

BYLAWS

OF

TETON SPRINGS GOLF AND CASTING CLUB
VILLAGE AND COMMERCIAL LOTS
SUB-ASSOCIATION

(An Idaho Nonprofit Corporation)

August 29, 2006

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ARTICLE I

GENERAL

1. Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of Teton Springs Golf and Casting Club Village & Commercial Lots Sub-Association (the “V&C Sub-Association”). The V&C Sub-Association has been organized as an Idaho corporation under the Idaho Nonprofit Corporation Act and constitutes the Village & Commercial Lots Sub-Association under the Master Declaration of Protective Covenants for Teton Springs, as recorded April 11, 2005 in the Office of the Clerk and Recorder of Teton County, Idaho (the “Declaration”) and Supplemental Declaration for Village & Commercial Lots Sub-Association, as recorded March 2, 2006. Said Declarations were made, executed and recorded by Teton Springs, LLC (“Declarant”). The lands in Teton County that become subject to the Declaration from time to time are hereinafter referred to as the “Common Interest Community” and the lands subject to the Supplemental Declaration are referred to as the “Village & Commercial Common Interest Community.”

2. Terms Defined in Supplemental Declaration. Terms used in these Bylaws which are defined in the Supplemental Declaration shall have the same meaning and definition as in the Supplemental Declaration.

3. Pre-Existing Master Association and Declaration. The Supplemental Declaration acknowledges that the subject Property of these Bylaws is a Sub-Association with Sub-Association common areas and Sub-Association Common Interest Community, but by reference acknowledges the pre-existing Master Association and the prevailing Master Declaration of Protective Covenants for Teton Springs Golf & Casting Club.

4. Controlling Laws and Instruments. These Bylaws are controlled Bylaws and shall always be consistent with the provisions of the Idaho Nonprofit Corporation Act, the Idaho Common Interest Ownership Act, the Supplemental Declaration for the V&C Sub-Association, and the Articles of Incorporation of the Master Association and V&C Sub-Association filed with the Secretary of State of Idaho, as any of the foregoing may be amended from time to time.

ARTICLE II

OFFICES

1. Business Offices. The principal office of the V&C Sub-Association in the State of Idaho shall be located at Teton Springs, 75 West 950 South, Victor, Idaho, 83455. The V&C Sub-Association may have such other offices, either within or without the State of Idaho, as the Village & Commercial Board of Directors (V&C Board) may determine or as the affairs of the V&C Sub-Association may require from time to time.

2. Registered Office. The V&C Sub-Association shall have and continuously

maintain in the State of Idaho a registered office, and a registered agent whose office is identical with such registered office, as required Bylaws the Idaho Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office of the V&C Sub-Association, and the registered agent and/or the address of the registered office may be changed from time to time by the V&C Board.

ARTICLE III

MEMBERS

1. Membership. There shall be one Membership in both the V&C Sub-Association and Master Association for each lot and unit within the Village & Commercial Common Interest Community. The person or persons who constitute the owner of a Village & Commercial lot or unit shall automatically be the holder of the Membership appurtenant to that lot or unit, and shall collectively be the “member” of the V&C Sub-Association and Master Association with respect to that lot or unit, and the Membership appurtenant to that lot or unit shall automatically pass with fee simple title to the lot or unit, and may not otherwise be separated from ownership of a lot or unit.

2. Representation on V&C Board. If title to a Village & Commercial lot or unit is held by a firm, corporation, partnership, association or other legal entity or any combination thereof, that entity may appoint, by a writing furnished to the V&C Sub-Association, a delegate to represent such lot or unit as a candidate for, and if elected, as a member of, the V&C Board. Such delegate shall not vote as a member of the V&C Sub-Association unless the delegate shall be appointed by a proxy executed in conformance with Article IV (6) of these Bylaws to cast the voting interest of the lot or unit which the delegate represents.

3. Responsibilities of Members. Any person, including Declarant, upon becoming an owner of a Village & Commercial lot or unit, shall automatically become a member of the V&C Sub-Association and Master Association and shall be subject to these Bylaws and the Master Association Bylaws. Such membership shall terminate without any formal action by the V&C Sub-Association or Master Association whenever such person ceases to own a lot or unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred to, or in any way connected with, the V&C Sub-Association or Master Association during the period of such ownership, or impair any rights or remedies which the V&C Sub-Association or Master Association or others may have against such former owner arising out of ownership of the lot or unit and membership in the V&C Sub-Association or Master Association and the covenants and obligations incident thereto.

