

**FIRST AMENDED AND RESTATED
BYLAWS
OF
THE VILLAGE GREEN AT THE VALLEY CLUB
HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE 1.
NAME, PRINCIPAL OFFICE AND DEFINITIONS**

This First Amended and Restated Bylaws of The Village Green at the Valley Club Homeowners Association, Inc. amends, supersedes and replaces in its entirety the original Bylaws of The Village Green at the Valley Club Homeowners Association, Inc., and any amendments thereto.

1.1 Name. The name of the corporation is The Village Green at the Valley Club Homeowners Association, Inc. (the "Association"). The Articles of Incorporation for the Association were filed with the Idaho Secretary of State on or about March 22, 2006, and Articles of Amendment were adopted on August 29, 2012 and executed October 12, 2012 (the "Articles").

1.2 Principal Office. The principal office of the Association shall be located in Blaine County, Idaho. The Association may have such other offices, either within or outside the State of Idaho, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions. The words in these Bylaws shall be given their normal, commonly understood definitions. Except as otherwise defined herein, capitalized terms shall have the same meaning as set forth in that certain Third Amended and Restated Declaration of Covenants, Conditions, and Restrictions for The Village Green at The Valley Club, dated as of August 29, 2012 and recorded in the official records of Blaine County, Idaho, as it may be amended from time to time (the "Declaration"). The Declaration binds and benefits that certain real property commonly known as The Village Green at the Valley Club Subdivision, located in Blaine County, Idaho, as more particularly described therein (the "Property").

**ARTICLE 2.
MEMBERSHIP MEETING, QUORUM, VOTING, PROXIES**

2.1 Membership. Each owner, including the Declarant, of a Lot or Unit (each, an "Owner" and, collectively, the "Owners") within the Streamside Project or the Condominium Project, as each is defined in the Declaration, by virtue of being such an Owner, and for so long as such person or entity is an Owner, shall be deemed to be a member of the Association (each a "Member" and, collectively, the "Members"). The Association shall have three (3) classes of membership as set forth in the Declaration, the terms of which pertaining to membership are

incorporated by this reference. Members of each classification of membership shall be entitled to the number of votes set forth in the Declaration.

2.2 Place of Meetings. Meetings of the Members of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board.

2.3 Annual Meetings. Regular annual meetings shall be set by the Board so as to occur on a date and at a time within sixty (60) days prior to the new calendar year.

2.4 Special Meetings. The President of the Association may call special meetings of the Members of the Association. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by Members representing at least twenty percent (20%) of the total votes in the Association.

2.5 Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than thirty (30) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. If mailed, the notice of a meeting shall be deemed to be delivered when deposited and sent registered or certified mail, postage prepaid, return receipt requested, and addressed to the Member at its address as it appears on the records of the Association at the time such notice is sent. Upon receipt by the Association of a Member's consent to receive notice of meetings by electronic transmission such as email, such notice shall be deemed adequate and delivered when the email is sent to the address provided by such Member.

In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called and shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

2.6 Waiver of Notice. Waiver of notice of a meeting by the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member or the Member's proxy shall be deemed to be a waiver by such Member of notice of the time, date, and place thereof. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before a specific business item is put to a vote.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding a majority of the votes represented at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the

meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members represented at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

2.8 Voting. The voting rights of the Members shall be as set forth in the Declaration and in these Bylaws, and such voting rights provisions are specifically incorporated by this reference.

2.9 Proxies. At all meetings of the Members, each Member may vote in person (if a corporation, partnership, limited liability company or trust, through any office, director, partner, manager or member, or trustee duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of Idaho law. All proxies shall be in writing specifying the Lot(s) for which such proxy is given, signed by the Member or its duly authorized attorney-in-fact, dated and filed with the Secretary of the Association prior to any meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon the earlier of: (a) conveyance of any Lot for which it was given, (b) upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member who is a natural person, or (c) of written revocation, or (d) eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.

2.10 Majority. As used in these Bylaws, the term "majority" shall mean those votes, Owners, Members, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number of votes, Owners, Members, or other group.

