

BYLAWS
OF
BANBURY
HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

APPLICATION AND DEFINITIONS

These Bylaws are adopted pursuant to Title 30, Chapter 3 of the Idaho Code, for the governance of the Banbury Homeowners' Association, Inc., (the "Association"). Unless otherwise specifically defined herein, or indicated by the context, the words, terms and phrases herein shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions for Banbury No. 1 Subdivision (hereinafter, the "Declaration"), recorded as Instrument No. 8729275, Records of Ada County, Idaho.

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association shall be located at 1412 W. Idaho, Suite 207, Boise, Idaho 83702.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of

incorporation of the Association, on a date, and at a time and place established by the Board of Directors, and specified in written notice to Members not less than ten (10) days in advance of such meeting. Each subsequent regular annual meeting of the Members shall be held on the first Monday in March of each year (unless that day shall be a legal holiday and in such event, on the next succeeding Monday. Notice of the annual meeting shall be mailed to the Members in writing specifying the time, date and location, not less than ten (10) days in advance of such meeting. The annual meeting shall not be scheduled on a legal holiday. Such annual meeting shall be held for the purpose of electing directors and for the transaction of such other business as may lawfully come before the meeting.

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-tenth (1/10) of all the votes of the Members.

Written notice of any special 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 ten (10) days before such meeting to each member entitled to vote thereat.

Section 3. Notice. Any notice of meeting required to be given Members shall be addressed to the Member's address last appearing on the books of the Association or supplied in writing

to the Association by such Member to the Association 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 at the meeting of Members entitled to cast, or of proxies entitled to cast, one tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereafter 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 prior to the call to order of the meeting at which the proxy is intended to be used. The Secretary shall, immediately prior to the call to order of the meeting, call for a filing of any proxies. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of five (5) directors, at least two of whom shall be owners. Except for the two directors who are owners, directors need not be Members of the Association.

Section 2. Term of Office. The initial three directors shall serve until the conclusion of the first annual meeting of the Members. At the first annual meeting, and at each annual meeting thereafter, the Members shall elect three (3) directors, who shall serve until the conclusion of the next annual meeting.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association.

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

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS; VACANCIES

Section 1. Nomination. Nominations 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 at least three persons, to include a chairman, who shall be a member of

the Board of Directors. The Nominating Committee shall be appointed by the Board of Directors at its first meeting after each annual meeting of the Members, to serve from the date of appointment until the close of the next annual meeting of the members. 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 nonmembers.

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 for each position shall be elected. Cumulative voting is not permitted.

Section 3. Appointment to Fill Vacancy. 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.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held not less than quarterly (every

third month), without notice, at such place, date and hour as may be fixed from time to time by resolution or action of the Board or if no such place, date and hour is fixed by resolution or action of the Board, then upon the call of the President, or any two (2) directors, after not less than three (3) day's notice to each director. Should said meeting fall upon a Sunday or a legal holiday, then that meeting shall be held at the same time on the next day which is not a Sunday or a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) 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 the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and Common 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 the use of the 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 Association. Such rights may also be suspended after notice and hearing as provided in the Declaration for a period not to exceed sixty (60) days for infraction of published rules and regulations.

(c) Exercise for the Association all authority, powers and duties vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, 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.

(e) Employ a manager and other employees as it deems necessary and prescribe their duties, and contract for the services of such independent contractors as it deems necessary.

(f) Take any action in the absence of a meeting which they could take at a meeting by obtaining written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

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-tenth (1/10) of the Members who are entitled to vote.

(b) Supervise all officers, agents and employees of this Association and see that their duties are properly performed.

(c) As ~~more~~ fully provided in the Declaration:

- (1) Fix the amount of the annual assessment to be assessed for the next calendar year against each lot, as provided in the Declaration.
- (2) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
- (3) Foreclose any lien against any property for which assessments are not paid or to bring an action by law against the owner personally obligated to pay the same (provided that such notice as is required by the Declaration, the Articles of Incorporation of the Association, or the laws of the State of Idaho has been given.)

(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 Association.

(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 Association shall be a President who shall at all times be a Member 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 the Association shall be elected annually by the Board, and each shall hold office until the conclusion of the next annual meeting of the Board of Directors, unless he shall sooner resign or be removed or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association 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 by 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. 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 office of the Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

(a) President. 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.

(b) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall

serve notice of meetings of the Board and of the Members; shall keep appropriate current records showing the Members of the Association, together with their addresses; and shall perform such other duties as may be required by the Board.

(c) Treasurer. The Treasurer shall receive and deposit in appropriate Association bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association and keep proper books of account; shall cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual balance sheet and a statement of income and expenditures, for Board of Directors' approval to be presented to the Members at their regular annual meeting and shall deliver a copy of each to the Members.

ARTICLE IX

COMMITTEES

An Architectural Control Committee shall be appointed as provided in the Declaration, and a Nominating Committee shall be appointed as provided in these Bylaws. In addition, the Board of Directors shall appoint such other committees as it deems appropriate.

ARTICLE X

BOOKS AND RECORDS

The Declaration, the Articles of Incorporation, the Bylaws and other books, records and papers of the Association shall be available for inspection by any Member at the principal office of the Association, and any Member may purchase copies thereof at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay the Association's annual 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 ten percent (10%) per annum or such other interest rate as may be established by the Board of Directors, and the Association may bring an action at law against the owner personally obligated to pay the same or may foreclose the lien against the property (having first given such notice as is required by the Declaration, the Articles of Incorporation of the Association, and the laws of the State of Idaho). Interest, reasonable attorneys' fees and costs of any such action shall be added to the amount of such assessment. No owner may waive or

otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: BANBURY HOMEOWNERS' ASSOCIATION, INC.

ARTICLE XIII

AMENDMENTS

Section 1. These Bylaws 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 Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

FISCAL YEAR

The fiscal year of the Association shall begin on the 1st 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
BANBURY HOMEOWNERS' ASSOCIATION, INC., have hereunto set out
hands this 28th day of August, 1987.



Harvey B. Hoff



Thomas T. Wright

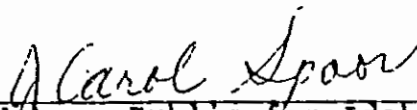


James Kelly

STATE OF IDAHO)
) ss.
County of Ada)

On this 28th day of August, 1987, before me, the
undersigned, a Notary Public in and for said state, personally
appeared HARVEY B. HOFF, THOMAS T. WRIGHT and JAMES KELLY, known
or identified to me to be the persons whose names are subscribed
to the foregoing instrument, and acknowledged to me that they
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 for Idaho
Residing at Boral, Idaho
My commission expires on 3.22, 1991

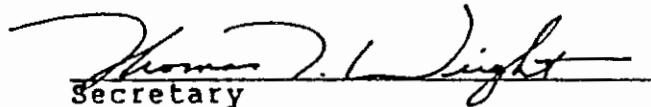
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of
BANBURY HOMEOWNERS' ASSOCIATION, INC., an Idaho corporation; and

That the foregoing Bylaws constitute the original Bylaws
of said Association as fully adopted at a meeting of the Board of
Directors thereof held on the 28th day of August, 1987.

IN WITNESS WHEREOF, I have hereunto subscribed my name
and affixed the seal of said Association this 28th day of August,
1987.


Secretary