

BY-LAWS
OF
WARM SPRINGS TENNIS CONDOMINIUMS NO. 2

Warm Springs Section, Ketchum, Idaho
(Part 2 of the Declaration)

STATE OF IDAHO
COUNTY OF BLAINE
I, Jack Simpson, of the County of Blaine, State of Idaho, do hereby certify that the foregoing is a true and correct copy of the By-Laws of the Warm Springs Tennis Condominiums No. 2, as the same have been amended to date.
WITNESSED my hand and seal of office this 18th day of April, 1980.
RECORDED
BY Marie Melia
MARIE MELIA
BY Mary Allen
MAY 1 1980
DEPUTY
RES. 1, 54
ENTERED & RECORDED ON MAY 11 1980
FILED IN BOOK 100 PAGE 10
COUNTY OF BLAINE IDAHO

54.00

No. 208960

BY-LAWS
OF
WARM SPRINGS TENNIS CONDOMINIUMS NO. 2

ARTICLE I.

PLAN OF UNIT OWNERSHIP

1. The property located in Ketchum, Idaho, the legal description of which is filed simultaneously herewith in the Declaration, has been submitted to the provisions of Title 55, Chapter 15, of the Idaho Code by the Declaration which is recorded in the office of the Recorder of the County of Blaine, State of Idaho, simultaneously herewith, and the same shall hereinafter be known as the Warm Springs Tennis Condominiums No. 2, hereinafter referred to as the "Project."

2. The provisions of these By-laws are applicable to the property of the Project and to use and occupancy thereof. The term "property" as used herein shall include the land, the buildings and all other improvements thereon (including the units and the common elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Title 55, Chapter 15, of the Idaho Code.

3. All owners, mortgagees, lessees and occupants of units and their employees, and any other persons who may use the

facilities of the property in any manner, are subject to these By-laws, the Declaration and any Rules and Regulations which may be promulgated by the Board of Managers.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that these By-laws, and such Rules and Regulations as may exist and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

4. Office. The office of the Condominiums and the Board of Managers shall be located in Ketchum, Idaho, at the Jack Simpson residence.

ARTICLE II

BOARD OF MANAGERS

1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Managers which shall be composed of not less than three nor more than five persons, all of whom shall be owners or spouses of owners, or mortgagees of units, or in the case of partnership owners or mortgagees, shall be members or employees of said partnership, or in the case of a corporate owner or mortgagee, shall be officers, stockholders or employees of such corporation, or in the case of a fiduciary owner or mortgagee, shall be the fiduciaries or officers or employees of such fiduciaries.

2. Powers and Duties. The Board of Managers shall have

the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law, by Declaration, or by these By-laws may not be delegated to the Board of Managers by the unit owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to the following:

- (a) Operation, care, upkeep and maintenance of the common elements;
- (b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the property;
- (c) Collection of the common charges from the unit owners;
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements;
- (e) Adoption and amendment of rules and regulations covering the details of the operation and use of the property;
- (f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor;
- (g) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all unit owners, apartment units offered for sale or lease or surrender by their owners to the Board of Managers;
- (h) Purchasing of units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee,

corporate or otherwise, on behalf of all unit owners;

(i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Managers), or otherwise dealing with, units acquired by, and subleasing units leased by, the Board of Managers or its designee, corporate or otherwise, on behalf of all unit owners;

(j) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of units on behalf of all unit owners;

(k) Obtaining of insurance for the property;

(l) Making of repairs, additions and improvements to or alterations of the property and repairs to and restoration of the property in accordance with the other provisions of these By-laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

3. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize.

4. Election and Term of Office. At the first annual meeting of the unit owners, the term of office of one member of the Board shall be fixed at three years, the term of office of another member of the Board shall be fixed at two years, and the term of office of the third member of the Board shall be fixed at one year. At the expiration of the initial term of office of each

respective member of the Board of Managers, his successor shall be elected to serve for a term of three years. The members of the Board shall hold office until their respective successors shall have been elected by the unit owners.

5. Removal of Members of the Board of Managers. At any regular or special meeting of unit owners, any one or more of the members of the Board of Managers may be removed with or without cause by a majority of the unit owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

6. Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the unit owners, shall be filled by a vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the unit owners.

