

BY-LAWS
OF
ELKHORN VILLAGE CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

PRINCIPAL OFFICE

The principal office of the Association shall be in the Village of Sun Valley, County of Blaine, State of Idaho. The Association may have such other offices, either within or without the State of Idaho, as the Board of Directors may determine, or the affairs of the Association may require.

ARTICLE II

BOARD OF DIRECTORS

1. General Powers. The property, business and affairs of the Association shall be controlled and managed by the Board of Directors.

2. Number. The Board of Directors shall consist of three (3) members. The Board of Directors may be increased by amendment of these By-Laws, provided, however, that the number of directors shall not be increased to more than nine (9) or decreased to less than three (3); and provided further that a reduction in the number of directors by amendment of these By-Laws shall not have the effect of reducing the term of an incumbent director.

3. Qualifications; Election; Term. Directors need not be members of the Association and shall be elected by the members at their annual meeting. In any election of the members of the Board of Directors of the Association, every Owner (including Grantor) entitled to vote at such election shall have the right to cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of votes to which that Owner is entitled in voting upon other matters multiplied by the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected. Any director may be removed from office by a vote of a majority of the members entitled to vote at an election of directors; provided, however, that unless the entire Board is removed, an individual director shall not be removed if the number of votes cast against his removal exceeds the quotient arrived at when the total number of votes cast is divided by one plus the authorized number of directors. If any or all directors are so removed, new directors may be elected at the same meeting. Directors shall serve the term of one (1) year and until their successors are duly elected and qualified.

4. Removal; Resignation. Any director may be removed from office by a vote of a majority of the members entitled to vote at an election of directors; provided, however, that unless the entire board is removed, an individual director shall not be removed if the number of votes cast against his removal exceeds the quotient arrived at when the total number of votes cast is divided by one plus the authorized number of directors. If any or all directors are so removed, new directors may be elected at the same meeting. Any director may resign by submitting a written notice to the Board of Directors stating the effective date of his resignation, and acceptance of the resignation shall not be necessary to make it effective.

5. Vacancies. Any vacancy occurring on the Board of Directors whether by removal, resignation, death, or otherwise, shall be filled by majority of the remaining directors though less than a quorum of the Board. A director selected to fill a vacancy on the Board of Directors shall hold office until the next annual election of directors and until his successor is duly elected and qualified.

6. Meeting. There shall be a regular annual meeting of the Board of Directors immediately following the annual meeting of the members of the Association, and the Board may establish regular meetings to be held at such other places and at such other times as it may determine from time to time. After the establishment of a time and place for such regular meetings, no further notice thereof need be given. Special meetings of the Board may be called by the president or upon written request delivered to the secretary by any two directors.

7. Notices; Waiver. Five (5) days' notice of special meetings shall be given to each director by the secretary-treasurer. Such notice may be given orally, in person, or in writing, served on or mailed or telegraphed to each director. Written waiver of notice signed by, or attendance at a meeting of the Board of Directors by a director shall constitute a waiver of notice of such meeting, except where attendance is for the express purpose of objecting to the failure to receive such notice or to defects in said notice.

8. Quorum; Vote Required; Adjournment. At any meeting of the Board of Directors a majority of the qualified directors shall constitute a quorum. If a quorum is present, the action of a majority of the directors present and voting shall be the act of the Board of Directors. If a quorum is not present, the majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting.

9. Action of Directors without a Meeting. Any action required to be taken or any other action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all the directors entitled to vote in respect to the subject matter thereof.

ARTICLE IV

RIGHTS, DUTIES AND OBLIGATIONS OF THE MEMBERS OF THE ASSOCIATION

1. Membership. Every Owner of a Condominium Unit shall be a member of the Association, and no person or entity other than an Owner of a Condominium Unit may be a member of the Association. If title to a Condominium Unit is held by more than one person, the membership related to that Condominium shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which the title to the Condominium Unit is held. Memberships in the Association shall not be transferred except in connection with the transfer of a Condominium Unit. Provided, however, that the rights of membership may be assigned as further security for a loan secured by a lien on a Condominium Unit.

2. Transfer of Membership. Transfer of membership in the Association shall occur upon the transfer of a title to the Condominium Unit to which the membership pertains; however, the Association shall be entitled to maintain the person, persons or entity in whose name or names the membership is recorded on the books and records of the Association until such time as evidence of the transfer of title satisfactory to the Association has been submitted to the secretary-treasurer. A transfer of membership shall not release the transferor from liability or obligation accrued and incidental to such membership prior to such transfer. In the event of dispute as to ownership of a Condominium Unit and to the membership appurtenant thereto, title to the Condominium Unit as shown on the public records of the County of Blaine, State of Idaho, shall be determinative.

3. Voting Rights.

A. Each member shall be entitled to receive a certificate of membership, which certificate shall state the number of votes he is entitled to cast as a member of the Association.

