
BYLAWS
OF
DEER VALLEY FARM
HOMEOWNERS' ASSOCIATION, INC.

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BYLAWS
OF
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HOMEOWNERS' ASSOCIATION, INC.

Article 1
OFFICES

The principal office and place of business of the association in the State of Idaho, is and shall be located at Blaine County, State of Idaho. The post office address of the office shall be P. O. Box 3310, Ketchum, Idaho 83333.

Article 2
BOARD OF DIRECTORS

2.1 Board of Directors. The affairs of the association shall be governed by the board of directors which shall be composed of three (3) members as provided in the articles of incorporation.

2.2 Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the association and may do all such acts and things except those which by law or by declaration or by these bylaws or by the articles of incorporation may not be delegated to the board of directors by the members. Such powers and duties of the board of directors shall include, but shall not be limited to the following:

- (a) Operation, care, upkeep and maintenance of the elements and areas common to all lots.
- (b) Determination of common expenses required for the affairs of the association, including, without limitation, the operation and maintenance of the common areas.
- (c) Collection of assessments from the certificate holders.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the association.
- (e) Adoption and amendment of rules and regulations covering the details of the operation and the use of the common property of the association.
- (f) Opening a bank account on behalf of the association and designating the signatory required therefore.
- (g) Purchase and maintain insurance for the association.
- (h) Making repairs, additions, restorations, maintenance or alterations to the common areas including recreational facilities in accordance with the other provisions of these bylaws, after damage or destruction by fire or other cause as a result of condemnation or eminent domain proceedings.

2.3 Managing Agent and Manager. The board of directors may employ for the association a managing body at a level of compensation established by the board of directors to perform such duties and services as the board of directors shall authorize. The board of directors may delegate to the manager, all necessary powers.

2.4 Election and Term of Office. The affairs of the association shall be managed by a board of three (3) directors, who must be members of the association. The number of directors must be changed by amendment of these bylaws. At the first annual meeting the members shall elect two (2) directors for a term of two (2) years, and one (1) director for a term of one (1) year; and at each annual meeting thereafter the members shall elect sufficient directors for a term of two (2) years to fill all vacancies. The members of the board of directors shall hold office until their respective successors shall have been elected by the certificate holders.

2.5 Removal of Members by the Board of Directors. At any regular or special meeting of the members, any one (1) or more of the members of the board of directors may be removed with or without cause by 51% of the members and the successor may then and there or thereafter be elected to fill the vacancy thus created. Any members of the board of directors after his removal has been proposed by the members shall be given an opportunity be heard at the meeting.

2.6 Vacancies. Vacancies on the board of directors caused by any reason other than the removal of a member thereof by a vote of the members shall be filled by a vote of the majority of the remaining members at a special meeting of the board of directors held for that purpose promptly after the occurrence of such vacancy, even though the members present at such meeting shall constitute less than a quorum, and each person so elected shall be a member of the board of directors for the remainder of the term unless removed or until a successor shall be elected at the next annual meeting of the members.

2.7 Organization Meeting. The first meeting of the members of the board of directors following the annual meeting of the certificate holders shall be within ten (10) days thereafter, at such time and place as shall be fixed by the certificate holders at the meeting at which such board of directors shall have been elected, and no notice shall be necessary to the newly elected members of the board of directors in order to legally constitute such meeting, providing a majority of the whole board of directors shall be present thereat.

2.8 Regular Meetings. The regular meetings of the board of directors shall be held quarterly or as deemed appropriate by the members of the Board at such time and place as shall be determined from time to time by a majority of the members of the board of directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the board of directors shall be given to each member of the board of directors by mail or facsimile at least ten (10) business days prior to the day named for such meeting.

2.9 Special Meetings. Special meetings of the board of directors may be called by the president on ten (10) business days; notice to each member of the board of directors, given by mail or facsimile which notice shall state the time and place and purpose of the meeting. The special meetings of the board of directors shall be called by the president or secretary in like manner and on like notice on the written request of at least two (2) members of the board of directors.

