

**BYLAWS
OF
WHITETAIL PROPERTY OWNER’S ASSOCIATION, INC.**

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**BYLAWS
OF
WHITETAIL PROPERTY OWNER’S ASSOCIATION, INC.
AN IDAHO NONPROFIT CORPORATION**

ARTICLE 1. Definitions

Each term in these Bylaws with its first letter capitalized shall have the meaning defined for such term in the General Declaration for Whitetail, as it may be amended or supplemented, or as defined in these Bylaws.

ARTICLE 2. Offices

The principal offices of the Whitetail Property Owner’s Association shall be at 501 West Lake Street Street, McCall, Idaho 83638. The Whitetail Property Owner’s Association is hereinafter referred to as “the Association”. The Association may also have offices and may carry on its purposes at such other places within and outside the State of Idaho as the Board may from time to time determine. The principal office of the Association may be changed by the Board by the recordation of a Notice of Change of Principal Office.

ARTICLE 3. Membership, Voting, Quorum and Proxies

3.1 Membership: Diagram 3.1 illustrates the Association membership classes, as more fully and completely described in this Section 3.1 below.

Whitetail Resort Association	
Membership Classes	
Class	Summary of Members
Class A Residential	Owners of Single Family Residential Units
Class B Club	Owner of the Whitetail, a Club For All Seasons LLC
Class C Declarant	Declarant

Diagram 3.1

(a) Regular Memberships:

(i) Class A-Residential: There shall be one Class A Residential Regular Membership in the Association attributable to fee simple title ownership of each Single Family Residential Unit.

(ii) Owner Member: Each such Regular Membership associated with the ownership of a Unit shall be appurtenant to the fee simple title to such Unit. The Owner of a Unit shall automatically be the holder of the Regular Membership appurtenant to that Unit and title to and ownership of the Regular Membership for that Unit shall automatically pass with fee simple title to the Unit. If fee simple title to a Unit is held by more than one person or entity, the Regular Membership appurtenant to that Unit shall be shared by all such persons or entities in the same proportionate interest and by the same type of ownership as fee simple title to the Unit is held. Each holder of a Regular Class A Residential Membership shall be entitled to one vote in the Association. The Class A Residential Members shall have the right to elect two Directors, as provided in these Bylaws.

(iii) Regular Member: Regular Memberships in the Association shall be limited to Owners within Whitetail. A party may hold more than one Regular Membership and may also hold other forms of Membership. The Class B and C members shall also hold a Class A membership for each Unit owned which is associated with a Class A membership. For example, if the Class C Member owns two Units associated with a Class A membership, it would hold the Class C membership and two Class A memberships.

(b) Priority Memberships:

(i) Class B-Club: There shall be one Class B-Club Priority Membership, which shall be held by the owner of the Whitetail Club, which membership shall be held subject to the conditions set forth in the Association Documents. The Club Priority Member may assign its Club Priority Membership to one or more persons or entities by means of the assignment of rights to operate or manage all or part of the Club, or the assignment or sale of all or part of the Club's assets; provided, (a) prior to or at the time of such assignment a written instrument is provided to the Board which defines the resulting holder(s) of the Club Priority Membership, and obligates said holder(s) of the Club Priority Membership to assume all of the obligations of such membership; and, (b) the Declarant approves the assignment in writing. The holder(s) of the Club Priority Membership shall have the right to one vote, and to appoint one director, as provided in these Bylaws. The Class B Club member may at any time give the Association notice that it wishes to resign as a member, which notice shall be accompanied by the written resignations of all Class B directors, in which case the Board shall be reduced by the number of directors the Class B member was then entitled to elect and the Class B member shall have no further rights or obligations hereunder.

(ii) Class C-Declarant: Declarant at all times shall have and be deemed to hold a Priority Membership in the Association whether or not Declarant is an Owner of a Unit. As the holder of this Declarant Priority Membership, Declarant shall have the right to three votes, and to appoint three directors, as provided in these Bylaws. In addition to all rights granted to it hereunder, the Class C Declarant member shall be entitled to notice of all meetings of any class or combined classes of members and shall be entitled to speak and be heard at any such meeting. The Class C Declarant member may at any time give the Association notice that it wishes to resign as a member, which notice shall be accompanied by the written resignations of all Class C directors which have not been assigned, in which case the Board shall be reduced by the number of directors the Class C member was then entitled to elect and the Class C member shall have no further rights or obligations hereunder.

(c) This Section 3.1 may be amended only by the Affirmative Vote of a Majority of the Classes.

3.2 Voting:

(a) Three Classes of Voting Membership: The Association shall have the five classes of voting membership set forth below; a member may belong to more than one class:

(i) Class A-Residential: A Class A member shall be entitled to one vote for each Unit owned.

(ii) Class B-Club: The holder(s) of the Club Priority Membership shall constitute the entire Class B Membership. The Class B Club Priority Membership shall be entitled to one vote.

(iii) Class C-Declarant: The Declarant Priority Member shall constitute the entire Class C membership. The Class C member shall be entitled to four votes, as reduced on the Conversion Date, pursuant to Section 5.1(d).

(b) Vote by Multiple Owners: If a membership in any class is held by more than one person or entity, the holders thereof may vote in any manner in which they all agree as set forth in a written instrument delivered to the Association. Fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes should be cast, they shall lose their right to vote on the matter being put to a vote. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that such Owner was acting with authority and consent of all joint Owners of the Unit(s) from which the vote derived.

(c) Vote by Single Class and Combined Classes of Membership: At any meeting of a single class of members, such members shall be entitled to vote only the votes to which they are entitled pursuant to being members of such class. At any meeting of the combined classes of membership where a vote of combined classes of members is to be taken, each member shall be entitled to vote the number of votes for each class of which it is a member.

(d) Vote for Amendments to Section 3.2: This Section 3.2 may be amended only by the Affirmative Vote of a Majority of the Classes.

3.3 Record Date: The Board shall have the power to fix in advance a date as a record date for the purpose of determining members entitled to notice of or to vote at any meeting or to be furnished with any other information or material, or in order to make a determination of membership, for any purpose other than assessments which are provided for in Article 9 herein. The members existing on any such record date shall be deemed members for such notice, vote, meeting, furnishing of information or material or other purpose and for any supplementary notice or information or material with respect to the same matter and for any adjournment of the same meeting.

A record date shall not be more than 50 days prior to the date on which the particular action requiring determination of membership is proposed or expected to be taken or to occur.

If no record date is established for a meeting, the date on which written notice of such meeting is first given to any member shall be deemed the record date for the meeting.

3.4 Quorum: Except as otherwise provided in the Articles or these Bylaws, the presence in person or by proxy of members of a class who are entitled to vote more than 20 percent of the total votes for the members of such class shall constitute a quorum for such class where a vote by class is required (class quorum). The presence in person or by proxy of members who are entitled to vote more than 20 percent of the votes of all of the different class members combined shall constitute a quorum where a vote by the combined classes is required (combined quorum).

3.5 Proxies: Votes may be cast in person or by proxy. Every proxy must be executed in writing by the member or his duly authorized attorney-in-fact. Except as provided in Article 11 herein, no proxy shall be valid after the expiration of eleven months from the date of its execution, and every proxy shall automatically cease at such time as the member granting the proxy no longer qualifies as a member in the class of voting membership for which vote the proxy was given.

3.6 Majority Vote: At any meeting of members where a vote by class is required, if a class quorum is present, the affirmative vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the act of the members of such class unless the vote of a greater number is required by law, the Articles, the Declaration or these Bylaws as from time to time in force and effect. At any meeting of the combined members of all classes where a vote by class is not required, if a combined quorum is present, the affirmative vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the act of the combined class members, unless the vote of a greater number is required by law, the Articles, the Declaration or these Bylaws as from time to time in force and effect.