4. Membership Certificates. No Certificates of Stock shall be issued by the V&C Sub-Association, but the V&C Board may, if so elects, issue membership cards to owners of Village & Commercial lots or units. Such membership cards shall be surrendered to the Secretary of the V&C Sub-Association whenever ownership of the lot or unit designated on the card shall terminate.

5. Classes of Members. The V&C Sub-Association shall have one class of Members.

6. Voting Rights of each Members. Each Village & Commercial lot or unit in the Village & Commercial Common Interest Community shall be entitled to one (1) vote in the V&C Sub-Association, i.e., one (1) vote per owner/member. Occupants of Village & Commercial lots or units, or of caretaker shall not have voting rights. If title to a Village & Commercial lot or unit is owned by more than one (1) person, such persons shall collectively vote their interest as a single vote. If only one of the multiple owners of a lot or unit is present at a V&C Sub-Association meeting, such owner is entitled to cast the vote allocated to that lot or unit. If more than one of the multiple owners is present, the vote allocated to that lot or unit may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any of the multiple owners casts the vote allocated to that lot or unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the lot or unit. In the event of a protest being made by one or more multiple owners, and a majority of the multiple owners of the lot or unit cannot agree on how to cast their vote, any vote cast for that lot or unit shall be null and void with regard to the issue being voted upon. Such multiple owners and their lot or unit shall nevertheless be counted in determining the presence of a quorum with respect to the issue being voted upon. No votes allocated to a lot or unit owned by the V&C Sub-Association may be cast. Notwithstanding the voting rights of Members as set forth above, Declarant shall be entitled to select, appoint and remove Directors and officers, in its sole discretion, during the Period of Declarant Control described in Article V(5) of these Bylaws.

7. Transfer of Membership on V&C Sub-Association Books. Transfers of Memberships shall be made on the books of the V&C Sub-Association only upon presentation of evidence, satisfactory to the V&C Sub-Association, of the transfer of ownership of the lot or unit to which the Membership is appurtenant. Prior to presentation of such evidence, the V&C Sub-Association may treat the previous owner of the membership as the owner of the membership entitled to all rights in connection therewith, including the rights to vote and to receive notice.

ARTICLE IV

MEETINGS OF MEMBERS

1. Annual Meeting. The first annual meeting of the Members of the V&C Sub-Association shall be held within one year after the date of adoption of these Bylaws, at a date and time selected and properly noticed by the V&C Board. Thereafter, annual meetings of the Members shall be held in July of each year, on such date and at such time as is fixed by the V&C Board and specified in the notice of meeting. Annual meetings shall be held for the purpose of electing Directors and for the transaction of such other business as may properly come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Idaho, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the V&C Board shall cause the election to be held at a special meeting of the Members as soon

thereafter as conveniently may be.

2. Special Meetings. Special meetings of the V&C Sub-Association members may be called by the President, by the V&C Board, or by Members holding at least twenty percent (20%) of the total votes of all Members entitled to vote. No business shall be transacted at a special meeting of Members except as indicated in the notice thereof.

3. Place of Meeting. The V&C Board of the V&C Sub-Association may designate any place, either within or without the State of Idaho, as the place of meeting for any annual meeting or for any special meeting called by the V&C Board. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the V&C Sub-Association in the State of Idaho; but if all of the Members shall meet at any time and place, either within or without the State of Idaho, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any proper action may be taken.

4. Notice of Meetings. Written notice stating the place, day and hour of any meeting of Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than 14 or more than 60 days before the date of such meeting, by or at the direction of the President, or the Secretary, or the other officers or persons calling the meeting. The notice of any meeting must state the items on the agenda, including the general nature of any proposed amendment to the Declarations or Bylaws, any budget changes, and any proposal to remove an officer or member of the V&C Board. Notwithstanding the foregoing, written notice of any meeting called for the purpose of levying a Special Assessment shall be delivered to all Owners no less than 30 or more than 50 days before the meeting.

5. Quorum; Majority Vote. Except as may otherwise be provided in the Declaration or these Bylaws, a quorum is deemed present throughout any meeting of the Members of the V&C Sub-Association if persons entitled to cast at least twenty percent (20%) of the votes in the V&C Sub-Association are present, in person or by proxy, at the beginning of the meeting. Provided a quorum of Members entitled to vote is present in person or by proxy, the affirmative vote of a majority of the Members so present shall constitute approval of any matter voted upon unless a different number is required on a particular matter by the Idaho Common Interest Ownership Act, the Master Declaration, any Supplemental Declaration, the Articles, or these Bylaws. If a quorum is not present at any meeting of the Members, a majority of the Members present may adjourn the meeting from time to time without further notice, for a total period or periods of not to exceed 30 days after the date set for the original meeting. Section 10.09 of the Declaration contains special quorum provisions for meetings called for the purpose of levying a Special Assessment.

