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Index to: BY-LAWS

BYLAWS

OF

THE RESIDENCES AT EVERGREEN OWNERS' ASSOCIATION, INC.

ARTICLE I PLAN OF UNIT OWNERSHIP

SECTION 1.1 NAME AND LOCATION.

These are the Bylaws of The Residences At Evergreen Owners' Association, Inc. (hereinafter the "**Association**"). The Residences at Evergreen project (hereinafter the "**Project**") is located in the City of Ketchum, Blaine County, Idaho. The location of the Project is more specifically described in the Declaration (hereinafter defined).

SECTION 1.2 PRINCIPAL OFFICE.

The principal office and place of business of the Association in the State of Idaho is and shall be located at Premier Resorts at Sun Valley. The post office address of the office shall be P.O. Box 659, Sun Valley, ID 83353.

SECTION 1.3 PURPOSES.

This Association is formed to be the management body as permitted by the provisions of the Idaho Condominium Property Act, Chapter 15, Title 55, Idaho Code ("Act"). The Association shall actively foster, promote and advance the interest of the Condominium Owners within the Project.

ARTICLE II DIRECTORS

SECTION 2.1 BOARD OF DIRECTORS.

The affairs of the Association shall be governed by a Board of Directors which shall be composed of not less than three (3) nor more than five (5) directors.

SECTION 2.2 POWERS AND DUTIES.

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things except those which by law or by the Declaration (hereinafter defined) or by these Bylaws or by the Articles (hereinafter defined) may not be delegated to the Board of Directors by the Members. Such powers and duties of the Board of Directors shall include, but shall not be limited to the following:

THE RESIDENCES AT EVERGREEN OWNERS' ASSOCIATION, INC. BYLAWS - 1

(a) Operation, care, upkeep and maintenance of the Common Area, and certain portions of the Limited Common Area as such terms are defined in the Declaration (hereinafter referred to as "Common Area") and other elements and areas common to all Condominiums.

(b) Determination of common expenses required for the affairs of the Association, including, without limitation, the operation and maintenance of the Common Area.

(c) Levy and collection of assessments from the Members, subject to the limitations and provisions set forth in the Declaration.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Association and the Common Area.

(e) Adoption and amendment of rules and regulations covering the details of the operation and the use of the Common Area and the common property of the Association.

(f) Opening of a bank account on behalf of the Association and designation of the signatory required therefore.

(g) Purchasing and maintaining insurance covering the Common Area and other property owned, maintained or controlled by the Association.

(h) Making repairs, additions, restorations, maintenance or alterations to the Common Area, after damage or destruction by fire or other cause or as a result of condemnation or eminent domain proceedings.

(i) Exercising all of the powers and privileges necessary or appropriate to perform all duties of the Association which are to be assumed and performed by the management body as permitted by the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), contemplated by the Articles and as provided for in the Declaration.

SECTION 2.3 MANAGING AGENT AND MANAGER.

The Board of Directors may employ for the Association a person or entity at a level of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to such person or entity all necessary powers.

SECTION 2.4 ELECTION AND TERM OF OFFICE.

The number of directors may be changed by amendment of these Bylaws. At each annual meeting the Members shall elect the directors for a term of three (3) years, but a Member of the Board may be elected to successive terms. The directors shall hold office until their respective successors shall have been elected by the Members.

For purposes of this Section 2.4, a year shall consist of a fiscal year as selected by the Board or any portion thereof. The initial Members of the Board shall agree to staggered interim terms of one (1), two (2) and three (3) years so that the terms of approximately one-third (1/3) of the Members of the Board hereafter shall expire each year. Cumulative voting for directors shall be allowed, by the Members multiplying the number of votes the Members are entitled to cast by the number of directors for whom they are entitled to vote, and casting the product for a single candidate or distributing the product among two (2) or more candidates. However, cumulative voting is not authorized at a particular meeting unless the meeting notice or statement accompanying the notice states that cumulative voting will take place; or a Member gives notice during the meeting and before the vote is taken of the Member's intent to cumulate votes, and if one (1) Member gives such notice, all other Members participating in the election are entitled to cumulate their votes without giving further notice.