ARTICLE 4. Membership Meetings

4.1 Annual Meeting: The annual meeting of the members shall be held in the month of August in each year, or at such other date designated by the Board, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. The first annual meeting of the members shall be held in 2005.

4.2 Special Meetings: Special meetings of any class of members or the combined classes of members, for any purpose, unless otherwise prescribed by statute, may be called by the president or by the Board, and shall be called by the president at the request of the members entitled to vote 30 percent or more of the total votes of such class or combined classes of members.

4.3 Place of Meeting: The Board shall designate a place in the County as the place for any annual meeting or for any special meeting of the members called by the Board. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within or outside Idaho, as the place for such meeting. If no designation is made, or if a special meeting shall be called otherwise than by the Board, the place of meeting shall be the principal office of the Association.

4.4 Notice of Meeting: Written or printed notice of any meeting of the members stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail or by facsimile transmission to each member entitled to vote at such meeting not less than 10 nor more than 50 days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears in the office of the Association, with postage thereon prepaid. If requested by the person or persons lawfully calling such meeting, the secretary shall give notice thereof at corporate expense.

4.5 Informal Action by Members: Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if all of the members entitled to vote with respect to the subject matter

thereof are given notice of the subject matter pursuant to Section 4.4; and, at least a quorum vote in writing on the matter. Approval of a subject matter by such method shall have the same force and effect as approval pursuant to a vote taken at a meeting of such members.

ARTICLE 5. Board of Directors

5.1 Number, Tenure and Qualifications: The control and management of the Association and the disposition of its funds and property shall be vested in a Board of Directors (“Board”) consisting of not less than three nor more than seven directors who need not be members of the Association. Directors shall be elected or appointed for terms as set forth below; provided, however, that if there are no members entitled to vote in a particular class, no director shall be elected or appointed by that class. Diagram 5.1 illustrates the allocation of directors among the Association membership classes, as is further described in this Section 5.1 below.

Whitetail Resort Association	
Board of Directors	
# of Directors	Class
2	Class A Residential
1	Class B Club
4	Class C Declarant
7	TOTAL

Diagram 5.1

(a) **Class A-Residential:** Class A-Residential members shall elect two directors, to be known as the Class A Directors. The Class A Directors shall hold such office for a term of one year. Pursuant to a Supplemental Declaration, Declarant may allocate the election of the Class A-Residential directors among Neighborhoods made up of Class A-Residential members. There shall be no Class A Directors until after the closing of the sale of the twentieth Unit which would create a Class A Membership. The Class A members shall elect the Class A Directors as follows:

(i) **Residential Neighborhoods:** Declarant has not initially established any Neighborhoods. Therefore, until such time as Declarant elects to create such Neighborhoods, the Class A Residential Members shall annually elect the Class A Residential Directors by majority vote at the Association’s annual meeting.

(ii) **Reallocation of Election of Class A Residential Directors:** The Declarant may, by a Supplemental Declaration, allocate and reallocate the election of either or both of the Class A Residential Directors among existing or newly formed Residential Neighborhoods.

(iii) **Declarant Class Shall Not Appoint Class A Residential Directors:** The Declarant Class member shall not appoint a Class A Residential Director, except as follows: between the time of the closing of the sale of the twentieth Unit that would create a Class A Membership and the next annual meeting of the Members, the Declarant shall appoint Class A Members as the initial Class A Directors. No person who is an officer, director or employee of Declarant or any of its affiliates may serve as a Class A Residential Director.

(iv) **Declarant’s Right to Create a Residential Association:** Declarant shall have the right to create an Association made up of the Class A-Residential members in the event that it determines that additional formality would help facilitate the election of the Class A-Residential Director(s), and/or to interface with the Association with regard to the services provided to, or the uses, interests, and/or needs of the Class A-Residential members. Such an association may have different classes of members, to be created based upon relative services provided to, or the uses, interests, and/or needs of the Class A-Residential members. Any such Association shall have no power or the authority to levy assessments, unless specifically authorized in writing to do so by the Board, and any action of such Association shall be subject to the approval of the Association.

(b) **Class B-Club:** The Class B-Club member shall appoint one director, to be known as the Class B Director. The Class B Director shall hold office for a term of one year. The Class B Member shall appoint the Class B Director at or prior to the annual meeting of the Members.

(c) **Class C-Declarant:** The Class C-Declarant Member shall appoint four directors, each to be known as a Class C Director. The Class C Directors shall hold office for a term of one year. The Class C

Member shall appoint the Class C Directors at or prior to the annual meeting of the Members. The Class C Member may at any time give the Association written notice that it wishes to assign its right to appoint up to three directors, as provided in Section 3.1(b)(iv) above. Notwithstanding the foregoing, upon the Conversion Date, the Class C Member shall have the right to appoint one director.

This Section 5.1 may be amended by the Affirmative Vote of a Majority of the Classes, or by the Board; provided, the ratio of Class A Residential Directors to total directors shall not be reduced by any such amendment, without the affirmative vote of a majority of the non-Declarant Class A Members.

5.2 Executive Committee and Subcommittees: The Board may by resolution designate no less than three of their number to constitute an executive committee which shall have and exercise all of the power of the Board in the management of the business and affairs of the Association or such lesser authority as may be set forth in such resolution (“Executive Committee”). The Board may also by resolution designate no less than three of their number to constitute a subcommittee which shall have and exercise all of the power granted to it by the Board in the management of the business and affairs of the Association as may be set forth in such resolution (“Subcommittee”). The Board may also form committees of Association Members to advise the Board. No such delegation of authority shall relieve the Board or any member of the Board from any responsibility imposed by law.

5.3 Resignations, Removals and Vacancies: Any director may resign at any time by giving written notice to the president or the secretary of the Association. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any director appointed by a priority class may be removed from office either with or without cause at any time by the priority member; and, any director elected by a regular class may be removed from office either with or without cause at any time by at least a seventy five percent (75 %) vote of the members of such class who are present in person or by proxy at a meeting called for such purpose. Any vacancy occurring in the Board by reason of resignation, removal or death of any director elected by Class A Members may be filled with an alternate Class A Member, as the case may be, by the affirmative vote of a majority of the directors then in office, though less than a quorum. Any vacancy occurring in the Board by reason of resignation or death of any director appointed by the Class B or C member shall be filled by appointment by the Class Member who appointed the director creating the vacancy. Any director elected or appointed to fill any vacancy in the Board shall serve until the expiration of the term of his or her predecessor.

5.4 Regular Meetings: There shall be not less than one “in person” regular meeting of the Board per year. Additional meetings may be held telephonically or by comparable technological conferencing. Any business may be transacted at a regular meeting. The regular meeting of the Board for the election of officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of members, or any special meeting of members at which a Board is elected. The Board may also determine that other regular meetings do not require call or formal notice.

5.5 Special Meetings: Special meetings of the Board may be held at any place within Idaho at any time when called by the president, or by 3 or more directors, upon at least 7 days prior notice of the time and place thereof being given to each director by delivery to the director, or by mailing or telegraphing it prepaid, and addressed to him at his post office address as it appears on the books of the Association, or by telephone or facsimile transmission. Notices shall state the purposes of the meeting. No notice of any adjourned meeting of the directors shall be required. Special meetings may be held telephonically or by comparable technological conferencing.

5.6 Quorum: At all Board meetings, 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, unless otherwise specifically provided in these Bylaws, the Articles or the Declaration. Notwithstanding the foregoing, there shall be no quorum unless all directors appointed by the Class C Declarant Member are present, unless such requirement is unanimously waived by those Class C Declarant Directors who are present. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

5.7 Waiver of Notice: Before, at or after any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him or her except when a director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

5.8 Informal Action by Directors: Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a written consent, setting forth the action so taken, is signed by all of the

directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the directors.