6. Proxies. The vote allocated to a Village & Commercial Lot or Unit may be cast pursuant to a proxy duly executed by a Village & Commercial Lot or Unit Owner. If a Lot or Unit is owned by more than one person, each owner of the Lot or Unit may vote or register protest to the casting of a vote by the other owners of the Lot or Unit through a duly executed proxy. A Lot or Unit Owner may not revoke a proxy given pursuant to this provision except by

actual notice of revocation to the person presiding over a meeting of the V&C Sub-Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy shall terminate eleven (11) months after its date, unless a different termination date is otherwise set forth on its face. Proxies shall be filed with the Secretary of the V&C Sub-Association at or before the appointed time of each meeting.

7. Chairman of Meetings. At any meeting of the Members, the Members present shall select a Chairman and a Secretary of the Meeting.

ARTICLE V

VILLAGE & COMMERCIAL BOARD

1. General Powers and Duties. The affairs of the V&C Sub-Association shall be managed by its V&C Board. The V&C Board shall have the duty to manage and supervise the affairs of the V&C Sub-Association and shall have the powers necessary or desirable to permit it to do so. Without limiting the generality of the foregoing, the V&C Board shall have the power and authority to exercise or cause to be exercised for the V&C Sub-Association, all of the powers, rights and authority, not reserved to the V&C Sub-Association or the Declarant, and provided in the Declaration, any Supplemental Declaration, the Articles of Incorporation, these Bylaws, the Idaho Nonprofit Corporation Act, or the Idaho Common Interest Ownership Act. The V&C Board may not, however, act on behalf of the V&C Sub-Association to amend the Declaration or any Supplemental Declaration, to terminate the Common Interest Community, or to elect members of the V&C Board or determine the qualifications, powers and duties, or terms of office of V&C Board members, but the V&C Board may fill vacancies in its membership for the unexpired portion of the term.

2. Special Powers and Duties. Without limiting the foregoing general powers and duties of the V&C Board, the V&C Board shall be vested with and responsible for the following specific powers and duties:

(a) Assessments. The duty to fix and levy from time to time as it deems necessary Regular Assessments, Special Assessments, and Reimbursement Assessments upon the Members of the V&C Sub-Association as provided in the Declaration and Supplemental Declaration; to determine and fix the due date for the payment of such Assessments and the date upon which the same shall become delinquent; to enforce the payment of such delinquent Assessments as provided in the Declaration and Supplemental Declaration; and to credit any excess of Assessments over expenses and reserves to the Members to reduce their future Regular Assessments.

(b) Taxes. The duty to pay all taxes and assessments levied upon the V&C Sub-Association Common Areas and all other taxes and assessments payable to the V&C Sub-

Association Association. The V&C Board shall also have the power to contest any such taxes or assessments.

(c) Insurance. The duty to obtain and maintain in effect at all times casualty and liability and other insurance in accordance with the provisions of the Declaration.

(d) Village & Commercial Common Areas. The duty and power to contract for and pay bills for maintenance, legal service, accounting service, landscaping, common utilities and other materials, supplies and services relating to the Village & Commercial Common Areas, and to employ personnel necessary for the care and operation of the Village & Commercial Common Areas and to contract and pay for necessary improvements on the Village & Commercial Common Areas, all in accordance with the provisions of the Declaration and Supplemental Declaration.

(e) Agents and Employees. The power to select, appoint, and remove all officers, agents, employees and independent contractors of the V&C Sub-Association and to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the Declaration, Supplemental Declaration and these Bylaws; and to fix their compensation and to require from them security for faithful service as deemed advisable by the V&C Board.

(f) Borrowing. The power to borrow money and to incur indebtedness for the purposes of the V&C Sub-Association, and to cause to be executed and delivered therefore, in the V&C Sub-Association's name, promissory notes, bonds, debentures, pledges or other evidences of debt. The repayment of such indebtedness shall be a Common Expense of the Owners of Village & Commercial lots or units. Provided that the V&C Board shall not borrow or cause the V&C Sub-Association to be indebted for more than \$50,000.00 at any one time without the prior approval of a majority of the Members.

(g) Enforcement. The power to administer and enforce the covenants and provisions of the Supplemental Declaration, the Village & Commercial Rules and Regulations, these Bylaws or other agreements of the V&C Sub-Association for the Village & Commercial Common Interest Community.

