

BYLAWS
OF
ELKHORN SPRINGS RESIDENTIAL CONDOMINIUM
ASSOCIATION, INC.

ARTICLE I

General Provisions

Section 1. Name. The name of the Corporation is the Elkhorn Springs Residential Condominium Association, Inc.

Section 2. Definitions. Unless expressly indicated to the contrary, the terms used herein shall have the following meanings:

(a) Declaration. "Declaration" means that certain Condominium Declaration for the Elkhorn Springs Residential Condominiums dated May 30, 2006, and recorded as Instrument No. 536011 in the office of the Blaine County Recorder, Hailey, Idaho.

(b) Additional Terms. The balance of the terms defined in the Declaration shall have the same meaning when used in these Bylaws as when used in the Declaration.

Section 3. Purpose. The Corporation has been formed for the purpose of exercising the powers and performing the duties of the Corporation set forth in these Bylaws, the Corporation=s Articles of Incorporation, and the Declaration.

Section 4. Conflicts. In case any of these Bylaws conflict with the provisions of the Declaration, the provisions of the Declaration shall control.

Section 5. Application. All present and future owners, mortgagees, tenants and occupants of Condominiums, and any other persons who may use the Condominiums in any manner are subject to these Bylaws, the Declaration and the Rules and Regulations adopted by the Corporation pursuant to the Declaration. The acceptance of a conveyance or the act of occupancy of a Condominium shall constitute an agreement that these Bylaws, the Rules and Regulations, and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE II

OFFICES

The principal office of the Corporation in the State of Idaho shall be located at 251 First Avenue, Ketchum, Idaho 83340. The Corporation may have such other offices either within or without the State of Idaho, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

The Corporation shall have and continuously maintain in the State of Idaho a registered office, and a registered agent whose address is identical with such registered office, as required by the Idaho Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office in the State of Idaho, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III

Membership and Voting Rights

Section 1. Membership.

(a) Qualifications. Each owner of a condominium, including the Declarant as shown in the Condominium Declaration for the Elkhorn Springs Residential Condominiums, shall be a member of the Association. Ownership of a condominium or interest in it shall be the sole qualification for membership in the Association. Each owner shall remain a member of the Association until his membership or ownership interest in any condominiums in the development ceases at which time his membership in the Association shall automatically cease. Persons or entities who hold an interest in a condominium merely as security for performance of a obligation are not to be regarded as members.

(b) Member's Rights and Duties. Each member shall have the rights, duties and obligations set forth in the Declaration, the Articles, Bylaws and the Association's Rules, as the same may from time to time be amended.

(c) Transfer of Membership. The Association membership of each person or entity who owns, or owns an interest in, one or more condominiums shall be appurtenant to each such condominium, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to each such condominium or interest in it and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a condominium or interest in it shall operate automatically to transfer the appurtenant membership rights in the Association to the new owner.

Section 2. Voting.

(a) Number of Votes. Unless otherwise provided in the Declaration, each Owner shall be entitled to one vote for each condominium he owns on all matters coming before the membership of the Association.

(b) Joint Owner Votes. The voting rights for each Condominium may not be cast on a fractional basis. If the joint owners of a Condominium are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit the vote on the matter in question. If any owner exercises the voting rights of a particular Condominium, it will be conclusively presumed for all purposes that he was acting with the authority and consent of all other owners of the same Condominium. If more than one (1) person or entity exercises the voting rights for a particular Condominium, their votes shall not be counted and shall be deemed void.

ARTICLE IV

Meetings of Members

Section 1. Annual Meeting. There shall be a regular meeting of the members at least once each year at such reasonable place or time as may be designated by notice from the Board given to the members by depositing the same in the United States Mail, postage prepaid, first class, not less than thirty (30) nor more than fifty (50) days prior to the date fixed for said meeting.

Section 2. Special Meetings. Special meetings of the members may be called by the President, the Board of Directors, or members having not less than a majority of the votes entitled to be cast at such meeting.

Section 3. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Idaho, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If all of the members shall meet at any time and place, either within or without the State of Idaho, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 4. Notice of Meetings. Written or printed notice stating the place, day and hour of any special meeting of members shall be delivered either personally or by mail, to each member entitled to vote at such meeting, by or at the direction of the President, or the Secretary, or the Officers or persons calling the meeting. In case of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be 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 at his/her address as it appears on the records of the Corporation, with postage thereon prepaid.

Section 5. Informal Action by Members. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of members, may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 6. Quorum. The members holding fifty-one percent (51%) or more of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the date of the original meeting.

Section 7. Proxies. At any meeting of the members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 8. Voting by Mail. Where Directors or Officers are to be elected by members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

Section 9. Order of Business. At all annual meetings of the members, the order of business shall be as follows:

- (a) Role call of the membership;
- (b) Reading of minutes of immediate prior meeting for information and approval;
- (c) Reports of officers;
- (d) Reports of committees;
- (e) Unfinished business;
- (f) New business; and
- (g) Election of Directors.