ARTICLE 6. Board Powers and Management of Business

6.1 Board of Directors to Exercise General Power: The Board shall have and may exercise all lawful powers of the Association except those which by law, or by the Articles, these Bylaws or the Declaration, expressly require the consent of the members, and including but not limited to those identified in Article 6 of the General Declaration for Whitetail .

6.2 Additional Powers and Responsibilities: In addition to its general powers, the Board shall have the authority and the responsibility to carry out the following, acting through the Association's officers, and subject to the provisions of the Association Documents:

(a) **Covenant Enforcement:** To enforce any and all covenants, restrictions, agreements, or rules and regulations applicable to Whitetail in any manner provided by the laws of Idaho or the Association Documents, as from time to time in force and effect.

(b) **Rule Making:** To make and enforce rules and regulation applicable within Whitetail for the accomplishment of any of the purposes or to further any of the powers set forth in the Association Documents, and to amend such rules and regulations.

(c) **Association Facilities:** To maintain in good order, condition and repair Association Facilities; and, to protect and defend Association Facilities from loss and damages by suit or otherwise; and, to pay taxes on Association Facilities.

(d) **Insurance:** To obtain and maintain insurance in connection with Association Facilities and related personal property in the manner and the amounts provided in the Declaration, and such other insurance as the Board may consider appropriate.

(e) **Assessments:** To levy Common and Special Assessments against the members of the Association as specifically set forth in these Bylaws as from time to time in force and effect, to charge interest on unpaid assessments, to collect charges, fees, fines, penalties and interest in accordance with the Association Documents as from time to time in force and effect, to create and enforce liens given as security for such assessments, charges, fees, fines, penalties and interest, and to exercise any and all remedies available to the Association under these Bylaws, under other Association Documents or by applicable law.

(f) **Status Statement:** To cause an appropriate officer to issue, upon written request of any member, a statement setting forth the status of payment of assessments or other balances due, and whether the Association has any outstanding notices of non-compliance with the Declaration by such member. The Association may charge a reasonable fee for such a statement.

(g) **Contracts:** To enter into, make, amend, perform and carry out, or cancel and rescind, contracts, leases, permits, management agreements, and concession agreements for any lawful purposes pertaining to its business.

(h) **Bank Accounts:** To establish bank accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board.

(i) **Guaranties:** To make any guaranty respecting securities, indebtedness, notes, interest, contracts or other obligations created by any individual, partnership, association, corporation or other entity, and to secure such guaranties by encumbrance upon any and all assets of the Association, to the extent that such guaranty is made in pursuance of the purposes herein set forth.

(j) **Loans:** To lend money for any of the purposes set forth herein; to invest its funds from time to time and take and hold real and personal property as security for payment of funds so loaned or invested.

(k) **Borrowing:** To borrow funds or raise moneys for any of the purposes of the Association.

(l) **Real and Personal Property:** To acquire, by gift, purchase, lease, trade or any other method, own, operate, build, manage, maintain, rent, sell, develop, encumber, and otherwise deal in and with real and personal property of every kind and character, tangible and intangible, wherever located, and interests of every sort therein, all in accordance with the Association Documents.

(m) Records: To maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Association; and, to prepare and upon request deliver to any requesting member an annual statement showing all receipts, expenses or disbursements since the last such statement. Any member may inspect such records upon reasonable notice at any reasonable time.

(n) Emergency Powers: The power, exercised by the Association or by any person authorized by it, to enter upon any property not owned or under the control of the Association in the event of any emergency involving imminent danger to life or property, or when necessary to access any portion of such property except the interior of a building in connection with any maintenance or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Association.

(o) Delegation of Powers: The authority to delegate its powers and duties to sub-associations, committees, officers, employees, or to any person, firm or corporation. Neither the Association nor the members of its Board shall be liable for any omission or improper exercise by any person or entity of any such duty or power so delegated.

(p) Powers of the Association Relating to Associations and Neighborhoods: The Association shall have the power to veto any action taken or contemplated to be taken by any other Association or Neighborhood within Whitetail, which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with the Association Documents. The Association also shall have the power and shall have broad discretion to require specific action to be taken by an Association or Neighborhood in connection with any of its obligations and responsibilities. Without limiting the generality of the foregoing, the Association may (a) require specific maintenance or repairs or aesthetic changes to be effectuated by an Association or Neighborhood, and (b) delegate budgeting duties and require that a proposed budget include certain items and that specific expenditures be made.

(q) Power to Carry Out Obligations and Rights: The Association shall have the power to carry out the obligations and rights described at Article 6 of the Declaration.

(r) Powers Conferred by Law: The foregoing enumeration of specific powers shall not limit or restrict in any manner the general powers of the Association and the enjoyment and exercise thereof as now or hereafter conferred by the laws of Idaho.

(s) Implied Powers: The foregoing enumeration of specific powers shall not limit or restrict in any manner the implied powers of the Association and the enjoyment and exercise thereof as now or hereafter may be reasonably required to carry out the functions provided herein or in any of the Association Documents or to enforce the provisions of any of the Association Documents.

6.3 Management of Business: The following provisions are inserted for the management of the business and for the conduct of the affairs of the Association, and are in furtherance of and not in limitation or exclusion of the powers granted herein or by law:

(a) Execution of Instruments: Authority to convey or encumber the property of the Association and to execute any deed, contract or other instrument on behalf of the Association is vested in the president or any vice president. All instruments conveying or encumbering such property (whether or not executed as such attorney-in-fact) shall be executed by the president or vice president and attested by the secretary or an assistant secretary of the Association.

(b) Contracts with Directors, Officers or Members: No contract or other transaction of the Association with any other person, firm or corporation shall be affected or invalidated by (i) the fact that any one or more of the directors, officers or members of the Association is interested in, or is a director, trustee or officer of another corporation, or (ii) the fact that any director, officer or member, individually or jointly with others, may be a party to or may be interested in any such contract or transaction. Each person who may become a director, officer or member of the Association is hereby relieved from any liability that might otherwise arise by reason of his contracting with the Association for the benefit of himself or any firm or corporation in which he may be in anywise interested.

(c) Director and Officer Conflicts of Interest: No contract or other transaction between the Association and one or more of its Directors or Officers, or any other corporation, firm, association, or entity in which one or more of its directors are Directors or Officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such Director or Officer are present at the meeting of the Board or a committee thereof which authorizes, approves or ratifies such contract or transaction or because such Director's or Directors' votes are counted for such purposes, if:

(i) The fact of such relationship or interest is disclosed or known to the Board or committee which authorizes, approves, or ratifies the contract or transaction, and the contract or transaction is authorized, approved or ratified by a vote or consent sufficient for the purpose without counting the vote or consent of such interested Director; or.

(ii) The contract or transaction is fair and reasonable to the Association and the fact of such relationship or interest is fully and fairly disclosed or known to the Board.

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorized, approves, or ratifies such contract or transaction.

Declarant's appointment of any of its members, directors, officers or employees as a Director of the Association shall specifically not be considered a conflict of interest.

(d) **Compensation:** By resolution of the Board, any director or officer may be paid any one or more of the following: the director's or officer's reasonable expenses incurred, if any, in furtherance of the business or affairs of the Association; a fixed sum for attendance at meetings; or a stated salary as director. No such payment shall preclude any director from serving the Association in any other capacity and receiving compensation therefore.

(e) **Indemnity:** Each director or officer, whether or not then in office and each person who may have served at the request of the Association as a director or officer of another corporation in which it owns capital stock or of which it is a creditor, and his personal representatives and assigns, shall be indemnified by the Association against all costs and expenses reasonably incurred by or imposed upon him in connection with or arising out of any action, suit or proceeding in which he may be involved, or to which he may be made a party by reason of his being or having been such a director or officer (such expenses to include the cost of a reasonable settlement made with a view of curtailment of the costs of litigation), except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to have been liable for negligence or misconduct in the performance of duty to the Association, and the foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law.