2.11 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence, in person or by proxy, of Members representing twenty-five percent (25%) of the total voting power of the Lot Owners and twenty-five percent (25%) of the voting power of the Condominium Owners, shall constitute a quorum at any meeting of the Members of the Association.

2.12 Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meeting.

2.13 Action Without a Meeting. Any action that may be taken at any annual, regular, or special meeting of Members may also be taken without a meeting if such action is approved by the Members holding at least eighty percent (80%) of the voting power of the Lot Owners and at least eighty percent (80%) of the voting power of the Unit Owners. The action must be evidenced by one (1) or more written consents describing the action taken and signed by those

Members representing at least eighty percent (80%) of the of the voting power of the Lot Owners and the Unit Owners as provided above, and delivered to the Association for inclusion in the minutes or filing with the corporate records. Such consent shall have the same force and effect as a vote of the Members at a meeting.

ARTICLE 3.

BOARD OF DIRECTORS NUMBER, POWERS, MEETINGS

3.1 Governing Body Composition. The affairs of the Association shall be governed by a Board of Directors (the "Board"), each of whom shall have one vote (each, a "Director" and collectively, the "Directors"). Directors need not be Members.

3.2 Number of Directors. The Board shall consist of five (5) Directors, three (3) Lot Directors and two (2) Condominium Directors.

3.3 Nomination and Election Procedures. Prior to each election of Directors by the Members, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has a bona fide interest in serving as a director may file as a candidate for any position to be filled by votes of the Members. The Board shall also establish such other rules and regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient, and cost effective manner. Each candidate shall be given a reasonable uniform opportunity to communicate his or her qualifications to the Members and to solicit votes.

3.4 Elections Procedures. Each Lot Owner may cast the entire vote assigned to its Lot for each Lot Director position to be filled. Each Unit Owner may cast the entire vote assigned to its Unit for each Condominium Director position to be filled. Except as otherwise set forth in the Declaration, there shall be no cumulative voting. The number of candidates equal to the number of positions to be filled who receive the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.5 Terms of Office. Each Director shall hold office for a term of three (3) years, until such Director's successor shall have been elected, designated or appointed and qualified, or until there is a decrease in the number of Directors, or until the death, resignation, or removal of such Director. The terms of the Directors shall be staggered by dividing the total number of Directors into three (3) groups so that the term of only one (1) group expires in any given year.

3.6 Removal of Directors and Vacancies. Any Director may be removed, with or without cause, by the Members holding a majority of the votes entitled to be cast for his or her election (e.g. Units or Lots). Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall be elected by the Members to fill the vacancy for the remainder of the term of such Director.

Any Director who has three (3) or more consecutive unexcused absences from meetings of the Board, or who is more than sixty (60) days delinquent (or is the representative of a Member who is so delinquent) in the payment of any assessment or other charge due the

Association, may be removed by a majority of the Directors present at a regular or special meeting of the Board at which a quorum of Directors is present, and the other Lot Directors or Condominium Directors (depending on whether the removed director was a Lot Director or a Condominium Director) may appoint a successor to fill the vacancy for the remainder of the term.

In the event of a vacancy on the Board which reduces the number of Directors below the minimum number required under these Bylaws, whether arising because of the death, resignation, or removal of any Director or otherwise, the remaining Lot Directors or Condominium Directors (depending on whether the vacancy is for a Lot Director or a Condominium Director) shall have the power and authority to appoint a Director to the Board for the unexpired portion of the term.

3.7 Annual Meeting. The annual meeting of the Board shall be held immediately following each annual meeting of the Members.

3.8 Regular Meeting. Regular meetings of the Board may be held at such time and place as a majority of the Directors shall determine, but at least two (2) such meetings shall be held during each fiscal year.

3.9 Special Meeting. Special meetings of the Board shall be held when called by written notice signed by the President or Vice President or by any two (2) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

3.10 Notice; Waiver of Notice. Notice of the time and place of a regular meeting shall be communicated to Directors not less than four (4) days prior to the meeting. Notice of time and place of a special meeting shall be communicated to Directors not less than forty-eight (48) hours prior to the meeting. No notice need be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall be given to each Director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telecopier or facsimile transmission to the Director's home or office, with confirmation of receipt by the receiving machine; or (d) e-mail transmission. All such notices shall be given at the Director's information as shown on the records of the Association at the time the notice is sent. Notice sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal delivery, telecopier, facsimile or e-mail shall be deemed communicated when delivered, telecopied, faxed, or sent by e-mail.

