

BYLAWS
OF
JACKSON HOLE GOLF AND TENNIS CLUB ESTATES THIRD FILING HOMEOWNERS
ASSOCIATION

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ARTICLE 1
GENERAL

1.1 Purpose of Bylaws. These Bylaws of Jackson Hole Golf and Tennis Club Estates Third Filing Homeowners Association (these “Bylaws”) are adopted for the regulation and management of the affairs of Jackson Hole Golf and Tennis Club Estates Third Filing Homeowners Association (the “Association”). The Association is organized as a Wyoming nonprofit corporation under the Wyoming Nonprofit Corporation Act, Section 17-19-101, Wyoming Statutes, *et seq.* (the “Nonprofit Act”) and it is the “Association” to which the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Jackson Hole Golf and Tennis Club Estates Third Filing (the “Declaration”) refers.

1.2 Terms Defined in the Declaration. Initially capitalized terms used but not defined in these Bylaws are defined in the Declaration and have the same definition as in the Declaration.

1.3 Controlling Laws and Instruments. These Bylaws are controlled by the provisions of the Nonprofit Act, the Declaration, the Plat of the Jackson Hole Golf and Tennis Club Estates Third Filing (the “Plat”), and the Articles of Incorporation of the Association filed with the Secretary of State of Wyoming (the “Articles”), as any of them may be amended and/or supplemented from time to time. The Declaration, the Plat, the Articles, and these Bylaws, together with any exhibits or attachments thereto and together with the Master Rules and Regulations (the “Master Rules and Regulations”) and the Design Guidelines (the “Design Guidelines”), are hereinafter collectively referred to as the “Governing Instruments.” In the event of a conflict among provisions of the various Governing Instruments, the following shall be the order of priority of the documents: (i) Plat; (ii) Articles; (iii) Bylaws; (iv) Declaration, and any amendments or supplements thereto; (v) Design Guidelines; (vi) Master Rules and Regulations; and (vii) the Board Resolutions. Any provision appearing in a document higher in priority to another document shall control. Any documents not included in this list shall have the priority stated in such document, if any.

ARTICLE 2
OFFICES

2.1 Principal Office. The Board of Directors of the Association (the “Board”), in its discretion, may fix and may change the location of the principal office of the Association from time to time.

2.2 Registered Office and Agent. The Board may change the Association’s initial registered office and initial registered agent specified in the Articles at any time by filing a statement as specified by law in the Office of the Secretary of State of Wyoming. At all times, the street addresses of the Association’s registered office and the business office of the Association’s registered agent shall be identical.

ARTICLE 3
MEMBERS AND VOTING RIGHTS

3.1 General. By this reference, these Bylaws incorporate the membership and voting rights provisions of the Declaration. Each Owner of a Lot (as defined in the Declaration) is a member of the Association (a "Member"). An Owner's membership in the Association is hereinafter referred to as a "Membership." Each Membership is appurtenant to the fee simple title to a Lot. The Owner of fee simple title to a Lot is automatically the holder of the Membership appurtenant to the Lot, and the Membership automatically passes with fee simple title to the Lot.

3.2 Authorized Representative. Any Owner that is not a natural person (*i.e.*, an estate or a trust, corporation, partnership, limited liability company or other entity) shall appoint a natural person as such Owner's attorney-in-fact and authorized representative (an "Authorized Representative") and may vote only through its Authorized Representative. If title to a Lot is held by more than one individual and/or entity, such Owners shall appoint an Authorized Representative and may vote only through its Authorized Representative. Any Owner who is a natural person may appoint a proxy to vote on behalf of the Owner in matters coming before the Members of the Association, provided that if such proxy is not a natural person, such proxy shall appoint an Authorized Representative pursuant to this Section 3.2. Any Owner required to appoint an Authorized Representative will do so immediately upon becoming an Owner. Any Owner who is required or elects to appoint an Authorized Representative will notify the Association of its Authorized Representative or any subsequent replacement for its Authorized Representative within 10 days after appointment. The notice will (i) be signed by all Persons constituting the Owner, (ii) be dated, and (iii) contain a statement that the natural person named as the Authorized Representative in the notice will remain the Authorized Representative of that Owner until a subsequent notice is given to the Association (A) appointing a replacement Authorized Representative or (B) in the case of an Authorized Representative appointed by an Owner who is a natural person, terminating the appointment of the Authorized Representative. The notice will have the effect of a proxy given by all Persons constituting that Owner to the Authorized Representative named in the notice for all purposes under the Governing Instruments and the Nonprofit Act, except that the duration of the notice will be perpetual or as stated therein. The appointment of an Authorized Representative is binding upon all Persons comprising the appointing Owner and the vote of the Authorized Representative is conclusive as to the Association, unless and until the Association receives (A) a notice appointing a replacement Authorized Representative or (B) in the case of an Authorized Representative appointed by an Owner who is a natural person, a notice terminating the appointment of the Authorized Representative. Upon receiving any notice appointing an Authorized Representative, the Association may request additional evidence of authority that it reasonably deems necessary to verify the due appointment of the named Authorized Representative. If an Owner who is required or elects to appoint an Authorized Representative owns more than one Lot, the Owner may appoint (1) one natural person to serve as Authorized Representative for all of its Lots; or (2) a different natural person to serve as Authorized Representative for each of its Lots or any number of its Lots. Unless the context clearly indicates otherwise, the term "Member" as used in these Bylaws means a Member or its Authorized Representative.

3.3 Transfer of Memberships on Association Books. Transfers of Memberships will be made on the Association's books only upon presentation of evidence, satisfactory to the Board, of the transfer of ownership of the Lot to which the Membership is appurtenant.

3.4 Resignation of Members. No Member may resign from the Association. An Owner's Membership in the Association shall terminate only upon the conveyance by such Member of all of such Member's ownership interests in any and all Lots in the Jackson Hole Golf and Tennis Club Estates Third Filing.

