

SUN VALLEY TITLE CO.
P.O. DRAWER 2365
KETCHUM, IDAHO 83340
(208) 726-9341

BY-LAWS
OF
PAR ESTATES TOWNHOUSES, INC.

NAME AND LOCATION. The name of the corporation is PAR Estates Townhouses, Inc., hereinafter referred to as the "Corporation". The principal office of the corporation shall be located at 28 South 300 West, Jerome, Idaho 83338, but meetings of members and directors may be held at such places within the State of Idaho, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Corporation" shall mean and refer to PAR Estates Townhouses, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, for PAR Estates Townhouses and such additions thereto as may hereafter be brought within the jurisdiction of the Corporation.

Section 3. "Common Area" shall mean all real property owned by the Corporation for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

BY-LAWS\1

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Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to an owner of certain real property located within Block 69, Woodside Subdivision Final Plat 19 in the City of Hailey, County of Blaine, State of Idaho, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for PAR Estates Townhouses applicable to the Properties recorded in the Office of the Recorder, County of Blaine, State of Idaho.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Corporation, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock p.m. If the day for the annual meeting of the members is a legal

holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth ($\frac{1}{4}$) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Corporation, or supplied by such member to the Corporation for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence of the meeting of members entitled to cast or proxies entitled to cast, one-tenth ($\frac{1}{10}$) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement

at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Section 6. Action Taken Without a Meeting. The members shall have the right to take action in the absence of a meeting which they could taken at a meeting by obtaining the written approval of all of the members. Any action so approved shall have the same effect as though taken at a meeting of the members.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Corporation shall be managed by a Board of three (3), six (6), or nine (9) directors, who need not be members of the Corporation.

Section 2. Term of Office. At the first annual meeting the members shall elect one, two or three directors (whichever is applicable) for a term of one year, one, two or three directors (whichever is applicable) for a term of two years and one, two or three directors (whichever is applicable) for a term of three years, and at each annual meeting thereafter the members shall elect one, two or three directors (whichever is applicable) for a term of three years. If the number of directors is to be increased, within the limites permitted herein, directors shall be

elected in the number necessary and for the terms necessary to fill the rotation of directors established above.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Corporation. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Corporation. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. T h e directors shall have the right to take action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Corporation. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to

serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Unless otherwise determined by the Board of Directors, regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Corporation, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights, and right to use of any recreational facilities, of a member during any period in which such member shall be in default in the payment of any assessment levied by the Corporation. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulation;

(c) exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as the deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth ($\frac{1}{4}$) of the members who are entitled to vote;

(b) supervise all officers, agents and employees of this Corporation, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

1. fix the amount of the quarterly assessment against each Lot at least thirty (30) days in advance of each quarterly assessment period;

2. send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each quarterly assessment period; and

3. foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by

the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Corporation;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Corporation shall be a president (and vice-president if deemed necessary), who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Corporation shall be elected annually by the Board and each shall hold office for one (1) year and until his successor is duly elected and qualified, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such

authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Corporation and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Corporation together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Corporation and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Corporation; keep proper books of account; cause an annual audit of the Corporation books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Corporation shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The book, records and papers of the Corporation shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Corporation shall be available for inspection by any member at the principal office of the Corporation, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Corporation quarterly and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Corporation may bring an action at law against the Owner personally obligated to

pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XIII

CORPORATE SEAL

The Corporation shall have a seal in circular form having within its circumference the words: PAR Estates Townhouses, Inc.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

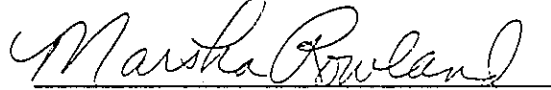
ARTICLE XIV

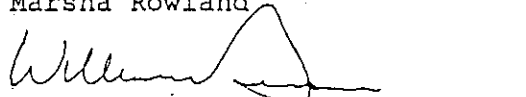
MISCELLANEOUS

The fiscal year of the Corporation shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the PAR Estates Townhouses, Inc., have hereunto set our hands this 5TH day of March, 1991.


Lewis Rowland

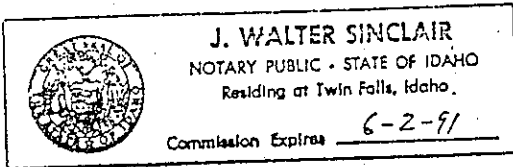

Marsha Rowland

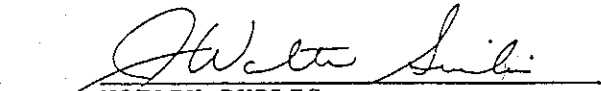

William M. Perkins

STATE OF IDAHO)
County of Twin Falls) ss.

On this 5TH day of March, 1991, before me, the undersigned, a Notary Public in and for said State, personally appeared Lewis Rowland, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

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



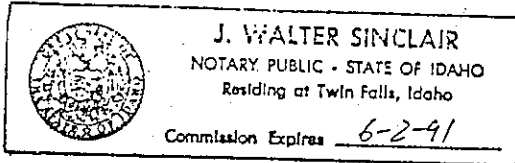

NOTARY PUBLIC
Residence: Twin Falls, Idaho
My Commission Expires: 6-2-91

STATE OF IDAHO)
County of Twin Falls) ss.

On this 5TH day of March, 1991 before me, the undersigned, a Notary Public in and for said State, personally appeared Marsha Rowland, known to me to be the person whose name is

subscribed to the foregoing instrument, and acknowledged to me that she executed the same.

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

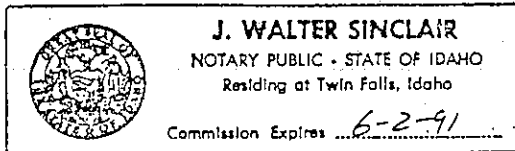


J. Walter Sinclair
NOTARY PUBLIC
Residence: Twin Falls, Idaho
My Commission Expires: 6-2-91

STATE OF IDAHO)
County of Twin Falls) ss.

On this 5th day of March, 1991, before me, the undersigned, a Notary Public in and for said State, personally appeared William M. Perkins, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

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



J. Walter Sinclair
NOTARY PUBLIC
Residence: Twin Falls, Idaho
My Commission Expires: 6-2-91


CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the PAR Estates Townhouses, Inc., an Idaho corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the 5th day of March, 1991.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this 5th day of March, 1991.


Secretary