The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if: (i) a quorum is present; and (ii) either before or after the meeting, each of the Directors not present at such meeting signs a written waiver notice, a consent to holding the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.11 Telephone Participating in Meetings. The Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all person participating in the meeting can hear each other. A Director's participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

3.12 Quorum of Board of Directors. At all meetings of the Board, a majority of the Lot Directors and a majority of the Condominium Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at the meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these Bylaws or the Declaration. Notwithstanding the foregoing, to the extent that an act of the Board relates to a Condominium Issue or a Lot Issue, the act of the Board shall be determined by the Condominium Directors or the Lot Directors, as the case may be, as provided in the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of any Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors present at such meeting may adjourn the meeting to a time not less than five (5) or nor more than thirty (30) days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.13 Compensation. Directors shall receive no compensation from the Association for acting as such unless approved by Members representing a majority of the total voting power of the Association at a regular or special meeting of the Members of the Association. Any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors. Nothing herein shall prohibit the Association from compensating a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Association in a capacity other than as a Director pursuant to a contract or agreement with the Association, provided that such Director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board, excluding the interested Director.

3.14 Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings recording all Board resolutions and all transactions and proceedings occurring at such meeting.

3.15 Action Without a Formal Meeting. Any action to be taken at a meeting of the Board or any action that may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the applicable Directors (i.e., Condominium and/or Lot), and such consent shall have the same force and effect as a unanimous vote at a meeting of the Board.

3.16 Powers. The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, these Bylaws, the Articles, and as

provided by law. The Board may do or cause to be done all acts and things on behalf of the Association as are not directed by the Declaration, Articles, these Bylaws, or Idaho law to be done and exercised exclusively by the Members of the Association.

3.17 Duties. The duties of the Board shall include, without limitation:

- (a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the General Common Expenses;
- (b) levying and collecting assessments authorized under the Declaration from the Owners;
- (c) providing for the operation, care, upkeep, and maintenance of the Common Infrastructure Improvements, the Lot Common Area and the Condominium Common Area as provided in the Declaration;
- (d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve fund may be deposited, in the Directors' best business judgment, in depositories other than banks; and provided, further, that separate accounts will be created for the Streamside Project and the Condominium Project, and the assessments and other funds applicable to each shall be deposited into their separate accounts;
- (f) making and amending use restrictions and rules in accordance with the Declaration;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these Bylaws;
- (i) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules of the Association and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, however, that the Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the cost of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any prospective purchaser of any Lot or Unit, any Owner of a Lot or Unit, and the holders, insurers, and guarantors of any Mortgage on any Lot or Unit, current, correct, and complete copies of the Declaration, the Articles, the Bylaws and rules (all as amended from time to time), and all other books, records, and financial statements of the Association, as provided in Section 6.3;

(n) permitting utility suppliers to use portions of the Lot Common Area or Condominium Common Area as reasonably necessary to the ongoing development or operation of the Streamside Project or the Condominium Project, as applicable; and

(o) indemnifying a Director, officer or committee member, or former Director, officer, or committee member of the Association as set forth in Section 4.5 below, or to the extent such indemnity is required or allowed under Idaho law, the Articles, and/or the Declaration.

3.18 Management. The Board may employ a professional management agent or agents for the Association at such compensation as the Board may establish to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy making authority or those duties set forth in Sections 3.17(a), 3.17(b), 3.17(g) and 3.17(i). The Board may delegate to one (1) of the Directors the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manger, if any, which arise between meetings of the Board.

3.19 Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

(f) commencing at the end of the fiscal year in which these Bylaws are adopted, financial reports shall be prepared for the Association at least one (1) time annually containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus approved budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(g) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Board resolution); and

(h) an annual report consisting of at least the following shall be available to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report may be prepared on a reviewed or compiled basis, as the Board determines, by an independent public accountant selected by the Board.