3.5 Membership Termination; Member Sanctions. No Member may be expelled from the Association, and no Member's Membership may be terminated as long as such Member is an Owner. Notwithstanding the foregoing, if any Member fails to comply with any provision of the Governing Instruments, the Association may impose such enforcement sanctions as are provided for in the Declaration; except that the Association will only impose such sanctions in accordance with the rules and procedures promulgated for such purposes, as provided for in the Declaration.

3.6 Purchase of Memberships by Association. The Association shall not purchase the Membership of any Member.

3.7 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of the Members, the Board shall act as arbitrators; and the decision of a disinterested majority of the Board shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with the Wyoming Uniform Arbitration Act, as the same may be amended. No dispute as to the entitlement of any Member to vote shall postpone or delay any vote for which a meeting of the Members has been duly called pursuant to the provisions of these Bylaws if a quorum is present at such meeting.

3.8 Eligibility to Vote. Voting rights attributable to Lots shall not vest until Assessments against those Lots have been levied by the Association. Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all Assessments levied against the Member's Lot. A Member's good standing shall be determined as of the record date established in accordance with Section 4.4. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of Assessments, although a delinquent Member shall be entitled to request such a hearing. A Member shall maintain good standing if said standing has not been suspended by the provisions of these Bylaws and the Member has maintained a current filing with the Association of the following: (i) the signature or signatures of the Owner(s) authorized to vote on behalf of the Member's Lot; and (ii) address where all notices shall be sent; or, alternatively, (iii) a proxy that names the Owner's representative and lists said representative's address.

ARTICLE 4 MEETINGS OF MEMBERS

4.1 Place of Members' Meetings. Meetings of the Members will be held at the principal office of the Association or at another place in Teton County, Wyoming specified in the notice of the meeting.

4.2 Annual Meetings of Members. Annual meetings of the Members will be held each year at the time of day fixed in accordance with a resolution of the Board and specified in the notice of meeting. The annual meetings will be held to transact the business that properly comes before the meeting.

4.3 Special Meetings of Members. Special meetings of the Members may be called by the Board of the Association, the President of the Association, or by the Members holding not less than one-third of the total votes in the Association, if such Members sign, date, and deliver to any corporate officer one or more written demands for the meeting describing the purpose or purposes for which it is to be held. The close of business on the 30th day before delivery of the demand or demands for a special meeting to any corporate officer is the record date for the purpose of determining whether the one-third requirement of this Section has been met. Only those matters that are within the purpose or

purposes described in the meeting notice required by W.S. 17-19-705 shall be conducted at a special meeting of Members.

4.4 Record Dates.

A. Record Dates Established by the Board. For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date," and only Members of record on the date so fixed are entitled to receive notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided in the Articles, by agreement, or in the laws of the State of Wyoming. The record dates established by the Board pursuant to this section shall be as follows:

(1) Record Date for Notice of Meetings. In the case of determining those Members entitled to notice of a meeting, the record date shall be no more than sixty (60) days before the date of the meeting;

(2) Record Date for Voting. In the case of determining those Members entitled to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting;

(3) Record Date for Action by Written Ballot without Meeting. In the case of determining Members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(4) Record Date for Other Lawful Action. In the case of determining Members entitled to exercise any rights in respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of such other action.

B. Failure of Board to Fix a Record Date. If the Board, for any reason, fails to establish a record date, the following rules shall apply:

(1) Record Date for Notice of Meetings. The record date for determining those Members entitled to receive notice of a meeting of Members shall be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.

(2) Record Date for Voting. The record date for determining those Members entitled to vote at a meeting of Members shall be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting.

(3) Record Date for Action by Written Ballot without Meeting. The record date for determining those Members entitled to vote by written ballot on proposed Association actions without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written ballot is mailed or solicited. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.

(4) Record Date for Other Lawful Action. The record date for determining those Members entitled to exercise any rights in respect to any other lawful action shall be the business day preceding the date of such action.

(5) “Record Date” Means as of Close of Business. For purposes of this subparagraph B, a person holding a membership as of the close of business on the record date shall be deemed the Member of record.

4.5 Notice of Members’ Meetings. Written notice of any meeting of the Members will be delivered not less than 10 nor more than 60 days before the date of the meeting, either personally by first class or registered mail or via e-mail to each Member entitled to vote at the meeting. The notice of any meeting will state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration, the Master Rules and Regulations and/or the Bylaws, any budget changes and any proposal to remove a member of the Board. If mailed, the notice will be deemed to be delivered the same date it is deposited in the United States mail, first-class postage prepaid, addressed to the Member at the mailing address for the Member appearing in the Association’s records, or if the Member has not furnished a mailing address to the Association, then to the mailing address of the Member’s Lot.

4.6 Proxies.

A. In addition to the appointment of an Authorized Representative pursuant to Section 3.2 of these Bylaws, a Member that is entitled to vote may vote in person or by proxy if the proxy is executed in writing by the Member and delivered to the secretary of the meeting prior to the time the proxy is exercised. A Member may appoint a proxy by signing an appointment form, either personally or by the Member’s attorney-in-fact, or by transmitting or authorizing the transmission of an electronic communication providing a written statement of the appointment to the proxy or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association, except that the transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment.

B. A proxy may be revoked by a written revocation filed with any officer of the Association at the meeting prior to the time the proxy is exercised or by voting in person. A proxy automatically ceases upon a change in the ownership of the Membership on the Association’s books. No proxy is valid after 11 months from the date of its execution unless otherwise provided in the proxy appointment form; provided however that no proxy shall be valid for more than three years from its date of execution. Any form of proxy or written ballot furnished or solicited by the Association will afford an opportunity for the Members to specify on the form a choice between approval and disapproval of each matter or group of related matters which is known, at the time the form of proxy or written ballot is prepared, may come before the meeting and will provide, subject to reasonably specified conditions, that if a Member specifies a choice with respect to any matter, the vote will be cast in accordance with the Member’s choice.

