


Instrument # 500609  
HAILEY, BLAINE, IDAHO  
2004-03-19 03:05:00 No. of Pages: 20  
Recorded for : PREMIER RESORTS  
MARSHA RIEMANN Fee: 60.00  
Ex-Officio Recorder Deputy   
Index to: BY-LAWS

**AMENDED AND RESTATED BYLAWS  
OF  
THE VALLEY CLUB OWNERS  
ASSOCIATION, INC.**

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**AMENDED AND RESTATED BYLAWS OF  
THE VALLEY CLUB OWNERS ASSOCIATION, INC.**

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

**1.1. Name**

The name of the corporation is The Valley Club Owners Association, Inc. (the Association).

**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 used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for The Valley Club filed in the Blaine County, Idaho Public Records, as it may be amended (the Declaration), unless the context indicates otherwise.

**ARTICLE 2. - Association: Membership Meetings, Quorum, Voting, Proxies**

**2.1. Membership**

The Association shall have one class of membership as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.

**2.2. Place of Meetings**

Meetings 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, either within the Properties or as convenient as is possible and practical.

**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 60 to 90 days of the close of the Association's fiscal year.

#### 2.4. Special Meetings

The President may call special meetings. 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 25% 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 10 nor more than 50 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.

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 shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the records of the Association, with postage prepaid.

#### 2.6. Waiver of Notice

Waiver of notice of a meeting of 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 waived by such Member of notice of the time, date, and place thereof, unless such Member or proxy specifically objects to lack of proper notice at the time the meeting is called to order. 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 the business 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 5 or more than 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 Members, each Member may vote in person (if a corporation, partnership, limited liability company or trust, through any officer, 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 it 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 conveyance of any Lot for which it was given, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member who is a natural person, or of written revocation, or 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 50% of the total eligible number.

#### **2.11. Quorum**

Except as otherwise provided in these Bylaws or in the Declaration, the presence, in person or by proxy, of Members representing 25 % of the total votes in the Association shall constitute a quorum at all meetings 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 meetings.

#### **2.13. Action Without a Meeting**

Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote, if written consent specifically authorizing the proposed action is signed by all Members entitled to vote thereon. Such consent shall be filed with the minutes of the Association, and shall have the same force and effect as a vote of the Members at 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 the Corporation delivers a written ballot to every Member entitled to vote on the matter, in which case Members may vote by mail or absentee ballot. The written ballot for action taken without a meeting shall: (a) set forth each proposed action; and (b) provide an opportunity to vote for or against each proposed action.

Approval by written ballot alone pursuant to this section when a meeting is not held shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of Directors; and (c) specify the time by which a ballot must be received by the Corporation in order to be counted. A written ballot may not be revoked.

### **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, each of whom shall have one vote. The directors shall be Members or Residents; provided, no Owner and Resident representing the same Lot may serve on the Board at the same time. A Resident shall be any natural person 18 years of age or older whose principal place of residence is a Lot within the Properties. In the case of a Member which is not a natural person, any officer, director, partner, employee or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member, provided, no Member may have more than one such representative on the Board at a time.

#### **3.2. Number of Directors**

The Board shall consist of three to seven directors, as provided in Sections 3.3 and 3.4 below. As of the effective date of these Amended and Restated Bylaws, there are seven directors.

#### **3.3. Nomination and Election Procedures**

(a) Nominations and Declarations of Candidacy. 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.

Nominations for election to the Board may also be made by a Nominating Committee. The Nominating Committee, if any, shall consist of a Chairman, who shall be a member of the Board, and three Members or representatives of Members. The Board shall appoint the members of the Nominating committee not less than 30 days prior to each annual meeting to serve a term of one year and until their successors are appointed, and such appointment shall be announced at each annual meeting.

The Nominating Committee may make as many nominations for election to the Board as it shall in its discretion determine. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates.

(b) Election Procedures. Each Owner may cast the entire vote assigned to his Lot for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

#### **3.4. Election and Term of Office**

The number of directors serving on the Board of Directors may be changed from time to time within the permitted range of three to seven directors by resolution adopted at a regular or special meeting of the Board of Directors. Each director shall hold office for a term of three (3) years and 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. The terms of the directors shall be staggered by dividing the total number of directors into three groups so that the term of one group expires every year.