7. Organization Meeting. The first meeting of the members of the Board of Managers following the annual meeting of the unit owners shall be held within ten (10) days thereafter, at

such time and place as shall be fixed by the unit owners at a meeting at which such Board of Managers shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least three (3) business days prior to the day named for such meeting.

9. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Managers.

10. Waiver of Notice. Any member of the Board of Managers may, at any time, waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board

of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

11. Quorum of the Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

12. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

13. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out

of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any unit owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the unit owners in the common elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that each unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all unit owners in the common elements.

ARTICLE III

UNIT OWNERS

1. Annual Meetings. The first annual meeting of the unit owners shall be held within thirty (30) days of the filing of

these By-laws, pursuant to a call issued by the President. Thereafter the annual meetings of the unit owners shall be held on the 15th day of January of each succeeding year, unless such date shall occur on a Sunday, in which event the meeting shall be held on the succeeding Monday. At such meeting, the Board of Managers shall be elected by ballot of unit owners in accordance with the requirements of Paragraph 4 of Article II of these By-laws; said meetings to be held at a place convenient to the unit owners which may be designated by the Board of Managers.

2. Special Meetings. It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by not less than 25% in common interest, in the aggregate, of unit owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

3. Notice of Meetings. It shall be the duty of the Secretary to mail notice of each annual or special meeting of the unit owners, at least ten but not more than twenty days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each unit owner of record, at the building or at such other address as such unit owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

4. Adjournment of Meetings. If any meeting of unit owners cannot be held because a quorum has not attended, a majority in common interest of the unit owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

5. Order of Business. The order of business at all meetings of the unit owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Managers.
- (f) Report of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board of Managers (when so required).
- (i) Unfinished business.
- (j) New business.

6. Title to Units. Title to units may be taken in the name of an individual or the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary, and such owner shall have the right to full use of said unit.

7. Voting. The owner or owners of each unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who may not be an owner, shall be entitled to cast the vote appurtenant to such apartment unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Each unit shall be entitled to cast one vote, regardless of manner in which title to said unit is held and the owner shall designate in writing to the Secretary, the person who shall be entitled to cast a vote for the said unit.

8. Majority of Unit Owners. As used in these By-laws the term "majority of unit owners" shall mean those unit owners having more than 50% of the total authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners, determined in accordance with the provisions of Section 7 of this Article III.

9. Quorum. Except as otherwise provided in these By-laws, the presence in person or by proxy of unit owners having one-third of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

10. Majority Vote. The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where in the Declaration or these By-laws or by law, a higher percentage vote is required.

ARTICLE IV

OFFICERS

1. Designation. The principal officers of the Condominium shall be the President, the Vice-president, the Secretary and Treasurer, all of whom shall be elected by the Board of Managers. The office of Secretary and Treasurer may be occupied by one person. The President, but no other officers, need be members of the Board of Managers.

2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers.

3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the unit owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president organized under the laws of the State of Idaho, including, but not limited to, the power to appoint committees from among the unit owners from time to time as he may in his discretion decide, is appropriate to assist in the conduct of the affairs of the Condominium.

5. Vice-president. The Vice-president shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-president is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice-president shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

6. Secretary. The Secretary shall keep the minutes of all meetings of the unit owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of secretary organized under the laws of the State of Idaho.

7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer organized under the laws of the State of Idaho.

8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

ARTICLE V

OPERATION OF THE PROPERTY

1. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the unit owners to meet the common expenses of the Condominium, and allocate and assess such common charges among the unit owners according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article V and the fees and disbursements of the Insurance Trustee. The common expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the

purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all unit owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all unit owners, promptly, in writing, of the amount of common charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such common charges are based, to all unit owners and to their mortgagees.

2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: Fire insurance with extended coverage, including vandalism and malicious mischief endorsements thereupon, and insuring the buildings in an amount equal to the full replacement value of the buildings. Each of the policies shall contain a standard mortgagee clause in favor of each mortgagee of an unit which shall provide that loss, if any, thereunder shall be payable to such mortgagee as his interest may appear, and such other insurance as the Board of Managers may determine as being necessary and desirable, including liability insurance for injuries which may be suffered in the common areas. Any policy acquired to protect the parties herefrom against physical loss or damage shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees. The unit owners shall not be prohibited from carrying other insurance for their own benefit.

