



Robert D. Burton, Esq.
Winstead PC
401 Congress Ave., Suite 2100
Austin, Texas 78701
Email: rburton@winstead.com

VALOR
COMMUNITY MANUAL
[MAINTENANCE CORPORATION]

M3 ID FALCON CREST, LLC, an Arizona limited liability company, as the Declarant under the Valor Maintenance Covenant, recorded under Document No. 2022-017810 in the Official Records of Ada County, Idaho, certifies that the foregoing Community Manual was adopted for the benefit of Valor Maintenance Corporation, Inc., an Idaho non-profit corporation, as part of the initial project documentation for Valor.

IN WITNESS WHEREOF, the undersigned has executed this Community Manual on the _____ day of October 4, 2022.

DECLARANT:

M3 ID Falcon Crest, LLC,
an Arizona limited liability company

By: M3 Builders, L.L.C.,
an Arizona limited liability company
its Manager

By: The M3 Companies, L.L.C.,
an Arizona limited liability company
its sole member

By: 
William I. Brownlee, Manager

COMMUNITY MANUAL

for

VALOR

A Residential Community in Ada County

M3 ID FALCON CREST, LLC, an Arizona limited liability company, is the developer of Valor (the “**Community**”). The guiding principles for the Community have been set forth in the governing documents for the Community, which include the Development Documents and the VMC Documents (both defined below) and are collectively referred to as the “**Documents**”. The Documents include such instruments as the Valor Maintenance Covenant, recorded in the Official Records of Ada County, Idaho (the “**Covenant**”), any applicable Tract Declaration, the Club Documents as defined in the Covenant, the Design Guidelines, if any, and this Community Manual (collectively referred to as the “**Development Documents**”). The Development Documents contain covenants, conditions and restrictions which not only encumber your property, but also have a legal and binding effect on all Owners and Occupants in the Community, now or in the future.

The “**Declarant**” has reserved certain rights to facilitate the development, construction, and marketing of the Community, including its size, shape and composition, while the Community is being built-out (the “**Development Period**”). Furthermore, the Development Documents identify and set forth the obligations of the Valor Maintenance Corporation, Inc., the non-profit corporation (“**VMC**”), created by the Declarant to exercise the authority and assume the powers described in the Covenant.

Other specific Documents include such instruments as the Articles of Incorporation and Bylaws which set forth the corporate governance structure of VMC as well as the various Rules and regulations, which include rules, regulations, policies and procedures outlining the operation of VMC and required standards for use of property, activities and conduct (the “**VMC Documents**”). It is the VMC Documents which are included within this Community Manual, as further set forth herein.

Capitalized terms used but not defined in this Community Manual shall have the meaning ascribed to such terms in the Covenant.

**VALOR
[MAINTENANCE CORPORATION]**

COMMUNITY MANUAL

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ATTACHMENT 1
ARTICLES OF INCORPORATION

[SEE ATTACHED]



0004474926



STATE OF IDAHO
Office of the secretary of state, Lawrence Denney
ARTICLES OF INCORPORATION (NONPROFIT)
 Idaho Secretary of State
 PO Box 83720
 Boise, ID 83720-0080
 (208) 334-2301
 Filing Fee: \$30.00

For Office Use Only

-FILED-

File #: 0004474926

Date Filed: 11/2/2021 7:55:59 AM

B0659-4517 11/02/2021 7:58 AM Received by ID Secretary of State Lawrence Denney

Articles of Incorporation (Nonprofit)		
Select one: Standard, Expedited or Same Day Service (see descriptions below)	Expedited (+\$40; filing fee \$70)	
Article 1: Corporation Name Entity name	Valor Maintenance Corporation	
Article 2: Effective Date The corporation shall be effective	when filed with the Secretary of State.	
Article 3: Purpose The purpose for which the corporation is organized is:	Homeowners Association	
Article 4: Voting Members: The corporation	has voting members.	
Article 5: Asset Distribution on Dissolution Upon dissolution the assets shall be distributed:	all assets will be distributed to another nonprofit organization with a similar purpose.	
Article 6: IRS Designation Is this nonprofit a 501(c)3?	No	
Article 7: The mailing address of the corporation shall be: Mailing Address	MARK TATE 1087 W RIVER ST STE 310 BOISE, ID 83702-7056	
Article 8: Registered Agent Name and Address Registered Agent	Registered Agent Mark Tate Physical Address: 1087 W. RIVER STREET SUITE 310 BOISE, ID 83702 Mailing Address: 1087 W RIVER ST STE 310 BOISE, ID 83702-7056	
<input checked="" type="checkbox"/> I affirm that the registered agent appointed has consented to serve as registered agent for this entity.		
Article 9: Incorporator Name(s) and Address(es)		
Name	Incorporator Address	
ROBERT D BURTON	401 CONGRESS AVE SUITE 2100 AUSTIN, TX 78701	
Article 10: Director Name(s) and Address(es)		
Name	Title	Director Address

VALOR
 [MAINTENANCE CORPORATION]
 ATTACHMENT 1
 ARTICLES OF INCORPORATION



B0659-4518 11/02/2021 7:58 AM Received by ID Secretary of State Lawrence Denney

Alex Baird	Director	SH MEADOWRIDGE PARK, LLC 1300 114TH AVENUE SE SUITE 103 BELLEVUE, WA 98004
Mark Tate	Director	1087 W. RIVER STREET SUITE 310 BOISE, ID 83702
Jared Reiman	Director	1087 W. RIVER STREET SUITE 310 BOISE, ID 83702

The Articles of Incorporation must be signed by at least one Incorporator.

ROBERT D BURTON
ROBERT D BURTON

11/02/2021
Date

VALOR
[MAINTENANCE CORPORATION]
ATTACHMENT 1
ARTICLES OF INCORPORATION

ATTACHMENT 2

BYLAWS OF VALOR MAINTENANCE CORPORATION, INC.

ARTICLE I INTRODUCTION

The name of the corporation is the Valor Maintenance Corporation, Inc., an Idaho non-profit corporation, hereinafter referred to as “VMC”. The principal office of VMC shall be located in Ada County, Idaho, but meetings of Members and Directors may be held at such places within the State of Idaho, County of Ada, as may be designated by the Board of Directors, as provided in these Bylaws.

VMC is organized to be a nonprofit corporation.

Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant’s reservations in that certain Valor Maintenance Covenant, Recorded in the Official Records of Ada County, Idaho, including the number, qualification, appointment, removal, and replacement of Directors.

ARTICLE II DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in these Bylaws shall have the meanings hereinafter specified:

Section 2.1. Assessment. “Assessment” or “Assessments” shall mean assessment(s) levied by VMC under the terms and provisions of the Covenant.

Section 2.2. Board. “Board” shall mean the Board of Directors of VMC.

Section 2.3. Bylaws. “Bylaws” shall mean the bylaws of VMC, which may be initially adopted and Recorded by Declarant or the Board of VMC and Recorded as part of the initial project documentation for the benefit of VMC. The Bylaws may be amended, from time to time, by the Declarant until expiration or termination of the Development Period (as defined in the Covenant). Any amendment to the Bylaws proposed by the Board must be approved in advance and in writing by the Declarant until expiration or termination of the Development Period. Upon expiration of the Development Period, the Bylaws may be amended by a Majority of the Board.