(f) **Liability Insurance:** The Association may insure its officers and directors against certain losses which such persons may incur because of their acts or omissions as officers or directors, including, but not limited to, losses resulting from judgments, settlements and costs of litigation. Such insurance shall be limited to reasonable amounts of coverage for such officers and directors.

(g) **Limitation of Liability:** No member of the Association shall be personally liable for any debt or other obligation of the Association, and no property within Whitetail shall be subject to any lien to enforce the collection of any debt or other obligation of the Association, except liens for unpaid assessments made in accordance with the Articles, these Bylaws and the Declaration.

ARTICLE 7. Officers and Agents

7.1 General: The officers of the Association shall be a president, one or more vice presidents, a secretary and a treasurer. Such officers shall be elected by majority vote of the Board, and shall be Board members. The Board may appoint such other officers, assistant officers, committees and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board. The salaries of all the officers of the Association shall be fixed by the Board. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws or by the Board, such officer, agent or employee shall follow the orders and instructions of the president or his designee.

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

7.3 Vacancies: A vacancy in any office, however occurring, may be filled by the Board for the unexpired portion of the term.

7.4 President: The president shall be the chief executive officer of the Association. The president shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees.

7.5 Vice Presidents: The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Board. In the absence of the president, the vice president designated by the Board or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made, all vice presidents may exercise such powers and perform such duties.

7.6 Secretary: The secretary shall:

- (a) Keep the minutes of the proceedings of the members, executive committee, subcommittees, and Board;
- (b) See that all notices are duly given in accordance with the provisions of these Bylaws, the Articles, the Declaration and as required by law;
- (c) Be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the Board;
- (d) Keep at the registered office or principal place of business of the Association a record containing the names and registered addresses of all members, the designation of the property owned or leased by each member, and, if such property is mortgaged and the mortgagee has given the Association notice thereof, the name and address of the mortgagee;
- (e) In general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the Board, assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

7.7 Treasurer: The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the Board. The treasurer shall receive and give receipts for moneys paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association or whatever nature upon maturity. The treasurer shall perform all other duties incident to the office of the treasurer and, upon request of the Board, shall make such reports to it as may be required at any time. The treasurer shall, if required by the Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of his or her duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in the treasurer's possession or under his or her control belonging to the Association. The treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the Board or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

7.8 Daily Management of the Association: The Board shall have the authority to hire such employees and agents as it determines are necessary to manage the functions of the Association and to conduct the day to day management of the Association subject to the supervision of the Board and its officers.

ARTICLE 8. Obligations of the Members

8.1 Assessments:

- (a) **Class A Members:** Each Class A Member shall be obligated to pay and shall pay to the Association any annual Common Assessment levied under Article 9 with respect to such Owner's Unit. Each Class A Member shall be obligated to pay and shall pay to the Association any Special Assessment imposed under Article 9 hereof.
- (b) **Class B and C Members:** The Class B and C Members shall not be obligated to pay any assessment by reason of their Class B or C Memberships. They shall, however, pay any assessment due by reason of their Membership, if any, in Class A.
- (c) Each Regular Member and Priority Member shall comply with any determinations made by the Board with respect to any assessment.
- (d) Each member shall pay all charges, fines, penalties, interest, or other amounts payable to the Association in connection with the Common Assessments or Special Assessments, or otherwise payable under the Declaration, the Articles or these Bylaws.

8.2 Time for Payments: The amount of any assessment, charge for interest or otherwise, fine, penalty or other amount payable by any Owner shall become due and payable as specified in Article 9 hereof or by the Board. Any such amount which is delinquent shall bear interest at the Default Rate.

8.3 Lien for Assessments and Other Amounts: All assessments, together with interest from the due date of such assessment at the Default Rate, late charges, costs, and reasonable attorney's fees, shall be a charge and continuing lien upon each Unit against which the assessment is made until paid, as more particularly provided in Section 8.5. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable with the grantor for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. Each member hereby waives, renounces and releases all rights to a homestead exemption, and any redemption period to the extent allowed by law, which it may acquire by statute or by operation of law.

8.4 Compliance With Association Documents: Each Member shall comply with all provisions of the Association Documents as from time to time in force and effect. In addition to all other remedies, the membership rights and privileges of any member or guest, including, but not limited to, the right to vote and the right to use Association Facilities and Functions, may be suspended by action of the Board during the period when any assessments or other amounts due relating to such member's Unit remain unpaid; but, upon payment of such assessments or other amounts, such rights and privileges shall be automatically restored. If the Board has adopted and published rules and regulations governing the use of Association Facilities or Functions and the personal conduct of any person related thereto, the directors or the officers of the Association may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed 30 days or, if such person is in a continuous violation of such rules and regulations, throughout the period of the violation and continuing for 30 days after such time as the violation ceases.

8.5 Enforcement of Assessments:

(a) **Notice of Default and Acceleration of Assessments :** If any assessment is not paid within 30 days after its due date, the Board may mail a notice of default to the Member. The notice shall substantially set forth (a) the fact that the installment is delinquent; (b) the action required to cure the default; (c) a date not less than ten (10) days from the date of the mailing of the notice by which the default must be cured; and, (d) that the failure to cure the default on or before the date specified in the notice may result in the foreclosure of the lien for assessment against the Unit of the Member and the exercise by the Board of any other remedies either provided herein or allowed by law, including an action against the Member personally for the delinquent assessment. In such case, and as a condition of the cure of the delinquent assessment, the Member may be obligated by the Board, at the Board's sole discretion, to additionally pay all costs of enforcement, including without limitation reasonable attorneys fees, costs and related expenses and to pay interest at the Default Rate, from the date on which the assessment was due, as well as a reasonable late charge to be determined by the Board.

(b) **Enforcement of Assessments:** Each Member is and shall be deemed to covenant and agree to pay to the Association each and every assessment provided for in these Bylaws; and agrees to the enforcement of all such assessments in the manner herein specified. In the event an attorney or attorneys are employed for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of the Association Documents, each Member agrees to pay reasonable attorneys fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Member. In addition to any other remedies herein or by law provided, the Board, or its authorized representative, may enforce the obligations of the Member to pay the assessments provided for in this Declaration, and each of them, in any manner provided by law in equity, or without any limitation of the foregoing, by either or both of the following procedures:

(i) **Enforcement by Suit:** By commencement of a suit at law against any Member or Members personally obligated to pay assessments, or the grantee(s) thereof, as provided in Section 8.3 above, for such delinquent assessments as to which they are personally obligated. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon and/or late charges as provided for herein, costs of collection, court costs and reasonable attorney's fees. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien hereinafter provided for.

(ii) Enforcement by Lien: There is hereby created a claim of lien, with power of sale, on each and every Unit to secure payment to the Association of any and all assessments levied against any and all Members, together with interest thereon as provided for herein, fines imposed for violation of the Association Documents, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorney's fees. The Board or its duly authorized representative may file and record a Notice of Delinquent Assessment on behalf of the Association against the Unit of the defaulting Owner who has not cured the default as provided in Section 8.5(a) above. The amount of the assessment, plus any costs of collection, expenses attorney's fees and interest assessed in accordance with these Bylaws shall be a lien on the Owner's Unit from and after the time the Association records the Notice of Delinquent Assessment. Such Notice shall be executed and acknowledged by any officer of the Association and shall contain substantially the following:

1. The claim of lien made pursuant to these Bylaws;
2. The name of the record Owner;
3. The legal description of the Unit against which claim of lien is made;
4. The name of the defaulting Member, if not the Owner of the Unit (i.e. Lessee);
5. The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and attorney's fees and any other sums allowed in any Association Document (with any proper offset allowed); and,
6. The name and address of the trustee authorized by the Association to enforce the lien by public sale.