(h) Delegation of Powers. The power to delegate its powers according to law.

(i) Rules and Regulations. The power to adopt, amend and repeal such Village & Commercial Rules and Regulations as the V&C Board may deem necessary, desirable or appropriate from time to time, in the manner set forth in the Declaration and Supplemental Declaration.

3. Qualifications of Directors. A Director may be any natural person and need not be an Owner of a Village & Commercial Lot or Unit within the V&C Common Interest Community. Provided, that upon and after the expiration of the Period of Declarant Control

described in Article (V)(5) of these Bylaws, at least a majority of the Directors shall be Owners other than Declarant. A Director may be re-elected and there shall be no limit on the number of terms a Director may serve.

4. Number of Directors. The number of Directors of the V&C Sub-Association shall be three. Within the limits set forth above, the number of Directors may be increased or decreased from time to time by a duly adopted amendment to these Bylaws, provided that no decrease in number shall have the effect of shortening the term of any incumbent Director.

5. Appointment, Election and Term of Office of Directors.

(a) In the Declaration, Declarant has reserved the right to appoint and remove Directors and officers until the date which is the earlier of (a) sixty (60) days after conveyance of 75% of the Village & Commercial Lots or Units that may be created to Owners other than Declarant, (b) two (2) years after the last conveyance of a Village & Commercial Lot or Unit by Declarant in the ordinary course of business, or (c) two (2) years after any right to add new Village & Commercial Lots or Units was last exercised by Declarant (the "Turnover Date").

(b) During this "Period of Declarant Control": (a) Not later than sixty (60) days after conveyance of 25% of the Village & Commercial Lots or Units that may be created to Owners other than Declarant, at least one member and not less than 25% of the members of the V&C Board must be elected by Owners other than Declarant; and (b) not later than sixty (60) days after the conveyance of 50% of the Village & Commercial Lots or Units that may be created to Owners other than Declarant, not less than 33-1/3% of the members of the V&C Board must be elected by Owners other than Declarant.

(c) At any time prior to the Turnover Date, the Declarant may voluntarily surrender and relinquish the right to appoint and remove officers and members of the V&C Board. In any event, prior to the Turnover Date and regardless of surrender of this right, Declarant will require, for the duration of the Period of Declarant Control, that actions of the V&C Sub-Association or the V&C Board, be approved by Declarant before they become effective. As to such actions, Declarant may give its approval or disapproval in its sole discretion and option, and its disapproval shall invalidate any such action by the V&C Board or the V&C Sub-Association .

(d) At the Turnover Date, the Village & Commercial Lot and Unit Owners (including Declarant) shall elect a V&C Board of three (3) members, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant, and the V&C Board shall elect the officers, with such V&C Board members and officers to take office upon election.

(e) Within sixty (60) days after Owners other than Declarant elect a majority of the members of the V&C Board, Declarant shall deliver to the V&C Sub-Association all property of the Village & Commercial Lot or Unit Owners and of the V&C Sub-Association held

or controlled by Declarant, including without limitation those items specified in Section 38-33.3-303 (9) of the Idaho Common Interest Ownership Act.

(f) Hence, during the Period of Declarant Control and prior to the time that Owners other than Declarant ownership 25% of the Village & Commercial Lots or Units that may be created, all Directors shall be appointees of Declarant, for such terms as Declarant may consider appropriate. All Directors appointed by Declarant may be removed at any time and from time to time by Declarant in its sole an absolute discretion.

(g) With the exception of Directors appointed by the Declarant, and except as provided below, Directors shall serve three year terms. The terms of at least one-third of the members of the V&C Board shall expire annually. Accordingly, the term of the first Director elected by the Owners shall be three years, and the V&C Board shall fix the term of each additional Director elected by the Owners (at the time of such election) so that such term expires one year following the last to expire of the term(s) of the already serving Owner-elected Director(s). If the number of owner-elected Directors is increased to more than three, the terms of the additional Directors shall be fixed so that the terms of at least one-third of the members of the V&C Board expire annually. Directors shall hold office until their successors have been elected and qualified.

6. Removal of Directors. The Village & Commercial Lot and Unit Owners, by vote of sixty-seven percent (67%) of all Members present and entitled to vote at any meeting of the Village & Commercial Lot and Unit Owners at which a quorum is present, may remove any member of the V&C Board with or without cause, other than a member appointed by Declarant, and a successor may be then and there elected to fill the vacancy thus created. The notice of the meeting must indicate that the proposed removal of a Director or Directors will be considered at the meeting.