ARTICLE V

Board of Directors

Section 1. General Powers. The affairs of the Corporation shall be managed by its Board of Directors. Directors need not be residents of the State of Idaho.

Section 2. Number, Tenure and Qualification. The number of Directors shall be three (3). Directors need not be members. The initial Directors shall serve terms of one (1) year, two (2) years and three (3) years. After the expiration of the initial term, each Director shall serve for three (3) years or until his successor shall be elected and shall qualify or until he is

removed in the manner herein provided. Except for the initial Directors designated in the Articles, Directors shall be elected at the annual meeting of the members.

Section 3. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than these Bylaws, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place, either within or without the State of Idaho, for the holding of additional regular meetings of the board without other notice than such resolution.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any three (3) Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Idaho, as the place for holding any special meeting of the Board called by them.

Section 5. Notice. Notice of any special meeting of the Board of Directors shall be given at least two (2) days previously thereto by written notice delivered personally or sent by mail, facsimile or telegram to each Director at his or its address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered at the time of delivery to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

Section 8. Vacancies. A vacancy in the Board of Directors shall exist upon the death, resignation or removal of any Director. Any such vacancy shall be filled by the affirmative vote of a majority of the remaining Directors, whether or not less than a quorum. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors may be filled by the election by the Board of Directors for a term of office continuing only until the next election of Directors by members.

Section 9. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board.

Section 10. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

Section 11. Rules. The Board may adopt such rules as it deems proper for the use and occupancy of the Association property. A copy of the rules, as they may from time to time be adopted, amended, or repealed, shall be mailed or otherwise delivered to each member and may, but need not be recorded. Upon such mailing or delivery, the Association rules shall have the same force and effect as if they were set forth in and were a part of the Declaration.

Section 12. Liability of Directors. No Director shall be personally liable to any member, or to any other party, for any damage, loss, or prejudice suffered or claimed on account of any act or omission of the Association, Board, or any other representatives or employees of the Association, provided that such Director has, upon the basis of such information as may be possessed by him, acted in good faith.

Section 13. Manager and Personnel. The Board may engage the services of a manager or managing agent, and may engage personnel necessary for the maintenance, repair and replacement of the common area.

Section 14. Common Area. The maintenance, repair and replacement of the common area, and payment therefore, shall be governed by the Declaration.

ARTICLE VI - OFFICERS

Section 1. Number. The Officers of the Corporation shall be a President, Secretary and Treasurer.

Section 2. Election and Term of Office. The Officers of the Corporation shall be elected annually by the Board of Directors at its regular annual meeting. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3. Removal. Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

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

Section 5. President. The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other proper Officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by statute to some other Officer or agent of the Corporation; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all necessary documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. Treasurer. The Treasurer shall also have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws; and in general perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

ARTICLE VII

Contracts, Checks, Deposits and Funds

Section 1. Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents of the Corporation, in addition to the officers so authorized by the Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as

shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President of the Corporation.

Section 3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or for any special purpose of the Corporation.

ARTICLE VIII

Books and Records

The Corporation shall keep correct and complete books and records of account as required by the Declaration, and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at its principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time. Upon ten (10) days' notice to any manager or the Board of Directors and payment of a reasonable fee, any unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

ARTICLE IX

Fiscal Year

The fiscal year of the corporation shall begin on the 1st day of November and end on the last day of October in each calendar year.

ARTICLE X

Assessments

The Board of Directors shall determine from time to time the amount of assessments to be levied against the Members of the Corporation in accordance with the Declaration. The method of estimating the amount of the annual budget and the manner of assessing and collecting from the unit owners their respective shares of such estimated expenses, and of any other expenses lawfully agreed upon, shall be governed by the applicable provisions of the Declaration.

ARTICLE XI

Waiver of Notice

Whenever any notice is required to be given under the provisions of the Idaho Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII

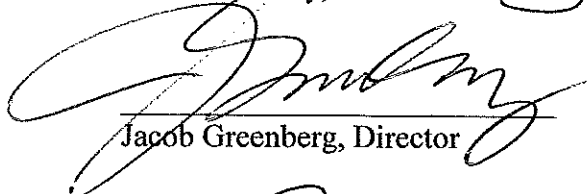
Amendments to Bylaws

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted, by the vote of sixty percent (60%) of the Members of the Corporation, provided any amendment complies with Idaho Code §55-1507, as amended..

WE HEREBY CERTIFY that these Bylaws of the ELKHORN SPRINGS RESIDENTIAL CONDOMINIUM ASSOCIATION, INC. were adopted by unanimous written consent of the Directors of the Corporation without a meeting.

DATED this 29 day of DECEMBER, 2006.


Dave Hennessy, Director


Jacob Greenberg, Director


Suzanne Finch Williams, Director