4.7 Quorum at Members’ Meeting. The presence at a meeting of the Members, in person or by proxy, of Members entitled to cast at least 51% of the votes in the Association that may be cast on a matter that comes before the meeting constitutes a quorum at any meeting of the Members concerning that matter. Notwithstanding anything contained herein to the contrary, unless Members entitled to cast at least 2/3rds of the votes in the Association are present, in person or by proxy, the only matters that may be voted upon at an annual or regular meeting of the Members are those matters that are described in the notice of meeting.

4.8 Adjournments of Members' Meetings. Members present in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum is present in person or by proxy, without notice other than announcement at the meeting for a total period or periods of not to exceed 60 days after the date set for the original meeting. At any adjourned meeting held without notice other than announcement at the meeting, the quorum requirement may not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally called. Notwithstanding the foregoing, if the adjourned meeting is set for a date that is more than 70 days after the record date initially fixed for the meeting pursuant to these Bylaws, then notice of the adjourned meeting (pursuant to these Bylaws) must be given to the Members of record as of the new record date fixed for such adjourned meeting pursuant to these Bylaws.

4.9 Vote Required at Members' Meeting. At any meeting of the Members called and held in accordance with these Bylaws, if a quorum is present, the affirmative vote of Members entitled to cast a majority (i.e., 51% or more) of the votes, present and voting either in person or by proxy, which may be cast on a matter are necessary to adopt the matter, unless a different percentage is required by law or by the Governing Instruments, in which case the different requirement controls. There shall be no cumulative voting for Directors or for any other action considered by the Members.

4.10 Officers of Meetings. At any meeting of the Members, the President of the Association will act as chairman.

4.11 Expenses of Meetings. The Association will bear the expenses of all annual and special meetings of the Members.

4.12 Waiver of Notice. A waiver of notice of any meeting of the Members, signed by a Member, whether before or after the meeting, is equivalent to giving notice of the meeting to the Member. The waiver shall be in writing, be signed manually or in facsimile by the member entitled to the notice and be delivered to the Association for inclusion in the minutes or for filing in the corporate records. Attendance of a Member at a meeting, either in person or by proxy, constitutes waiver of notice of the meeting except when the Member attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened. A Member's attendance at a meeting waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice unless the Member objects to considering the matter when it is presented.

4.13 Action of Members Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Members may be taken without a meeting if a written consent setting forth the action taken is signed by 2/3rds of all of the Members entitled to vote on the subject matter of the action. The action shall be evidenced by one (1) or more written consents describing the action approved, signed either manually or in facsimile by the requisite number of members entitled to vote on the action and delivered to the Association for inclusion in the minutes or filing with the corporate records. Action taken without a meeting shall be effective when the last written consent necessary to effect the action is received by the Association (the "Effective Date"), unless the written consents set forth a different Effective Date. The record date for determining Members entitled to take action without a meeting or to receive notice of such action shall be the date that the first written consent concerning the action is received by the Association.

4.14 Conduct of Meetings. Meetings of the membership of the Association shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt. Notwithstanding any other provision of law, notice of meetings

of the Members shall specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. Members of the Association shall have access to Association records in accordance with the Wyoming Business Corporations Act and Section 17-19-720 of the Nonprofit Act. Any Member shall be permitted to speak at a meeting of the Association Members; however, the Board of Directors may establish a reasonable time limit for Members to speak before a meeting of the Association Members.

ARTICLE V - BOARD OF DIRECTORS

5.1 General Powers and Duties of Board. The Board has the duty to manage and supervise the affairs of the Association and has all powers necessary or desirable to permit it to do so. Without limiting the generality of the previous sentence, the Board has the power to exercise or cause to be exercised for the Association, all of the powers, rights, and authority of the Association not reserved to the Owners in the Governing Instruments or the Nonprofit Act. The Board may delegate any portion of its authority to an officer or manager of the Association. In addition, the Board may enter into agreements with third parties, such as a special improvement district, for the provision of services to or management of the Association. However, the Board may not act on behalf of the Association to amend the Declaration, or to elect members of the Board or determine the qualifications, powers and duties, or terms of office of Directors, but the Board may fill vacancies in its Membership for the unexpired portion of any term.

5.2 General Standards of Conduct for Directors and Officers. To the extent not otherwise inconsistent with Wyoming law, any Director and officer, in connection with the authority and powers granted to the Board and such officer by the Governing Instruments or by any applicable law, including but not limited to, management, personnel, maintenance and operations, interpretation and enforcement of the Governing Instruments, the development of rules and restrictions, insurance, contracts, and finance, shall act in good faith, with such care as an ordinarily prudent person in a like position would use under similar circumstances, and in a manner that such Director or officer believes is in the best interests of the Association. In discharging his or her duties, a Director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (i) one or more officers or employees of the Association whom the Director or officer believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants or other persons as to matters which the Director or officer believes to be within such person's professional or expert competence, so long as, in any such case, the Director or officer acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted. In addition to the limitations on liability set forth in the Articles, a Director or officer shall not be liable as such to the Association for any act or omission as such if, in connection with such act or omission, the Director or officer performed the duties of his or her position in compliance with this Section. This Section does not affect the individual liability for intentional torts or illegal acts and also does not prevent removal of a Director by court order pursuant to Section 17-19-810 of the Nonprofit Act. A Director or officer shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

5.3 Qualification of Directors. Each Director shall be a natural person who is 18 years of age or older and shall be a Member or an officer, director, employee or agent of of a Member (if such Member is an entity).

5.4 Number and Term of Directors. The Association shall have not less than five (5) nor more than seven (7) Directors. The number of Directors may be changed by approval of the Members. All Directors must be Members in good standing, or an officer, director, employee or agent of

a Member in good standing. The Members have elected five (5) directors for staggered terms. At each annual meeting, the Members shall elect the number of directors as necessary to fill the seats of those directors whose terms have expired, each for a term of three (3) years. The Board or any Member may nominate candidates at the annual meeting. The Members or their proxies may cast by written ballot, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. A Member may only serve two consecutive terms as a Director; thereafter, such Member shall be eligible for nomination after the expiration of one year of cessation as a Director.