7. Resignation of Directors. Any Director may resign at any time by giving written notice to the President, to the Secretary, or to the V&C Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

8. Vacancies in Directors. Subject to Declarant's reserved rights to appoint and remove Directors, any vacancy occurring in the V&C Board, unless filled by election at a special meeting of the Members, shall be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Except during the Period of Declarant Control, a Directorship to be filled by reason of any increase in the number of Directors shall be filled only by vote of the Members.

9. Managing Agent. The V&C Board may employ for the V&C Sub-Association a Managing Agent at a compensation established by the V&C Board, to perform such duties and services as the Board shall authorize; provided, however, that the V&C Board in delegating such duties shall not be relieved of any responsibilities imposed upon it by law or by the Declaration

or Supplemental Declaration.

10. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the V&C Board a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the V&C Board; but nothing herein contained shall be construed to preclude any Director from serving the V&C Sub-Association in some other capacity and receiving compensation therefore.

11. Maintenance of Fidelity Insurance. In the event that the V&C Board delegates its powers with respect to collection, deposit, transfer, or disbursement of V&C Sub-Association funds to other persons or to a Managing Agent, as authorized by these Bylaws and the Idaho Common Interest Ownership Act, then in connection with such delegation of powers, the V&C Board shall require:

(a) That the other persons or Managing Agent maintain fidelity insurance coverage or a bond in an amount not less than \$50,000 or such higher amount as the V&C Board may require;

(b) That the other persons or Managing Agent maintain all funds in accounts of the V&C Sub-Association separate from the funds and accounts of other associations managed by the other persons or Managing Agent and maintain all reserve accounts of each association so managed separate from operational accounts of the V&C Sub-Association; and

(c) That an annual accounting for V&C Sub-Association funds and a financial statement be prepared and presented to the V&C Sub-Association by the Managing Agent or a certified public accountant.

12. Meetings of Directors.

(a) Place of Directors' Meetings. Meetings of the V&C Board shall be held at the principal office of the V&C Sub-Association or at such other place, within or convenient to the Village & Commercial Common Interest Community, as may be fixed by the V&C Board and specified in the notice of the meeting.

(b) Annual Meetings of Directors. Annual meetings of the V&C Board shall be held on the same date as, or within 10 days following, the annual meeting of Members. The business to be conducted at the annual meeting of Directors shall consist of the appointment of officers of the V&C Sub-Association and the transaction of such other business as may properly come before the meeting. No prior notice of the annual meeting of the V&C Board shall be necessary if the meeting is held on the same day and at the same place as the annual meeting of Members at which the V&C Board is elected or if the time and place of the annual meeting of the V&C Board is announced at the annual meeting of such Members.

(c) Other Regular Meetings of Directors. The V&C Board shall hold regular meetings at least quarterly and may, by resolution, establish in advance the times and places for

such regular meetings. No prior notice of any regular meetings need be given after establishment of the times and places thereof by such resolution.

(d) Special Meetings of Directors. Special meetings of the V&C Board may be called by the President or any two members of the V&C Board.

(e) Notice of Directors' Meetings. In the case of all meetings of Directors for which notice is required, notice stating the place, day and hour of the meeting shall be delivered not less than 3 nor more than 50 days before the date of the meeting, to each member of the V&C Board. If mailed, such notice shall be deemed to be delivered at 5:00 p.m. on the fifth business day after it is deposited in the mail addressed to the Director at his home or business address as either appears on the records of the V&C Sub-Association, with postage thereon prepaid. If faxed, such notice shall be deemed delivered on the date faxed if written confirmation of the fax transmission is available. If by telephone, such notice shall be deemed to be delivered when given by telephone to the Director. If given personally, such notice shall be deemed to be delivered upon delivery of a copy of a written notice to, or upon verbally advising, the Director or some person who appears competent and mature at his home or business address as either appears on the records of the V&C Sub-Association. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the V&C Board need be specified in the notice or waiver of such meeting.

(f) Proxies. A Director shall be entitled to vote by proxy at any meeting of Directors.

(g) Quorum of Directors. A quorum shall be deemed present throughout any meeting of the V&C Board if persons entitled to cast at least fifty percent (50%) of the votes on the V&C Board are present at the beginning of the meeting.

(h) Adjournment of Director's Meetings. Directors present at any meeting of Directors may adjourn the meeting from time to time, whether or not a quorum shall be present, without notice other than an announcement at the meeting, for a total period or periods not to exceed 30 days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present, any business may be transacted which may have been transacted at the meeting as originally called.

(i) Vote Required at Directors' Meeting. At any meeting of Directors, if a quorum is present, a majority of the votes present in person and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, Supplemental Declaration, the Articles of Incorporation or these Bylaws.