#### **3.5. Removal of Directors and Vacancies**

Any director may be removed, with or without cause, by Members holding a majority of the votes entitled to be cast for his or her election. 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 or more consecutive unexcused absences from Board meetings, or who is more than 30 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 at which a quorum is present, and the Board may appoint a successor to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members shall elect a successor for the remainder of the term.

**3.6. Organizational Meeting**

The first meeting of the Board following each annual meeting of the membership shall be held within 10 days thereafter at such time and place as the Board shall fix.

**3.7. 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 four such meetings shall be held during each fiscal year with at least one per quarter.

**3.8. Special Meeting**

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

**3.9. Notice; Waiver of Notice**

(a) Notice of the time and place of a regular meeting shall be communicated to directors not less than four calendar days prior to the meeting. Notice of the time and place of a special meeting shall be communicated to directors not less than 72 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: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director, (iv) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier, (v) telegram, charges prepaid, or (vi) e-mail. All such notices shall be given at the director's telephone or telecopier number or sent to the director's mailing or e-mail address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal delivery, telephone, telecopier, telegraph or e-mail shall be deemed communicated when delivered, telephoned, telecopied, given to the telegraph company, or sent by e-mail.

(b) 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 signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. 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.

### **3.10. Telephonic Participation in Meetings**

Members of 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 persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

### **3.11. Quorum of Board of Directors**

At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these Bylaws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of 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 5 nor more than 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.

### **3.12. Compensation**

Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total votes in the Association at a regular or special meeting 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 of Directors, excluding the interested director.

### **3.13. 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 meetings.

#### 3.14. Notice to Owners; Open Meetings

Subject to the provisions of Section 3.15, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, and may exclude Members, to discuss matters of a sensitive, nature, such as pending or threatened litigation, personnel matters, etc.

#### 3.15. Action Without a Formal Meeting

Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

#### 3.16. Powers

The Board of Directors 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 as are not directed by the Declaration, Articles, these Bylaws, or Idaho law to be done and exercised exclusively by the membership generally.

#### 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 Common Expenses;
- (b) levying and collecting such assessments from the Owners;
- (c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;
- (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;

(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, 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 a Lot any Owner, and the holders, insurers, and guarantors of any Mortgage on any Lot, current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules and all other books, records, and financial statements of the Association, as provided in Section 6.4;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties; and

(o) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required under Idaho law, the Articles of Incorporation or the Declaration.

### 3.18. Management

The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may establish to perform such duties and services as the Board shall authorize. The Board of Directors 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(f), 3.17(g) and 3.17(i).

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, 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; any thing 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 quarter in which the first Lot is sold and closed, financial reports shall be prepared for the Association at least quarterly 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

- (v) 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

(g) an annual report consisting of at least the following shall be made available to all Members within 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.

### **3.20. Borrowing**

The Association shall have the power to borrow money for any legal purpose; provided, the Board shall obtain Member approval in the same manner provided for Special Assessments in Section 8.5 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 12-month period, exceeds or would exceed 10% of the budgeted gross expenses of the Association for that fiscal year.

### **3.21. Right to Contract**

The Association shall have the right to contract with any Person for the performance of various duties and functions. 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 associations, within and outside the Properties; provided, any common management agreement shall require the consent of a majority of the total number of directors of the Association.

### **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 of the violator, and to suspend an Owner's 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 if the Owner is more than 30 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 violates the Declaration, Bylaws, or a rule and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, 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 and the Owner thereof upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule shall not be deemed a waiver of the right of the Board to do so thereafter.

(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 10 days within which the alleged violator may present a written request for a hearing to the Board or the Covenants Committee, if one has been appointed pursuant to Article 5; and
- (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 10 days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; provided, the Board or Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 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 10 day period, the hearing shall be held before the Covenants Committee, if one, or if none, then 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) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To exercise this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within 10 days after the hearing date. The Board of Directors may decide the appeal on the basis of the minutes or other record of the hearing before the Covenants Committee or, in its sole discretion, may hold another hearing following the provisions of subparagraph (b), above.

(d) 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 occupant 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 as trespass.