3. Repair or Reconstruction After Fire or Other Casualty.

In the event of damage to or destruction of the buildings as a result of fire or other casualty (unless 75% or more of the buildings are destroyed or substantially damaged and 75% or more of the unit owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the buildings (including any damaged units, and any kitchen or bathroom fixtures initially installed therein by the Declarants, but not including any wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed by unit owners in the units), and the Board of Managers shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the unit owners for such deficit as part of the common charges.

If 75% or more of the buildings are destroyed or substantially damaged and 75% or more of the unit owners do not duly and promptly resolve to proceed with repair or restoration, the property shall be subject to an action for partition at the suit of any unit owner or lienor, as if owned in common, in which event the net proceeds of sale together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of

such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers, among all the unit owners in proportion to their respective common interests, after first paying out of the share of each unit owner the amount of any unpaid liens on his unit, in the order of the priority of such liens.

4. Payment of Common Charges. All unit owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Managers shall determine.

5. Collection of Assessments. The Board of Managers shall assess common charges against the unit owners from time to time and at least annually and shall take prompt action to collect any common charge due from any unit owner which remains unpaid for more than 30 days from the due date for payment thereof.

6. Default in Payment of Common Charges. In the event of default by any unit owner in paying to the Board of Managers the common charges as determined by the Board of Managers, such unit owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid common charges. The Board of Managers shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such unit owner, or by fore-

closure of the lien on such unit granted by Section 55-1518 of the Idaho Code in the manner provided therein, and upon foreclosure of said lien, the Board of Managers shall have the right to acquire the property pursuant to paragraph 13 of the Declaration filed herewith. However, a suit to recover a money judgment for unpaid common charges shall be made payable without foreclosing or waiving the lien securing the same.

7. Statement of Common Charges. Upon 10 days' notice to the manager or Board of Managers, and payment of a reasonable fee, the Board of Managers shall promptly provide any unit owner so requesting the same in writing, a written statement of all unpaid common charges and assessments due from such unit owner.

8. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-laws: (a) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Managers shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

9. Maintenance and Repair. (a) All maintenance of and repairs to any unit, structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such unit) shall be made by the owner of such unit. Each unit owner shall be responsible for all damages to any and all other units and/or to the common elements, that his failure so to do may engender.

(b) All maintenance, repairs and replacements to the common elements, whether located inside or outside of the units, (unless necessitated by the negligence, misuse or neglect of a unit owner, in which case such expense shall be charged to such unit owner), shall be made by the Board of Managers and be charged to all the unit owners as a common expense.

10. Additions, Alterations or Improvements by Board of Managers. Whenever in the judgment of the Board of Managers the common elements shall require additions, alterations or improvements costing in excess of \$2,500.00 and the making of such additions, alterations or improvements shall have been approved by a majority of the unit owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all unit owners for the cost thereof as a common charge. Any addition, alterations or improvements costing \$2,500.00 or less may be made by the Board of Managers without the approval of the unit owners or any mortgagees of units and the cost thereof shall constitute part of the common expenses.

11. Additions, Alterations or Improvements. No unit owner shall make any structural addition, alteration or improvement in or to his unit without the prior written consent thereto of the Board of Managers except that the Board of Managers shall have the obligation to reply within thirty (30) days and if no reply is received, the said apartment owner shall have the right to proceed with the proposed alteration.

12. Use of Common Elements and Facilities. A unit owner shall have the obligation to use the common facilities and common elements in a manner which will not obstruct in any way the free use of said elements and facilities by the other unit owners.

13. Right of Access. A unit owner shall grant a right of access to his unit to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspection or for the purpose of correcting any condition originating in his unit and threatening another unit or a common element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in his unit or elsewhere in the building, or to correct any condition which violates the provisions or any mortgage covering another unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner. In case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

14. Rules of Conduct. Rules and regulations concerning the use of the units and the common elements may be promulgated and amended by the Board of Managers with the approval of a majority of the unit owners. Copies of such rules and regulations shall be furnished by the Board of Managers to each unit owner prior to the time when the same shall become effective and shall remain in effect until amended by the Board of Managers with the approval of a majority of the unit owners.