(j) Officers at Meetings. The President shall act as chairman and the V&C

Board shall elect a Director to act as secretary at all meetings of Directors. A non-Director may also be employed to act as secretary at such meetings.

(k) Waiver of Notice. A waiver of notice of any meeting of the V&C Board, signed by a Director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Director. Attendance of a Director at a meeting in person shall constitute waiver of notice of such meeting except when the Director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

(l) Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of 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.

(m) Meetings by Telephone. Members of the V&C Board or any committee designated thereby may hold or participate in a properly noticed meeting of the V&C Board or such committee by means of conference telephone or similar communications equipment provided that all such persons so participating in such meeting can hear each other at the same time.

ARTICLE VI

OFFICERS

1. Officers. The officers of the V&C Sub-Association shall be a President, Vice President, a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The V&C Board may elect or appoint such other officers, including one or more Assistant Secretaries as one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority to perform the duties prescribed, from time to time, by the V&C Board. Any two or more offices may be held by the same person, except the offices of President and Secretary. The President must be a member of the V&C Board. Other officers need not be Directors.

2. Election and Term of Office. Subject to Declarant's reserved right to appoint officers during the Period of Declarant Control, the officers of the V&C Sub-Association shall be elected at the first meeting of the V&C Board and thereafter at the next regular meeting of the V&C Board following each annual meeting of the Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the V&C Board. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

3. Removal or Resignation. Any officer elected or appointed by the V&C Board may be removed by the V&C Board whenever, in its judgement, the best interests of the V&C Sub-Association would be served thereby, but such removal shall be without prejudice to the

contract rights, if any, of the officer so removed. Election or appointment of an officer shall not of itself create contract rights. Any officer may resign at any time by giving written notice to the President, to the Secretary, or to the V&C Board, stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the V&C Board for the unexpired portion of the term.

5. President. The President shall be the principal executive officer of the V&C Sub-Association and shall in general supervise and control all of the business and affairs of the V&C Sub-Association. He shall insure that the orders and the resolutions of the V&C Board are carried out. He shall preside at all meetings of the Members and of the V&C Board. He may sign, with the Secretary or any other proper officer of the V&C Sub-Association, leases, mortgages, deeds, contracts or other instruments which the V&C Board has authorized to be executed, except in the case where the signing and execution thereof shall be expressly delegated by the V&C Board or by these Bylaws or by statute to some other officer or agent of the V&C Sub-Association; he and the Secretary shall also prepare, execute, certify and record duly adopted amendments to the Declaration on behalf of the V&C Sub-Association; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the V&C Board from time to time.

6. Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the V&C Board.

7. Treasurer. If required by the V&C Board, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the V&C Board shall determine. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the V&C Sub-Association and shall disburse such funds as directed by resolution of the V&C Board; sign all promissory notes of the V&C Sub-Association; sign all checks of the V&C Sub-Association unless the V&C Board specifically directs otherwise; keep proper books of account; at the direction of the V&C Board, cause an annual audit of the V&C Sub-Association books to be made by a public accountant at least once in every three fiscal years; and 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.

8. Secretary. The Secretary shall keep the minutes of the meetings of the Members in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the V&C Sub-Association records; keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the

President or by the V&C Board.

9. Assistant Treasurers and Assistant Secretaries. If required by the V&C Board, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the V&C Board shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the V&C Board.

ARTICLE VII

COMMITTEES

The V&C Board, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, which may consist of Directors and/or Members who are not Directors. Any such committee shall have and exercise such authority as shall be specified in the resolution creating the committee (except such authority as can only be exercised by the V&C Board). The designation and appointment of any committee and the designation thereto of authority shall not operate to relieve the V&C Board, or any individual Director, of any responsibility imposed upon it or him by law. The provisions of these Bylaws with respect to notice of meeting, waiver of notice, quorums, adjournments, vote required and action by consent applicable to meetings of Directors shall be applicable to meetings of committees of the V&C Board.

ARTICLE VIII

INDEMNIFICATION

Indemnification. To the extent permitted or required by the Act (as defined below) and any other applicable law, if any Director or officer (as defined below) of the V&C Sub-Association is made a party to or is involved in (for example as a witness) any proceeding (as defined below) because such person is or was a Director or officer of the V&C Sub-Association, the V&C Sub-Association (i) shall indemnify such person from and against any judgments, penalties, fines, amounts paid in settlement and reasonable expenses (including but not limited to expenses of investigation and preparation, and fees and disbursements of counsel, accountants or other experts) incurred by such person in such proceeding, and (ii) shall advance to such person expenses incurred in such proceeding.