2.10 Waiver of Notice. Any member of the board of directors may, at any time, waive notice of any meeting of the board of directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the board of directors at any meeting of the board of directors shall constitute a waiver of notice by him of the time and place thereof. If all the members of the board of directors are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

2.11 Quorum of Board of Directors. At all meetings of the board of directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the board of directors present at a meeting at which a quorum is present shall constitute the decision of the board of directors. If, at any meeting of the board of directors, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. That if at any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

2.12 Compensation. No compensation shall be paid to the board of directors.

Article 3 MEMBERSHIP CERTIFICATES

3.1 Membership Certificates. Each member, upon purchase of a lot shall be issued a membership certificate. Each membership certificate shall be equal in value to each other membership certificate and no member can acquire a greater interest therein than any other except that one (1) person, corporation or other business entity may own more than one (1) lot and in such instance shall be entitled to one (1) certificate per lot. Subject to the provisions of the articles of incorporation, the membership certificates shall not be assigned, sold, transferred or in any other manner conveyed so that the transferee can by such transfer become a member of the association.

3.2 Annual Meetings. At such meeting, the officers and directors of the sponsor shall resign as members of the board of directors, and all the members, including the sponsor, shall elect a new board of directors. The annual meetings of members shall be held on the of each year. At such meetings the board of directors shall be elected by ballot of the members in accordance with the requirements of the articles of incorporation and these Bylaws. The members may transact such other business at such meetings as may properly come before them.

3.3 Place of Meetings. The meeting of the lot owners shall be held at the principal office of the association or at such other suitable place convenient to the lot owners as may be designated by the board of directors.

3.4 Special Meetings. It shall be the duty of the president to call a special meeting of the members when so directed by resolution of the board of directors or upon a petition signed and presented to the secretary by not less than fifty-one percent (51%) of the members. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at the special meeting except as stated in the notice.

3.5 Notice of Meetings. It shall be the duty of the secretary to mail a notice of each annual or special meeting of the lot owners at least ten (10) days, but not more than 20 days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at the building or at such other address as such member shall have designated by notice in writing to the secretary. The mailing of a notice of meeting in the manner provided in this section shall be considered service and notice.

3.6 Adjournment of Meetings. If any meeting of lot owners cannot be held because a quorum is not present, a majority of the lot owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

3.7 Order of Business. The order of business at all meetings of the association shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Report of officers;
- (e) Report of board of directors;
- (f) Report of committees;
- (g) Election of inspectors of election (when so required);
- (h) Unfinished business;
- (i) New business.

3.8 Title to Certificate of Membership. The title to certificates of membership may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common, or as joint tenants, or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary. Provided, however, that only one (1) certificate of membership shall be issued for each lot and that no individual, tenancy, corporation, partnership or fiduciary as above designated may hold more than one (1) certificate of membership unless more than one (1) lot is owned by that individual or entity.

3.9 Voting. The owner or owners of each lot, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast votes designated in their certificate of membership at all meetings of members. Designation of such proxy shall be made in writing to the secretary, and shall be made in writing to the secretary, and shall be revocable at any time by written notice to the secretary by the owner or owners so designated. A fiduciary shall be the voting member with respect to any lot owned in a fiduciary capacity.

3.10 Quorum. Except as otherwise provided in these bylaws, the presence in person or by proxy of members having 51% of the total authorized votes of all members shall constitute a quorum at all meetings of the members.

3.11 Majority Vote. The vote of 51% of the members at a meeting at which a quorum shall be present shall be binding upon all members for all purposes except wherein the declarations, or these bylaws, a higher percentage vote is required.

Article 4 OFFICERS

4.1 Designation. The principal officers of the association shall be the president, vice president, secretary and treasurer, all of whom shall be elected by the board of directors. The board of directors may appoint an assistant treasurer, and an assistant secretary, and such other officers as in its judgment may be necessary. All officers shall be members of the board of directors.

4.2 Election of Officers. The officers of the association shall be elected annually by the board of directors at the organizational meeting of each new board of directors and shall hold office at the pleasure of the board of directors.

4.3 Removal of Officers. Upon the affirmative vote of a majority of the members of the board of directors, any officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the board of directors, or at any special meeting of the board of directors called for such purpose.

4.4 President. The president shall be the chief executive officer of the association. He shall preside at all meetings of the lot owners and of the board of directors. He shall have all of the general powers and duties which are incident to the officer or president of a general business corporation organization under the general business corporation law of the State of Idaho, including, but not limited to, the power to appoint committees among the lot owners from time to time as he may in his discretion decide is appropriate to assist in the conduct and affairs of the association.

4.5 Vice-President. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president or the vice president is unable to act, the board of directors shall appoint some other member of the board of directors to act in the place of the president on an interim basis. The vice president shall also perform such other duties as from time to time may be imposed upon him by the board of directors or by the president.