15. Utility Charges. Each year an owner shall be responsible for the payment of all utility charges against his unit except that the cost of providing water and maintaining septic system shall be a common charge and may be assessed as such by the Board of Managers.

ARTICLE VI

MORTGAGES

1. Notice to Board of Managers. A unit owner who mortgages his unit shall notify the Board of Managers of the name and address of his mortgagee, and if the Board of Managers shall require, the same unit owner shall file a conformed copy of the note and mortgage with the Board of Managers.

2. Notice of Unpaid Common Charges. The Board of Managers whenever so requested in writing by a mortgagee of a unit, shall promptly report any then unpaid common charges due from, or any other default by the owner of the mortgaged unit.

3. Notice of Default. The Board of Managers, when giving notice to a unit owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such unit whose name and address has theretofore been furnished to the Board of Managers.

4. Examination of Books. Each unit owner and each mortgagee of a unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more often than once a month.

ARTICLE VII

SALES, LEASES AND MORTGAGES OF UNITS

1. Sales and Leases. Unit owners shall have the right to sell their interest in the unit in the same manner as any parcel of real property is sold, except that the same must be sold in accordance with the Declaration, By-laws and any rules and regulations promulgated hereunder.

2. No Severance of Ownership. No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his unit without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No

part of the appurtenant interests of any unit may be sold, transferred or otherwise disposed of except as a part of a sale, transfer or other disposition of the unit to which such interests are appurtenant, or as a part of a sale, transfer or other disposition of such part of the appurtenant interests of all units.

ARTICLE VIII

CONDEMNATION

1. Condemnation. In the event of taking of any person of the property herein, by condemnation, the award received therefor shall be paid to the Board of Managers. If 50% of the owners desire to restore the condemned portion, the Board of Managers shall proceed accordingly. In the event that the 50% do not desire to proceed with restoration, the proceeds shall be distributed to the owners in accordance with their percentage of ownership.

ARTICLE IX

RECORDS

1. Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the unit owners, and financial records and books of account of the Condominium and such other records and reports as may be required by the Board of Managers. Detailed accounting shall be furnished to the unit owners at least annually or more often, as required by the Board of Managers.

ARTICLE X

MISCELLANEOUS

1. Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Managers, c/o the managing agent, or if there be no managing agent, to the office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time, by notice in writing to all unit owners and to all mortgagees of units. All notices to any unit owner shall be sent registered or certified mail to the building or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers. All notices to mortgagees of units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

2. Invalidity. The invalidity of any part of these By-laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-laws.

3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-laws, or the intent of any provision thereof.

4. Gender. The use of the masculine gender in these By-laws shall be deemed to include the feminine gender and the use

of the singular shall be deemed to include the plural whenever the context so requires.

5. Waiver. No restriction, condition, obligation or provision contained in these By-laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XI

AMENDMENTS TO BY-LAWS

1. Amendments to By-laws. Except as hereinafter provided, these By-laws may be modified or amended by a vote of 50% of the unit owners at a meeting of the unit owners duly held for such purpose.

ARTICLE XII

CONFLICTS

1. Conflicts. These By-laws are set forth to comply with the requirements of Title 55, Chapter 15, of the Idaho Code. In the event that any of these By-laws conflict with the provisions of those statutes or the Declaration, the provisions of the said statutes or Declaration, as the case may be, shall control.

DATED this 18th day of November, 1980.

DECLARANTS:

Jack E. Simpson
Jack E. Simpson

Mary Lou Simpson
Mary Lou Simpson

STATE OF IDAHO)
) ss.
County of Blaine)

On this 18th day of November, 1980, before me,
the undersigned, a Notary Public for Idaho, personally appeared
JACK E. SIMPSON and MARY LOU SIMPSON, husband and wife, known to
me to be the persons whose names are subscribed to the foregoing
instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal the day and year in this certificate
first above written.



James L. Kennedy Jr.
Notary Public for Idaho
Residing at Ketchum