Section 2.4. Articles. “Articles” shall mean the Articles of Incorporation of the Valor Maintenance Corporation, Inc., an Idaho non-profit corporation, filed in the office of the Secretary of State of the State of Idaho, as the same may be amended from time to time.

Section 2.5. Community Manual. “Community Manual” shall mean the community manual of VMC, which may be initially adopted and Recorded by the Declarant or the Board of VMC and Recorded as part of the initial project documentation for the benefit of VMC and the Property. The Community Manual may include the Bylaws, Rules and regulations and other policies governing VMC. The Bylaws, Rules and regulations and other policies set forth in the Community Manual may be amended, from time to time, by the Declarant until expiration or termination of the Development Period (as defined in the

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Covenant). Any amendment to the Bylaws, Rules and regulations and other policies governing VMC prosecuted by the Board must be approved in advance and in writing by the Declarant until expiration or termination of the Development Period. Upon expiration or termination of the Development Period, the Community Manual may be amended by a Majority of the Board.

Section 2.6. Covenant. "Covenant" shall mean the "Valor Maintenance Covenant", recorded in the Official Records of Ada County, Idaho, as the same may be amended from time to time.

Section 2.7. Declarant. "Declarant" shall mean **M3 ID FALCON CREST, LLC**, an Arizona limited liability company, its successors or assigns; provided that any assignment(s) of the rights of **M3 ID FALCON CREST, LLC**, an Arizona limited liability company, as Declarant, must be expressly set forth in writing and recorded in the Official Records of Ada County, Idaho.

Section 2.8. VMC. "VMC" shall mean and refer to the Valor Maintenance Corporation, Inc., an Idaho non-profit corporation.

Section 2.9. VMC Property. "VMC Property" shall mean all real or personal property now or hereafter owned by VMC, including without limitation, all easement estates, licenses, leasehold estates and other interests of any kind in and to real or personal property which are now or hereafter owned or held by VMC.

Section 2.10. VMC Rules. "VMC Rules" shall mean the rules and regulations adopted by the Board pursuant to the Covenant, as the same may be amended from time to time.

Section 2.11. Majority. "Majority" shall mean more than half.

Section 2.12. Manager. "Manager" shall mean the person, firm, or corporation, if any, employed by VMC pursuant to the Covenant and delegated the duties, powers, or functions of VMC.

Section 2.13. Member. "Member" or "Members" shall mean any person(s), entity or entities holding membership privileges in VMC as provided in the Covenant.

Section 2.14. Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage(s) or deed(s) of trust covering any portion of the Property given to secure the payment of a debt.

Section 2.15. Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any lien or liens upon any portion of the Property.

Section 2.16. Owner. "Owner" or "Owners" shall mean the person(s), entity or entities, including Declarant, holding a fee simple interest in any Lot, but shall not include the Mortgagee of a Mortgage.

Section 2.17. Property. "Property" shall mean and refer to the property subject to the terms and provisions of the Covenant.

Section 2.18. Restrictions. "Restrictions" means, singularly or collectively as the case may be, the Covenant, any applicable Tract Declaration, the Club Documents as defined in the Covenant, the Articles, the Bylaws, the Community Manual, the Design Guidelines, if any, and any Rules and regulations promulgated by VMC pursuant to the Covenant, as adopted and amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Restriction is part of a Restriction.

ARTICLE III
MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

Section 3.1. Membership. Each Owner of a Lot or Condominium Unit is a mandatory Member of VMC, as more fully set forth in the Covenant.

Section 3.2. Place of Meetings. Meetings of VMC shall be held where designated by the Board, either within the Property or as convenient as possible and practical.

Section 3.3. Annual Meetings. There shall be an annual meeting of the Members of VMC for the purposes of VMC-wide elections or votes and for such other VMC business at such reasonable place, date and time as set by the Board.

Section 3.4. Special Meetings. Special meetings of Members, Association Representatives, and/or Village Delegates may be called in accordance with Section 30-30-502 of the Idaho Nonprofit Corporation Act or any successor statute.

Section 3.5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members, Association Representatives, and/or Village Delegates shall be delivered, personally, by mail, or such other fair and reasonable manner as permitted in accordance with Section 30-30-505 of the Idaho Nonprofit Corporation Act, to each Member, Association Representative, and/or Village Delegate entitled to vote at such meeting or by publication in a newspaper of general circulation, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, the Secretary, or the officers or persons calling the meeting. In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member, Association Representative, and/or Village Delegate at such party's address as it appears on the records of VMC, with postage prepaid. Notices of meeting may be given by email or other electronic means to any Members, Association Representatives, and/or Village Delegates who have opted in and agreed in writing to receive notices in such manner.

Section 3.6. Waiver of Notice. Waiver of notice of a meeting of the Members, Association Representatives, and/or Village Delegates shall be deemed the equivalent of proper notice. Any Member, Association Representative, and/or Village Delegate may, in writing, waive notice of any meeting of the Members, Association Representatives, and/or Village Delegates, either before or after such meeting. Attendance at a meeting by a Member, Association Representative, and/or Village Delegate shall be deemed a waiver by such Member, Association Representative, and/or Village Delegate of notice of the time, date, and place thereof, unless such Member, Association Representative, and/or Village Delegate specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting by a Member, Association Representative, and/or Village Delegates shall be deemed a waiver of notice of all business transacted at such meeting unless an objection by a Member, Association Representative, and/or Village Delegate on the basis of lack of proper notice is raised before the business is put to a vote.

Section 3.7. Quorum. Except as provided in these Bylaws or in the Covenant, the presence of the Members, Association Representatives, and/or Village Delegates representing ten percent (10%) of the

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total votes in VMC shall constitute a quorum at all VMC meetings. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the departure of enough Members to leave less than a quorum, provided that Members representing at least five percent (5%) of the total votes in VMC remain in attendance, and provided that any action taken is approved by at least a Majority of the votes present at such adjourned meeting, unless otherwise provided in the Covenant.

Section 3.8. Conduct of Meetings. The President or any other person appointed by the Board shall preside over all VMC meetings, and the Secretary, or the Secretary's designee, shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 3.9. Voting. The voting rights of the Members, Association Representatives, and/or Village Delegates shall be as set forth in the Covenant, and such voting rights provisions are specifically incorporated by reference. Except as otherwise provided in the Covenant, action may be taken at any legally convened meeting of the Members, Association Representatives, and/or Village Delegates upon the affirmative vote of the Members, Association Representatives, and/or Village Delegates having a Majority of the total votes present at such meeting in person or proxy or by absentee ballot or electronic voting, if such votes are considered present at the meeting as further set forth herein. Cumulative voting shall not be allowed. The person holding legal title to a Lot shall be entitled to cast the vote allocated to such Lot and not the person merely holding beneficial title to the same unless such right is expressly delegated to the beneficial Owner thereof in writing. **Other than representative voting by Association Representatives and any Village Delegates, any provision in VMC's governing documents that would disqualify an Owner from voting in a VMC election of Board Members or on any matter concerning the rights or responsibilities of the Owner is void.** In a Board election, each candidate is allowed to name one person to observe the counting of the ballots, provided that the designated observer (i) is prohibited from seeing the name of the Member, Association Representative, and/or Village Delegate who cast any ballot, and (ii) shall not be disruptive, and if found to be disruptive, shall be removed.