Notwithstanding anything elsewhere in these Bylaws to the contrary, cumulative voting shall not be permitted in the election of directors. The Directors elected pursuant to this Article shall each serve until their successors are elected and qualified, or until their earlier death, resignation or removal.

5.5 Removal; Vacancies.

A. Vacancies, Generally. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following: (i) the death, resignation, or removal of a director pursuant to subparagraphs C and D of this Section 5.6; (ii) an increase of the authorized number of directors; or (iii) the failure of the Members to elect a director to fill a director seat at any membership meeting at which any director or directors are to be elected.

B. Resignation of Directors. Any director may resign, which resignation shall be effective on giving written notice to the president, the secretary or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective. Acceptance of a resignation is not necessary to make the resignation effective.

C. Authority of Board to Remove Directors. The Board of Directors shall have the power and authority to remove a director and declare his or her office vacant if he or she: (i) has been declared of unsound mind by a final order of court; (ii) has been convicted of a felony; (iii) fails to attend three consecutive regular Board meetings which have been duly noticed in accordance with these Bylaws; or (iv) is not a Member in good standing at any time.

D. Authority of Members to Remove Directors. Except as otherwise provided in subparagraph C of this Section 5.5, a Director may be removed from office prior to expiration of his or her term only by (1) the affirmative vote of a majority of the total voting power of the Association (not counting the votes of the Declarant), or (2) the affirmative vote of a majority of a quorum (not counting the votes of the Declarant).

E. Filling of Vacancies. Except for a vacancy created by the removal of a Director, vacancies of the Board may be temporarily filled by a majority vote of the remaining directors or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a duly held meeting, or (3) a sole remaining director. A successor director temporarily filled by the directors shall serve until the next annual meeting, at which time, the Members shall elect a permanent successor director to serve for the unexpired term of the predecessor director. A vacancy created by the removal of a director shall be filled by a vote of the Members. Furthermore, the Members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors.

5.6 Manager or Managing Agent.

A. The Board, by resolution adopted by a majority of the Directors in office, may employ for the Association a Managing Agent at a compensation established by the Board, to perform all or any part of the duties of the Association as the Board shall authorize; provided, however, that the Board in delegating such duties will not be relieved of its responsibility under the Declaration and/or the Nonprofit Act. The Managing Agent will have and exercise those powers and will fulfill those duties of the Board as specified in the resolution.

B. If those duties specified in the resolution delegate to the Managing Agent any power relating to the collection, deposit, transfer or disbursement of Association funds, then such Managing Agent shall (i) maintain fidelity insurance coverage or a bond in an amount not less than \$50,000, or such higher amount as the Board may require; (ii) maintain all Association funds and accounts separate from the funds and accounts of other associations managed by such Managing Agent, and maintain all reserve accounts of such other associations separate from the operational accounts of the Association; and (iii) prepare and provide to the Association an annual accounting and financial statement for the Association funds, which accounting and financial statement may be prepared by the Managing Agent, a public accountant, or a certified public accountant.

5.7 Conflicting Interest Transactions.

A. No loans shall be made by the Association to the Directors or officers.

B. No contract, transaction, business or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director is a director or officer or has a financial interest (a "Conflicting Interest Transaction") shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Member or by or in the right of the Association, solely because the Conflicting Interest Transaction involves a Director or a party related to a Director or an entity in which a Director is a director or officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Board that authorizes, approves, or ratifies the Conflicting Interest Transaction or solely because the Director's vote is counted for such purpose if: (i) the material facts as to the Director's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Board, and the Board in good faith authorizes, approves, or ratifies the Conflicting Interest Transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors are less than a quorum; or (ii) the material facts as to the Director's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Members entitled to vote thereon, and the Conflicting Interest Transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote thereon; or (iii) the Conflicting Interest Transaction is fair as to the Association at the time it was entered into. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves, or ratifies the Conflicting Interest Transaction.

C. Each Director shall execute an affidavit annually stating that such Director has no conflict of interest between the Association and such Director.

ARTICLE VI - MEETINGS OF DIRECTORS

6.1 Place of Board Meetings. Meetings of the Board will be held at the principal office of the Association or at another place in the United States specified in the notice of the meeting.

6.2 Annual Meeting of Directors. Annual meetings of the Board will be held on the same date as, or within 10 days following, the annual meeting of the Members. The business conducted at the annual meeting of the Board will consist of the appointment of officers of the Association and the transaction of other business that properly comes before the meeting. No prior notice of the annual meeting of the Board is necessary if the meeting is held on the same day and at the same place as the annual meeting of the Members at which the Board is elected or if the time and place of the annual meeting of the Board is announced at the annual meeting of the Owners.

6.3 Special Meetings of Directors. Special meetings of the Board may be called by the President or a majority of the Directors.

6.4 Notice of Board Meetings. When notice is required for any meeting of the Board, notice stating the place, day, and hour of the meeting will be delivered not less than two nor more than 50 days before the date of the meeting, by mail, e-mail, facsimile, telephone or personally, by or at the direction of the persons calling the meeting, to each Director. If mailed, the notice will be deemed delivered five (days) after it is deposited in the mail addressed to the Director at his or her home or business address as either appears in the records of the Association, with its first-class postage prepaid. If by facsimile or e-mail, the notice will be deemed delivered when e-mailed or facsimiled to the Director at his or her home or business facsimile number or e-mail address, as applicable, as either appears on the records of the Association. If by telephone, the notice will be deemed delivered when given by telephone to the Director or to any person answering the telephone who sounds competent and mature at the Director's home or business phone number as either appears on the records of the Association. If given personally, the notice will be deemed delivered upon delivery of a copy of a written notice to, or upon verbally advising, the Director or some person who appears competent and mature at the Director's home or business address as either appears on the records of the Association. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

6.5 Proxies. For purposes of determining a quorum of Directors with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be deemed to be present at a meeting and to vote if the Director has granted a signed written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy.