3.20 Borrowing. The Association shall have the power to borrow money for any legal purpose, provided that the Board shall obtain Member approval in the same manner provided for Special Assessments in Section 8.4 of the Declaration if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12)-month period, exceeds or would exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year.

3.21 Right to Contract. Subject to the provisions of these Bylaws or the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions to be carried out by the Association. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominium cooperatives, or neighborhood and other owners or residents association, within and outside the Streamside Project or the Condominium Project.

3.22 Enforcement. In addition to such other rights as are specifically granted under the Declaration, the Board shall have the power to impose reasonable monetary fines, which shall constitute a lien upon the Lot or the Unit of the violator, and to suspend an Owners' right to vote for violation of any duty imposed under the Declaration, these Bylaws, the Design Guidelines, or any Association rules. In addition, the Board may suspend any services provided by the Association to an Owner or the Owner's Lot or Unit if the Owner is more than sixty (60) days delinquent in paying any assessment or other charges owed to the Association. In the event that any occupant, tenant, employee, guest, or invitee of a Lot or a Unit violates the Declaration, Bylaws, or association rule and a fine is imposed, the fine shall first be assessed against the occupant of such Lot or Unit; provided, however, that if the fine is not paid by the occupant within the time period set by the Board, the fine shall be assessed against the Lot or the Unit and the Owner thereof upon five (5) days' prior written notice from the Association. The failure of the Board to enforce any provision of the Declaration, these Bylaws, or any Association rule shall not be deemed a waiver of the right of the Board to do so thereafter, or enforce any other provision of the Declaration, these Bylaws, or the Association rules. The Board shall enforce any such violations as follows:

(a) **Notice.** Prior to imposition of any sanction hereunder or under the Declaration, the Board or its delegate shall serve the alleged violator with written notice describing:

- (i) the nature of the alleged violation;
- (ii) the proposed sanction to be imposed;
- (iii) a period of not less than ten (10) days with which the alleged violator may present a written request for a hearing to the Board; and
- (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; provided, the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10)-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person.

(b) **Hearing.** If a hearing is requested within the allotted ten (10)-day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any

sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Declaration, these Bylaws, or the rules of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules) or, following compliance with the dispute resolution procedures set forth in the Declaration, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupants responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry onto a Lot for purposes of exercising this power of self-help shall not be deemed a trespass.

ARTICLE 4. OFFICERS

4.1 Officers; Powers and Duties The officers of the Association shall be at least a President, Secretary, and Treasurer. The President and Secretary shall be elected from among the Directors; other officers may, but need not be Directors. The Board may appoint such other officers, including one or more Vice Presidents, Assistant Secretaries, and/or Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. The officers shall have the following responsibilities:

(a) President. The President shall preside at all meetings of the Board, shall assure that the Board is advised on all significant matters of the Association's business, and shall have all powers and duties ordinarily exercised by the chair of the board of a nonprofit corporation, and shall have such other powers and duties as may be prescribed by the Declaration, the Articles, these Bylaws, and/or Idaho law.

(b) Secretary. The Secretary shall be responsible for preparing the minutes of meetings of the Board and for authenticating records of the Association. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of the Board and of any committees of the Board. The Secretary shall also have such other powers and duties as may be prescribed by the Declaration, the Articles, these Bylaws, and/or Idaho law.

(c) Treasurer. The Treasurer shall be the chief financial officer of the Association and shall keep and maintain, or cause to be kept and maintained, adequate

and correct books and records of accounts of the properties and business transactions of the Association. The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board; shall disburse, or cause to be disbursed, funds of the Association as may be ordered by the Board; and shall have such other powers and duties as may be prescribed by the Declaration, the Articles, these Bylaws, and/or Idaho law.

4.2 Election and Term of Office. The Board shall appoint the officers of the Association at the first meeting of the Board following each annual meeting of the Members, to serve until such officers are removed by the Board and their successor(s) appointed, or the death or resignation of such officer.