B. There shall be one membership in the corporation for each Condominium in Elkhorn Village Condominium Association, Inc., as established in the Declaration; until such time as any Added Property is added to the Project, the total number of memberships shall be not more than 88. Upon the addition of any Added Property to the Project, each Owner of a Condominium in the Added Property shall also be entitled to a membership in the Association, and the number of votes to which the Owner of each existing and new Condominium shall be entitled shall be as set forth in the Notice of Addition of Property to Condominium Project. The members of the corporation must be and remain Owners of Condominiums within the Project set forth in the Declaration, and the Association shall include all Owners of Condominiums within the Project. If title to a Condominium is held by more than one person, the membership relating to that Condominium shall be shared by all such persons in the same proportionate interest and the same type of tenancy in which the title to the Condominium is held.

C. No person or entity other than an Owner may be a member of the Association. A member shall not assign or transfer his membership certificate except in connection with the transfer or sale of a Condominium; provided, however, that the rights of membership may be assigned as further security for a loan secured by a lien on a Condominium Unit. Every person or entity who is an Owner of any Condominium Unit included in any Condominium Project for which the Association has been or may be designated as a Management Body shall be required to be a member of the Association and remain a member so long as such person or entity shall retain the ownership of a Condominium Unit. Membership in the Association is declared to be appurtenant to the title of the Condominium Unit upon which such membership is based and automatically shall pass with the sale or transfer of the title of the Unit. Members shall not have pre-emptive rights to purchase other memberships in the Association or other Condominium Units in the Project.

D. The voting rights of a member of the Association shall be determined by the Owner member's percentage interest in the Common Area of the Condominium Project described in the Declaration, as the term "Common Area" is defined in Section 55-1503 of the Idaho Code; therefore, the voting rights of each member Owner will not in all cases be equal. The Declaration, or the most recent Notice of Addition of Territory to Condominium Project, or an exhibit attached thereto, shall set forth the percentage interest of each member in the Common Area, which interest depends upon the number and type of Condominium Units. The voting rights and interests of new members shall be determined in the same way as such percentage interests and rights were determined for old members.

E. The total number of votes that attach to membership certificates to be exercised by the members of the corporation from and after the date of the incorporation shall be 10,000. Each member shall be entitled to vote the same percentage of the 10,000 votes as he is given percentage in the Common Area.

F. In any election of the members of the Board, every Owner (including the developer) entitled to vote at such election shall have the right to cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of votes to which that Owner is entitled in voting upon other matters multiplied by the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected. Any director may be removed from office by a vote of a majority of the members entitled to vote at an election of directors; provided, however, that unless the entire Board is removed, an individual director shall not be removed if the number of votes cast against his removal exceeds the quotient arrived at when the total number of votes cast is divided by one plus the authorized number of directors. If any or all directors are so removed, new directors may be elected at the same meeting.

G. Except as otherwise expressly stated herein, any of the rights, interests and obligations of the Association set forth herein or reserved herein may be transferred or assigned to any other person or entity; provided, however, that no such transfer of assignment shall relieve the Association of any of the obligations set forth herein. Any such transfer or assignment shall not revoke or change any of the rights or obligations of any Owners as set forth herein. Before invoking any such suspension the Board shall give such person Notice and Hearing.

H. The Association may suspend any Owner's voting rights in the Association during any period or periods during which such Owner fails to comply with the Rules and Regulations of the Association, or with any other obligations of such Owner under the Declaration.

I. The following sections of the Declaration dealing with specific voting requirements which require special action of the membership are incorporated herein by reference: Article III, Sections 12.4, 13.1, 13.3, 13.4, and 15.2.

4. Annual Meetings. An annual meeting of the members for the purpose of electing directors and transacting such other matters as may properly come before the meeting shall be held at 10:00 o'clock P.M., on the 30th day of December of each year in a convenient location in the County of Blaine, State of Idaho. All business which may be lawfully transacted may be transacted at such meeting without any further or special notice.

5. Special Meeting. Special meetings of the members may be called at any time by the Board of Directors or by written request of one-fifth (1/5) of the voting power of all the members, and shall be held at a convenient location in the County of Blaine, State of Idaho. The secretary-treasurer shall forthwith give notice of such meeting at such time as the secretary-treasurer may fix, not less than ten (10) nor more than thirty-five (35) days after the receipt of said request, and if the secretary-treasurer shall neglect or refuse to issue such call, the Board of Directors or members making request may do so.

6. Notice; Waiver. Notice of annual and special meetings of the members must be given in writing and must state the date, hour, place of the meeting and generally describe the nature of the business to be transacted. Such notice shall be delivered personally to, or deposited in the United States mail, postage prepaid, addressed to the last known address as shown on the books of the Association, to the Owners or any one of the co-owners of each membership as shown on the books of the Association and shall be delivered or deposited in the United States mail at least ten (10) days prior to the date of the meeting.