6.6 Quorum of Directors. A majority of the number of Directors (but not less than three 3) constitutes a quorum for the transaction of business.

6.7 Adjournment of Board Meetings. The Directors present at any meeting of the Board may adjourn the meeting from time to time, whether or not a quorum is present, for a total period or periods not to exceed 30 days after the date set for the original meeting. Notice of an adjourned meeting will be given to all Directors. At any adjourned meeting, the quorum requirement will not be reduced or changed, but if the originally required quorum is present, any business may be transacted which may have been transacted at the meeting as originally called.

6.8 Vote Required at Board Meeting. At any meeting of the Board, if a quorum is present either in person or by proxy, the affirmative vote of a majority (i.e., 51% or more) of the Directors present is necessary, either in person or by proxy, for the adoption of a matter unless a greater proportion is required by law or the Governing Instruments.

6.9 Waiver of Notice. A waiver of notice of any meeting of the Board, signed by a Director, whether before or after the meeting, is equivalent to giving notice of the meeting to the Director. Except as provided below, the waiver shall be in writing, signed by the director entitled to the notice and filed with the minutes or the corporate records. Attendance of a Director at a meeting in person constitutes waiver of notice of the meeting, except when the Director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or conveyed and does not thereafter vote for or assent to the objected to action.

6.10 Action of Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Board may be taken without a meeting if all of the Directors agree in writing to such action. The action shall be evidenced by one (1) or more written consents describing the action taken, be signed by each director, and be included in the minutes filed with the corporate records reflecting the action taken. Such action taken without a meeting shall not be effective unless and until all such writings necessary to effect the action are received by the Association; except that the writings may set forth a different effective date. A signed consent has the effect of a meeting vote and may be described as such in any document. A signed consent may be in the form of an e-mail.

6.11 Meeting Attendance; Open Meetings; Executive Sessions.

A. The Board may permit any Director or Member to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all persons participating may hear each other during the meeting, including but not limited to conference calls. A Director or Member participating in a meeting by this means is deemed to be present in person at the meeting.

B. All regular and special meetings of the Board shall be open to attendance by all Members of the Association or their representatives. Agendas for meetings of the Board shall be made reasonably available for examination by all Members of the Association or their representatives. The Board shall be required to notify the Members prior to the Board Meeting to satisfy those requirements set forth in Section 3.2 and Section 4.2(a) of the Declaration. Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of the Directors present at the meeting at which a quorum is present. However, the Board may establish a reasonable time limit for all Members of the Association to speak to the Board at any meeting of the Board and permit any Member of the Association to speak at any meeting of the Board within such time limit.

C. The Board may hold an executive or closed door session and may restrict attendance to Directors and such other persons requested by the Board during a regular or specially announced meeting or a part thereof. The nature of any and all business to be considered in executive session shall first be announced in open session. Any matter discussed in executive session shall be generally noted in the minutes of the Board of Directors. The matters to be discussed at such an executive session shall be limited to: (i) matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association; (ii) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client; (iii) investigative proceedings concerning possible or actual criminal misconduct; (iv) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; (v) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; or (vi) review of or discussion relating to any written or oral communication from legal counsel. No rule or regulation shall be adopted during an executive session.

6.12 Board Duties. The Board of Directors shall undertake and fulfill the following duties:

A. Adopt Policies. The Board shall adopt policies of the Association which shall consist of such resolutions adopted by the Board of Directors that fulfill the purposes of the Association. Said policies will serve the membership and management as the statement of the specific objectives and purposes for which the Association exists.

B. Oversight and Review of Administration of Association Affairs. The Board shall review and direct the officers and agents of the Association to assure that the policies of the Association are being accomplished in a reasonable and prudent manner and that the requirements for operation of the Lots as set forth in the Governing Documents and the laws applicable to the Lots are fulfilled to the extent reasonable and appropriate.

C. Supervision. The Board shall supervise all officers, agents and employees of the Association to see that their duties are properly performed.

6.13 Board Powers. The Board of Directors shall have power to:

A. Manager. Employ an individual who shall act as the manager of the Association.

B. Adoption of Rules. Adopt Master Rules and Regulations in accordance with the Declaration.

C. Assessments, Liens and Fines. Levy and collect Assessments and impose fines as provided in the Declaration.

D. Enforcement (Notice and Hearing). Enforce these Bylaws, the Declaration and the Master Rules and Regulations provided that at least fifteen (15) days' prior notice of any charges (other than Assessments) or potential discipline, including but not limited to the suspension of rights governed by the Association, or fines and the reasons therefore are given to the Member affected, and that an opportunity is provided for the Member to be heard, orally or in writing, not less than five (5) days before the imposition of the discipline or fine, said hearing to be before the Board. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first-class or registered mail sent to the last address of the Member as shown on the Association's records.

E. Delegation. Delegate its authority and powers to officers or employees of the Association or to a manager employed by the Association. The Board may not delegate the authority: (i) to make expenditures for capital additions or improvements chargeable against the reserve funds; (ii) to conduct hearings concerning compliance by an Owner or his or her tenant, lessee, guest or invitee with the Declaration or rules and regulations promulgated by the Board; (iii) to make a decision to levy monetary fines, impose Special Assessments against individual Lots, temporarily suspend an Owner's rights as a Member of the Association or otherwise impose discipline following any such hearing; (iv) to make a decision to levy annual or Special Assessments; or (v) to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments. However, the Board may adopt a policy and procedure for the recordation of a claim of lien, institute foreclosure proceedings for default in payment of Assessments, to be administered by an officer of the Association. It shall not be necessary for each action regarding a delinquent assessment be reviewed and acted on by the Board if the Board has adopted a policy and procedure for the collections of delinquent assessments. Any delegation shall be revocable by the Board at any time. The members of the Board, individually or

collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

F. Appointment of Trustee. Appoint a trustee to enforce assessment liens by power of sale as provided in the Declaration.

