

BYLAWS OF  
CROFTON COVES HOMEOWNERS ASSOCIATION, INC.

Crofton Coves Homeowners Association, Inc., a North Dakota not for profit corporation, has been created pursuant to Section 32 of the Declaration of Restrictive Covenants of Crofton Coves First and Second Addition to the City of Fargo, Cass County, North Dakota.

These Bylaws are adopted to provide for the administration of the Association for the purpose of holding title to or maintaining Crofton Coves First and Second Addition, hereinafter "Crofton Coves," which is to be owned or controlled and to be improved and operated for the benefit of residents of Crofton Coves and to provide for the peaceful enjoyment of private residential property in Crofton Coves. Accordingly, this organization will have the responsibility to ensure the continued development and maintenance of such facilities as the residents of Crofton Coves will determine, within the limits of the land and resources available; and to promote the general health, welfare, and wellbeing of the residents of Crofton Coves.

**I. OFFICES.** The principal office of the Association will be located in Crofton Coves, Cass County, and the Association may have such other officers, either within or without the State of North Dakota, as the Board of Directors may designate or as the business of the Association may require from time to time.

**II. MEMBERS.** Section 1. Classes of Members. The Association will have one class of Members who will attain the status by acquiring the ownership of a residential lot in Crofton Coves First and Second Addition. **Lot 4, Block 5, Crofton Coves 1 Addition has been conveyed to the Fargo Park District and is not covered by the Rules of Crofton Coves Homeowners Association.** There will be as many Members as there are owners of lots; provided, however, there will be only one (1) vote per lot. If any lot is owned by more than one (1) person, the owners of such lot shall designate in writing the name of one of them to cast the vote for that lot and the name of an alternative who may vote in the absence of the designated Voting Member. Such designation must be signed by all owners of the lot and delivered to the Secretary prior to a vote on a matter at any meeting. Such designation shall remain in effect until transfer of the lot or change of designation in writing, signed by all owners and delivered to the Secretary.

**Section 2. Annual Meeting.** The Members shall meet annually and no later than May 1st of each year at such time and place designated by the Executive Committee. At such meeting, the Directors shall be elected to replace those whose terms expire in the calendar year of such Annual Meeting.

**Section 3. Special Meetings.** Special Meetings may be called at any time and for any purpose or purposes by any Officer or Director upon at least three (3) days' notice to the Members of the time, place, and purpose of such Special Meeting.

**Section 4. Quorum.** The presence at any meeting of at least thirteen (13) Members qualified to vote on matters coming before the meeting shall constitute a quorum to conduct any and all business which shall properly come before the Members. The acts of the majority of the Voting Members present at a meeting at which a quorum is present shall be the acts of the Association unless otherwise stated herein.

**Section 5. Notice.** Notice of each Annual Meeting of the Members shall be delivered or mailed to the owner of each lot at least fifteen (15) days before each meeting.

**Section 6. Proxies.** Any Voting Member may designate in writing someone to vote at Membership Meetings as his proxy. Such proxy shall be delivered to the Secretary prior to the vote to be taken on any matter at any meeting. All proxies shall terminate not more than eleven (11) months after the date thereof, or upon sale of the property by the owner giving the proxy, whichever occurs first.

### **III. BOARD OF DIRECTORS**

**Section 1. Number of Qualification.** The business of the Association shall be managed by a Board of Directors. The number of Directors which shall constitute the whole Board shall be no more than seven (7) of whom must be owners of lots in Crofton Coves First and Second Addition.

**Section 2. Term.** Directors shall be elected at the Regular Meeting of the Members of the Association and each Director shall be elected to hold office for two (2) years and shall serve until a successor is elected and qualified. The term of the Directors elected at the Annual Meeting of the Members shall commence the first day of the month following their election. In the event of the death of an elected Director between the date of the election and the commencement of his term, it shall be considered that he was not elected and the Members shall elect his replacement at a Special Meeting called for that purpose.

**Section 3. Vacancies.** In the event that any Member of the Board of Directors shall resign, die, become disqualified, refuse to act, or be removed as a Director during the term of office, except as provided in Section 12(c) hereof, his successor shall be appointed by the remaining Members of the Board, and each person so appointed shall be a Director for the remaining portion of the unexpired term of the Director whose place he takes.

**Section 4. Place of Meetings.** Meetings of the Board of Directors shall be held at such place within or without Cass County, North Dakota, as the President of the Association may from time to time determine, or such other place within or without the State of North Dakota as the Board of Directors determines.

**Section 5. Annual Meetings.** The Annual Meeting of the Board of Directors for the election of offices and the transaction of any other business shall be held immediately following the Annual Meeting of Members.

#### **Section 6. Regular Meetings.**

- (a) The Board of Directors shall hold Regular Meetings throughout the year as established by the Board.
- (b) Special Meetings of the Board of Directors may be called for any purpose or purposes, at any time, by the President, or any two (2) Members of the Board of Directors.