Section 3.10. Methods of Voting: In Person; Proxies; Absentee Ballots; Electronically. The voting rights of a Member, Association Representative, and/or Village Delegate may be cast or given: (a) in person or by proxy at a meeting of VMC; (b) by absentee ballot; or (c) by electronic ballot. Any vote cast in an election or vote by a Member, Association Representative, and/or Village Delegate of VMC must be in writing and signed by the Member, Association Representative, and/or Village Delegate. Electronic votes constitute written and signed ballots. In a VMC election, written and signed ballots are not required for uncontested races. Votes shall be cast as provided in this Section:

(A) **Proxies.** Any Member, Association Representative, and/or Village Delegate may give a revocable written proxy in the form as prescribed by the Board from time to time to any person authorizing such person to cast the Member's, Association Representative's, and/or Village Delegate's vote on any matter. No proxy shall be valid unless signed by the Member, Association Representative, and/or Village Delegate for which it is given or such party's duly authorized attorney-in-fact, dated, and filed with the Secretary of VMC prior to the meeting for which it is to be effective. Proxies shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. Every proxy shall be revocable and shall automatically cease upon conveyance of the Lot for which it was given.

(B) Absentee and Electronic Ballots. An absentee or electronic ballot: (1) may be counted as a Member, Association Representative, and/or Village Delegate present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (2) may not be counted, even if properly delivered, if the Member, Association Representative, and/or Village Delegate attends any meeting to vote in person, so that any vote cast at a meeting by a Member, Association Representative, and/or Village Delegate supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and (3) may not be counted on the final vote of a proposal if the proposal was amended at the meeting to be different from the exact language on the absentee or electronic ballot. For the purposes of this Section, a nomination taken from the floor in a Board member election is not considered an amendment to the proposal for the election.

(i) *Absentee Ballots.* No absentee ballot shall be valid unless it is in writing, signed by the Member, Association Representative, and/or Village Delegate for which it is given or such party's duly authorized attorney-in-fact, dated, and filed with the Secretary of VMC prior to the meeting for which it is to be effective. Absentee ballots shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall an absentee ballot be valid after the specific meeting or lawful adjournment of such meeting at which such ballot is counted or upon conveyance of the Lot for which it was given. Any solicitation for votes by absentee ballot must include:

- a. an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;
- b. instructions for delivery of the completed absentee ballot, including the delivery location; and
- c. the following language: *"By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."*

(ii) *Electronic Ballots.* "Electronic ballot" means a ballot: (a) given by email, facsimile or posting on a website; (b) for which the identity of the Member, Association Representative, and/or Village Delegate submitting the ballot can be confirmed; and (c) for which the Member, Association Representative, and/or Village Delegate may receive a receipt of the electronic transmission and receipt of the Member's, Association Representative's, and/or Village Delegate's ballot. If an electronic ballot is posted on a website, a notice of the posting shall be sent to each Member, Association Representative, and/or Village Delegate that contains instructions on obtaining access to the posting on the website.

Section 3.11. Tabulation of and Access to Ballots. A person who is a candidate in a VMC election or who is otherwise the subject of a VMC vote, or a person related to that person within the third

degree by consanguinity or affinity may not tabulate or otherwise be given access to the ballots cast in that election or vote except such person may be given access to the ballots cast in the election or vote as part of a recount process. A person tabulating votes in a VMC election or vote or who performs a recount pursuant to *Section 3.12* may not disclose to any other person how an individual voted. Notwithstanding any provision of these Bylaws to the contrary, only a person who tabulates votes pursuant to this Section or performs a recount pursuant to *Section 3.12* shall be given access to any VMC ballots.

Section 3.12. Recount of Votes. Any Member, Association Representative, and/or Village Delegate (the "**Recount Requesting Member**") may, not later than the fifteenth (15th) day after the later of the date of any meeting of Members, Association Representatives, and/or Village Delegates at which an election or vote was held, or the date of the announcement of the results of the election or vote, require a recount of the votes (the "**Recount Request**"). A Recount Request must be submitted in writing either: (i) by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier, with signature confirmation service to VMC's mailing address as reflected on the latest management certificate; or (ii) in person to VMC's managing agent as reflected on the latest management certificate or to the address to which absentee and proxy ballots are mailed. The Recount Requesting Member shall be required to pay, in advance, expenses associated with the recount as estimated by VMC pursuant to subsection (a) below.

(a) **Cost of Recount.** VMC shall estimate the costs for performing the recount by a person qualified to tabulate votes under subsection (b), and no later than the 20th day after the date VMC receives the Recount Request, shall send an invoice for the estimated costs (the "**Initial Recount Invoice**") to the Recount Requesting Member at the Recount Requesting Member's last known address according to VMC's records. The Recount Requesting Member must pay the Initial Recount Invoice in full to VMC on or before the 30th day after the date the Initial Recount Invoice was delivered to the Recount Requesting Member (the "**Deadline**"). If the Initial Recount Invoice is not paid by the Recount Requesting Member by the Deadline, the Recount Requesting Member's Recount Request shall be considered withdrawn and VMC shall not be required to perform a recount. If the Initial Recount Invoice is paid by the Recount Requesting Member by the Deadline, then on or before the 30th day after the date of receipt of payment of the Invoice, the recount must be completed and VMC must provide each Recount Requesting Member with notice of the results of the recount. If the recount changes the results of the election, VMC shall reimburse the Recount Requesting Member for the cost of the recount not later than the 30th day after the date the results of the recount are provided. If the recount does not change the results of the election, and the estimated costs included on the Initial Recount Invoice are either lesser or greater than the actual costs of the recount, VMC shall send a final invoice (the "**Final Recount Invoice**") to the Recount Requesting Member on or before the 30th business day after the date the results of the recount are provided. If the Final Recount Invoice reflects that additional amounts are owed by the Recount Requesting Member, the Recount Requesting Member shall remit such additional amounts to VMC immediately. Any additional amounts not paid to VMC by the Recount Requesting Member before the 30th business day after the date the Final Recount Invoice is sent may be charged as an Individual Assessment against the Recount Requesting Member. If the costs estimated in the Initial Recount Invoice costs exceed the amount reflected in the Final Recount Invoice, then the Recount Requesting Member shall be entitled to a refund, which such refund shall be paid at the time the Final Recount Invoice is delivered pursuant to this Section.

(b) Vote Tabulator. Following receipt of payment of the Initial Recount Invoice, VMC shall retain for the purpose of performing the recount, the services of a person qualified to tabulate votes. VMC shall enter into a contract for the services of a person who: (i) is not a Member of VMC or related to a Member of the VMC Board within the third degree by consanguinity or affinity; and (ii) is either a person agreed on by VMC and each person requesting a recount or is a current or former county judge, county elections administrator, justice of the peace or county voter registrar.