Upon recordation, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Unit against which such assessment was levied. Such lien shall have priority over all liens or claims created subsequent to the recordation of the Notice. Any such lien may be foreclosed by appropriate action in Court or in the manner provided by the Idaho Code for the foreclosure of a deed of trust with power of sale, or in any other manner permitted by law. These remedies shall be non-exclusive and may be selected at the sole option and discretion of the Association. The Board is hereby authorized to appoint its attorney, any officer or director of the Association, or any Title Company authorized to do business in Idaho as Trustee for the purpose of conducting such power of sale foreclosure. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Members and shall secure payment of all sums set forth in the Notice, together with all sums becoming due and payable in accordance with this Declaration after the date of recordation of said Notice.

The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association.

The sale or transfer of any Unit shall not affect the continued validity or enforceability of the lien, which shall run with and burden the Unit, nor shall it relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be collectible from all members subject to assessment pursuant to these Bylaws, including such acquirer, its successors and assigns. The Owner of a Unit which is sold with unpaid assessments shall also continue to be personally liable therefore.

Each Owner hereby expressly waives any objection to the enforcement and foreclosure of assessment liens in this manner. Upon the timely curing of any default for which a Notice was filed by the Board, the Board shall cause an officer of the Association to record an appropriate release of such Notice in the Office of the County Recorder of Valley County, Idaho. No Owner may waive

or otherwise escape liability for the assessments provided for in this Declaration by non-use or abandonment of his or her Unit.

8.6 Failure to Assess: Failure of the Board to fix assessment amounts or rates or to deliver or mail each member an assessment notice shall not be deemed a waiver, modification, or a release of any member from the obligation to pay assessments. In such event, each member shall continue to pay Common, Local Maintenance, and Real Estate Transfer Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

ARTICLE 9. Assessments

Diagram 9.1 provides a summary of assessments, as more fully and completely described in this Article 9 below.

ASSESSMENT SUMMARY		
Assessment Type	Assessment Based On	Applicable Section of Bylaws
COMMON ASSESSMENTS		
Class A-Residential	Levied in an equal amount for each Class-A Residential Unit; rate tbd by Board.	9.1(a) & (b)
SPECIAL ASSESSMENTS		
Budget	Levied in the event that the Board determines that other Assessments will be inadequate to meet an unanticipated expense which cannot be deferred to the next budget year. Requires approval of the Declarant and a majority of the Class A and B Directors. Shall be levied in proportion to the benefits received.	9.2(a)
Local Improvement	Desired improvements; allocated to only those Units which benefit from the improvement; must be approved by at least 2/3 of owners of benefited Units (only the owners of the benefited Units vote).	9.2(b)
Local Maintenance	For maintenance of Exclusive Open Space, or otherwise benefiting a specific neighborhood or group of members; allocated to only those Units and/or neighborhoods which benefit from the repair and maintenance.	9.2(c)
Real Estate Transfer	Assessed when a Unit is transferred / sold; Based upon a percentage of the fair market value of the Unit transferred, with the rate tbd by the Board; Except, Declarant may exempt the first sale of the Unit after purchase by third party from Declarant via a statement in the deed; numerous types of transfers are exempt, as detailed at Section 9.2(d)(iii).	9.2(d)
Compliance	Cost to bring into compliance with Association Documents.	9.2(e)

Diagram 9.1

9.1 Common Assessments:

(a) **Class A Members:** The Board shall levy upon and subsequently collect a Common Assessment from each Class A Residential Member, for each Unit owned by such Member.

(b) **Levy and Rate of Class A Residential Common Assessment:** The Common Assessment for Class A Residential Members shall be calculated as an equal amount per Unit, which equal amount per Unit shall be the “Common Assessment Rate”. Based on budget estimates, the Board shall determine and set forth in its annual budget the Class A Residential Common Assessment Rate required to produce the total Class A Common Assessments set forth in such budget. The annual budget shall be reviewed at the annual membership meeting.

(c) **Payment of Common Assessment:** Payment of each Common Assessment shall become due and payable, in its entirety on or before December 1, or such other date as the Board may reasonably determine. In addition to any other remedy provided herein, in any other Association Document, or by law, any portion of any Common Assessment not paid when due and payable shall become a lien on and against all of the real property owned by such Owner in Whitetail, including any Units owned by such Owner other than the Unit with respect to which the Common Assessment has not been fully paid. The Board, in its sole discretion, in cases of extreme hardship may release any such lien if it receives other security for the payment of the delinquent Common Assessment which it deems sufficient to protect the interest of the Association. Notwithstanding the foregoing, any Unit which is exempt from

taxation pursuant to Title 63, Chapter 6 of the Idaho Code as amended (or any comparable statute), or any property, real or personal, owned by the Association, by the State and its political subdivisions may be granted an exemption from the Association Common Assessment by the Board; provided that the Board specifically approves such exemption in each particular case.

9.2 Special Assessments: Special Assessments shall include Budget Assessments, Local Improvement Assessments, Local Maintenance Assessments, Real Estate Transfer Assessments and Compliance Assessments as those terms are used below. They shall be imposed as provided in this Section 9.2 and shall be collected by the Association. In addition to all other remedies provided in any Association Document, or by law, any portion of any Special Assessment not paid by any member when due and payable shall become a lien on and against all of the real property owned or leased by such member in Whitetail. The Board, in its sole discretion, in cases of extreme hardship may release any such lien if it receives other security for the payment of the delinquent Special Assessments which it deems sufficient to protect the interests of the Association.

(a) Budget Assessments: The Board may levy in any fiscal year one or more Budget Assessments, applicable to that year only, in the event that the Board determines that other Assessments will be inadequate to meet an unanticipated expense which cannot be deferred to the next budget year. No Budget Assessment shall be levied without the affirmative vote or written consent of the Declarant and a majority of the Class A, B, C and E Directors. Such a vote shall be held at a meeting of the Directors scheduled for the purpose of considering such a matter, at which a quorum is present. Notice of such meeting shall set forth the purpose therefore and shall be sent to all Directors and all Members not less than fifteen days nor more than sixty days in advance of such meeting. Any such assessment which is so approved shall be levied in proportion to the benefits received. The Board shall make such assessments in the same proportion as the frontage of each Benefited Unit is to the frontage of all the Benefited Units, or in the same proportion as the area of each Benefited Unit is to the area of all the Benefited Units, or equally among all Benefited Units, or by any other method that the Board finds will result in assessments being equitable in proportion to benefits received. The date or dates that any such Budget Assessment are due and payable shall be set forth in the resolution of the Board authorizing such Budget Assessment.

(b) Local Improvement Assessments:

(i) Local Improvements: In the judgment of the Board, if certain improvements within Whitetail are desirable, and those improvements will especially benefit certain Units, and if all or a part of the costs of those improvements should in fairness be paid for by the Owners of the benefited Units, the Board may propose a Local Improvement Assessment or the Owners of Benefited Units may request a Local Improvement Assessment. With respect to each proposed Local Improvement Assessment, the Board shall specify the nature of the proposed improvement, shall designate the Benefited Units which will be especially benefited by the improvement, and shall recommend a Local Improvement Assessment calculated to meet the costs applicable to the local improvement, with the Board specifying the amounts of such assessments, the dates for payment of such assessments, and the portion, if any, of the costs of any improvement that will be borne by the Association. The Local Improvement Assessment shall then be submitted to a vote of the Owners of the Benefited Units, at a meeting duly called for such purpose upon written notice which sets forth the purpose of the meeting and is sent to the Owners of the Benefited Units at least 30 days in advance (unless each such Owner waives such notice). If at least two-thirds (2/3) of the Owners of the Benefited Units approve the Local Improvement Assessment at such a meeting, the Local Improvement Assessment shall take effect.