G. Other Powers. In addition to any other power contained herein, the Association may exercise the powers granted by law.

6.14 Prohibited Acts. The Board shall not take any of the following actions, except with a vote by the Members held pursuant to these Bylaws or by written ballot without a meeting pursuant to laws of the State of Wyoming and these Bylaws, of a simple majority of the Members:

A. Entering into a contract with a third person wherein the third person will furnish goods or services for the Association for a term longer than one (1) year or, notwithstanding the term, where the amount to be paid to the vendor including, without limitation, amounts to be paid under contingent fee contracts, may reasonably be expected to exceed the sum of \$10,000 or ten percent (10%) of the budgeted gross expenses of the Association for the fiscal year in which the contract is signed, whichever is less, and the contract is other than for the maintenance, repair, replacement or reconstruction of one or more elements of the Common Area, with the following exceptions:

- (1) A management contract;
- (2) Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the policy permits short rate cancellation by the insured; and
- (3) A contract for a term not to exceed three (3) years that is terminable by the Association after no longer than one (1) year without cause, penalty, or other obligation upon ninety (90) days' written notice of termination to the other party.

B. Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year;

C. Selling during any fiscal year property of the Association having an aggregate fair market value greater than ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year;

D. Paying compensation to Members of the Board or to the officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a Member or officer to be reimbursed for the actual expenses, if reasonable, that are incurred in the performance of his or her duties.

ARTICLE VII – ASSOCIATION DUTIES AND RESPONSIBILITIES

7.1 Association Duties. The Association shall, as provided in these Bylaws or as the Board may otherwise direct, through its manager, undertake the following duties and responsibilities:

A. Maintenance. Perform the maintenance described in the Declaration.

B. Insurance. Maintain insurance as required by the Declaration. The Association shall, upon issuance or renewal of insurance, but no less than annually, notify the Members as to the amount and type of insurance carried by the Association, and it shall accompany this notification with statements to the effect that the Association is or is not insured to the levels specified by Law and that if the Association is not so insured that Owners may be individually liable for the entire amount of a judgment, and, if the Association is insured to the levels specified in the section, then the Owners may be individually liable only for their proportional share of Assessments levied to pay the amount of any judgment which exceeds the limits of the association's insurance. The Association shall not levy any Assessment against the Members to pay the amount of any judgment against the Association without a vote approving such Assessment or written consent of a majority of the Members.

C. Discharge of Liens. Discharge by payment, if necessary, any lien against the Common Area and assess the cost thereof to the Member or Members responsible for the existence of the lien (after notice and hearing as required by these Bylaws).

D. Assessments. Fix, levy, collect and enforce Assessments as set forth in the Declaration.

E. Expenses and Obligations. Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association.

F. Enforcement. Enforce these Bylaws, the Declaration and any rules and regulations pertaining to the Property, the Association and its Members provided that at least fifteen (15) days prior notice of any charges (other than assessments) or potential discipline, including but not limited to the suspension of rights governed by the Association, or fines and the reasons therefore are given to the Member affected, and that an opportunity is provided for the Member to be heard, orally or in writing, not less than five (5) days before the imposition of the discipline or fine, said hearing to be before the Board. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first-class or registered mail sent to the last address of the Member as shown on the Association's records.

G. Records. Cause to be kept: (i) a complete record of all its acts and affairs; (ii) adequate and correct books and records of account; (iii) minutes of proceedings of its Members, Board and committees; and (iv) a record of its Members giving their names and addresses.

H. Financial Requirements. Comply with Article X of these Bylaws.

ARTICLE VIII - OFFICERS

8.1 Officers, Employees, and Agents. The officers of the Association shall be Directors and will consist of a President, one or more Vice-Presidents, a Secretary, a Treasurer, and other officers, assistant officers, employees, and agents as the Board deems necessary. Any two or more offices may be held by the same person, except that no one person may simultaneously hold the positions of President and Secretary.

8.2 Appointment and Term of Office of Officers. Each officer will be appointed by the Board at its annual meeting and will hold office, subject to the pleasure of the Board, until the next

annual meeting of the Board or until the officer's successor is appointed, whichever is later, unless the officer resigns, or is removed earlier.

8.3 Removal of Officers. Any officer, employee or agent may be removed by the Board, with or without cause, whenever in the Board's judgment the best interests of the Association will be served by the removal. The removal of an officer, employee or agent will be without prejudice to the contract rights, if any, of the officer, employee or agent removed. Election or appointment of an officer, employee or agent does not itself create contract rights.

8.4 Resignation of Officers. Any officer may resign at any time by giving written notice to the President, to the Secretary or to the Board stating the effective date of his or her resignation. A resignation is effective when the notice is effective unless the notice specifies a future effective date. If a resignation is made effective at a future date and the corporation accepts the future effective date, its board of directors may fill the pending vacancy before the effective date if the board provides that the successor cannot take office until the effective date.

8.5 Vacancies in Officers. Any vacancy occurring in any officer's position may be filled by appointment of a new officer by the Board. An officer appointed to fill a vacancy will be appointed for the unexpired term of his or her predecessor in office.

8.6 President. The President will be the principal executive officer of the Association and, subject to the control of the Board, will direct, supervise, coordinate and have general powers generally attributable to the chief executive officer of a corporation. The President will preside at all meetings of the Board and of the Members.

8.7 Vice-President. A Vice-President may act in place of the President in case of his or her death, absence or inability to act, and will perform other duties and have authority as is from time to time delegated by the Board or by the President. The Board may appoint more than one Vice-President.

8.8 Secretary. The Secretary will be the custodian of the records and the seal of the Association, if any, and will affix the seal, if any, to all documents requiring it; will see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law, and that the books, reports, other documents, and all records required to be kept by the Association under these Bylaws are properly kept and filed; will take or cause to be taken and will keep minutes of the meetings of the Members and of the Board; will keep at the principal office of the Association a record of the names and addresses of the Members and the Authorized Representative(s), if any, of each Member; and, in general, will perform all duties incident to the office of Secretary and other duties as may, from time to time, be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his or her death, absence or inability to act.