4.3 Removal and Vacancies. The Board may remove any officer whenever, in its judgment, the best interests of the Association will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4 Resignation. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.5 Indemnification

(a) **Indemnification of Officers and Directors.** To the extent permitted or required by Idaho or other applicable law, and subject to the Declaration, if any Director or officer of the Association is made a party to or is involved in any proceeding because such person is or was a Director or officer of the Association, the Association shall: (a) indemnify such person from and against any liability, including, without limitation, expenses of investigation and preparation, expenses in connection with appearance as a witness, and fees and disbursements of counsel, accountants, or other experts, incurred by such person in such proceeding; and (b) advance to such person expenses incurred in such proceeding. The Association may in its discretion, but is not in any way obligated to, indemnify and advance expenses to an employee or agent of the Association to the same extent as to a Director or officer, and the Association may indemnify an employee, fiduciary, or agent of the Association to a greater extent that expressly permitted herein for Directors and officers, provided that such indemnification is not in violation of public policy.

(b) **Insurance.** As required by and subject to the Declaration, the Association shall purchase and maintain insurance on behalf of a person who is or was a Director, officer, employee, fiduciary, or agent of the Association, or who, while a Director, officer, employee, fiduciary, or agent of the Association, is or was serving at the request of the Association as a Director, officer, partner, trustee, employee or fiduciary, or agent of another domestic or foreign corporation, against liability asserted against or incurred by the person in that capacity arising from his or her status as a Director, officer,

employee, fiduciary, or agent, regardless of whether the Association would have the power or ability to indemnify the person against the same liability under these Bylaws or applicable law. Any such insurance may be procured from any insurance company designated by the Board, so long as such insurance coverage complies with the requirements set forth in the Declaration.

4.6 Agreements and Instruments of Association. All agreements, contracts, deeds, leases, checks, and other instruments of, concerning, or on behalf of the Association shall be executed by at least two (2) officers or by such other person or person as may be designated by resolution of the Board.

4.7 Compensation. Compensation of officers shall be subject to the same limitations as compensation of Directors under Section 3.13 above.

ARTICLE 5. COMMITTEES

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

ARTICLE 6. MISCELLANEOUS

6.1 Fiscal Year. The fiscal year of the Association shall be the twelve (12)-month period commencing on January 1 and continuing through December 31 of the following calendar year.

6.2 Conflicts. If there are conflicts between the provisions of Idaho law, the Articles, the Declaration, and these Bylaws, the provisions of Idaho law, the Declaration, the Articles, and the Bylaws (in that order) shall prevail.

6.3 Books and Records. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Lot, any Member, or the duly appointed representative of any of the foregoing, at any reasonable time and for a purpose reasonably related to its interest in a Lot, the Declaration, Bylaws, and Articles, any amendments to the foregoing, the rules of the Association, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Property as the Board shall designate. The Board shall establish reasonable rules with respect to notice to be given to the custodian of the records, hours and days of the week when such an inspection may be made, and payment of the cost of reproducing copies of documents requested.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by

the Association. The right of inspection by a Director includes the right to make a copy of relevant documents at the expense of the Association.

6.4 Notices. Except as otherwise provided in the Declaration or these Bylaws, all notices, demands, bills, statements, and other communication under the Declaration or these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot or the Unit of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.5 Amendment. Except as set forth in the Declaration, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners of not less than 60% of the total number of votes of the Lot Owners and 60% of the total number of votes of the Unit Owners. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Amendments to these Bylaws shall become effective upon the affirmative vote of the Members and certification by the Secretary of the Association. Any procedural challenge to an amendment must be made within six (6) months of its certification or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws.

If a Member consents to any amendment to the Declaration or these Bylaws, it will be conclusively presumed that such Member has the authority so to consent and no contrary provision in any Mortgage or contract between the Member and a third party will affect the validity of such amendment.

[Secretary's certification follows immediately.]

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of The Village Green at the Valley Club Homeowners Association, Inc., an Idaho nonprofit corporation;

That the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted by the affirmative vote or written consent, or a combination thereof, of Members representing more than fifty percent (50%) of the total Class A, Class B, and Class C votes in the Association (as required by the original Bylaws).

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 12th day of October, 2012.


By: Tim Wolff, Secretary