SECTION 2.5 REMOVAL OF DIRECTORS.

At any special meeting of the Members called for such purpose, any one (1) or more of the directors may be removed with or without cause by a majority vote. However, a director elected by cumulative voting may not be removed if the votes cast against removal, or not consenting in writing to such removal, would be sufficient to elect such director if voted cumulatively at an election at which the same total number of votes were cast. Upon removal of a director, the successor may then and there or thereafter be elected to fill the vacancy thus created. Any director, after his or her removal has been proposed by the Members, shall be given an opportunity to be heard at the meeting.

SECTION 2.6 VACANCIES.

Vacancies on the Board of Directors caused by any reason other than the removal of a director thereof by a vote of the Members shall be filled by a vote of the majority of the remaining directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of such vacancy, even though the directors present at such meeting shall constitute less than a quorum, and each person so elected shall be a director for the remainder of the term unless removed or until a successor shall be elected at the next meeting of the Board.

SECTION 2.7 REGULAR MEETINGS OF THE BOARD OF DIRECTORS.

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least one (1) such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director by personal service or by first class or registered mail no fewer than ten (10) days (or if notice is delivered by other than personal service or first class or registered mail, thirty (30) days) nor more than sixty (60) days before the day designated for such meeting.

SECTION 2.8 SPECIAL MEETINGS OF THE BOARD OF DIRECTORS.

Special meetings of the Board of Directors may be called by the President on no fewer than ten (10) days (or if notice is delivered by other than personal service or first class or registered mail, thirty (30) days) nor more than sixty (60) days' notice to each director, given personally or by first class or registered mail, which notice shall state the time and place and purpose of the meeting. The special meetings of the Board of Directors shall be called by the President ~~or Secretary~~ in a like manner and on like notice on the written request of at least two (2) directors.

SECTION 2.9 WAIVER OF NOTICE.

Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him or her of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 2.10 QUORUM OF BOARD OF DIRECTORS.

At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If, at any meeting of the Board of Directors, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any 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.

SECTION 2.11 COMPENSATION.

No compensation shall be paid to the directors except as may be established by a majority the Members of the Association.

**SECTION 2.12 LIABILITY AND INDEMNIFICATION OF DIRECTORS, OFFICERS,
MANAGER AND MANAGING AGENT.**

The directors and officers shall not be liable to the Association or the Condominium Owners for any mistake of judgment, negligence, or otherwise, except for their own willful misconduct or bad faith. The Association shall indemnify and hold harmless each director and officer and the manager or managing agent, if any, against all contractual liability to others arising out of contracts made by the Board of Directors, officers, manager or managing agent on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. Each director and officer and the manager or managing agent, if any, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party, or which they may become involved, by reason of being or having been a director, officer, manager or managing agent and shall be indemnified upon any reasonable settlement thereof; provided, however, there shall be no indemnity if the director, officer, manager or managing agent is adjudged guilty of willful nonfeasance, misfeasance or malfeasance in the performance of his/her duties.

**ARTICLE III
MEMBERSHIP**

SECTION 3.1 CLASS A MEMBERSHIP.

Upon acquisition of fee title to a Condominium by any person, persons or entity other than Declarant (as defined in the Declaration), such acquirer shall become and be a Class A Member of the Association, and consents to such Membership by virtue of Ownership of a Condominium. Each Class A Member's voting right shall be based upon a percentage basis. The percentage basis to which each Class A Member is entitled shall be the percentage of Ownership interest in the Common Area which is set forth in Exhibit D attached to the Declaration. In the event a Condominium is jointly owned, only one (1) vote shall be permitted for such Condominium. Subject to the provisions of the Articles and the Declaration, the Membership shall not be assigned, sold, transferred or in any other manner conveyed so that the transferee can by such transfer become a Member of the Association, except upon transfer of title to the Condominium and then only to the transferee of title to said Condominium.