(c) Board Action. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

Section 3.13. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Members, Association Representatives, and/or Village Delegates may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by Members, Association Representatives, and/or Village Delegates holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members, Association Representatives, and/or Village Delegates entitled to vote thereon were present. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated, and delivered to VMC at its principal place of business in Idaho. Such consents shall be filed with the minutes of VMC and shall have the same force and effect as a vote of the Members, Association Representatives, and/or Village Delegates at a meeting. Within ten (10) days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Members, Association Representatives, and/or Village Delegates entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1. Authority; Number of Directors.

(a) The affairs of VMC shall be governed by a Board of Directors. The number of Directors shall be fixed by the Board of Directors from time to time. The initial Directors shall be three (3) in number and shall be those Directors named in the Articles. The initial Directors shall serve until their successors are elected and qualified.

(b) In accordance with *Section 3.04* of the Covenant, until expiration or termination of the Development Period, Declarant will be entitled to appoint and remove all members of the Board.

(c) At the expiration or termination of the Development Period, the Declarant will thereupon call a meeting of the Members of VMC where the Declarant appointed Directors will resign and the Members, Association Representatives, and/or Village Delegates, as applicable, will elect three (3) new Directors (the "**Member Election Meeting**"), one (1) Director for a three (3) year term, one (1) Director for a two (2) year term, and one (1) Director for a one (1) year term (with the individual receiving the highest number of votes to serve the three (3) year term, the individual receiving the next highest number of votes to serve the two (2) year term, and the individual receiving the third highest number of votes to serve a one (1) year term). Upon expiration of the term of a Director elected by the Members, Association Representatives, and/or Village Delegates pursuant to this *Section 4.1(c)*, such party's successor will be elected for a term of two (2) years.

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ATTACHMENT 2
BYLAWS

(d) A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until such Director's successor is elected or appointed.

(e) Each Director, other than Directors appointed by Declarant, shall be a Member, or in the case of an entity Owner of a Lot or Condominium Unit, a duly authorized agent or representative of such entity Owner. The corporate, or partnership Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the Directors.

Section 4.2. Compensation. The Directors shall serve without compensation for such service. As determined by the Board, Directors may be reimbursed for any reasonable and necessary out-of-pocket expenses incurred in connection with carrying out their duties as Directors.

Section 4.3. Nominations to Board of Directors. Members may be nominated for election to the Board of Directors in either of the following ways:

(a) A Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election upon such Director's filing with the Board of Directors a written petition of nomination; or

(b) A Director who is eligible to be re-elected shall be deemed to have been nominated for re-election to the position he holds by signifying such Director's intention to seek reelection in a writing addressed to the Board of Directors.

Section 4.4. Vacancies on Board of Directors. Except with respect to Directors appointed by the Declarant, if the office of any elected Director shall become vacant by reason of death, resignation, or disability, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Board shall select the successor. At the expiration of the term of such Director's position on the Board of Directors, the successor Director shall be re-elected or such Director's successor shall be elected in accordance with these Bylaws. Except with respect to Directors appointed by the Declarant, any Board Member whose term has expired or who has been removed from the Board must be elected by the Members, Association Representatives, and/or Village Delegates, as applicable.

Section 4.5. Removal of Directors. Subject to the right of Declarant to nominate and appoint Directors as set forth in *Section 4.1* of these Bylaws, an elected Director may be removed, with or without cause, by the vote of Members, Association Representatives, and/or Village Delegates holding a Majority of the votes entitled to elect such Director.

Section 4.6. Solicitation of Candidate for Election to the Board. At least thirty (30) days before the date a VMC disseminates absentee ballots or other ballots to Members, Association Representatives, and/or Village Delegates, as applicable, for the purpose of voting in a Board election, VMC shall provide notice (the "**Solicitation Notice**") of the election to the Members, Association Representatives, and/or Village Delegates, as applicable. The Solicitation Notice shall: (a) solicit candidates that are eligible under *Section 4.1(e)* and interested in running for a position on the Board; (b) state that an eligible candidate has fifteen

(15) days to respond to the Solicitation Notice and request to be placed on the ballot; and (c) must be: (1) mailed to each Member; (2) e-mailed to each Member that has registered their e-mail address with VMC; or (3) posted in a conspicuous manner reasonably designed to provide notice to Members, such as: (i) within the Common Area or, with the Member's consent, on other conspicuously located privately owned property within the subdivision; or (ii) on any website maintained by VMC or other internet media.

ARTICLE V MEETINGS OF DIRECTORS

Section 5.1. Definition of Board Meetings. A meeting of the Board means a deliberation between a quorum of the Board, or between a quorum of the Board and another person, during which VMC business is considered and the Board takes formal action.

Section 5.2. Regular Meetings. Regular meetings of the Board shall be held annually or such other frequency as determined by the Board, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 5.3. Special Meetings. Special meetings of the Board shall be held when called by the President of VMC, or by any two Directors, after not less than two (2) days' notice to each Director.

Section 5.4. 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 of Directors.

Section 5.5. Location. Except if otherwise held by electronic or telephonic means, a Board meeting must be held in the county in which all or a part of the property in the subdivision is located or in a county adjacent to that county, as determined in the discretion of the Board.

Section 5.6. Record; Minutes. The Board shall keep a record of each regular or special Board meeting in the form of written minutes of the meeting. The Board shall make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to VMC's managing agent at the address appearing on the most recently filed management certificate or, if there is not a managing agent, to the Board.

Section 5.7. Notices. Members shall be given notice of the date, hour, place, and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be: (a) mailed to each Member not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting; **or** (b) provided at least seventy-two (72) hours before the start of the meeting by: (i) posting the notice in a conspicuous manner reasonably designed to provide notice to Members in a place located on VMC's common area or on any website maintained by VMC; and/or (ii) sending the notice by e-mail or other electronic means to each Member who has registered an e-mail address with VMC and who has agreed to accept notice in such a manner. It is the Member's duty to keep an updated e-mail address registered with VMC. The Board may establish a procedure for registration of email addresses, which procedure may be required for the purpose of receiving notice of Board meetings. If the Board recesses a regular or special Board meeting to continue the following regular business day, the Board is not required to post notice of the continued

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meeting if the recess is taken in good faith and not to circumvent this Section. If a regular or special Board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner as set forth above within two (2) hours after adjourning the meeting being continued.

Section 5.8. Unanimous Consent. Directors may vote by unanimous written consent. Unanimous written consent occurs if all Directors individually or collectively consent in writing to a Board action. The written consent must be filed with the minutes of Board meetings. Action by written consent shall be in lieu of a meeting and has the same force and effect as a unanimous vote of the Directors.

Section 5.9. Telephone and Electronic Meetings. Any action permitted to be taken by the Board may be taken through the use of, any means of communication by which all Board members participating may simultaneously hear each other during the meeting telephone.