#### ARTICLE 4. - Officers

##### 4.1. Officers

The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

##### 4.2. Election and Term of Office

The Board shall elect the officers of the Association at the first meeting of the Board following each annual meeting of the Members, to serve until their successors are elected.

##### 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. Powers and Duties

The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

##### 4.5. Resignation

Any officer may resign at any time by giving written notice to the Board of Directors, 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.

##### 4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

**4.7. Compensation**

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

**ARTICLE 5. - Committees**

**5.1. General**

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.

**5.2. Covenants Committee**

In addition to any other committees which the Board may establish pursuant to the Declaration, these Bylaws and, specifically, Section 5.1, the Board may appoint a Covenants Committee consisting of at least three and no more than seven Members. Acting in accordance with the provisions of the Declaration, these Bylaws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.24 of these Bylaws.

**ARTICLE 6. - Miscellaneous**

**6.1. Fiscal Year**

The fiscal year of the Association shall be the twelve month period commencing on July 1 and continuing through June 30 of the following calendar year.

**6.2. Parliamentary Rules**

Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Idaho law, the Articles of Incorporation, the Declaration, or these Bylaws.

**6.3. Conflicts**

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

#### 6.4. Books and Records

(a) Inspection by Members and Mortgagees. 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 his or her interest in a Lot, the Declaration, Bylaws, and Articles of Incorporation, 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 Properties as the Board shall designate.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. 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.

#### 6.5. 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 of such Member; or

(b) if to the Association, the Board of Directors, 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.

#### 6.6. Amendment.

(a) These Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least 51% of the total votes in the Association. 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.

(b) Validity and Effective Date of Amendments. Amendments to these Bylaws shall become effective upon recordation in the Public Records, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation 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.

#### CERTIFICATION

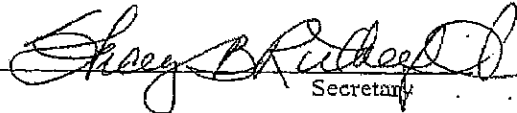
I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of The Valley Club Owners Association, Inc., an Idaho non-profit corporation;

2. That the foregoing Bylaws constitute the Amended and Restated Bylaws of said Association, as duly adopted by the affirmative vote or written consent, or a combination thereof, of Members representing at least 51% of the total Class A votes in the Association..

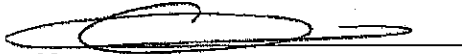
IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this day of 3/18/04, 2004.

(SEAL)

  
Secretary

State of: **Idaho**  
County of: **Blaine**

On this 18th day of March in the year 2004, before me, a Notary Public personally appeared **STACEY B. RUTHERFORD**, known or identified to me to be the secretary of the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.




Notary Public  
Residing at: Ketchikan ID  
Comm expires: 9/18/06



**RECORDING REQUESTED BY AND  
WHEN RECORDED, MAIL TO:**

James P. Speck, Esq.  
SPECK & AANESTAD  
A Professional Corporation  
Post Office Box 987  
Ketchum, Idaho 83340

Instrument # 509661  
HALEY, BLAINE, IDAHO  
2004-09-10 01:23:00 No. of Pages: 2  
Recorded for : SPECK & AANESTAD  
MARSHA RIEMANN Fee: 5.00  
Ex-Officio Recorder Deputy   
Index to: BY-LAWS

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**FIRST AMENDMENT TO  
AMENDED AND RESTATED BY-LAWS OF  
THE VALLEY CLUB OWNERS ASSOCIATION, INC.**

The Amended and Restated Bylaws of The Valley Club Owners Association, Inc., adopted March 18, 2004 and recorded in the records of Blaine County, Idaho March 19, 2004 as Instrument No. 500609, (the "Bylaws"), are hereby amended pursuant to the provisions of Section 6.6 of the Bylaws as follows:

1. Section 3.4 is amended to read as follows:

**Section 3.4. Election and Term of Office**

The number of directors serving on the Board of Directors may be changed from time to time within the permitted range of three to seven directors by resolution adopted at a regular or special meeting of the Board of Directors. Each director shall hold office for a term of two (2) years and 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. No director shall serve more than two (2) consecutive two (2) year terms. The terms of the directors shall be staggered by dividing the total number of directors into two (2) groups so that the term of one group expires every year.

