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BYLAWS OF

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BYLAWS

OF

EAGLE POINTE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I.

OFFICES

The principal location and office of the corporation shall be in Ada County, State of Idaho. The Board of Directors may, in its discretion, establish and maintain such other office whenever and wherever the business of the corporation may require.

ARTICLE II.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

The Declaration of Covenants, Conditions and Restrictions of Melvin's Eagle Pointe Subdivision (the "Declaration") which Declaration is filed of record as Instrument No. 9114059, recorded on March 21, 1991, Records of Ada County, State of Idaho and all supplements and amendments thereto are hereby incorporated and made a part of these Bylaws by reference. All references to "the Subdivision" herein shall mean Melvin's Eagle Pointe Subdivision as described in the Declaration and amendments or supplements thereto.

ARTICLE III.

MEMBERSHIP AND VOTING

1. MEMBERSHIP. The corporation shall not issue any capital stock, but may issue membership certificates to each Member hereof, including Grantor, under the terms and conditions hereinafter set forth. Each Owner (including Grantor) of a Lot, by virtue of being such an Owner and for so long as he is such an Owner shall be deemed a Member of the Melvin's Eagle Pointe Homeowners' Association, Inc. (the "Association"). The Association membership of each Owner (including Grantor) shall be appurtenant to said Lot and shall not be transferred, pledged or alienated in any way except upon the transfer of title to said Lot, and then only to the transferee of title to said Lot. Any transfer of title to said Lot shall operate automatically to transfer said membership of the new Owner thereof.

In the event of dispute as to membership, the ownership of such Lot as shown in the public records of the County of Ada, State of Idaho, shall be determinative.

The name, names or entity under which membership appears on the books and records of the corporation shall be maintained until such time as satisfactory evidence of a change in membership is presented to the Secretary.

Members of the Association may vote either in person or by proxy provided that all proxies shall be in writing, signed by the Members and filed with the Secretary twenty-four (24) hours before the time appointed and scheduled for the meeting at which such vote shall be taken.

## 2. VOTING.

A. Number of Votes. The Association shall have two classes of voting membership:

Class A. Class A members shall originally be all Owners with the exception of the Grantor, and shall be entitled to one vote for each Lot owned. Grantor shall become a Class A member with regard to Lots owned by Grantor upon the conversion of Grantor's Class B membership to Class A membership as provided herein below. The Owner(s) of each Lot in the Subdivision may, by notice to the Association, designate one person (who need not be an Owner) to exercise the vote for such Lot. Said designation shall be revocable at any time by notice to the Association by the Owner. Such powers of designation and revocation may be exercised by the guardian of an Owner's estate or by his conservator, or in the case of a minor having no guardian, by the parent entitled to his custody, or during the administration of an Owner's estate by his executor or administrator where the Owner's interest in said property is subject to administration in his estate.

Class B. The Class B member shall be Grantor who shall be entitled to three (3) votes for each Lot owned by Grantor. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier: (1) When Grantor no longer owns any Lots within the Property subject to the Declaration; or (2) January 1, 2000.

B. Joint Owner Disputes. The vote for each such Lot shall, if at all, be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Lot.

C. Meetings of Owners. There shall be a meeting of the Owners on ~~March 1~~<sup>\*\*</sup> of each year at the Subdivision or at such other reasonable place or time (not more than thirty (30) days before or after such date) as may be designated by notice of the Board given to the Owners not less than ten (10) nor more than fifty (50) days prior to the date fixed for said meeting. A special meeting of the Owners may be called at any reasonable time and place by notice of the Board or by the Owners having one-tenth (1/10) of the total votes and delivered to all other Owners not less than ten (10) days

\*\*There shall be an annual meeting of the Owners the first or second week of November of each year. (per vote of membership at special meeting 11/15/95).