**Section 7. Notice of Meetings.** Five (5) days' notice shall be given to each Director of the time and place of each Meeting of the Board, except the Annual Meeting, but any Director may, in writing, either before or after the meeting, waive notice thereof; and, without notice, by Director by his attendance at any participation in the action take at any meetings, shall be deemed to have waived notice.

**Section 8. Quorum.** The presence of at least three (3) Members of the Board of Directors at any Regular or Special Meeting shall constitute a quorum to conduct any and all business which shall properly come

before the Board at such meeting, The acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

**Section 9. Action in Writing.** Any action which might be taken at a Meeting of the Board of Directors may be taken without a meeting if done in writing and signed by all of the Directors.

**Section 10. Compensation of Directors.** Directors shall serve without pay for their services rendered in the capacity; provided, however, that they shall be entitled to reimbursement for expenses incurred on behalf of the Association.

**Section 11. Duties of the Directors.** The Directors shall have general charge, management, and control of the affairs, funds, and property of the Association and may do everything necessary and convenient in their discretion to accomplish the purposes of this Association. The Directors may in their discretion manage the affairs of the Association through an Executive Committee consisting of the officers of the Board. The Executive Committee shall have authority to conduct all business of the Board of Directors. Minutes of the Executive Committee shall be distributed within five (5) days of the meeting to all Directors. Actions of the Executive Committee shall be final if no Board meeting is called within five (5) days of the date the minutes were distributed.

**Section 12. Removal.**

(a) Any Director may resign from the Board at any time by submitting his resignation in writing which shall become effective on the date designated in the writing.

(b) Any Director whose ownership of a lot in Crofton Coves is terminated shall there upon, if he does not do so in writing, be considered to have submitted his resignation and a successor shall be named.

(c) Any Director may be removed at any time, with or without cause, upon a majority vote of the Members at a special meeting called for the purpose of considering such action. In the event of removal under this provision, the Members shall, at the same meeting, elect a successor to fulfill the remaining term of the Director so removed.

**Section 13. Liability of the Board of Directors.** The Members of the Board of Directors shall not be liable to the Members for any mistake of judgment, negligent or otherwise, except for their own individual willful misconduct or bad faith. The Members shall indemnify and hold harmless each Member of the Board of Directors against all contractual liability to others arising out of contracts by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Bylaws. It is intended that the Members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Member arising out of the indemnity in favor of the Members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the Association bears to the interest of all the Members of the Association on a per lot basis. Every agreement made by the Board of Directors or by its Agents or Employees on behalf of the Association shall provide that the Members of the Board of Directors, their Agents or Employees as the case may be, are acting only as Agents for the Members and shall have no personal liability thereunder (except as Members), and that each Member's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Association bears to the interests of all Members in the Association.

#### **IV. OFFICERS**

**Section 1. Election-Term-Qualification.** The Offices of the Association shall be President, Vice President, Secretary/Treasurer, and such other Offices and Agents as the Board of Directors may, from time to time, designate. The Board of Directors shall elect all Officers, except for the Secretary/Treasurer, annually at a meeting held no later than May 1st of each year with the term to begin the first day of the month following the election. The Secretary/Treasurer shall be elected for a term of two (2) years. The Officers must be Members and Directors of the Association, and each Officer shall hold office until his successor is elected.

**Section 2. 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 Board of Directors and of the Members. He may sign, with the Secretary or other proper Officer of the Association thereunto 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; and, in general, 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.

**Section 3. Vice President.** In the absence of the President or in the 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. Any Vice President may sign, with the Secretary, any document which the President is authorized to execute on behalf of the Association and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

**Section 4. Secretary.** The Secretary shall: (a) keep the Minutes of the Board of Directors' Meetings in one or more 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 Association's records; (d) keep a register of the post office address of each Member of the Board of Directors; (e) sign with the President, or Vice President, any and all documents required to be executed by the Association; (f) keep a register of the person who may vote the vote appurtenant to each lot, and the alternate; (g) provide, upon written notification of a proposed sale, a copy of Restrictive Covenants and Bylaws of Crofton Coves Homeowners Association to all intended lot purchasers at or before closing; (h) generally perform all duties incidental to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

**Section 5. Treasurer.** The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts upon request for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article V of these Bylaws; and (c) in general perform all of the duties incidental 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.

## **V. CONTRACTS, LOANS, CHECKS, AND DEPOSITS**

**Section 1. 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, subject to the guidelines of Paragraph VI(2).

**Section 2. Loans.** No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by the resolution of the Board of Directors. Such authority may be general or confined to specific instances and shall be subject to the guidelines of Paragraph VI(2).

**Section 3. Checks, Drafts, Etc.** 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 such Officer or Officers, Agent or Agents of the Association in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 4. 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.

