

BY-LAWS
OF
FAIRWAY 9 CONDOMINIUMS PHASE III ASSOCIATION, INC.

ARTICLE I

The principal office of Fairway 9 Condominiums Phase III Association, Inc. (the "Association") shall be in the City 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), 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. At each election for directors, each member entitled to vote shall have the right to cast for any one or more nominees for director a number of votes equal to the number of votes which attach to his membership pursuant to the Articles of Incorporation, multiplied by the number of directors to be elected. Directors shall serve the term of one (1) year or until their successors are duly elected and qualified.

4. REMOVAL: RESIGNATION: Any director may be removed with or without cause by a vote of two-thirds (2/3) of the total number of votes entitled to be cast by the members of the Association at a meeting called for that purpose. 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 elected 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 meeting, 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, 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 expressed 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 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 III

Officers

1. GENERAL: The officers of the Association shall be a President, one or more Vice-Presidents, and a Secretary-Treasurer, all of whom shall be elected by the Board of Directors to serve at the pleasure of the Board.

2. PRESIDENT: The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall direct, supervise, coordinate, and have general control over the affairs of the Association and shall have the powers generally attributable to the chief executive officer of an Association. The President shall be a director and shall preside at all meetings of the members of the Association.

3. VICE-PRESIDENT: A Vice-President shall act in place of the President in case of his death, absence, inability, or failure to act and shall perform such other duties and have such authority as from time to time delegated to him by the Board of Directors or by the President. The Vice-President shall be a director; however, if the Board of Directors elects more than one Vice-President only one so elected need be a director.

4. SECRETARY-TREASURER: The Secretary-Treasurer shall be the custodian of the records and the seal of the Association and shall affix the seal to all documents requiring the same and shall see that all notices are duly given in accordance with the provisions of these By-Laws as required by law, and that the books, reports and other documents and records of the Association are properly kept and filed. The Secretary-Treasurer shall have charge and custody of, and be responsible for all sorts of securities of the Association. He shall deposit all such funds in the name of and to the credit of the Association in such banks and depositories as shall be designated by the Board of Directors. He shall keep books of account and records of his transactions and of the financial condition of the Association and shall submit such reports thereof as the Board of Directors may from time to time require, and in general shall perform all of the duties incident to the office of Secretary-Treasurer and such other duties as may from time to time be assigned to him by the Board of Directors or the President. The Board may appoint one or more assistant secretary-treasurers who may act in the place of the Secretary-Treasurer in case of his death, absence, inability or failure to act.

5. COMPENSATION: Officers, agents and employees shall receive such reasonable compensation for their services as may be authorized by the Board of Directors. Appointment of any officer, agent, or employee shall not in and of itself create contractual rights of compensation for services performed by such officer, agent or employee.

6. DELEGATING OF POWERS: In case of absence of any officer of the Association or for any other reason that may seem sufficient to the Board of Directors, the Board may delegate his duties and powers for the time being to any other officer or any director.

ARTICLE IV

Rights, Duties and Obligations of the Members of the Association

1. MEMBERSHIP: Every owner of the 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 units as shown on the public records of the County of Blaine, State of Idaho, shall be determinative.

3. VOTING RIGHTS: The voting rights of each member owner will not necessarily be equal to the voting rights of other members. 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 Association as this term is defined in Section 55-1053 of the Idaho Code and calculated in accordance with Section 55-1053(c) of the Idaho Code. The Condominium Declaration sets 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.

The total number of votes that attach to membership certificates to be exercised by members of the Association shall be 10,000 all of which votes shall be exercised by the members of the Association from and after the date of the incorporation. Each member shall be entitled to vote the same percentage of the 10,000 votes as he is given percentage in the "common area". Voting by proxy shall be permitted; however, proxies must be filed with the Secretary-Treasurer twenty-four (24) hours before the appointed time of each meeting.

4. ANNUAL MEETINGS: An annual meeting of the members for the purpose of electing directors and transaction of such other matters as may properly come before the meeting shall be held at 10:00 o'clock a. m., on the second Saturday in July 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 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 mail, postage prepaid, addressed at 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 mail at last 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: A majority of the membership entitled to vote represented in person or by proxy shall constitute a quorum at any meeting of the members. If a quorum is present, the action of a majority of the membership present and voting shall be the act of the members. If a quorum is not represented at a meeting, a majority of the membership present in person or by proxy 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 trust 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 Fairway 9 Condominiums Phase III is hereby incorporated by reference and made a part of these By-Laws as if set out in full herein; including but not limited to articles entitled "Nature and Incidents of Condominium Ownership" (Article IV), "The Association" (Article VII), "Use of Condominiums" (Article X), "Certain Rights and Obligations of the Association" (Article VIII), and "Assessments" (Article IX). The 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 Fairway 9 Condominiums Phase III.

2. CONVEYANCES 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 the 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 person 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 July and end on the last day of June 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.

ARTICLE VII

Amendments

1. BY-LAWS: These By-Laws may be amended, altered or repealed from time to time by a two-thirds (2/3) vote of the membership of the Association which also holds 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. These By-Laws may also be amended or repealed, or new By-Laws adopted, at any meeting of the Board of Directors by the vote of at least a majority of the entire Board; provided that any By-Law adopted by the Board may be amended or repealed by the membership in the manner set forth above.

Any proposal to amend or repeal these By-Laws or to adopt new By-Laws shall be stated in the notice of the meeting of the Board of Directors, or in the waiver of notice thereof, as the case may be, unless all of the directors are present at such meeting.

APPROVED AND ADOPTED This 6th day of December, 1982, by the undersigned members of the initial Board of Directors of this Association.