2. All of the other provisions of the By-Laws shall remain unmodified and in full force and effect.

**CERTIFICATION**

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting President of The Valley Club

Owners Association, Inc., an Idaho non-profit corporation;

2. That the foregoing Bylaws constitute the Amended and Restated Bylaws of said Association, as duly adopted by the affirmative vote or written consent, or a combination thereof, of Members representing at least 51% of the total votes in the Association.

VALLEY CLUB OWNERS ASSOCIATION, INC.

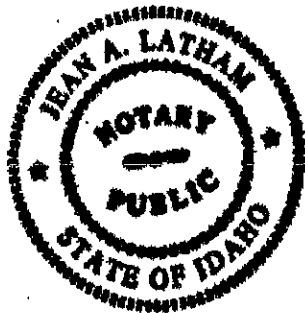
DATE: 9-08-04

By: *Darrell Rubel*  
DARRELL RUBEL  
Its PRESIDENT

STATE OF IDAHO )  
                          )  
County of Blaine ) ss.

On this 8th day of September, 2004, before me, the undersigned notary public in and for said state, personally appeared Darrell Rubel known or identified to me to be the President of Valley Club Owners Association, Inc. and the person who executed the foregoing instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.



*Jean A. Latham*  
Notary Public for Idaho  
Residing at: Blaine Co  
Commission expires: 1-25-07

**RECORDING REQUESTED BY AND  
WHEN RECORDED, MAIL TO:**

**James P. Speck, Esq.  
SPECK & AANESTAD  
A Professional Corporation  
Post Office Box 987  
Ketchum, Idaho 83340**

**Instrument # 602891**

HAILEY, BLAINE, IDAHO  
11-7-2012 05:14:00 No. of Pages: 2  
Recorded for : SPECK & AANESTAD  
JOLYNN DRAGE Fee: 13.00  
Ex-Officio Recorder Deputy  
Index to: BY-LAWS

*mpp*

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**SECOND AMENDMENT TO  
AMENDED AND RESTATED BY-LAWS OF  
THE VALLEY CLUB OWNERS ASSOCIATION, INC.**

The Amended and Restated Bylaws of The Valley Club Owners Association, Inc., adopted March 18, 2004 and recorded in the records of Blaine County, Idaho March 19, 2004 as Instrument No. 500609, as amended by the First Amendment to Amended and Restated Bylaws of The Valley Club Owners Association, Inc., adopted September 8, 2004 and recorded in the records of Blaine County, Idaho September 10, 2004 as Instrument No. 509661 (collectively the "Bylaws"), are hereby amended pursuant to the provisions of Section 6.6 of the Bylaws as follows:

1. Section 3.2 is amended by changing the maximum number of directors from seven (7) to eight (8) so that it reads as follows:

**Section 3.2 Number of Directors**

The Board shall consist of three to eight directors, as provided in Sections 3.3 and 3.4 below.

2. Section 3.4 is amended by deleting the third sentence thereof so that it reads as follows:

**Section 3.4. Election and Term of Office**

The number of directors serving on the Board of Directors may be changed from time to time within the permitted range of three to seven directors by resolution adopted at a regular or special meeting of the Board of Directors. Each director shall hold office for a term of two (2) years and 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. The terms of the directors shall



RECORDING REQUESTED BY AND  
WHEN RECORDED, MAIL TO:  
The Valley Club Owners Association, Inc.  
PO Box 6733  
Ketchum, ID 83340

Instrument # 630328  
HAILEY, BLAINE, IDAHO  
10-15-2015 09:10:33 PM No. of Pages: 2  
Recorded for : VALLEY CLUB OWNERS ASSOCIATION  
JOLYNN DRAGE Fee: 13.00  
Ex-Officio Recorder Deputy  
Index to: BY-LAWS **90**

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**THIRD AMENDMENT TO  
AMENDED AND RESTATED BYLAWS OF  
THE VALLEY CLUB OWNERS ASSOCIATION, INC.**

The Amended and Restated Bylaws of The Valley Club Owners Association, Inc., as recorded in the records of Blaine County, Idaho March 19, 2004 as Instrument No. 500609; and as amended by the First Amendment to the Amended and Restated Bylaws of The Valley Club Owners Association, Inc., recorded in the records of Blaine County, Idaho September 10, 2004 as Instrument No. 509661; and as amended by the Second Amendment to the Amended and Restated Bylaws of The Valley Club Owners Association, Inc., recorded in the records of Blaine County, Idaho November 7, 2012 as Instrument No. 602891 (collectively the "Bylaws"); are hereby amended pursuant to the provisions of Section 6.6 of the Bylaws as follows:

\*\*\*\*\*

**Section 3.1, including any Amendments thereto, shall be deleted in its entirety and replaced as follows:**

**3.1. Governing Body Composition.**

The affairs of the association shall be governed by a Board of Directors each of whom shall have one vote. The directors shall be Members; provided no Owner may have more than one director per lot on the Board at the same time. In the case of a Member which is not a natural person (for example officer, director, partner, employee or trust officer of such Member) such representative shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such member, provided, no Member may have more than one director per lot on the Board at the same time.

\*\*\*\*\*

**Section 3.2, including any Amendments thereto, shall be deleted in its entirety and replaced as follows:**

**3.2. Number of Directors**

The Board shall consist of three to nine directors, as provided in section 3.3 and 3.4 below.

\*\*\*\*\*



RECORDING REQUESTED BY AND  
WHEN RECORDED, MAIL TO:  
The Valley Club Owners Association, Inc.  
PO Box 6733  
Ketchum, ID 83340

**Instrument # 644929**  
HAILEY, BLAINE, IDAHO  
7-13-2017 08:38:21 AM No. of Pages: 2  
Recorded for : VALLEY CLUB OWNERS ASSOCIATION  
JOLYNN DRAGE Fee: 13.00 **JB**  
Ex-Officio Recorder Deputy  
Index to: AMENDED COVENANTS & RESTRICTIONS

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**FOURTH AMENDMENT TO  
THE AMENDED AND RESTATED BYLAWS OF  
THE VALLEY CLUB OWNERS ASSOCIATION, INC.**

The Amended and Restated Bylaws of The Valley Club Owners Association, Inc., as recorded in the records of Blaine County, Idaho March 19, 2004 as Instrument No. 500609; and as amended by the First Amendment to the Amended and Restated Bylaws of The Valley Club Owners Association, Inc., recorded in the records of Blaine County, Idaho September 10, 2004 as Instrument No. 509661; and as amended by the Second Amendment to the Amended and Restated Bylaws of The Valley Club Owners Association, Inc., recorded in the records of Blaine County, Idaho November 7, 2012 as Instrument No. 602891; and as amended by the Third Amendment to the Amended and Restated Bylaws of The Valley Club Owners Association, Inc., recorded in the records of Blaine County, Idaho October 15, 2015 as Instrument No. 630328 (collectively the "Bylaws"); are hereby amended pursuant to the provisions of Section 6.6 of the Bylaws as follows:

\*\*\*\*\*

**Section 3.4, including any Amendments thereto, shall be deleted in its entirety and replaced as follows:**

**3.4. Election and Term of Office**

The number of directors serving on the Board of Directors may be changed from time to time within the permitted range of three to nine directors by resolution adopted at a regular or special meeting of the Board Directors or at the annual or a special meeting of the members. Each director shall hold office for a term of two (2) years and 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. The terms of the directors shall be staggered by dividing the total number of directors into two groups so that the term of one group expires every year. No Director shall serve more than two (2) consecutive two (2) year terms.

\*\*\*\*\*

**CERTIFICATION**

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting President of The Valley Club Owners Association, Inc., an Idaho non-profit corporation;

(CONTINUED ON NEXT PAGE)

2. That the foregoing Third Amendment to the Amended and Restated Bylaws was duly adopted by the affirmative vote or written consent, or a combination thereof, of Members representing at least 51% of the total votes in the Association.

VALLEY CLUB OWNERS ASSOCIATION, INC.

DATE: 7-12-17

By: Gail C Goodrich

Its President

STATE OF IDAHO )  
                          ) ss.  
County of Blaine )

On this 12 day of July, 2017 before me, the undersigned notary public in and for said state, personally appeared Gail Goodrich, known or identified to me to be the President of Valley Club Owners Association, Inc. and the person who executed the foregoing instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

Karl W. Nichols  
Notary Public for Idaho  
Residing at: Blaine County, ID  
Commission expires: 11/7/18