## **VI. ANNUAL BUDGET AND ASSESSMENTS**

**Section 1. Submission to Members.** At least fifteen (15) days prior to the Annual Meeting of Members, the Directors shall submit to the Members a proposed budget for the ensuing year which shall set forth the nature of anticipated expenditures and the expected revenues in as much detail as their present information will allow. The annual budget shall also include a proposed annual assessment for each lot, \$100 per year (subject to change). The budget and lot assessment shall be adopted by a majority vote of the Members at the Annual Meeting.

**Section 2. Extraordinary Expenditures.** No account or claim shall be paid by any officer unless the same has been approved by the Board of Directors. Approval by the Board of Directors shall be recorded in the record of its proceedings and this shall be sufficient to indicate approval without requiring a majority of the members of the Board of Directors to sign or initial the voucher or order for payment. The Board of Directors do not have the discretion to spend in excess of the total annual budget of anticipated expenditures submitted to its members under paragraph 1 of this Section without the prior approval of the majority of the Voting Members; provided, however, this limitation shall not be applied to any expenditure necessitated by an emergency causing interruption of services.

**Section 3. Assessment Due-Interest.** All assessments shall be payable by March 1<sup>st</sup>, with statements being sent up to 30 days prior. Any assessment not paid within thirty (30) days shall bear interest thereafter at the rate of TEN percent (10%) per annum.

**Section 4. Insurance.** The Board of Directors shall obtain such liability insurance as is available in such amounts as they shall determine are adequate, insuring the Association against liability for loss or injury incurred in the ownership, operation, and management of its facilities. They shall also purchase necessary insurance covering the loss of or damage to the Association's property, covering such losses

and in such amounts as they determine to be necessary. The cost of the premiums for such insurance shall be included in the annual budget.

## **VII. MANAGEMENT OF FACILITIES**

**Section 1. Rules and Regulations.** The Membership at any meeting of the Membership may establish reasonable rules and regulations to ensure and secure the enjoyment of the facilities under its control by the residents of Crofton Coves and the Board of Directors may employ such persons as are deemed necessary to ensure compliance with such rules and regulations as may be adopted. Such regulations shall be amended only upon a vote of a majority of the lot owners, notwithstanding that a majority of the owners may approve the same.

**Section 2. Development.** The Board of Directors shall undertake necessary measures to plan the development of the facilities under its control and project a timetable for such development, providing in its annual budget for necessary reserves and expenditures to affect the plan of development in accordance with the proposed timetable. The plan of development shall be reviewed and amended from time to time to reflect changes in needs and circumstances of the residents of Crofton Coves.

**Section 3. Control.** The Board of Directors shall have full control for the operation, use, and maintenance of the facilities of the Association, including any easement transferred to the Association, and may, when necessary to secure compliance with the rules and regulations and beneficial enjoyment by all residents, terminate the use of any part of the facilities by anyone or more residents or suspend such use to secure payment of assessments. Specifically, the Board of Directors shall have the authority to enforce the Restrictive Covenants of Crofton Coves.

## **VIII. LIEN AND CONSENT**

**Section 1. Lien.** Every owner of a lot in Crofton Coves by the acceptance of a deed of conveyance or other document conveying legal or equitable title to such owner, does thereby grant this Association a lien for the payment of assessments levied against said lot by the Board of Directors.

**Section 2. Conveyance.** No lot shall be conveyed to a subsequent owner unless and until all assessments are paid in full as of the date of closing the conveyance. Any purchaser of a lot assumes and agrees to pay all accrued and future assessments against said lot.

**Section 3. Notice.** Every owner of a lot who intends to sell shall give notice to the intended purchaser of the provisions hereof and of the amount of accrued assessments and shall give notice to the Secretary of the Association.

## **IX. FISCAL YEAR**

The Fiscal Year of the Association shall be from January 1 to December 31, unless otherwise established by the Board of Directors.

## **X. AMENDMENTS**

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by the Members at any Regular or Special Meeting of the Members, upon the affirmative vote of a two-thirds (2/3) majority of the Voting Members present. Notice of the proposed amendment must be given at least fifteen (15) days before the meeting at which the proposed amendment is to be voted on.

**XI. COMMITTEES**

The Board of Directors may appoint such Ad Hoc or Standing Committees as the Board deems necessary and advisable, appointing Members thereto and establishing, if necessary, the term of such Committee's existence, which may not exceed one (1) year.

We certify that the foregoing are the Bylaws of Crofton Coves Homeowners Association, adopted at a meeting held on the \_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Name: \_\_\_\_\_  
President of Crofton Coves HOA

\_\_\_\_\_  
Name: \_\_\_\_\_  
Vice President of Crofton Coves HOA

\_\_\_\_\_  
Name: \_\_\_\_\_  
Secretary/Treasurer of Crofton Coves HOA