SECTION 3.2 CLASS B MEMBERSHIP.

The Declarant (as defined in the Declaration) shall be the only Class B Member. The Class B Member's voting rights shall be based upon a percentage basis multiplied by three (3). The percentage basis to which the Class B Member is entitled shall be the percentage basis which is set forth in Exhibit D attached to the Declaration for all Units

owned by Declarant. The Class B Membership shall cease and convert automatically to Class A Membership as provided in the Declaration.

SECTION 3.3 ANNUAL MEETING.

The annual meeting of Members shall be held on the 1st day of September of each year at 10 o'clock a.m. in Ketchum, Idaho, or at such other reasonable place or time as may be designated by the Board of Directors. At such meetings the Board of Directors shall be elected by a majority vote in accordance with the requirements of the Articles and these Bylaws. The Members may transact such other business at such meetings as may properly come before them.

SECTION 3.4 PLACE OF MEETINGS.

The meetings of the Members shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

SECTION 3.5 SPECIAL MEETINGS.

It shall be the duty of the President to call a special meeting of the Members when so directed by resolution of the Board of Directors or upon written demand describing the purpose for the meeting signed and dated by not less than ten (10) per cent of the total Members of the Association, and delivered personally or by certified U.S. Mail, return receipt requested, to any corporate officer. 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 the special meeting except as stated in the notice.

SECTION 3.6 NOTICE OF MEETINGS.

It shall be the duty of the Secretary to mail by first class mail, a notice of each annual or special meeting of the Members at least ten (10) days but not more than sixty (60) days prior to such meeting stating the purpose thereof as well as the time and place where it is to be held, to each Member of record, at the building or at such other address as such Member 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 and notice.

SECTION 3.7 ADJOURNMENT OF MEETINGS.

If any meeting of the Members cannot be held because a quorum is not present, a majority of the Members 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 nor more than thirty (30) days from the time the original meeting was scheduled.

SECTION 3.8 ORDER OF BUSINESS.

The order of business at all meetings of the Association shall be as follows:

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

SECTION 3.9 VOTING.

The Member or Members, or some person designated by such Member or Members to act as proxy on his, her or their behalf and who need not be a Member, shall be entitled to cast votes at all meetings of Members. Designation of 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 Member or Members so designated. A fiduciary shall be the voting Member with respect to any Condominium owned in a fiduciary capacity. A Member may assign his or her right to vote to a lessee, mortgagee, beneficiary or contract purchaser of the Condominium owned by such Member, for the term of the lease, mortgage, deed of trust or contract. So long as there is a Class B Member, the Class B Member shall have the sole and exclusive right to elect and remove the Directors as long as the Class B Member holds a majority of the voting power of the Association.

SECTION 3.10 QUORUM.

Except as otherwise provided in these Bylaws, the presence at any meeting, in person, by proxy, by mailed written ballot or by absentee ballot, of the authorized representative of the Class B Member (when there is such a Member) and of the Class A Members representing at least fifty percent (50%) of the total votes of all Class A Members, shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present may adjourn the meeting. At any adjourned meeting, the presence of the authorized representative of the Class B Member (when there is such a Member) and of the Class A Members representing at least twenty-five percent (25%) of the total votes of all Class A Members, shall constitute a quorum.

SECTION 3.11 MAJORITY VOTE.

The vote of fifty percent (50%) plus one vote of all Members at a meeting at which a quorum shall be present shall be considered a majority vote and shall be binding upon all Members for all purposes, with the exception of the election of the Board of Directors as set forth in Section 8.3 of the Declaration.

ARTICLE IV OFFICERS

SECTION 4.1 DESIGNATION.

The principal officers of the Association shall be the President, vice President, Secretary and treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, and an assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall be Members of the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

SECTION 4.2 ELECTION OF OFFICERS.