The V&C Sub-Association may in its discretion (but is not obligated in any way to) indemnify and advance expenses to an employee or agent of the V&C Sub-Association to the same extent as to a Director or officer.

The foregoing provisions for indemnification and advancement of expenses are not exclusive, and the V&C Sub-Association may in its discretion provide for indemnification or advancement of expenses in a resolution of its Members or Directors, in a contract or in its Articles of Incorporation.

Any repeal or modification of the foregoing provisions of this Article for indemnification or advancement of expenses shall not affect adversely any right or protection stated in such provisions with respect to any act or omission occurring prior to the time of such repeal or modification. If any provision of this Article or any part hereof shall be held to be prohibited by or invalid under applicable law, such provision or part thereof shall be deemed amended to accomplish the objectives of the provision or part thereof as originally written to the fullest extent permitted by law, and all other provisions or parts shall remain in full force and effect.

As used in this Article, the following terms have the following meanings:

A. Act. The term “Act” means the Idaho Nonprofit Corporation Act as it exists on the date this Article is adopted, and as the Idaho Nonprofit Corporation Act may be thereafter amended from time to time. In the case of any amendment of the Idaho Nonprofit Corporation Act after the date of adoption of this Article, when used with reference to an act or omission occurring prior to the effectiveness of such amendment, the term “Act” shall include such amendment only to the extent that the amendment permits a corporation to provide broader indemnification rights than the Idaho Nonprofit Corporation Act permitted prior to the amendment.

B. Director or Officer. The term “Director” or “officer” means (i) a Director or officer of the V&C Sub-Association, and (ii) while an individual is a Director or officer of the V&C Sub-Association, the individual’s serving at the V&C Sub-Association’s request as a director, officer, partner, trustee, employee or agent of any corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, and (iii) any other position (not with the V&C Sub-Association itself) in which a Director or officer of the V&C Sub-Association is serving at the request of the V&C Sub-Association and for which indemnification by the V&C Sub-Association is permitted by the Act.

C. Proceeding. The term “proceeding” means any threatened, pending or completed action, suit, or proceeding whether civil, criminal, administrative or investigative, and whether formal or informal.

ARTICLE IX

AMENDMENTS

These Bylaws may be amended by a majority of a quorum of the V&C Board at a regular or special meeting of the V&C Board, or by the vote of Members holding at least 67 percent of the votes in the V&C Sub-Association at a meeting duly noticed for such purpose. No amendment shall serve to shorten the term of any Director, or conflict with the Declaration, Supplemental Declaration, the Articles of Incorporation, or the Idaho Common Interest Ownership Act. Notwithstanding anything to the contrary contained herein, prior to the termination of the Period of Declarant Control, these Bylaws shall not be amended without Declarant's prior written consent and approval.

ARTICLE X

ASSESSMENTS

Every owner of a Village & Commercial Lot or Unit in the Village & Commercial Common Interest Community shall be obligated to pay Regular, Special and Reimbursement Assessments levied by the V&C Sub-Association and Master Association from time to time in accordance with the provisions of Article 10 of the Declaration, and Supplemental Declaration as the Declarations may be amended from time to time.

ARTICLE XI

NOTICE AND HEARING PROCEDURE

1. Section 10.10 of the Master Declaration provides that the Executive Board may levy a Reimbursement Assessment against any Owner or Owners, in the form of a reasonable fine, for a violation or violations of the Declaration, a Supplemental Declaration, the Articles, Bylaws, or the Master Rules and Regulations, but only after such Owner(s) have been provided with Notice and Hearing. The procedure for such notice and hearing shall be as follows:

2. If the Executive Board believes that such a violation has occurred and wishes to levy a fine in connection therewith, the Executive Board shall provide the Owner(s) involved with a written Statement of Violation which specifies the alleged violation(s) and which sets a date and time on which the matter will be heard by the Executive Board (at least a quorum must be present) or by a panel appointed by the Executive Board. The hearing date shall be no earlier than 10 days following the date on which the Statement of Violation is given to the Owner(s).

3. The Owner(s) so notified shall have the right to appear at the hearing in writing and/or in person, to be represented by counsel if he chooses, to present any relevant evidence and witnesses, and to cross-examine any witnesses testifying against him.

4. Following the hearing, the Executive Board or the appointed panel, acting by

majority vote, shall determine if a violation or violations have occurred, and if so, the amount of the reasonable fine that is to be levied under the circumstances. If the hearing is before a panel, the panel shall deliver its written determination to the Executive Board, which shall in turn levy the Reimbursement Assessment.