\* The presence at the annual meeting, in person or by proxy, of 15% of the Owners entitled to vote shall constitute a quorum. Any action may be taken at that meeting upon the affirmative vote of the owners having a 2/3 majority of the total votes present at such meeting in person or by proxy. (per vote 11/15/95)

nor more than fifty (50) days prior to the date fixed for said meeting. Except as provided in the Declaration, the presence at any meeting, in person or by proxy, of the Owners entitled to vote at least a majority of the total votes shall constitute a quorum. If any meeting cannot be held because of a quorum is not present, the Owners present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than ten (10) days nor more than fifty (50) days from the time the original meeting was called, at which meeting the quorum requirement shall be the Owners entitled to vote at least twenty-five percent (25%) of the total votes. The president of the Association (or the vice president in his absence) shall act as chairman of all meetings of the Owners and the secretary of the Association (or an assistant secretary thereof in his absence) shall act as secretary of all such meetings. Except as otherwise provided herein, any action may be taken at any meeting of the Owners upon the affirmative vote of the Owners having a majority of the total votes present at such meeting in person or by proxy. At each annual meeting, the Board shall present a written statement of the Maintenance Fund, itemizing receipts and disbursements for the preceding calendar year and the allocation thereof to each Owner. The assessment statement shall be delivered to the Owners not present at said meeting.

D. Transfer of Voting Right. The right to vote may not be severed or separated from the ownership of the Lot to which it is appurtenant, except that any Owner may give a revocable proxy, or may assign his right to vote to a lessee or Beneficiary of the Lot concerned, for the term of the lease or Deed of Trust, and any sale, transfer or conveyance of such Lot to a new Owner or Owners shall operate automatically to transfer the appurtenant vote to the new Owner, subject to any assignment of the right to vote to a lessee or Beneficiary as provided herein.

E. Removal of Directors. Any Director may be removed from office by a vote of a majority of the votes entitled to be cast at an election of directors. If any, or all directors are so removed, new directors may be elected at the same meeting.

F. Conduct of the Meeting. At all meetings of the Members the following order of business shall be observed insofar as it is consistent with purposes and objectives of the meeting:

- a. Calling the roll to determine the membership certificates represented at the meeting;
- b. Reading of notice and proof of call of meeting;
- c. Reports of Officers;
- d. Reports of committee;
- e. Unfinished business;
- f. New business;
- g. Election of directors;
- h. Miscellaneous business.

Meetings of the Memembers shall be conducted by the officers

in order of their priority.

ARTICLE IV.

BOARD OF DIRECTORS

1. General Powers. The property, business and affairs of the corporation shall be controlled and managed by the Board of Directors which shall have all powers and duties necessary to the administration of the affairs of the Association, as allowed by law, under the Declaration, and these Bylaws.

2. Number. The Board shall consist of three (3) Members. The Board shall have the power to increase its number at any meeting, provided that proper notice is given to Members, and provided further that the Board may not increase its number to more than nine (9) Members and if the number of the Board is increased the Members of the Association shall have the right to vote for such new Board Members.

3. Qualification; Election; Term. Directors need not be members of the Association except that a majority of the directors must be members (or representatives of members) and shall be elected by the members at their annual meeting. Directors shall serve for a term of three years and shall continue in office until their successors are fully elected and qualified except that for the year beginning January 1, 1992, one director shall be elected for a one year term, one director shall be elected for a two year term and one director shall be elected for a three year term. Excluding the time period which any existing director has served as of January 1, 1992, no director shall serve more than two consecutive three year terms or more than six consecutive years. A director who has served the maximum consecutive term as provided herein may be re-elected to the Board after remaining off the Board for a three year period of time.

4. Removal; Resignation. Any director may be removed with or without cause by a majority vote of the Members of the Association in accordance with the voting power of their membership in the Association at a meeting called for that purpose. Any director may resign by submitting a written notice to the Board stating the effective date of his resignation, and acceptance of the resignation shall not be necessary to make it effective.

5. Vacancies. Any vacancy occurring on the Board whether by removal, resignation, death, increase in the number of directors or otherwise, shall be filled by the majority vote of the remaining qualified directors though less than a quorum. A director selected to fill a vacancy on the Board shall hold office until the next annual election of directors, at which time a director shall be elected to complete the unexpired term, if any, for the vacated position, and shall continue in such office only until his successor is duly elected and qualified.

6. Meeting. There shall be a regular annual meeting of the Board immediately following the annual meeting of the Members of the Association, and the Board may establish regular meetings to be held at such other places and times as may be determined from time to time. After the establishment of the time and place for such regular meetings, no further notice thereof need be given. Special meetings of the Board may be called by the president or upon written request delivered to the secretary by any two directors.

7. Notice; Waiver. Five (5) days notice of special meetings shall be given to each director by the secretary. Such notice shall be mailed to each director at his last known address.

Written waiver of notice signed by a director or his attendance at a meeting of the Board shall constitute a waiver of notice of any such meeting, except where attendance is for the express purpose of objecting to either the failure to receive such notice or defects contained therein.