8.9 Treasurer. The Treasurer will have charge and custody of, and be responsible for, all funds and securities of the Association in depositories designated by the Board; will keep correct and complete financial records and books of account and records of financial transactions and condition of the Association and will submit reports of them as the Board requires from time to time; and, in general, will perform all the duties incident to the office of Treasurer and other duties as may from time to time be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his or her death, absence or inability to act.

8.10 Authority of Officers to Amend Declaration. The President and, in the President's absence or unavailability, any Vice-President, may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

ARTICLE IX – COMMITTEES

9.1 Architectural Review and Nominating Committees. An Architectural Review Committee may be appointed as provided in the Declaration; the members of a Nominating Committee may be appointed as provided in these Bylaws.

9.2 Other Committees. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

9.3 Limitations on Committees. No committee, regardless of Board resolution, shall have the power to: (a) take any final action on matters that, under the laws of Wyoming, also require Members' approval; (b) fill vacancies on the Board of Directors or in any committee; (c) amend or repeal Bylaws or adopt new Bylaws; (d) amend or repeal any resolution of the Board of Directors; (e) appoint any other committees of the Board of Directors or the members of those committees; (f) approve any transaction to which the Association is a party and in which one (1) or more directors have a material financial interest.

9.4. Purpose of Committees. The purpose of all committees shall be to assist the Board of Directors in the development of policies and to assist in the oversight and assessment of the Association policies. No committee shall be assigned, delegated, or chartered in any manner, which would authorize them to take final action in the name of the Association. No committee, officer of a committee, or member of the committee shall take any action that is assigned to the Office of the President or other Officers of the Association. All committees shall report to the Board and shall serve at the pleasure of the Board. Committees of the Board shall not have authority to direct contractors, agents, or Officers of the Association.

ARTICLE X – FINANCIAL RECORDS AND REPORTS.

10.1 Corporate Records.

A. The Association shall keep as permanent records minutes of all meetings of its Members and Board of Directors, a record of all actions taken by the Members or Directors without a meeting, and a record of all actions taken by Committees of the Board of Directors as authorized by these Bylaws and W.S. 17-19-825(d).

B. The Association or the Managing Agent shall maintain appropriate accounting records.

C. The Association or its agents shall maintain a record of its Members in a form that permits preparation of a list of the name and address of all Members, in alphabetical order by class, showing the number of votes each Member is entitled to cast.

D. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

E. The Association shall keep a copy of the following records at its principal office:

- (1) Its articles or restates articles of incorporation and all amendments to them currently in effect;
- (2) The Bylaws or restated bylaws and all amendments thereto currently in effect;
- (3) Resolutions adopted by the Board;
- (4) The minutes of all of the meetings of Members and records of all actions approved by the Members for the past three (3) years;
- (5) All written communications to Members generally within the past three (3) years, including the financial statements furnished for the past three years under W.S. 17-19-1620;

10.2 Inspection of Records by Members.

A. A Member is entitled to inspect and copy (by photocopy), at a reasonable time and location, specified by the Association, any of the records of the Association set forth above in Section 10.1(E), if such Member gives the Association written notice or a written demand at least five (5) business days before the date on which the Member wishes to inspect and copy. The Association may impose a reasonable charge, covering costs of labor and materials, for copies of any documents provided to a Member. The charge may not exceed the estimated cost of production or reproduction of the records.

B. A Member is entitled to inspect and copy (by photocopy or xerox), at a reasonable time and location specified by the Association, any of the following records of the Association if the Member meets all of the requirements set forth in subsection C below and gives the Association written notice at least five (5) business days before the date of on which the member wishes to inspect and copy:

- (1) Excerpts from any records required to be maintained that are not subject to inspection in Section 10.2(A);
- (2) Accounting records of the Association; and
- (3) Subject to Section 10.4, the Membership list.

C. A Member may inspect and copy the records identified in 10.2(B) only if:

- (1) The Member's demand is made in good faith and for a proper purpose;
- (2) The Member describes with reasonable particularity the purpose and the records the Member desires to inspect; and
- (3) The records are directly connected to such purpose.

D. The rights of this Section 10.2 does not affect the right of a Member to inspect records under W.S. 17-19-720 or, if the Member is in litigation with the Association, to the same extent as any other litigant. The rights of this Section 10.2 also do not affect the power of a court, independently of these Bylaws and the NonProfit Act, to compel the production of corporate records for examination.

E. Nothing in these Bylaws and/or in the Nonprofit Act pertaining to access to corporate records shall operate to violate the confidentiality of records, including patent files, personnel matters, disciplinary files, individual member files, client files, medical files or other files which are generally considered by law to be confidential or privileged.

10.3 Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents, at the expense of the Association.

10.4 Budgets, Financial Statements and Reports. The Association shall cause to be prepared and distributed budgets, financial statements, and reports to each Member as follows:

A. A pro forma operating budget for each fiscal year shall be distributed as provided for in the Declaration and shall consist of at least the following:

- (1) Estimated revenue and expenses on an accrual basis;
- (2) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to Section 10.5, which shall include all of the following:
 - (i) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component;
 - (ii) As of the end of the fiscal year for which the study is prepared:
 - (a) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components;
 - (b) The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components;
 - (c) If applicable, the amount of funds received from either a compensatory damage award or settlement to the Association from any person or entity for injuries to property, real or personal, arising out of any construction or design defects, and the expenditure or disposition of funds, including the amounts expended for the direct and indirect costs of repair of construction or design defects. These amounts shall be reported at the end of the fiscal year for which the study is prepared as separate line items under cash reserves pursuant to clause (B). In lieu of complying with this requirement, the Association may include in the review of its financial statement, a statement containing all of the foregoing information.
 - (d) The percentage that accumulated cash reserves actually set aside is of the current estimate of cash reserves necessary.