ARTICLE VI POWERS AND DUTIES OF THE BOARD

Section 6.1. Powers. The Board shall have power and duty to undertake any of the following actions, in addition to those actions to which VMC is authorized to take in accordance with the Covenant and applicable law:

- (a) Adopt and publish the VMC Rules, including regulations governing the use of VMC Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the right of a Member to use of the VMC Property during any period in which such Member shall be in default in the payment of any Assessment levied by VMC, or after notice and hearing, for any period during which an infraction of the VMC Rules by such Member exists;
- (c) Exercise for VMC all powers, duties and authority vested in or related to VMC and not reserved to the membership by other provisions of the Restrictions;
- (d) To enter into any contract or agreement with a municipal agency or utility company to provide electric utility service to all or any portion of the Property;
- (e) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;
- (f) Employ such employees as they deem necessary, and to prescribe their duties;
- (g) As more fully provided in the Covenant, to:
 - (1) Fix the amount of the Assessments against each Lot in advance of each annual assessment period and any other assessments provided by the Covenant; and
 - (2) 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;

(h) 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 and to levy a reasonable charge for the issuance of these certificates (it being understood that if a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment);

(i) Procure and maintain adequate liability and hazard insurance on VMC Property;

(j) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(k) Exercise such other and further powers or duties as provided in the Covenant or by law.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 7.1. Enumeration of Offices. The officers of VMC shall be a President and a Vice-President, who shall at all times be members of the Board, a Secretary and a Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 7.2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 7.3. Term. The officers of VMC shall be elected annually by the Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve.

Section 7.4. Special Appointments. The Board may elect such other officers as the affairs of VMC 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 7.5. 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, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6. Vacancies. A vacancy in any office may be filled through appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.7. 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 of the other offices except in the case of special offices created pursuant to *Section 7.4.*

Section 7.8. Duties. The duties of the officers are as follows:

(a) **President.** The President shall preside at all meetings of the Board; 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) Vice President. The Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of VMC together with their addresses; and shall perform such other duties as required by the Board.

(d) Assistant Secretaries. Each Assistant Secretary shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to such party by the Secretary, the President, the Board or any committee established by the Board.

(e) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of VMC and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of VMC; keep proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Board or the membership; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Members.

Section 7.9. Execution of Instruments. Except when the Restrictions require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of VMC, including without limitation checks from VMC's bank account. In the absence of Board designation, and unless otherwise provided herein, the President and the Secretary are the only persons authorized to execute instruments on behalf of VMC.

ARTICLE VIII

OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of a Majority of the number of Directors fixed by these Bylaws, designate two or more Directors or Members (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board.

ARTICLE IX

BOOKS AND RECORDS

The books, records and papers of VMC shall at all times, during reasonable business hours, be subject to inspection by any Member. The Restrictions shall be available for inspection by any Member at the principal office of VMC, where copies may be purchased at reasonable cost.

ARTICLE X

ASSESSMENTS

As more fully provided in the Covenant, each Member is obligated to pay to the VMC Assessments which are secured by a continuing lien upon the property against which the Assessments are made. Assessments shall be due and payable in accordance with the Covenant.

ARTICLE XI

[MAINTENANCE CORPORATION]
ATTACHMENT 2
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CORPORATE SEAL

VMC may, but shall have no obligation to, have a seal in a form adopted by the Board.

ARTICLE XII

AMENDMENTS

These Bylaws may be amended by a Majority of the Board of Directors with the advance written consent of the Declarant until expiration or termination of the Development Period.

ARTICLE XIII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

VMC shall indemnify every Director, Officer, or Committee Member against, and reimburse and advance to every Director, Officer and Committee Member for all liabilities, costs and expenses' incurred in connection with such directorship or office and any actions taken or omitted in such capacity to the greatest extent permitted under the Idaho Nonprofit Corporation Act and all other applicable laws at the time of such indemnification, reimbursement or advance payment; provided, however, no Director, Officer or Committee Member shall be indemnified for: (a) a breach of duty of loyalty to VMC or its Members; (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (c) a transaction from which such Director, Officer or Committee Member received an improper benefit, whether or not the benefit resulted from an action taken within the scope of directorship or office; or (d) an act or omission for which the liability of such Director, Officer or Committee Member is expressly provided for by statute.

ARTICLE XIV

MISCELLANEOUS

Section 14.1. Fiscal Year. The fiscal year of VMC 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.

Section 14.2. Review of Statutes and Court Rulings. Users of these Bylaws should also review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by these Bylaws.

Section 14.3. Conflict. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Covenant and these Bylaws, the Covenant shall control. In the case of any conflict between these Bylaws and any provision of the applicable laws of the State of Idaho, the conflicting aspect of the Bylaws provision is null and void, but all other provisions of these Bylaws remain in full force and effect.

Section 14.4. Interpretation. The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions or articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

Section 14.5. No Waiver. No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

[MAINTENANCE CORPORATION]
ATTACHMENT 2
BYLAWS

ATTACHMENT 3

VALOR MAINTENANCE CORPORATION, INC. FINE AND ENFORCEMENT POLICY

1. Background. Valor is subject to that certain Valor Maintenance Covenant, recorded in the Official Records of Ada County, Idaho, as the same may be amended from time to time (the “**Covenant**”). In accordance with the Covenant, the Valor Maintenance Corporation, Inc., an Idaho non-profit corporation (“**VMC**”), was created to administer the terms and provisions of the Covenant. Unless the Covenant or applicable law expressly provides otherwise, VMC acts through a majority of its board of directors (the “**Board**”). VMC is empowered to enforce the covenants, conditions and restrictions of the Covenant, any applicable Tract Declaration, the Club Documents as defined in the Covenant, the Articles, the Bylaws, the Community Manual and any Rules and regulations promulgated by VMC pursuant to the Covenant, as adopted and amended from time to time (collectively, the “**Restrictions**”), including the obligation of Owners to pay Assessments pursuant to the terms and provisions of the Covenant and the obligations of the Owners to compensate VMC for costs incurred by VMC for enforcing violations of the Restrictions.

The Board hereby adopts this Fine and Enforcement Policy to establish equitable policies and procedures for the levy of fines within VMC. To the extent any provision within this policy is in conflict with the Act or any other applicable law, such provision shall be modified to comply with the applicable law.

Terms used in this policy, but not defined, shall have the meaning ascribed to such terms in the Restrictions.

2. Policy. VMC uses fines to discourage violations of the Restrictions, and to encourage compliance when a violation occurs – not to punish violators or generate revenue for VMC. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to VMC for enforcing the Restrictions. VMC’s use of fines does not interfere with its exercise of other rights and remedies for the same violation.
3. Owner’s Liability. An Owner is liable for fines levied by VMC for violations of the Restrictions by the Owner, any Resident of the residence located on such Owner’s Lot, and each of their relatives, guests, employees, and agents. Regardless of who commits the violation, VMC may direct all communications regarding the violation to the Owner.
4. Amount. VMC may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. VMC may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Restrictions. If VMC allows fines to accumulate, VMC may establish a maximum amount for a particular fine, at which point the total fine will be capped.
5. Violation Notice. Except as set forth in Section 5(C) below, before levying a fine, a majority vote by the Board shall be required and written notice by personal service or certified mail of the meeting during which such vote is to be taken shall be made to the member at least thirty (30)

[MAINTENANCE CORPORATION]

ATTACHMENT 3

FINE AND ENFORCEMENT POLICY

days prior to the meeting of VMC. VMC will give (i) a written violation notice via certified mail to the Owner (at the Owner's last known address as shown in the VMC records) (or by email or other electronic means if such Owner has opted in and agreed to receive notices in such manner) (the "**Violation Notice**") and (ii) an opportunity to be heard, if requested by the Owner. VMC's Violation Notice will contain the following items: (1) the date the Violation Notice is prepared or mailed; (2) a description of the violation or property damage that is the basis for the Individual Assessment, suspension action, or other charge; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation and a reasonable timeframe in which the violation is required to be cured to avoid the fine or suspension; and (5) the amount of the possible fine. The Violation Notice sent out pursuant to this paragraph is further subject to the following:

- (A) First Violation. If the Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months, the Violation Notice will state those items set out in (1) – (5) above, along with a reasonable timeframe by which the violation must be cured to avoid the fine. The Violation Notice must state that any future violation of the same rule may result in the levy of a fine. A fine pursuant to the *Schedule of Fines* may be levied if an Owner does not cure the violation within the timeframe set forth in the notice.
 - (B) Uncurable Violation/Violation of Public Health or Safety. If the violation is of an uncurable nature or poses a threat to public health or safety, then the Violation Notice shall state those items set out in (1), (2), (3), and (5) above, and VMC shall have the right to exercise any enforcement remedy afforded to it under the Restrictions, including but not limited to the right to levy a fine pursuant to the *Schedule of Fines*.
 - (C) Repeat Violation without Attempt to Cure. If the Owner has been given a Violation Notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months but commits the violation again, then the Owner shall not be entitled to an additional Violation Notice and VMC shall have the right to exercise any enforcement remedy afforded to it under the Restrictions, including but not limited to the right to levy a fine pursuant to the *Schedule of Fines*. After an Owner has been provided a Violation Notice as set forth herein and assessed fines in the amounts set forth in the *Schedule of Fines*, if the Owner has never cured the violation in response to any Violation Notices sent or any fines levied, then the Board, in its sole discretion, may determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly, or quarterly amount as determined by the Board.
6. Violation Hearing. If the Owner is entitled to an opportunity to cure the violation, then the Owner has the right to submit a written request to VMC for a hearing before the Board or a committee appointed by the Board to discuss and verify the facts and resolve the matter. To request a hearing, the Owner must submit a written request (the "**Request**") to VMC's manager

(or the Board if there is no manager) within thirty (30) days after receiving the Violation Notice. VMC must then hold the hearing requested no later than thirty (30) days after the Board receives the Request. The Board must notify the Owner of the date, time, and place of the hearing at least (10) days' before the date of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend. The Board or the Owner may request a postponement, and if requested, a postponement shall be granted for a period of not more than ten (10) days. Any hearing before the Board will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner shall attend the hearing in person, but may be represented by another person (i.e., attorney) during the hearing, upon advance written notice to the Board. If an Owner intends to make an audio recording of the hearing, such Owner's request for hearing shall include a statement noticing the Owner's intent to make an audio recording of the hearing, otherwise, no audio or video recording of the hearing may be made, unless otherwise approved by the Board. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the Violation Notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the meeting, the notice requirements will be deemed satisfied. Notwithstanding anything to the contrary set forth above or elsewhere in the Enforcement Policy, any or all hearings related to this hearing may be held by video-conference or other electronic means at the discretion of the Board.

7. Due Date. Fine and/or damage charges are due immediately if the violation is incurable or poses a threat to public health or safety. If the violation is curable, the fine and/or damage charges are due immediately after the later of: (1) the date that the cure period set out in the first Violation Notice ends and the Owner does not attempt to cure the violation or the attempted cure is unacceptable to VMC, or (2) if a hearing is requested by the Owner, such fines or damage charges will be due immediately after the Board's final decision on the matter, assuming that a fine or damage charge of some amount is confirmed by the Board at such hearing.
8. Lien Created. The payment of each fine and/or damage charge levied by the Board against the Owner of a Lot is, together with interest as provided in Article 6 of the Covenant and all costs of collection, including attorney's fees as herein provided, secured by the lien granted to VMC pursuant to Article 6 of the Covenant. The fine and/or damage charge will be considered an Individual Assessment against the Owner's Lot for the purpose of this Article and will be enforced in accordance with the terms and provisions governing the enforcement of assessments pursuant to Article 6 of the Covenant.
9. Levy of Fine. Any fine levied shall be reflected on the Owner's periodic statements of account or delinquency notices.
10. Foreclosure. VMC may not foreclose its assessment lien on a debt consisting solely of fines.
11. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until VMC records an amendment to this policy in the county's official records.

Schedule of Fines

[MAINTENANCE CORPORATION]
ATTACHMENT 3
FINE AND ENFORCEMENT POLICY

The Board has adopted the following general schedule of fines. The number of notices set forth below does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Restrictions. The Board may elect to pursue such additional remedies at any time in accordance with applicable law. The Board also reserves the right to set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effect of the violation:

FINES†:

<p>New Violation: Notice of Violation</p>	<p>Fine Amount: \$25.00 (if a curable violation, may be avoided if Owner cures the violation by the time specified in the notice)</p>
<p>Repeat Violation (No Right to Cure or Uncurable Violation):</p>	<p>Fine Amount: 1st Notice \$50.00 2nd Notice \$75.00 3rd Notice \$100.00 4th Notice \$125.00</p>
<p>Continuous Violation: Continuous Violation Notice</p>	<p>Amount TBD</p>

† The Board reserves the right to adjust these fine amounts based on the severity and/or frequency of the violation.

ATTACHMENT 4

VALOR MAINTENANCE CORPORATION, INC. ASSESSMENT COLLECTION POLICY

Valor is a community (the "**Community**") created by and subject to the Valor Maintenance Covenant, Recorded in the Official Records of Ada County, Idaho, and any amendments or supplements thereto (the "**Covenant**"). The operation of the Community is vested in the Valor Maintenance Corporation, Inc. ("**VMC**"), acting through its board of directors (the "**Board**"). VMC is empowered to enforce the covenants, conditions and restrictions of the Covenant, any applicable Tract Declaration, the Club Documents as defined in the Covenant, the Articles, the Bylaws, the Community Manual and any Rules and regulations promulgated by VMC pursuant to the Covenant, as adopted and amended from time to time (collectively, the "**Restrictions**"), including the obligation of Owners to pay Assessments pursuant to the terms and provisions of the Covenant. Pursuant to: (i) *Section 7.01(c)* of the Covenant, unless the Social Club Owner elects otherwise by providing written notice to VMC, VMC will collect from each Owner and/or Association the Social Club Assessments, which shall be remitted by VMC to the Social Club Owner upon receipt; and (ii) *Section 8.01(c)* of the Covenant, unless the Golf Club Owner elects otherwise by providing written notice to VMC, VMC will collect from each Owner and/or Association the Golf Club Assessments, which shall be remitted by VMC to the Golf Club Owner upon receipt. This policy shall apply to the collection of Golf Club Assessments and Social Club Assessments regardless of whether VMC is granted a license to collect Golf Club Assessments or Social Club Assessments. Accordingly, in collecting Golf Club Assessments or Social Club Assessments, the Golf Club Owner or the Social Club Owner, as applicable, shall be entitled to the same rights and remedies as VMC for collection of Assessments set forth in this policy.

The Board hereby adopts this Assessment Collection Policy to establish equitable policies and procedures for the collection of Assessments levied pursuant to the Restrictions. Terms used in this policy, but not defined, shall have the meaning subscribed to such term in the Restrictions.