8. Quorum; Vote Required; Adjournment. At any meeting of the Board, a majority of the Directors shall constitute a quorum. If a quorum is present, the action of a majority of the directors present and voting shall be the act of the Board except as otherwise specifically required by the Articles of Incorporation or these Bylaws. If a quorum is not present, the majority of the Directors present may adjourn the meeting from time to time without further notice other than announcement of the meeting.

9. Action of Directors Without a Meeting. Any action which is required to be taken or any other action which may be taken at a meeting of the Board may be taken without such a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter thereof.

10. Committees. The Board of Directors, by resolution, may from time to time designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purpose of the committee, and shall provide for reports, termination, and other administration matters as deemed appropriate by the Board.

11. Rules. The Board may adopt such Rules as it deems proper for the use and occupancy of the Association Property. A copy of the Rules, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and may but need not be recorded. Upon such mailing, delivery or recordation, the Rules shall have the same force and effect as if they were set forth in and were a part of the Declaration of Covenants, Conditions and Restrictions.

12. Personal Liability. No member of the Board, any committee of the Association (including the Architectural Committee), any officer of the Association, the Grantor or the manager, if any, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of the Association, the Board, the manager, if any, or any other representative or employee of the Association, the Grantor, or the Architectural Committee, any other committee or officer of the Association, or the Grantor, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith without willful or intentional misconduct.

13. Delegation of Duties. The Board may delegate any of its duties, powers or functions to any person, corporation or firm to act as a manager of the Association, provided that any such delegation shall be revocable upon notice by it.

14. Compensation. No director shall receive compensation for any service he may rendered to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

## ARTICLE V.

### OFFICERS

1. General. The executive officers of the corporation shall be the president, one or more vice presidents, a secretary and a treasurer, all of whom shall be elected by and serve at the pleasure of the Board.

The Board may appoint such other officers, agents, factors and employees as it may deem necessary or desirable, all of whom shall serve at the pleasure of the Board. Any person may hold two or more positions simultaneously.

2. President. The President shall be the chief executive officer of the corporation. Subject to the direction of the Board he shall have the general powers and duties of the supervision, management and coordination of the affairs of the corporation usually vested in and attributed to the office of the President. He shall preside at all meetings of the Members of the Association.

3. Vice President. A Vice President shall perform the duties and exercise the power of the President in case of his sickness, disability, absence, death, inability or failure to act, and he shall perform such other duties, carry out such other responsibilities, and have such other authority as may be delegated to him from time to time by the President or the Board.

4. Secretary. The Secretary shall attend all sessions of the Board and all meetings of the Members and act as the clerk



hereof and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He shall be the custodian of the records and of the seal of the corporation and shall affix the corporation seal to all documents requiring the same and shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law. He shall see that all books, records, reports and other documents of the corporation are properly kept and filed in accordance with the provisions of these Bylaws as is required by law, and in general he shall perform all duties incident to the office of Secretary and as required by law and he shall perform such other duties, carry out such other responsibilities, and have such other authority as may be delegated to him from time to time by the President or the Board. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his sickness, disability, absence, death, inability or failure to act.

5. Treasurer. The Treasurer shall have charge and custody of and be responsible for all moneys and securities of the corporation. He shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such banks and depositories as shall be designated by the Board. He shall keep books of account and records of all his transactions as Treasurer and of the financial condition of the corporation and shall submit such reports thereof as the Board may from time to time require; and in general shall perform all of the duties incident to the office of the Treasurer as required by law, and he shall perform such other duties, carry out such other responsibilities, and have such other authority as may be delegated to him from time to time by the President or the Board. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, sickness, disability, absence, inability or failure to act.

6. Compensation. Officers, agents, factors and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of any officer, agent, factor or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent, factor or employee, provided that no officer or director of Grantor or any affiliate of Grantor may receive any compensation.

#### ARTICLE VI.

#### CONTRACTS, SPECIAL ASSESSMENTS, CONVEYANCES, CHECKS AND MISCELLANEOUS

1. Contracts. The Board may authorize any officer or agent of the corporation to enter into any contract or execute any instrument in the name of the corporation except as otherwise specifically required by the Articles of Incorporation and by these Bylaws; provided that the Board may not enter into any contract with the Grantor which binds the Association for a period in excess

f one year, unless reasonable cancellation provisions are included in such contract.

