

- 13.1** Unless otherwise restricted by the Board of Directors, the Officers of the POA are each authorized to vote, represent and exercise on behalf of the POA all rights incident to and all member interests or shares of other Associations standing in the name of the Association. This authority may be exercised by such officers either in person or by a duly executed proxy or power of attorney.

The above Bylaws adopted and amended by general membership vote on the 6<sup>th</sup> of May 2006 and amended on the 5<sup>th</sup> day of November 2012.

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Jon Kalsbeek, President

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Jay Arla, Vice-President

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Christopher Schwab, Secretary

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David Meisner, Treasurer