SECTION 1. DELINQUENCIES, LATE CHARGES & INTEREST

- 1-A. Due Date. An Owner will timely and fully pay Assessments. Regular Assessments are assessed annually and are due and payable on the first calendar day of the month at the beginning of the fiscal year, or in such other manner as the Board may designate in its sole and absolute discretion.
- 1-B. Delinquent. Any Assessment that is not fully paid when due is delinquent. When the account of an Owner becomes delinquent, it remains delinquent until paid in full – including collection costs, interest and late fees.
- 1-C. Late Fees & Interest. If VMC does not receive full payment of an Assessment by 5:00 p.m. on the due date established by the Board, VMC may levy a late fee of \$25 per month and/or interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date thereof (or if there is no such highest rate, then at the rate of 1 and 1/2% per month) until paid in full.
- 1-D. Liability for Collection Costs. The defaulting Owner is liable to VMC for the cost of title reports, credit reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney's fees incurred by VMC in collecting the delinquency.

- 1-E. Insufficient Funds. VMC may levy a charge of \$25 for any check returned to VMC marked "not sufficient funds" or the equivalent.
- 1-F. Waiver. Properly levied collection costs, late fees, and interest may only be waived by a Majority of the Board.

SECTION 2. INSTALLMENTS & ACCELERATION

If an Assessment, other than a Regular Assessment, is payable in installments, and if an Owner defaults in the payment of any installment, VMC may declare the entire Assessment in default and accelerate the due date on all remaining installments of the Assessment. An Assessment, other than a Regular Assessment, payable in installments may be accelerated only after VMC gives the Owner at least fifteen (15) days prior notice of the default and VMC's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, VMC has no duty to reinstate the installment program upon partial payment by the Owner.

SECTION 3. PAYMENTS

- 3-A. Application of Payments. After VMC notifies the Owner of a delinquency and the Owner's liability for late fees or interest, and collection costs, any payment received by VMC shall be applied in the following order, starting with the oldest charge in each category, until that category is fully paid, regardless of the amount of payment, notations on checks, and the date the obligations arose:

<ul style="list-style-type: none"> (1) Collection costs and attorney's fees (2) Fines (3) Reimbursable expenses (4) Late charges and interest (5) *Delinquent Social Club Assessments (6) *Delinquent Golf Club Assessments (7) Delinquent Individual Assessments (8) Delinquent Service Area Assessments (9) Delinquent Benefited Common Area Assessments 	<ul style="list-style-type: none"> (10) Delinquent Special Assessments (11) Delinquent Regular Assessments (12) *Current Social Club Assessments (13) *Current Golf Club Assessments (14) Current Individual Assessments (15) Current Service Area Assessments (16) Current Benefited Common Area Assessments (17) Current Special Assessments (18) Current Regular Assessments
<p><i>*If applicable, i.e., if the Golf Club Owner or Social Club Owner provides a written request to VMC to collect Golf Club Assessments or Social Club Assessments.</i></p>	

- 3-B. Payment Plans. VMC shall offer a payment plan to a delinquent Owner with a minimum term of at least three (3) months from the date the payment plan is requested for which the Owner may

be charged reasonable administrative costs and interest. VMC will determine the actual term of each payment plan offered to an Owner in their sole and absolute discretion. An Owner is not entitled to a payment plan if the Owner has defaulted on a previous payment plan in the last two (2) years. VMC is not required to make a payment plan available to a Member after the Delinquency Cure Period allowed under Paragraph 5-B expires. If an Owner is in default at the time the Owner submits a payment, VMC is not required to follow the application of payments schedule set forth in Paragraph 3-A.

- 3-C. Form of Payment. VMC may require that payment of delinquent Assessments be made only in the form of cash, cashier's check, or certified funds.
- 3-D. Partial and Conditioned Payment. VMC may refuse to accept partial payment (*i.e.*, less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. VMC's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by VMC occurs when VMC posts the payment to the Owner's account. If VMC does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within thirty (30) days after being deposited by VMC may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by VMC of partial payment of delinquent Assessments does not waive VMC's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.
- 3-E. Notice of Payment. If VMC receives full payment of the delinquency after Recording a notice of lien, VMC will cause a release of notice of lien to be publicly Recorded, a copy of which will be sent to the Owner. VMC may require the Owner to prepay the cost of preparing and Recording the release.
- 3-F. Correction of Credit Report. If VMC receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, VMC will report receipt of payment to the credit reporting service.

SECTION 4. LIABILITY FOR COLLECTION COSTS

- 4-A. Collection Costs. The defaulting Owner may be liable to VMC for the cost of title reports, credit reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency.

SECTION 5. COLLECTION PROCEDURES

- 5-A. Delegation of Collection Procedures. From time to time, VMC may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to VMC's Manager, an attorney, or a debt collector.
- 5-B. Delinquency Notices. If VMC has not received full payment of an Assessment by the due date, VMC may send written notice of nonpayment to the defaulting Owner, by certified mail, stating: (a) the amount delinquent and the total amount of the payment required to make the account current, (b) the options the Owner has to avoid having the account turned over to a collection

agent, including information regarding availability of a payment plan through VMC, and (c) that the Owner has thirty (30) days for the Owner to cure the delinquency before further collection action is taken (the “**Delinquency Cure Period**”). VMC's delinquency-related correspondence may state that if full payment is not timely received, VMC may pursue any or all of VMC's remedies, at the sole cost and expense of the defaulting Owner.

- 5-C. Verification of Owner Information. VMC may obtain a title report to determine the names of the Owners and the identity of other lien-holders, including the mortgage company.
- 5-D. Collection Agency. The Board may employ or assign the debt to one or more collection agencies.
- 5-E. Notification of Mortgage Lender. VMC may notify the Mortgage lender of the default obligations.
- 5-F. Notification of Credit Bureau. VMC may report the defaulting Owner to one or more credit reporting services.
- 5-G. Collection by Attorney. If the Owner's account remains delinquent for a period of ninety (90) days, the Manager of VMC or the Board of VMC shall refer the delinquent account to VMC's attorney for collection. In the event an account is referred to VMC's attorney, the Owner will be liable to VMC for its legal fees and expenses. Upon referral of a delinquent account to VMC's attorney, VMC's attorney will provide the following notices and take the following actions unless otherwise directed by the Board:
- (1) Initial Notice: Preparation of the Initial Notice of Demand for Payment Letter. If the account is not paid in full within 30 days (unless such notice has previously been provided by VMC), then
 - (2) Lien Notice: Preparation of the Lien Notice and Demand for Payment Letter and Recordation of a Notice of Unpaid Assessment Lien. If the account is not paid in full within 30 days, then
 - (3) Final Notice: Preparation of the Final Notice of Demand for Payment Letter and Intent to Foreclose and Notice of Intent to Foreclose to Lender. If the account is not paid in full within 30 days, then
 - (4) Foreclosure of Lien: Only upon specific approval by a majority of the Board.
- 5-H. Notice of Lien. VMC's attorney may cause a notice of VMC's Assessment lien against the Owner's home to be publicly Recorded. In that event, a copy of the notice will be sent to the defaulting Owner, and may also be sent to the Owner's Mortgagee.
- 5-I. Cancellation of Debt. If the Board deems the debt to be uncollectible, the Board may elect to cancel the debt on the books of VMC, in which case VMC may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.