In the event that a special meeting is called by the members as aforesaid, they shall notify the secretary-treasurer in writing of the time, place and purpose of the meeting in sufficient time to permit the secretary-treasurer to give notice to all members in accordance with these By-Laws.

Written waiver of notice signed by or attendance at a meeting by the Owners or any one of the co-owners of a membership shall constitute a waiver of notice of such meeting, except where attendance is for the express purpose of objecting to the failure to receive such notice or to defects in the notice.

7. Quorum; Vote Required; Adjournment. The presence in person or by proxy of members holding a majority of the voting power shall constitute a quorum at any meeting of the members. If a quorum is present, the action of members holding a majority of all votes which members, present and voting, are entitled to cast shall be the act of the members. If a quorum is not represented at a meeting, members holding a majority of all votes which members present in person or by proxy are entitled to vote may adjourn the meeting from time to time without notice other than announcement at the meeting.

8. Certificates Held. Membership certificates held in estates or trusts may be voted by the administrator, executor, guardian, trustee, conservator or receiver thereof without such membership or title to the Condominium Unit being transferred to said person.

9. Conduct of the Meeting. The meeting will be conducted by the officers in order of their priority. The order of business shall be a call of the roll, a reading of the notice and proof of the call, report of officers, report of committees, unfinished business, new business, election of directors, and miscellaneous business.

ARTICLE V

INCORPORATION BY REFERENCE TO CONDOMINIUM DECLARATION

1. Articles of Condominium Declaration Incorporated. Pursuant to Article X of the Articles of Incorporation of this Association, the Condominium Declaration for Elkhorn Village Condominium Association, Inc. is hereby incorporated by reference and made a part of these By-Laws as if set out in full herein. Said Declaration is annexed and appended hereto as Exhibit "A".

ARTICLE VI

CONTRACTS, CONVEYANCES, CHECKS AND MISCELLANEOUS

1. Contracts. The Board of Directors may authorize any officer of the Association to enter into any contract or execute any instrument in the name of the Association except as otherwise specifically required by the Articles of Incorporation or by the Condominium Declaration for Elkhorn Village Condominium Association, Inc.
2. Conveyance and Encumbrances. Association property may be conveyed or encumbered by authority of the Board of Directors by resolution of the Board of Directors. Conveyances or encumbrances shall be executed by instrument by the president or a vice president and by the secretary-treasurer of the Association.

3. Checks. All checks, drafts, notes and orders for the payment of money shall be signed by such persons as the Board of Directors may authorize.

4. Fiscal Year. The fiscal year or business year of the Association shall begin on the first day of May and end on the last day of April following.

5. Records. The Association shall maintain accurate and correct books, records and accounts of its business and properties, and they shall be kept at such places as is from time to time fixed and designated by the Board of Directors.

6. Seal. The Board of Directors may adopt an Association seal of such design as may be appropriate.

7. Annual Operating Statement. An annual operating statement reflecting income and expenditures of the Association for each fiscal year shall be prepared and a copy of said report shall be distributed to each member within ninety (90) days after the end of such fiscal year.

ARTICLE VII

AMENDMENTS

1. By-Laws. These By-Laws may be amended, altered or repealed from time to time by the vote of two-thirds (2/3) of the voting power of the Association in accordance with the provisions of Article VII of the Articles of Incorporation at any annual or special meeting, provided that the notice of such meeting states that such amendment, alteration, or repeal is to be considered.

APPROVED AND ADOPTED this 10th day of November, 1972, by the undersigned members of the initial Board of Directors of this Association.

John Marshall
Raylan Co. Shaw
Paul M. Lieder

APPROVED AND ADOPTED this 10th day of November, 1972, by the undersigned, they being the incorporators of the Eikhorn Village Condominium Association, Inc.

John Marshall
Raylan Co. Shaw
Paul M. Lieder

STATE OF IDAHO)
) ss.
COUNTY OF BLAINE)

On this 19th day of December 1972, before me, the undersigned, a Notary Public for the State of Idaho, personally appeared Jack Mitchell and Harry Adams, known to me to be the duly authorized agents of ELKHORN AT SUN VALLEY and who affirmed to me that they had been authorized by ELKHORN AT SUN VALLEY, a Joint Venture consisting of DOLLAR MOUNTAIN COMPANY, INC. and JOHNS-MANVILLE IDAHO, INC., to execute the foregoing instrument for and on behalf of the Joint Venture.



WITNESS my hand and official seal.

[Signature]
Notary Public in and for
said County and State

STATE OF IDAHO }
County of Blaine, } ss.

I, BRUCE F. McROY, Ex-Officio Recorder in and for Blaine County, State of Idaho, do hereby certify that the foregoing is a true and correct copy of that certain Joint Venture Agreement, etc. as the same appears on record in Book No. of Pages of Blaine County, State of Idaho.

I, WILLIAM WILKROFF, I have heretofore set my hand and affixed my official seal this 12th day of December 1972.

By [Signature]
Ex-Officio Recorder.
Deputy