4.6 Secretary. The secretary shall keep the minutes of all meetings of the lot owners and of the board of directors; he shall have charge of such books and papers as the board of directors may direct; and he shall, in general, perform all the duties incident to the office of secretary of a general business corporation organized under the corporation laws of the State of Idaho.

4.7 Treasurer. The treasurer shall have the responsibility for association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all money and other valuable effects in the name of the board of directors, or the managing agent, in such deposit as may from time to time be designated by the board of directors, and he shall, in general, perform all the duties incident to the office of the treasurer of a general business corporation organized under the corporate laws of the State of Idaho.

4.8 Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, checks and other instruments of the association shall be executed by any two (2) officers of the association or by such other person or persons as may be designated by the board of directors.

4.9 Compensation of Officers. No officer shall receive any compensation from the association for acting as such.

Article 5 OPERATION OF THE PROPERTIES

5.1 Determination of Common Expenses and Fixing of Common Charges. The board of directors shall from time to time, and at least annually, prepare a budget for the association, determining the amount of the common charges payable by the members to meet the common expenses of the association and allocate and assess such common charges among the members on a pro rata basis. The common expenses shall include, among other things, the cost of premiums on all policies of insurance required to be, or which have been obtained by the board of directors. The common expenses shall also include the maintenance and snow removal costs. Common expenses may also include such amounts as the board of directors may deem proper for the operation and maintenance of the common property, including without limitations, an amount for working capital of the association, for general operating reserve, for reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses shall also be used for the purposes set out in the Articles of

Incorporation of this association. The board of directors shall advise all members promptly, in writing, the amount of common charges payable by each of them, respectively, as determined by the Board of directors as aforesaid, and shall furnish copies of such budget on which such common charges are based, to all members.

5.2 Insurance. The board of directors may obtain and maintain to the extent that they deem desirable any insurance upon any common area, recreational facilities, streets or other property owned by the association and in addition, the board of directors shall be required to obtain and maintain workmen's compensation insurance if required for the employees.

5.3 Payment of the Common Charges. All members shall be obligated to pay the common charges assessed by the board of directors as more fully detailed in the declaration; and the board of directors is hereby empowered to take all of the steps and exercise all of the powers provided by the declaration regarding assessments.

5.4 Abatement and Enjoinment of Violations of Members. The violation of any rule or regulation adopted by the board of directors, or the breach of any bylaw contained herein, or the breach of any of the rules, regulations and restrictions enacted in connection herewith or hereby ratified, shall give the board of directors the right in addition to any other rights set forth in these bylaws:

(a) To enter on the lots in which, or as to which such violation to breach exists and to summarily abate and remove, at the expense of the defaulting member any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereby, the board of directors shall not thereby be deemed guilty in any manner or trespass or,

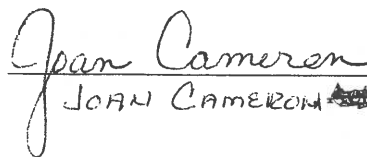
(b) to enjoin, abate or remedy by appropriate legal proceedings, the continuance of any such breach.

5.5 Right to Access. Each and every member shall have a right of access to the common area owned by the association. This right to access shall include the rights of ingress and egress to the common area provided, however, that said right to access and ingress and egress shall not be exercised to the detriment of any other member or to the association.

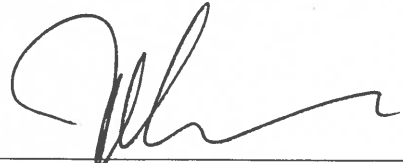
Article 6 AMENDMENT TO BYLAWS

The bylaws, and every part hereof, may from time to time and at any time, be amended, altered, repealed, and new or additional bylaws may be adopted as follows: (1) by the vote of the members entitled to exercise a majority of the voting power of the association, or by the written assent of such members; or (2) subject to such right of the members, by a majority vote of the directors present at any meeting of the board at which a quorum is present; provided, however, that the board of directors may not adopt a bylaw or amendment hereto changing the authorized number of directors.

DATED this 13th day of November, 2003.



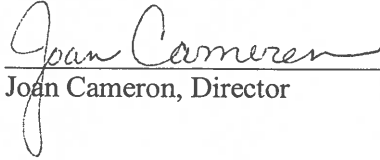
JOAN CAMERON ~~Acting~~ Secretary



John D. Scherer, Director



Charles W. Holt, Director



Joan Cameron, Director