(ii) Apportionment of Local Improvement Assessments: Local Improvement Assessments shall be assessed in proportion to the benefits received. The Board shall make such assessments in the same proportion as the frontage of each Benefited Unit is to the frontage of all the Benefited Units, or in the same proportion as the area of each Benefited Unit is to the area of all the Benefited Units, or equally among all Benefited Units, or by any other method that the Board finds will result in assessments being equitable in proportion to benefits received.

(iii) Disposition of Funds Raised Through Local Improvement Assessments: All funds collected through the imposition of a Local Improvement Assessment shall be applied to the costs of making, contracting, and installing the local improvement for which such assessment was imposed, except that any funds remaining unspent upon completion of such improvement shall be returned to the Owners of the Benefited Units in the proportion on which such Units were assessed.

(c) Local Maintenance Assessments:

(i) Local Maintenance as Provided in a Supplemental Declaration: Certain Neighborhoods and/or Benefited Units may be responsible for the maintenance and repair of the following: Exclusive Common Areas; improvements such as roads, lift stations, or other improvements which benefit certain, but not all, Units in Whitetail; and, other property and improvements, including but not limited to landscaping and building exteriors to the extent maintained by the Association. Such responsibility shall be specified in a Supplemental Declaration or shall be determined by the Board pursuant to subsection (c)(ii) below. The expense for such maintenance and repairs shall be paid for through a Local Maintenance Assessment.

(ii) Local Maintenance Other Than as Provided in a Supplemental Declaration: In the judgment of the Board, if maintenance and repair of certain property within Whitetail is desirable, and such maintenance and repair will especially benefit certain, but not all, Units, and if all or a part of the costs of those improvements should in fairness be paid for by the Owners of the Benefited Units, the Board may propose a Local Maintenance Assessment or the Owners of Benefited Units may request a Local Maintenance Assessment. With respect to each proposed Local Maintenance Assessment, the Board shall specify the nature of the proposed maintenance and/or repair, shall designate the Benefited Units which will be especially benefited by such maintenance and/or repair, and shall recommend a Local Maintenance Assessment calculated to meet the costs applicable to the local maintenance, with the Board specifying the amounts of such assessments, the dates for payment of such assessments, and the portion, if any, of the costs of any maintenance and repair that will be borne by the Association. Prior to making a final decision regarding whether to impose the Local Maintenance Assessment, the Board shall provide the opportunity for Owners of the Benefited Units to comment on the proposed Assessment, at a meeting duly called for such purpose upon written notice which sets forth the purpose of the meeting and is sent to the Owners of the Benefited Units at least 15 days in advance (unless each such Owner waives such notice). A decision by the Board to reject the Local Maintenance Assessment shall not prohibit the Board from assessing a Compliance Assessment.

(iii) Apportionment of Local Maintenance Assessments: Local Maintenance Assessments shall be assessed in proportion to the benefits received. The Board shall make such assessments in the same proportion as the frontage of each Benefited Unit is to the frontage of all the Benefited Units, or in the same proportion as the area of each Benefited Unit is to the area of all the Benefited Units, or equally among all Benefited Units, or by any other method that the Board finds will result in assessments being equitable in proportion to benefits received.

(iv) Disposition of Funds Raised Through Local Improvement Assessments: All funds collected through the imposition of a Local Maintenance Assessment shall be applied to the costs of the maintenance and/or repairs for which such assessment was imposed.

(d) Real Estate Transfer Assessments:

(i) Assessable Transfers: Upon the occurrence of any transfer, as defined below, the transferor under such transfer shall pay to the Association a real estate transfer assessment (the "Real Estate Transfer Assessment") equal to the fair market value, as defined below, of the Unit transferred, multiplied by the Real Estate Transfer Assessment Rate which shall be set and periodically reviewed by the Board.

(ii) Definitions:

(A) Transfer: For purposes of this Section 9.2(d), "transfer" means and includes, whether in one transaction or in a series of related transactions, any conveyance, assignment or other transfer of beneficial ownership of any Unit, including but not limited to (1) the conveyance of fee simple title to any Unit, or (2) the transfer of more than 50 percent of the outstanding shares of the voting stock of a corporation, or more than 50 percent of the interest in net profits or net losses of any partnership, joint venture or other entity, which, directly or indirectly, owns one or more Units; but, "transfer" shall not mean or include the transfers excluded under Section 9.2(d)(iii).

(B) Transferor: For purposes of this Section 9.3(d), "transferor" means and includes all parties from whom any interest in a Unit passes by a transfer, and each party

included in the term "transferor" shall have joint and several liability for all obligations of the transferee under this Section 9.2(d).

(C) Fair Market Value: In the case of a transfer that is in all respects a bona fide sale, "fair market value" of the Unit subjected to transfer shall be the consideration, as such term is defined below, given for the transfer, provided that a document confirming the amount of such consideration is provided to the Association by the Transferor. If not so provided, then "fair market value" shall be determined by the Association. In case of a transfer that is not in all respects a bona fide sale, fair market value of the Unit subjected to transfer shall be determined by the Association. A transferee may make written objection to the Association's determination within 15 days after the Association has given notice of such determination, in which event the Association shall obtain an appraisal, at the transferee's sole expense, from a real estate appraiser of good reputation, who is qualified to perform appraisals in Idaho, who is familiar with Valley County real estate values, and who shall be selected by the Association. The appraisal so obtained shall be binding on both the Association and the transferee. The above provisions to the contrary notwithstanding, where a transferee does not make a full report of a transfer within 15 days after the time required by this Section 9.2(d) for making such report, the transferee shall be deemed to have waived all right of objection concerning fair market value, and the Association's determination of such value shall be binding.

(D) Consideration: For purposes of this Section 9.2(d), "consideration" means and includes the total of money paid and the fair market value of any property delivered, or contracted to be paid or delivered, in return for the transfer of any Unit, and includes the amount of any note, contract indebtedness, or rental payment reserved in connection with such transfer, whether or not secured by any lien, mortgage, or other encumbrance, given to secure the transfer price, or any part thereof, or remaining unpaid on the property at the time of transfer, whether or not assumed by the transferee. The term "consideration" does not include the amount of any outstanding lien or encumbrance for taxes, special benefits or improvements, in favor of the United States, the State of Idaho, or a municipal or quasi-municipal governmental corporation or district. In the case of any Transfer, the transferor shall provide the Association with all relevant documents related to the consideration given for the transfer; and, to the extent not provided by the transferor, the transferee shall so provide such documents.

(iii) Exclusions: The Real Estate Transfer Assessment shall not apply to any of the following, except to the extent that they are used for the purpose of avoiding the Real Estate Transfer Assessment.

(A) Any transfer to or from the Declarant or its successors and assigns.

(B) Any transfer which is: (1) the first Transfer (as defined in Section 9.2(d)(ii)(A)) after a Transfer from Declarant to a third party; and, (2) which has been specifically exempted from the Real Estate Transfer Assessment pursuant to a statement in the Warranty Deed by which Declarant transferred title to the Unit from Declarant to such third party.

(C) Any transfer of real property which is not a Unit by a Class B or C member.

(D) Any transfer to the United States, or any agency or instrumentality thereof, the State of Idaho, any County, City and County, Municipality, District or other political subdivision of this State.

(E) Any transfer to or from the Whitetail Property Owner's Association or its successors.

(F) Any transfer, whether outright or in trust, that is to the transferor's relatives, but only if there is no more than nominal consideration for the transfer. For the purposes of this exclusion, the relatives of a transferor shall include all lineal descendants of any grandparent of the transferor, and the spouses of the descendants. Any person's stepchildren and adopted children shall be recognized as descendants of that person for all purposes of this exclusion. For the purposes of this exclusion, a distribution from a trust shall be treated as a transfer made by the grantors of the trust, in the proportions of their respective total contributions to the trust.