5. The Executive Board shall levy a Reimbursement Assessment against the offending Owner(s) for the amount of the fine so determined, and shall provide to the offending Owner(s) written notice of (i) the determination made by the Executive Board or panel, and (ii) the amount and due date of the Reimbursement Assessment, which due date shall be no earlier than 30 days after the giving of such notice.

ARTICLE XII

REGISTRATION OF MAILING ADDRESS

All owners of each Village & Commercial Lot or Unit shall have one and the same registered mailing address to be used by the V&C Sub-Association and Master Association for mailing of notices, demands, and all other communications. Such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association, or other legal entity or combination thereof to be used by the V&C Sub-Association or Master Association. Such registered address of a Village & Commercial Lot or Unit Owner or Owners shall be furnished by such Owners to the Secretary of the V&C Sub-Association within five days after transfer of title to the Lot or Unit or by such persons as are authorized by law to represent the interests of all Owners thereof. If no such address is registered or if all the Owners cannot agree, then the address of the Lot or Unit shall be deemed the existing registered address for the purposes of this Article until another registered address is furnished as required under this Article. If the Lot or Unit is the registered address of the Owners, than any notice shall have been deemed to be duly given if it is delivered to any person occupying that Lot or Unit, or, if such Lot or Unit is unoccupied, if the notice is held and available for the Owners at the principal office of the V&C Sub-Association. The registered address may be changed from time to time by designation in accordance with this Article.

ARTICLE XIII

NONPROFIT CORPORATION

The V&C Sub-Association is not organized for profit. No member of the V&C Sub-Association, member of the V&C Board, or person from whom the V&C Sub-Association may receive any property or funds, shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations of the V&C Sub-Association, and in no event shall any part of the funds or assets of the V&C Sub-Association be paid as a dividend, or be distributed to, or inure to the benefit of, any member of the V&C Board. The foregoing, however, shall neither prevent nor restrict the following:

1. Reasonable compensation may be paid to any Member or Director acting as an

agent or employee of the V&C Sub-Association for services rendered in accomplishing one or more of the lawful purposes of the V&C Sub-Association; and

2. Any Member or Director may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the V&C Sub-Association.

ARTICLE XIV

BOOKS AND RECORDS; STATEMENT OF ACCOUNT

1. Inspection. The records of receipts and expenditures of the V&C Board, including records of receipts and expenditures affecting Village & Commercial Common Areas, and other books, records and papers of the V&C Sub-Association, including the Supplemental Declaration, the Articles of Incorporation, and these Bylaws of the V&C Sub-Association, as well as any management agreement and any Village & Commercial Rules and Regulations of the V&C Sub- Association shall be available for inspection during convenient weekday business hours by the Owners, their agents, their attorneys, their lenders, and to holders, insurers or guarantors of first mortgages at the principal office of the V&C Sub-Association, where copies may be purchased at a reasonable cost.

2. Statement of Account. Upon 10 days written notice to the Managing Agent, if any, or the V&C Board, and payment or a reasonable fee, any Owner shall be furnished a statement of the Owner's account setting forth the amount of any unpaid Assessments or other charges due and owing from such Owner.

ARTICLE XV

WAIVER OF NOTICE

Except in any instance where waiver of notice is prohibited by law, whenever any notice is required to be given under the provisions of the Idaho Nonprofit Corporation Act, or the Idaho Common Interest Ownership Act, or under the provisions of the Declaration, Supplemental Declaration, the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVI

FISCAL YEAR

The fiscal year of the V&C Sub-Association 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. The fiscal year may be changed by the V&C Board without amending these Bylaws.

ARTICLE XVII

LIMITED LIABILITY

As provided in Section 9.19 of the Master Declaration, neither the Master Association, the V&C Sub-Association, the Executive Board, the V&C Board, the Development Review Committee, nor any officer, employee, Member or agent of the same, shall be liable to any Owner, Occupant or other person for any action or for any failure to act if the action taken or failure to act was in good faith and without malice.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify as follows:

1. I am the duly elected and acting Secretary of the Teton Springs Village & Commercial Sub-Association, an Idaho nonprofit corporation (the "V&C Sub-Association"); and
2. The foregoing Bylaws, comprising 23 pages including this page, constitute the Bylaws of the V&C Sub-Association duly adopted by the V&C Board of the V&C Sub-Association on _____.

IN WITNESS WHEREOF, I have hereunto subscribed my hand this ____ day of _____ 200____.

Secretary