The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

SECTION 4.3 REMOVAL OF OFFICERS.

Upon the affirmative vote of a majority of the directors, any officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

SECTION 4.4 PRESIDENT.

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the Idaho Nonprofit Corporation Act, including, but not limited to, the power to appoint committees among the Members from time to time as he may in his discretion decide is appropriate to assist in the conduct and affairs of the Association.

SECTION 4.5 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 Directors shall appoint some other director to act in the place of the President on an interim basis. The vice President shall also perform such other duties as from time to time may be imposed upon him by the Board of Directors or by the President.

SECTION 4.6 SECRETARY.

The Secretary shall keep the minutes of all meetings of the Members and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; he shall authenticate records of the Association; and he shall, in general, perform all the duties incident to the office of Secretary of a corporation organized under the Idaho Nonprofit Corporation Act.

SECTION 4.7 TREASURER.

The treasurer shall have the responsibility for Association 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 money and other valuable effects in the name of the Board of Directors, or the managing agent, in such deposit as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of the treasurer of a corporation organized under the Idaho Nonprofit Corporation Act.

SECTION 4.8 AGREEMENTS, CONTRACTS, DEEDS, CHECKS, ETC.

All agreements, contracts, deeds, checks and other instruments of the Association shall be executed by the President and either the vice President, Secretary or treasurer.

SECTION 4.9 COMPENSATION OF OFFICERS.

No officer shall receive any compensation from the Association for acting as such, except as may be established by the Board of Directors.

**ARTICLE V
OPERATION OF THE PROPERTIES**

SECTION 5.1 PAYMENT OF ASSESSMENTS.

All Members shall be obligated to pay the assessments levied by the Board of Directors as more fully detailed in the Declaration; and the Board of Directors is hereby empowered to take all of the steps and exercise all of the powers provided by the Declaration regarding assessments.

SECTION 5.2 INSURANCE.

The Board of Directors shall obtain and maintain to the extent that they deem desirable any insurance upon any Common Area or other property owned by the Association, or otherwise, and in addition the Board of Directors shall be required to obtain and maintain workmen's compensation insurance if required for any employee of the Association.

SECTION 5.3 ABATEMENT AND ENJOINMENT OF VIOLATIONS OF MEMBERS.

The violation of any rule or regulation adopted by the Board of Directors, or the breach of any bylaw contained herein, or the breach of any of the rules, regulations and restrictions enacted in connection herewith or hereby ratified shall give the Board of Directors the right in addition to any other rights set forth in the Declaration or these Bylaws:

(a) to enter the Condominiums in which, or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Member any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereby, the Board of Directors shall not thereby be deemed guilty in any manner of trespass or,

(b) to enjoin, abate or remedy by appropriate legal proceedings, the continuance of any such breach.

SECTION 5.4 RIGHT TO ACCESS.

Each and every Member shall, subject to the terms and provisions of the Declaration, have a right to access to the Common Area owned by the Association. This right to access shall include the rights of ingress and egress to the Common Area; provided, however, that said right to access and ingress and egress shall not be exercised to the detriment of any other Member or to the Association.

SECTION 5.5 RULES AND REGULATIONS REGARDING USE OF PROJECT.

The Board may promulgate Rules and Regulations regarding the use of the Project. Such Rules and Regulations shall be effective when (1) adopted by the Board and (2) mailed to the Members of the Association.

**ARTICLE VI
AMENDMENT TO BYLAWS**

SECTION 6.1 AMENDMENT TO BYLAWS.

These Bylaws, and every part hereof, may from time to time and at any time be amended, altered, repealed, and new or additional Bylaws may be adopted by a seventy-five percent (75%) majority of the votes cast by the Members; provided, however, that the Board of Directors may not adopt a Bylaw or amendment hereto changing the authorized number of directors.

**ARTICLE VII
DECLARATION AND ARTICLES**

SECTION 7.1 DECLARATION AND ARTICLES.