2. Conveyance and Encumbrances. Corporate property may be conveyed or encumbered except as restricted by this paragraph by authority of the Board or such other person or persons to whom such authority may be delegated by resolution of the Board or of the executive committee thereof. Conveyances or encumbrances shall be by instrument executed by the President or Vice President and by the Secretary or the Treasurer or executed by such other person or persons to whom such authority may be delegated by the Board or the executive committee thereof. The Association may not convey, transfer or encumber corporate property except in the following cases:

a. The value of the real property or encumbrance is \$25,000.00 or less, and the acreage is five (5) acres or less, or

b. The value of the amenity is \$10,000.00 or less, or

c. The Association Property is exchanged for like real property in size and value within or contiguous to the Subdivision.

d. The Association Property (including but not limited to the water system) is being dedicated or transferred to a public body, agency, authority or utility to be used for the same or similar purposes, including the granting of easements, conveyance or dedication of public streets and rights-of-way.

In all other cases, the consent of fifty-one percent (51%) of the voting power of each class of Members voting in person or by proxy at a regular or special meeting called for that purpose shall first be obtained. Provided however, the consent of two-thirds (2/3's) of the voting power of each class of Members voting must be obtained to approve the mortgage, pledge, deed in trust or hypothecation of any or all of the Association's real or personal property as security for money borrowed or debts incurred.

3. Special Assessments. In addition to the regular assessments levied by the Board, it may with the vote of two-thirds (2/3) of each class of members who are present and voting, levy a special assessment or assessments for the purpose of making Capital Improvements to the Association Property. Until expended, such funds shall constitute a capital reserve to be used solely for the purposes set forth in the Notice of the Special Meeting of the Members called for the purpose of voting on the proposed assessment or assessments.

4. Checks. The Board shall designate which person or persons may sign checks, drafts and notes and order for the payment of money. If the Board fails to make such designation, either the President, the Vice President or the Treasurer, shall have such power.

5. Seal. The Board of Directors may adopt a corporate

deal of such design as may be appropriate.

6. Records. The corporation shall maintain accurate, correct and complete books, records and accounts of its business and properties which shall all be kept at such place as is from time to time fixed and designated by the Board of Directors.

#### ARTICLE VII.

##### AMENDMENTS TO BYLAWS

The Bylaws may be altered, amended or new Bylaws adopted at any regular meeting or any special meeting of the Members thereof called for that purpose by the affirmative vote of two-thirds (2/3's) of the voting power of the Members present at such meetings, plus the written consent of the Class B Member until termination of the Class B Membership. Provided, however, the Federal Housing Administration or the Veterans Administration shall have the right to veto any amendments to the Bylaws so long as the Class B membership is in existence.

#### ARTICLE VIII.

##### NOTICE TO MORTGAGEES

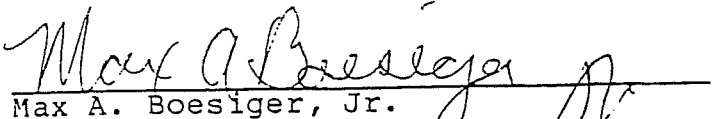
The Board of Directors of the Association shall at the request of the Mortgagee of a Lot, provide said Mortgagee with all notices and other information as is reasonably requested including without limitation a notice of unpaid Assessments due from the Owner of such Lot, and a notice of all meetings of the Members of the Association.

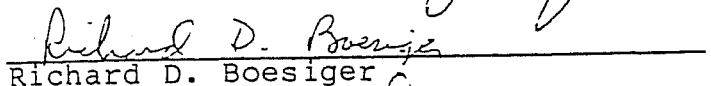
#### ARTICLE IX.

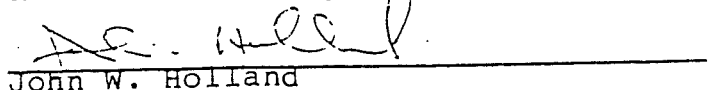
##### CONFLICTING PROVISIONS

In case any of these Bylaws conflict with any provisions of the laws of the State of Idaho, such conflicting Bylaws shall be null and void upon the final court determination to such effect, but all other Bylaws shall remain in full force and effect. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

APPROVED AND ADOPTED this 21 day of March, 1991, by the undersigned Members of the initial Board of Directors of the corporation.

  
Max A. Boesiger, Jr.

  
Richard D. Boesiger

  
John W. Holland

Together being all the Members of the initial Board of Directors.