- 5-J. Suspension of Use of Certain Facilities or Services. The Board may suspend the use of the Common Area amenities by an Owner, or such Owner's tenant, whose account with VMC is delinquent for at least thirty (30) days.

SECTION 6. GENERAL PROVISIONS

- 6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, Manager, and attorney of VMC may exercise their independent, collective, and respective judgment in applying this policy.
- 6-B. Other Rights. This policy is in addition to and does not detract from the rights of VMC to collect Assessments under the Restrictions and the laws of the State of Idaho.
- 6-C. Limitations of Interest. VMC, and its officers, directors, Managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Idaho. Notwithstanding anything to the contrary in the Restrictions or any other document or agreement executed or made in connection with this policy, VMC will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, VMC ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid Assessments, or reimbursed to the Owner if those Assessments are paid in full.
- 6-D. Notices. Unless the Restrictions, applicable law, or this policy provide otherwise, any notice or other written communication given to an Owner pursuant to this policy will be deemed delivered to the Owner upon depositing same with the U.S. Postal Service, addressed to the Owner at the most recent address shown on VMC's records, or on personal delivery to the Owner. Notices may also be given by email or other electronic means to an Owner who has opted in and agreed to such method of notice delivery. If VMC's records show that an Owner's property is owned by two (2) or more persons, notice to one co-Owner is deemed notice to all co-Owners. Similarly, notice to one resident is deemed notice to all residents. Written communications to VMC, pursuant to this policy, will be deemed given on actual receipt by VMC's president, secretary, managing agent, or attorney.
- 6-E. Amendment of Policy. This policy may be amended from time to time by the Board; provided, however, no amendment to this policy that pertains to collection of Golf Club Assessments shall be effective without the advance written consent of the Golf Club Owner, and no amendment to this policy that pertains to collection of Social Club Assessments shall be effective without the advance written consent of the Social Club Owner.

ATTACHMENT 5

NOTICE OF CLUB ASSESSMENTS AND ENTRY FEE

1. Background. Valor is subject to that certain Valor Maintenance Covenant, recorded in the Official Records of Ada County, Idaho, as the same may be amended from time to time (the “Covenant”). Certain Owners are Mandatory Social Club Sub-Members and pursuant to the Covenant, are required to pay Social Club Member Assessments and an Entry Fee to the Social Club Owner, except to the extent otherwise set forth in recorded document executed by the Declarant under the Covenant. Additionally, all Owners (whether or not such Owner is a Mandatory Social Club Sub-Member) is required to pay Golf Club Landscape Assessments to the Golf Club Owner for providing Golf Club Landscape Services, except to the extent otherwise set forth in recorded document executed by the Declarant under the Covenant.

This notice is intended to operate as notice to each Owner regarding Golf Club Assessments, Social Club Assessments, Entry Fees, and other charges payable from time to time to the Golf Club Owner or the Social Club Owner. Each Owner is advised to review the Covenant and the Club Documents for the full amounts due thereunder.

2. Golf Club Landscape Assessments. Pursuant to Section 8.02 of the Covenant, The estimated and/or actual costs incurred by the Golf Club Owner to provide the Golf Club Landscape Services will be equally allocated among Assessment Units.

3. Club Membership Assessments. Pursuant to Section 7.02 of the Covenant, Social Club Membership Assessments shall be levied by the Social Club Owner against each Mandatory Social Club Sub-Member in an amount determined by the Social Club Owner pursuant to the Social Club Documents to discharge fees, dues, and other charges attributable to each Mandatory Social Club Sub-Member’s membership rights in the Social Club.

4. Entry Fee. Pursuant to Section 7.03 of the Covenant, upon acquiring a Lot or Condominium Unit subject to mandatory sub-membership in the Social Club or otherwise becoming a Mandatory Social Club Sub-Member, the new Mandatory Social Club Sub-Member is subject to an Entry Fee in an amount determined by the Social Club from time to time.

5. Personal Obligation. Pursuant to Section 7.01(b) of the Covenant, the Social Club has a lien against each Lot and Condominium Unit to secure the payment of Social Club Assessments, and pursuant to Section 8.01(b) of the Covenant, the Golf Club has a lien against each Lot and Condominium Unit to secure the payment of Golf Club Assessments.

6. Miscellaneous. Any capitalized terms used and not otherwise defined in this notice shall have the meanings set forth in the Covenant.

ATTACHMENT 6
VALOR MAINTENANCE CORPORATION, INC.
DRONE POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Valor Maintenance Covenant, recorded in the Official Records of Ada County, Idaho, as the same may be amended from time to time (the "Covenant").

1. **Definition and Compliance.** A "drone" is an unmanned aircraft system (UAS), without a human pilot onboard, but is instead, controlled from an operator on the ground and includes model airplanes, helicopters and similar aircraft. The Board may, from time to time and at any time, modify and expand the definition of drones set forth herein. Failure to comply with the rules and requirements set forth in this policy by an Owner, resident, or their guests or invitees shall be considered a violation of the Documents and may subject the Owner to fines and additional enforcement proceedings.

2. **Regulation by Board.** The Board may establish additional rules and/or policies to prohibit and/or regulate the use and operation of drones within the Subject Property.

3. **Drone Limited to Owner's Lot or Condominium Unit.** No Owner, resident, or their guests or invitees may allow a drone to enter into the airspace above another Owner's Lot or Condominium Unit. A drone is strictly limited to the Owner's Lot or Condominium Unit.

4. **Operation Restrictions.** No Owner, resident, or their guests or invitees, may operate or authorize the operation of a drone in a manner, as determined in the sole and reasonable discretion of the Board, that is considered offensive or detrimental to other Owners, residents, or their guests or invitees. Each Owner must also comply with Ada, County Idaho Nuisance Ordinance (Ord. 236, 5-2-1991).

5. **Common Areas, Benefited Common Areas, or Streets.** Unless expressly approved in advance and in writing by the Board, no Owner, resident, or their guests or invitees may operate or authorize the operation of a drone in the airspace above any portion of the Common Areas, Benefited Common Areas, or streets within or adjacent to the Subject Property or Annexable Land.

6. **Hours of Operation.** No Owner, resident, or their guests or invitees may operate a drone within or adjacent to the Subject Property or Annexable Land other than between the hours of 10:00 AM and 6:00 PM.

7. **Registration.** Prior to operation within or adjacent to the Subject Property or Annexable Land, all drones must be: (i) registered with VMC in a manner determined from time to time by the Board, and (ii) if required by the Federal Aviation Administration ("FAA"), register the drone with the FAA. If the drone is required to be registered with the FAA, a copy of the certificate of registration must be provided to VMC prior to operation of the drone within or adjacent to the Subject Property or Annexable Land. Information on registration of drones and additional Federal requirements for drones may be found at <https://www.faa.gov/uas/>.

8. **Declarant Utilization of Drones.** The rules set forth in this policy shall not apply to the Declarant. Each Owner, resident, and their guests or invitees are hereby advised that the Declarant, or its permittees, may periodically utilize drones within the Subject Property or Annexable Land for sales and marketing purposes, and for other purposes associated with development of the Subject Property and/or Annexable Land.