(G) Any transfer arising solely from the termination of a joint tenancy or the partition of property held under common ownership, except to the extent that additional consideration is paid in connection therewith.

(H) Any transfer or change of interest by reason of death, whether provided for in a will, trust or decree of distribution.

(I) Any transfer made (1) by a majority-owned subsidiary to its parent corporation, or by a parent corporation to its majority-owned subsidiary, or between majority-owned subsidiaries of a common parent corporation, in each case for no consideration other than the issuance, cancellation or surrender of the subsidiary's stock; or (2) by a partner or a joint venture to a partnership or joint venture in which the partner or joint venture has not less than a fifty percent (50%) interest, or by a partnership or joint venture to a partner or joint venture holding not less than a fifty percent (50%) interest in such partnership or joint venture, in each case for no consideration other than the issuance, cancellation or surrender of the partnership or joint venture interests, as appropriate; or (3) by a corporation to its shareholders, in connection with the liquidation of such corporation or other distribution of property or dividend in kind to shareholders, if the Unit is transferred generally prorata to its shareholders and no consideration is paid other than the cancellation of such corporation's stock; or (4) by a partnership or a joint venture to its partners or joint venturers, in connection with a liquidation of the partnership or joint venture or other distribution of property to the partners or joint venturers, if the Unit is transferred generally prorata to its partners or joint venturers and no consideration is paid other than the cancellation of the partners' or joint venturers' interests; or (5) to a corporation, partnership, joint venture or other association or organization where such entity is owned in its entirety by the persons transferring the Unit and such persons have the same relative interests in the transferee entity as they had in the Unit immediately prior to such transfer, and no consideration is paid other than the issuance of each such persons' respective stock or other ownership interests in the transferee entity; or (6) by any person(s) or entity(ies) to any other person(s) or entity(ies), whether in a single transaction or a series of transactions where the transferor(s) and the transferee(s) are and remain under common ownership and control as determined by the Board in its sole discretion applied on a consistent basis; provided, however, that no such transfer or series of transactions shall be exempt unless the Board finds that such transfer or series of transactions [A] is for no consideration other than the issuance, cancellation or surrender of stock or other ownership interest in the transferor or transferee, as appropriate; [B] is not inconsistent with the intent and meaning of this Subsection (I); and, [C] is for a valid business purpose and is not for the purpose of avoiding the obligation to pay the Real Estate Transfer Assessment. For purposes of this Subsection (I)(6), a transfer shall be deemed to be without consideration [A] if the only consideration is a book entry made in connection with an intercompany transaction in accordance with generally accepted accounting principles; or, [B] no person or entity which does not own a direct or indirect equity interest in the Unit immediately prior to the transfer becomes the owner of a direct or indirect equity interest in the Unit (an "Equity Owner") by virtue of the transfer, and the aggregate interest immediately prior to the transfer of all Equity Owners whose equity interest is increased on account of the transfer does not increase by more than 20% (out of the total 100% equity interest in the Unit), and no individual is entitled to receive directly or indirectly any consideration in connection with the transfer. In connection with considering any request for an exception under this Subsection (I)(6), the Board may require the applicant to submit true and correct copies of all relevant documents relating to the transfer and an opinion of the applicant's counsel (such opinion and counsel to be reasonably acceptable to the Board) setting forth all relevant facts regarding the transfer, stating that in their opinion the transfer is exempt under this Subsection (I)(6), and setting forth the basis for such opinion.

(J) Any transfer made solely for the purpose of confirming, correcting, modifying or supplementing a transfer previously recorded, making minor boundary adjustments, removing clouds on titles, or granting easements, rights-of-way or licenses, and any exchange of Units between Declarant and any original purchaser from Declarant of the one or more Units being transferred to Declarant in such exchange.

(K) Any transfer pursuant to any decree or order of a court of record determining or vesting title, including a final order awarding title pursuant to a condemnation proceeding, but

only where such decree or order would otherwise have the effect of causing the occurrence of a second assessable transfer in a series of transactions which includes only one effective transfer of the right to use or enjoyment of a Unit.

(L) Any lease of any Unit.

(M) Any transfer to secure a debt or other obligation or to release property which is security for a debt or other obligation, including transfers in connection with foreclosure of a deed of trust or mortgage or transfers in connection with deed given in lieu of foreclosure.

(N) The subsequent transfer(s) of a Unit involved in a "tax free or "tax deferred" trade under the revenue code wherein the interim owner acquires property for the sole purpose of reselling that property within 30 days after the trade. In these cases, the first transfer of title is subject to Real Estate Transfer Assessment and subsequent transfers will only be exempt as long as a transfer assessment has been paid in connection with the first transfer of such Unit in such exchange.

(O) The transfer of a Unit to an organization which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, as amended (or any comparable statute), provided that the Board specifically approves such exemption in each particular case. And,

(P) The consecutive transfer of a Unit wherein the interim owner acquires such Unit for the sole purpose of immediately reconveying such Unit, but only to the extent there is no consideration to the interim owner and such interim owner receives no right to use or enjoyment of such Unit, provided the Board specifically approves such exemption in each particular case. To the extent that consideration is paid to, or for the benefit of, the interim owner, the additional consideration shall be a transfer subject to assessment. In these cases, the first transfer of title is subject to the Real Estate Transfer Assessment and subsequent transfers will only be exempt as long as a transfer assessment has been paid in connection with the first transfer of such Unit in such consecutive transaction and only to the extent there is no consideration to the interim owner.

(iv) **Payment and Reports:** The Real Estate Transfer Assessment shall be due and payable by the transferee to the Association at the time of the transfer giving rise to such Real Estate Transfer Assessment. With such payment, the transferee shall make a written report to the Association on forms prescribed by the Association, fully describing the transfer and setting forth the true, complete and actual consideration for the transfer, the names of the parties thereto, the legal description of the Unit transferred, and such other information as the Association may reasonably require.

(e) **Compliance Assessments:** The Board shall levy a Compliance Assessment to cover all actual costs, fees and expenses incurred in bringing any Unit, Owner or Lessee into compliance with the Association Documents, or costs incurred as a consequence of the conduct of the Owner, Lessees or occupants of a Unit, their agents, contractors, employees, licensees, invitees, or guests. Reasonable attorney's fees and costs shall be included in such costs. Prior to levying a Compliance Assessment, the Board shall provide written notice to the Owner, stating the violation, the required action necessary to cure the violation, the corrective action that will be taken by the Association if the Owner fails to cure, and the number of days within which the Owner must cure the violation (which shall not be less than 14 days unless the violation causes a hazard).

9.3 General Provisions: Any payment or Report required hereunder to be made to the Association shall be deemed to have been provided in a timely fashion if sent to the principal office of the Association by first class mail, postage prepaid, and postmarked no later than the date such payment or Report is due, provided the Association thereby actually receives such payment or Report. The Association at its own expense shall have the right at any time during regular business hours to inspect and copy all records and to audit all accounts of any member which are reasonably related to such member's obligation hereunder to pay assessments or make Reports to the Association. If any portion of any assessment hereunder is not paid when due and payable, such portion shall bear interest at the Default Rate from the date due until paid, and the amount of such interest shall for all purposes hereunder (other than the computation of such interest) be added to and become part of the assessment; provided that the Board may in its discretion waive all or any part of such interest for reasonable cause shown. The Board shall have power to determine any matter and to resolve any dispute arising out of the application, determination, payment and collection of any assessment or the making of any Report provided for in this Article 9, and may

promulgate such additional rules and regulations which are consistent with the provisions hereof as the Board may deem necessary, useful or appropriate to the reasonable and efficient administration of such provision.