When used herein, the term "Declaration" means and refers to that certain Condominium Declaration and Covenants, Conditions and Restrictions for The Residences at Evergreen dated June 27th, 2007 and recorded on JUNE 29, 2007 as Instrument No. 549152, records of Blaine County, Idaho, and any rules, guidelines and/or declaration applicable to The Residences at Evergreen and recorded or to be recorded in the Office of the Blaine County Recorder, as the same may be amended from time to time. When used herein, the term "Articles" means the Articles of Incorporation of The Residences at Evergreen Association, Inc., filed of record with the office of the Secretary of State of the State of Idaho. Any capitalized terms herein shall have the same meaning and definition as set forth in the Declaration, unless specifically indicated to the contrary herein.

SECTION 7.2 ACTION WITHOUT A MEETING.

Any action which the Act, the Declaration or these Bylaws require or permit the Owners or directors to take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Owners or directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Owners or directors, shall be filed in the records of Minutes of the Association.

SECTION 7.3 CONFLICTS.

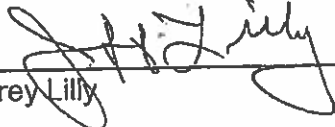
These Bylaws are intended to comply with the Act and the Declaration. In case of any irreconcilable conflict, the Act and the Declaration shall control over these Bylaws or any rules and regulations adopted hereunder.

SECTION 7.4 INVALIDITY; NUMBER; CAPTIONS.

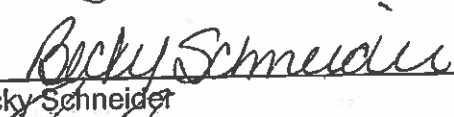
The invalidity (if any part of these Bylaws is declared invalid by a court of competent jurisdiction) shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

DATED this 28 day of JUNE, 2007.

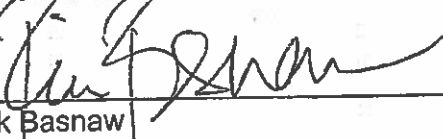
DIRECTORS:



Jeffrey Lilly



Becky Schneider



Rick Basnaw

STATE OF WA)
County of KING) ss.

On this 28th day of June, 2007, before me, Heather Derr, a Notary Public in and for said State, personally appeared JEFFREY LILLY, known or identified to me to be the Director of The Residences At Evergreen Owners' Association, Inc. an Idaho non-profit corporation, and acknowledged to me that he executed the within instrument on behalf of said corporation, and that such corporation executed the same in said corporation name.

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



[Signature]
Notary Public for Idaho WA
Residing at Bothell 98021
My commission expires 5-26-10

STATE OF WA)
County of KING) ss.

On this 28 day of June, 2007, before me, Heather Derr, a Notary Public in and for said State, personally appeared BECKY SCHNEIDER, known or identified to me to be the Director of The Residences At Evergreen Owners' Association, Inc. an Idaho non-profit corporation, and acknowledged to me that she executed the within instrument on behalf of said corporation, and that such corporation executed the same in said corporation name.

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

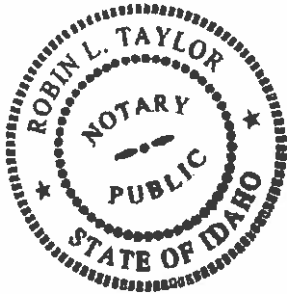


[Signature]
Notary Public for Idaho WA
Residing at Bothell 98021
My commission expires 5-26-10

STATE OF IDAHO)
County of BLAINE) ss.

On this 2 day of JULY, 2007, before me, ROBIN L. TAYLOR, a Notary Public in and for said State, personally appeared RICK BASNAW, known or identified to me to be the Director of The Residences At Evergreen Owners' Association, Inc. an Idaho non-profit corporation, and acknowledged to me that he executed the within instrument on behalf of said corporation, and that such corporation executed the same in said corporation name.

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



Robin L. Taylor
Notary Public for Idaho
Residing at Hailey
My commission expires 3/11/2010