(3) A statement as to whether the Board has determined or anticipates that the levy of one or more Special Assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefore;

(4) A general statement setting forth the procedures used in the calculation and establishment of those reserves to defray the future repair, replacement or additions to those major components that the Association is obligated to maintain.

10.5 Reserve Studies. At least every two years the Board shall cause a study of the reserve account requirements of the Lots to be conducted, including a reasonably competent and diligent visual inspection of the accessible areas of the major components which the Association is obligated to repair, replace, restore or maintain, if the current replacement value of said major components is equal to or greater than one-half of the gross budget of the Association, excluding the Association's reserve account for that period. The Board shall review this study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review. The study required by this section shall at a minimum include:

A. Identification of the major components which the Association is obligated to repair, replace, restore, or maintain, which as of the date of the study have a remaining useful life of less than thirty (30) years;

B. Identification of the probable remaining useful life of the components as of the date of the study;

C. An estimate of the cost of repair, replacement, restoration, or maintenance of each major component during and at the end of its useful life; and

D. An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study.

As used in this Section, the definition of reserve account shall mean both: (a) monies that the Association's Board of Directors has identified for use to defray the future repair or replacement of, or additions to, those major components which the Association is obligated to maintain; and (b) funds received but not expended or disposed from either a compensatory damage award or settlement to the Association from any person or entity for injuries to property, real or personal, arising from any construction or design defects, which funds shall be separately itemized from funds described as the items in A. above. As used in this section, "reserve account requirements" means the estimated funds which the Board has determined are required to be available at a specified point in time to repair, replace, or restore those major components which the Association is obligated to maintain. For purposes herein, "reserve accounts" shall mean monies that the Association's Board has identified for use to defray the future repair or replacement of, or additions to, those major components which the Association is obligated to maintain.

10.6 Reserve Account Fund Management. The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of major components which the Association is obligated to repair, restore, replace, or maintain ("Association Major Components") and for which the reserve fund was established, or litigation involving Association Major Components. However, the Board may authorize the temporary transfer of money from a reserve fund to the Association's general operating fund to meet short-term cash-flow

requirements or other expenses, provided that the Board has made a written finding recorded in the minutes of the Board explaining the reason that the transfer is needed, and describing when and how the money will be repaid to the reserve fund. The transferred funds shall be restored to the reserve fund within one (1) year of the date of the initial transfer, except that the Board may, upon making a finding supported by documentation that a delay would be in the best interests of the Properties (as defined in the Declaration), delay the restoration until the time which the Board reasonably determines to be necessary. The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by this section. This Special Assessment is subject to the limitation imposed by the Declaration. The Board may, at its discretion, extend the date the payment on the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid Special Assessment. When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Association shall notify the Members of the Association of that decision in the next available mailing to all Members and of the availability of any accounting of those expenses. Unless the Governing Documents impose more stringent standards, the Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Members of the Association at the Association's office.

10.7 Reserve Account Withdrawal Restrictions. At least two (2) signatures or a resolution of the Board of Directors recorded in the Association's minutes shall be required for the withdrawal of monies from the Association's reserve accounts; signatures shall be those of members of the Board.

ARTICLE XI - MISCELLANEOUS

11.1 Amendment of Bylaws. The Bylaws may contain any provision for the regulation or management of the affairs of the Association not inconsistent with the Declaration, the Articles and/or the Nonprofit Act. The Members may amend the Bylaws by the affirmative vote (in person or by proxy) or written consent of Members representing 2/3rds of the Members.

11.2 Compensation of Officers, Directors, and Members. No Director or officer may receive any compensation from the Association for serving as a Director or officer except for reimbursement of expenses approved by resolution of disinterested Directors. Agents and employees of the Association will receive reasonable compensation, if any, approved by the Board. Appointment of a person as an agent or employee will not, itself, create any right to compensation.

11.3 Corporate Reports. The Association will file with the Secretary of State of Wyoming, within the time prescribed by law, corporate reports on the forms prescribed and furnished by the Secretary of State and containing the information required by law. The Association will pay the fee for the filing as prescribed by law.

11.4 Fiscal Year. The fiscal year of the Association shall mean calendar year unless otherwise determined by the Board.

11.5 Seal. The Board may, but is not required to, adopt a seal on which is inscribed the name of the Association and the words "SEAL" and "WYOMING."

11.6 Shares of Stock and Dividends Prohibited. The Association may not have or issue shares of stock, and may not pay any dividend or distribute any part of the Association's income or profit to its Members, Board, or officers. Notwithstanding the foregoing, the Association may issue

certificates evidencing Membership, may confer benefits upon its Members conforming with its purposes, and, upon dissolution or final liquidation, may make distributions as permitted by law. No such payment, benefit, or distribution will be deemed to be a dividend or distribution of income or profit.

11.7 Minutes and Presumptions Thereunder. Minutes or any similar records of the meetings of the Members or the Board, when signed by the Secretary, an Assistant Secretary, or acting Secretary of the meeting, are presumed to truthfully evidence the matters set forth in the minutes or records. A recitation in any such minutes that notice of the meeting was properly given is prima facie evidence that the notice was given.

11.8 Checks, Drafts, and Documents. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the Association, will be signed or endorsed by such person or persons, and in such manner as the Board determines by resolution from time to time.

CERTIFICATION OF ADOPTION

I, _____, as Secretary of Jackson Hole Golf and Tennis Club Estates Third Filing Homeowners Association certify that these Bylaws of Jackson Hole Golf and Tennis Club Estates Third Filing Homeowners Association were duly amended by consent of ____ percent of the Members of the Jackson Hole Golf and Tennis Club Estates Third Filing Homeowners Association and adopted by the Board of Jackson Hole Golf and Tennis Club Estates Third Filing Homeowners Association on the ____ day of _____, 2009.

By:
Name:
Title: Secretary