9.4 Association Budget: At the first meeting of the Board following the adoption of the Association's fiscal year, the Board shall adopt an estimated budget for the remainder of that fiscal year. Such budget shall include: (A) the estimated costs and expenses and proposed capital expenditures which will be chargeable to the Association to fulfill its obligations under the Declaration, the Articles and the Bylaws as then in force and effect; (B) the estimated income and other funds which will be received by the Association; and (C) the estimated total amounts required to be raised by Common and Special Assessments to cover such costs, expenses and capital expenditures of the Association and to provide a reasonable reserve. For each subsequent fiscal year the Board shall, prior to the beginning of each fiscal year, propose and tentatively adopt a similar budget, which shall also include all long-term or continuing commitments of the Association made in connection with or contemplated under any previously approved budget. The Board may delegate budgeting responsibilities to Neighborhoods and/or Benefited Units, for Board review, for Local Improvement Assessments, Local Maintenance Assessments, and such other budget items as the Board may determine. The tentative budget for each subsequent fiscal year shall not be finally established until after an opportunity for discussion of such budget by the members at a meeting of the combined classes of all members, which may be the same meeting as the annual meeting of members. The Board shall give notice of the time and place of the meeting for review of the tentative budget to all members at least 30 days prior to such meeting. During such 30-day period the Board shall make copies of the tentative budget available to all interested members at the principal office of the Association. At such meeting, members shall have the right to be heard concerning the budget; however, the Board shall retain the sole power to establish the budget. Special meetings may be held in like manner upon like notice to consider supplementation or revision of any budget. Notice of any such special meeting shall contain a reasonably detailed description of the supplement or revision proposed. Except as emergencies may require, the Association shall make no commitment or expenditures in excess of the funds reasonably expected to be available to the Association through assessments, all other sources of income and borrowing.

ARTICLE 10. Evidence and Determination of Membership, Registration of Mailing Address and Lien Holders

10.1 Evidence of Membership and Registration of Mailing Address: Any party on becoming a member shall furnish to the Association a photocopy or a certified copy of the recorded instrument, or a copy of a lease or sublease, vesting that party with the interest required to make it a member of the Association. Each such member shall at the same time give a single name and address to which notices to such member may be sent. The member shall state in such notice the class of membership to which it believes it is entitled, the number of votes to which it believes it is entitled and the basis for such determinations. In the event of any change in the facts reported in the original written notice, including any change of ownership, the member shall give a new written notice to the Association containing all the information- required to be covered by the original notice. As against any member, and any party claiming by, through, or under such member, the Association may, but shall not be obligated to, rely, for any and all purposes, on the information reflected in the most recent written notice furnished with respect to such member. The Association shall keep and preserve the most recent written notice received by the Association with respect to each

10.2 Association Determination as to Membership: The Association, based upon written notices furnished by members as aforesaid and based upon its own investigation, shall have the right, authority and obligation to fix and determine the number and class of votes existing with respect to each member. The Association shall make such determination at least annually and, in any event, as of any record date and shall make supplemental determinations from time to time as may be necessary after any record date in the light of changes which may come to its attention. The Association shall keep records of its determinations hereunder which shall be used and may be relied upon by it for any and all purposes. No party shall be entitled to any notice or the right to vote until it has been determined by the Association that such party is a member. Any party aggrieved by any determination of the Association with respect to its voting rights may contest such action within 45 days after it has notice thereof by commencing a legal action in the District Court of Valley County, Idaho, within such 45-day period. If such action is not commenced in such period, the determination of the Association shall be final.

10.3 Address of the Association: The address of the Association shall be 1101 N. 3rd Street, McCall, Idaho 83638. Such address may be changed from time to time upon written notice to all members and all mortgagees or beneficiaries of deeds of trust whose names have been previously filed with the Association.

ARTICLE 11. Security Interest in Membership

Members shall have the right irrevocably to constitute and appoint the mortgagee or the beneficiary of a trust deed their true and lawful attorney-in-fact to vote in the Association at any and all meetings of the Association and to vest in the mortgagee or the beneficiary any and all rights, privileges and powers that they have as members under the Articles and these Bylaws or by the virtue of the Declaration as from time to time in force and effect. Such proxy and vesting shall become effective upon the filing of notice by the mortgagee or the beneficiary with the secretary of the Association at such time or times as the mortgagee or the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Board or the members to carry out their duties as set forth in the Declaration. A release of the mortgage or the beneficiary's deed of trust shall operate to revoke such proxy and vesting. Nothing contained in this Article 11 shall be construed to relieve members, as mortgagors, of their duties and obligations as members or to impose upon the mortgagee or the beneficiary of the deed of trust the duties and obligations of an Owner.

ARTICLE 12. Design Review Committee

The Board shall establish a Design Review Committee consisting of 3 to 5 persons in accordance with the Declaration as from time to time in force and effect, which Committee shall have the duties and perform the functions described therein. Each member and the Association shall be bound by the Design and Development Guidelines, and any additional rules and regulations, copies of which shall be maintained in the Office of the Association and available for inspection by members of the Association at all reasonable times. It shall be the sole and exclusive duty of the Owner and the Owner's contractors, architects and other agents to secure, review and comply with the current Design and Development Guidelines. Owners waive any claim or defense against the Association or the Design Review Committee stemming from or related to the failure of the Owner or the Owner's contractors, architects and other agents to secure and review the current Design and Development Guidelines.

ARTICLE 13. Neighborhoods

13.1 In General: Declarant may, pursuant to a Supplemental Declaration, designate a group of Units as separate Neighborhoods within Whitetail, for purposes of electing Directors to the Association Board as provided at Sections 5.1(a) and 5.1(b) above, or for other purposes. A Neighborhood may consist of any combination of Units and may include noncontiguous parcels of property. A Neighborhood may also be created by the Association, as provided below. A Neighborhood may act either directly with the Association, or through a Neighborhood Committee or Neighborhood Association established in accordance with this Article 13. Declarant shall assign all Units to a Neighborhood in a Supplemental Declaration, and shall have the right to add Units to each Neighborhood, and to reallocate Units within each Neighborhood pursuant to a Supplemental Declaration. Initially, there will be no Neighborhoods. Until such time as a Neighborhood Committee or Association is organized, if at all, the Class A Members shall elect their designated Association Directors at the annual meeting of the Members of the Association.

13.2 Neighborhood Committees and Associations: A Neighborhood can also be created by the Board to facilitate the election of Association Directors, and to interface with the Association with regard to the services provided to, or the uses, interests, and/or needs of the Neighborhood. No Neighborhood shall have the power or the authority to levy assessments, unless specifically authorized in writing to do so by the Board, and any action of such Neighborhood Committee or Association shall be subject to the approval of the Board. The Neighborhood may be governed by either a Committee or an Association, at the discretion of the Declarant or the Board, if the Neighborhood is created by the Board.

(a) **Neighborhood Committees:** In the event that a Neighborhood Committed is created, the Neighborhood shall elect a Neighborhood Committee. Such a Neighborhood Committee shall consist of three to five Members, as determined by at least a majority of the votes associated with the Units in the Neighborhood. Neighborhood Committee members shall be elected for a term of one year or until their successors are elected. In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the notice requirements applicable to the Board. At all Neighborhood Committee meetings, a majority of the committee members present in person or by proxy shall constitute a quorum for the transaction of business. Unless specifically provided to the contrary herein, decisions of the Neighborhood Committee shall be made by an affirmative vote of a majority of the committee members present at any meeting at which a quorum is present. Any vote for an Association Director shall be taken by all of the members of the Neighborhood, and not simply by vote of the committee members; and, quorum, voting, notice and meeting requirements for such a vote shall be those applicable to membership meetings herein. Meetings of a Neighborhood Committee shall be open to all Owners of Units in the Neighborhood and their representatives, as well as to Declarant and the Association Board. Minutes of all Neighborhood Committee Meetings shall be kept and a copy thereof provided to the Secretary of the Association, and to

